

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 27

Appropriations Committee Substitute Adopted 5/11/93

Appropriations Committee Substitute No. 2 Adopted 5/12/93

Fourth Edition Engrossed 5/13/93

House Committee Substitute Favorable with Amendments 5/27/93

Short Title: Current Operations Budget.

(Public)

Sponsors:

Referred to:

February 1, 1993

A BILL TO BE ENTITLED

AN ACT TO MAKE CONTINUATION AND EXPANSION BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

INTRODUCTION

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

Requested by: Representatives Nesbitt and Diamont

TITLE OF ACT

Sec. 2. This act shall be known as Current Operations Appropriations Act of 1993.

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PART 1. GENERAL FUND APPROPRIATIONS

CURRENT OPERATIONS/GENERAL FUND

Sec. 3. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the biennium ending June 30, 1995, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1993-94 and 1994-95 fiscal years.

<u>Current Operations - General Fund</u>	<u>1993-94</u>	<u>1994-95</u>
General Assembly	\$ 21,135,599	\$ 24,732,877
Judicial Department	239,482,864	243,646,528
Office of the Governor		
01. Office of the Governor	4,991,133	5,010,409
02. Office of State Budget and Management	3,311,982	3,434,483
03. Office of State Planning	1,580,119	1,604,233
Office of the Lieutenant Governor		598,002 599,843
Department of Secretary of State		4,878,150 4,837,901
Department of State Auditor		8,401,577 7,845,701
Department of State Treasurer		
01. State Treasurer	5,867,689	6,344,754
02. Special Contributions	5,437,248	5,437,248
Public Education		
01. Department of Public Instruction	55,246,458	54,464,621
02. State Aid to Local School Administrative Units	3,498,063,160	3,550,390,843
03. State Board of Education	98,408	98,408
Total Public Education	3,553,408,026	3,604,953,872
Department of Justice		53,841,134 54,171,084
Department of Administration		51,087,168 52,341,078
Department of Agriculture		42,420,721 42,503,239

1			
2	Department of Labor		14,139,815 14,194,286
3			
4	Department of Insurance		13,640,140 12,998,139
5			
6	Department of Transportation		
7	01. Aeronautics	8,516,571	9,016,571
8	02. Aid to Railroads	96,305	100,000
9	Total Department of		
10	Transportation		8,612,876 9,116,571
11			
12	Department of Environment, Health, and		
13	Natural Resources		206,051,907 215,391,247
14			
15	Office of Administrative Hearings		1,929,239 1,933,500
16			
17	Rules Review Commission		258,516 258,593
18			
19	Department of Human Resources		
20	01. DHR - Secretary	11,209,687	11,283,337
21	02. Division of Aging	11,001,911	11,002,354
22	03. Schools for the Deaf and		
23	Hard of Hearing	21,918,640	22,168,919
24	04. Social Services	184,450,150	193,945,972
25	05. Medical Assistance	861,349,696	1,013,256,533
26	06. Social Services - State Aid to		
27	Non-State Agencies	6,511,725	6,211,725
28	07. Division of Services for the Blind	13,928,489	14,444,550
29	08. Division of Mental Health,		
30	Developmental Disabilities, and		
31	Substance Abuse Services	440,070,011	449,515,836
32	09. Division of Facility Services	74,830,528	100,328,710
33	10. Division of Vocational		
34	Rehabilitation Services	23,561,191	24,277,168
35	11. Division of Youth Services	53,398,455	53,891,405
36	Total Department of Human Resources		1,702,230,483 1,900,326,509
37			
38	Department of Correction		558,401,680 591,226,285
39			
40	Department of Commerce		
41	01. Commerce	32,583,978	30,163,823
42	02. Biotechnology Reserve	7,014,396	7,014,396
43	03. MCNC	15,680,000	15,680,000
44	04. REDC	1,470,000	1,470,000

1			
2	Department of Revenue	57,154,295	60,123,971
3			
4	Department of Cultural Resources	42,255,631	42,479,770
5			
6	Department of Crime Control		
7	and Public Safety	29,520,666	27,447,220
8			
9	Office of the State Controller	6,405,431	6,411,017
10			
11	University of North Carolina - Board		
12	of Governors		
13	01. General Administration	17,200,841	17,166,323
14	02. University Institutional		
15	Programs	37,971,889	37,225,508
16	03. Related Educational Programs	47,116,796	47,732,771
17	04. University of North Carolina		
18	at Chapel Hill		
19	a. Academic Affairs	137,621,265	139,521,105
20	b. Health Affairs	109,719,612	111,962,193
21	c. Area Health Education		
22	Centers	32,351,252	32,347,434
23	05. North Carolina State University		
24	at Raleigh		
25	a. Academic Affairs	179,876,831	180,709,614
26	b. Agricultural Research Service	36,838,445	36,903,257
27	c. Agricultural Extension Service	28,882,861	28,613,730
28	06. University of North Carolina at		
29	Greensboro	55,765,417	55,961,841
30	07. University of North Carolina at		
31	Charlotte	59,807,408	60,072,862
32	08. University of North Carolina at		
33	Asheville	17,274,278	17,376,386
34	09. University of North Carolina at		
35	Wilmington	34,024,551	34,264,199
36	10. East Carolina University		
37	a. Academic Affairs	75,557,468	76,109,240
38	b. Division of Health Affairs	37,715,639	37,768,125
39	11. North Carolina Agricultural and		
40	Technical State University	41,202,109	41,430,408
41	12. Western Carolina University	36,951,472	37,011,981
42	13. Appalachian State University	53,291,855	53,368,375
43	14. Pembroke State University	16,639,745	16,742,244
44	15. Winston-Salem State University	16,623,929	16,751,903

1	16.	Elizabeth City State		
2		University	15,683,323	15,703,970
3	17.	Fayetteville State University	19,563,111	19,942,709
4	18.	North Carolina Central		
5		University	28,319,792	28,533,237
6	19.	North Carolina School of the		
7		Arts	8,078,021	8,097,592
8	20.	North Carolina School of		
9		Science and Mathematics	7,569,189	7,619,946
10	21.	UNC Hospitals at Chapel Hill	40,690,416	43,476,135
11	Total University of North			
12	Carolina - Board of Governors		1,192,242,975	1,202,311,715
13				
14	Department of Community Colleges		412,797,941	412,814,482
15				
16	State Board of Elections		545,539	545,885
17				
18	Contingency and Emergency		1,125,000	1,125,000
19				
20	Reserve for Salary Increases			
21		a. 2% Salary Increase	112,052,142	116,549,560
22		b. Wage Floor for Lowest		
23		Paid Employees	135,500	135,500
24	Reserve for			
25	Compensation Bonus		32,551,128	–
26				
27	Reserve for Public School			
28	Employees' Sick Leave			
29	Bank		2,000,000	2,000,000
30				
31	Reserve for Restoring Pay Date		28,200,000	–
32				
33	Reserve for Salary Adjustments		500,000	500,000
34				
35	Reserve for Lowest Paid Employees		1,400,724	1,400,724
36				
37	Reserve for OSHA - Bloodborne Pathogens		1,000,000	1,000,000
38				
39	Reserve for Retiree 30% Reduction		(7,090,615)	(7,090,615)
40				
41	Debt Service		92,263,558	89,113,783
42				
43	Local Government Shared Revenue		–	–
44				

1	Reserve for Small Employer		
2	Health Insurance		4,000,000 500,000
3			
4	GRAND TOTAL CURRENT OPERATIONS –		
5	GENERAL FUND	\$8,567,608,897	\$8,814,705,984

PART 2. CURRENT OPERATIONS/HIGHWAY FUND

9 Sec. 4. Appropriations from the Highway Fund of the State for the
 10 maintenance and operation of the Department of Transportation, and for other purposes
 11 as enumerated, are made for the biennium ending June 30, 1995, according to the
 12 following schedule:

14	<u>Current Operations - Highway Fund</u>	<u>1993-94</u>	<u>1994-95</u>
16	Department of Transportation		
17	01. Administration	\$ 40,960,487	\$ 38,153,812
18	02. Division of Highways		
19	a. Administration and		
20	Operations	33,415,706	33,440,792
21	b. State Construction		
22	(01) Primary Construction	–	–
23	(02) Secondary		
24	Construction		66,486,917 66,884,639
25	(03) Urban Construction		9,028,266 9,028,266
26	(04) Access and Public		
27	Service Roads		2,000,000 2,000,000
28	(05) Spot Safety		
29	Improvements		9,100,000 9,100,000
30	c. State Funds to Match Federal		
31	Highway Aid		
32	(01) Construction	47,992,066	47,992,066
33	(02) Planning Survey and Highway		
34	Planning Research		2,959,649 2,959,649
35	d. State Maintenance		
36	(01) Primary	97,668,441	99,175,040
37	(02) Secondary	171,149,241	173,797,206
38	(03) Urban	25,677,096	26,087,987
39	(04) Contract Resurfacing	87,500,000	87,500,000
40	e. Ferry Operations	15,541,455	15,541,455
41	03. Division of Motor Vehicles	79,025,411	78,654,819
42	04. Governor's Highway Safety Program	290,923	291,575
43	05. State Aid to Municipalities		66,486,917 66,884,639
44	06. State Aid for Public		

1	Transportation	10,596,461	10,646,921	
2	07. Salary Adjustments for Highway			
3	Fund Employees	200,000	200,000	
4	08. Reserve to Correct Occupational			
5	Safety and Health Conditions	425,000	425,000	
6	09. Debt Service	37,359,875	27,664,550	
7	10. Reserve for Compensation			
8	Increases	7,109,156	7,109,156	
9	11. Reserve for Transportation			
10	Study	222,750	346,500	
11	12. Reserve for Air Cargo			
12	Authority	750,000	750,000	
13				
14	Reserve for Compensation Bonus			3,481,723 –
15				
16	Emergencies and Inflationary Adjustment			1,085,490 1,585,490
17				
18	Appropriations for Other State Agencies			
19	01. Crime Control and Public			
20	Safety	93,267,262	94,517,208	
21	02. Other Agencies			
22	a. Department of Agriculture	3,057,180	3,030,245	
23	b. Department of Revenue	2,063,522	2,065,412	
24	c. Department of Environment,			
25	Health, and Natural Resources:			
26	LUST Trust Fund	4,809,298	4,904,343	
27	Chemical Test Program	371,944	373,407	
28	d. Department of Correction	4,614,056	4,614,056	
29	e. Department of Public			
30	Instruction	24,106,801	25,475,767	
31	f. Department of State			
32	Treasurer	<u>9,900,000</u>	<u>10,500,000</u>	
33				
34	GRAND TOTAL CURRENT OPERATIONS –			
35	HIGHWAY FUND			\$ 958,703,093 \$ 951,700,000
36				

37 PART 3. HIGHWAY TRUST FUND

38
39 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal
40 biennium ending June 30, 1995, according to the following schedule:

41			
42	<u>Highway Trust Fund</u>	<u>1993-94</u>	<u>1994-95</u>
43			
44	01. Intrastate System	\$ 213,689,246	\$ 226,572,368

1	02.	Secondary Roads Construction	49,470,987	51,222,727
2	03.	Urban Loops	86,407,031	91,616,429
3	04.	State Aid - Municipalities	22,420,986	23,772,726
4	05.	Program Administration	15,711,750	16,215,750
5	06.	Transfer to General Fund	<u>170,000,000</u>	<u>170,000,000</u>

6
7 GRAND TOTAL/HIGHWAY TRUST FUND \$ 557,700,000 \$ 579,400,000
8

9 **PART 4. BLOCK GRANT APPROPRIATIONS**

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

12 **DHR BLOCK GRANT PROVISIONS**

13 Sec. 6. (a) Appropriations from federal block grant funds are made for the
14 fiscal year ending June 30, 1994, according to the following schedule:

15
16 **COMMUNITY SERVICES BLOCK GRANT**

17	01.	Community Action Agencies	\$ 9,105,422
18	02.	Limited Purpose Agencies	505,857
19	03.	Department of Human Resources	
20		to administer and monitor	
21		the activities of the	
22		Community Services Block Grant	505,857

23
24
25
26
27 TOTAL COMMUNITY SERVICES BLOCK GRANT \$
28 10,117,136
29

30 **SOCIAL SERVICES BLOCK GRANT**

31	01.	County Departments of Social Services	\$ 42,253,005
32	02.	Allocation for In-Home Services provided	
33		by County Departments of	
34		Social Services	458,722
35	03.	Division of Mental Health, Developmental	
36		Disabilities, and Substance Abuse	5,519,178
37	04.	Division of Services for the Blind	3,205,711
38	05.	Division of Youth Services	1,052,674

1	06.	Division of Facility Services	336,575
2			
3	07.	Division of Aging	334,663
4			
5	08.	Day Care Services	12,158,899
6			
7	09.	Volunteer Services	55,458
8			
9	10.	State Administration and State Level	
10		Contracts	3,473,524
11			
12	11.	Voluntary Sterilization Funds	98,710
13			
14	12.	Transfer to Maternal and Child	
15		Health Block Grant	1,585,833
16			
17	13.	Adult Day Care Services	306,323
18			
19	14.	County Departments of Social Services for	
20		Child Abuse/Prevention and	
21		Permanency Planning	394,841
22			
23	15.	Allocation to Division of Maternal and	
24		Child Health for Grants-in-Aid to Prevention	
25		Programs	439,261
26			
27	16.	Transfer to Preventive Health	
28		Block Grant for Emergency Medical Services	
29		and Basic Public Health Services	695,834
30			
31	17.	Allocation to Preventive Health Block	
32		Grant for AIDS Education	81,001
33			
34	18.	Allocation to Department of Administration	
35		for North Carolina Fund for Children	45,270
36			
37	19.	Allocation to Home and Community Care	
38		Block Grant for Persons Age 60	
39		and Older	1,649,077
40			
41	20.	Allocation to the Division of Economic	
42		Opportunity for Head Start,	
43		Elderly and Handicapped Services	197,421
44			

1	TOTAL SOCIAL SERVICES BLOCK GRANT		\$
2	74,341,980		
3			
4	LOW INCOME ENERGY BLOCK GRANT		
5			
6	01. Energy Assistance Programs	\$ 17,934,847	
7			
8	02. Crisis Intervention	5,411,563	
9			
10	03. Administration	2,413,779	
11			
12	04. Weatherization Program	2,100,000	
13			
14	05. Indian Affairs	33,022	
15			
16	TOTAL LOW INCOME ENERGY BLOCK GRANT		\$
17	27,893,211		
18			
19	MENTAL HEALTH SERVICES BLOCK GRANT		
20			
21	01. Provision of Community-Based		
22	Services in accordance with the		
23	Mental Health Study Commission's		
24	Adult Severe and Persistently		
25	Mentally Ill Plan	3,794,179	
26			
27	02. Provision of Community-Based		
28	Services in accordance with the		
29	Mental Health Study Commission's		
30	Child Mental Health Plan	1,802,819	
31			
32	03. Administration	514,037	
33			
34	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$
35	6,111,035		
36			
37	BLOCK GRANT FOR THE PREVENTION AND		
38	TREATMENT OF SUBSTANCE ABUSE		
39			
40	01. Provision of Community-Based		
41	Alcohol and Drug-Abuse Services,		
42	Tuberculosis Services, and Services		
43	provided by the Alcohol, Drug-Abuse		
44	Treatment Centers	\$ 10,335,939	

1			
2	02.	Continuation and Expansion of	
3		Services for Pregnant Women and	
4		Women with Dependent Children	4,795,389
5			
6	03.	Continuation and Expansion of	
7		Services to IV Drug Abusers and others	
8		at risk for HIV diseases	5,567,328
9			
10	04.	Provision of services in accordance with	
11		the Mental Health Study Commission's	
12		Child and Adolescent Alcohol and other	
13		Drug-Abuse Plan	4,396,416
14			
15	05.	Administration	1,669,460
16			
17	TOTAL BLOCK GRANT FOR PREVENTION		
18	AND TREATMENT OF SUBSTANCE ABUSE		
19			\$
20			26,764,532
21	CHILD CARE AND DEVELOPMENT BLOCK GRANT		
22			
23	01.	Child Day Care Services	\$ 14,953,945
24			
25	02.	Administrative Expenses and Quality	
26		and Availability Initiatives	1,544,405
27			
28	03.	Before and After School Child Care Programs	
29		and Early Childhood Development Programs	5,010,698
30			
31	04.	Quality Improvement Activities	1,480,737
32			
33	TOTAL CHILD CARE AND DEVELOPMENT		
34	BLOCK GRANT		
35			\$
36			22,989,785

(b) Decreases in Federal Fund Availability

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

(c) Increases in Federal Fund Availability

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, with the approval of the Office of State Budget and Management, provided

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

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

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

11
12 Requested by: Representatives Bowman and DeVane

13 **NER BLOCK GRANT PROVISIONS**

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

16
17 TOTAL JOB TRAINING PARTNERSHIP ACT \$
18 53,841,243

19
20 COMMUNITY DEVELOPMENT BLOCK GRANT

- 21
22 01. State Administration \$ 1,026,940
23
24 02. Urgent Needs and Contingency 2,242,830
25
26 03. Housing Development 2,242,829
27
28 04. Economic Development 8,971,318
29
30 05. Community Revitalization 31,399,613
31
32 06. State Technical Assistance 463,470
33

34 TOTAL COMMUNITY DEVELOPMENT
35 BLOCK GRANT \$
36 46,347,000

37
38 MATERNAL AND CHILD HEALTH SERVICES

- 39
40 01. Healthy Mother/Healthy Children
41 Block Grants to Local Health
42 Departments \$ 11,399,969
43
44 02. High Risk Maternity Clinic Services,

1	Perinatal Education, and Consultation		
2	to Local Health Departments		
3	and Other Health Care Providers	1,383,538	
4			
5	03. Services to Children with Disabilities	5,065,331	
6			
7	04. Reimbursements for Local Health		
8	Departments for Contracted		
9	Nutritional Services	120,530	
10			
11	TOTAL MATERNAL AND CHILD		
12	HEALTH SERVICES		\$
13	17,969,368		
14			
15	PREVENTIVE HEALTH BLOCK GRANT		
16			
17	01. Emergency Medical Services	\$ 452,375	
18			
19	02. Basic Public Health Services	428,395	
20			
21	03. Hypertension Programs	671,630	
22			
23	04. Statewide Health Promotion Programs	2,651,119	
24			
25	05. Fluoridation of Water Supplies	228,404	
26			
27	06. Rape Prevention and Rape		
28	Crisis Programs	183,632	
29			
30	07. AIDS/HIV Education, Counseling,		
31	and Testing	81,001	
32			
33	08. Office of Minority Health and		
34	Minority Health Council	190,000	
35			
36	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
37	4,886,566		
38			
39	(b) Decreases in Federal Fund Availability		
40	If federal funds are reduced below the amounts specified above after the		
41	effective date of this act, then every program, in each of the federal block grants listed		
42	above, shall be reduced by the same percentage as the reduction in federal funds.		
43	(c) Increases in Federal Fund Availability		

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

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

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

11 (3) For the Preventive Health Block Grants – these additional funds may
12 be budgeted by the appropriate department, with the approval of the
13 Office of State Budget and Management, provided the resultant
14 increases are in accordance with federal block grant requirements and
15 are within the scope of the block grant plan approved by the General
16 Assembly. All these budgeted increases shall be reported to the Joint
17 Legislative Commission on Governmental Operations and to the
18 Director of the Fiscal Research Division.

19 (d) Education Setaside of JTPA Funds

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

25 (e) Limitations on Community Development Block Grant Funds

26 Of the funds appropriated in this section for the Community Development
27 Block Grant, not more than one million twenty-six thousand nine hundred forty dollars
28 (\$1,026,940) may be used for State administration; up to two million two hundred forty-
29 two thousand eight hundred thirty dollars (\$2,242,830) may be used for Urgent Needs
30 and Contingency; up to two million two hundred forty-two thousand eight hundred
31 twenty-nine dollars (\$2,242,829) may be used for Housing Development; up to eight
32 million nine hundred seventy-one thousand three hundred eighteen dollars (\$8,971,318)
33 may be used for Economic Development; not less than thirty-one million three hundred
34 ninety-nine thousand six hundred thirteen dollars (\$31,399,613) shall be used for
35 Community Revitalization; and up to four hundred sixty-three thousand four hundred
36 seventy dollars (\$463,470) may be used for State Technical Assistance. If federal block
37 grant funds are reduced or increased by the United States Congress after the effective
38 date of this act, then these reductions or increases shall be allocated in accordance with
39 subsection (b) or (c) of this section, as applicable.

40
41 **PART 5. GENERAL PROVISIONS**

42
43 Requested by: Representatives Nesbitt and Diamont

44 **PERMIT DEVIATION FROM EXPENDITURE OF FUNDS RESTRICTION**

1 Sec. 9. For the 1993-94 fiscal year only, G.S. 143-16.3 does not apply to the
2 extent that the Director of the Budget finds that compliance is impossible and that
3 deviation is necessary because of complications in the budget process that were not
4 contemplated when the budget for the 1993-95 fiscal biennium was enacted.

5 The Director of the Budget shall report on a quarterly basis for the first six
6 months of the 1993-94 fiscal year and monthly thereafter, to the Joint Legislative
7 Commission on Governmental Operations and to the Fiscal Research Division of the
8 Legislative Services Office on any deviations from G.S. 143-16.3, the reasons that
9 compliance was impossible, and the complications in the budget process that were not
10 contemplated when the budget for the 1993-95 fiscal biennium was enacted that made
11 compliance impossible.

12
13 Requested by: Representatives Nesbitt and Diamont

14 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL**
15 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

16 Sec. 10. There is appropriated out of the cash balances, federal receipts, and
17 departmental receipts available to each department, sufficient amounts to carry on
18 authorized activities included under each department's operations. All these cash
19 balances, federal receipts, and departmental receipts shall be expended and reported in
20 accordance with provisions of the Executive Budget Act, except as otherwise provided
21 by statute, and shall be expended at the level of service authorized by the General
22 Assembly. If the receipts, other than gifts and grants that are unanticipated and are for a
23 specific purpose only, collected in a fiscal year by an institution, department, or agency
24 exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, then
25 the Director of the Budget shall decrease the amount he allots to that institution,
26 department, or agency from appropriations from that Fund by the amount of the excess,
27 unless the Director of the Budget finds that the appropriations from the Fund are
28 necessary to maintain the function that generated the receipts at the level anticipated in
29 the certified Budget Codes for that Fund. Funds that become available from
30 overrealized receipts in General Fund Codes and Highway Fund Codes, other than gifts
31 and grants that are unanticipated and are for a specific purpose only, shall not be used
32 for new permanent employee positions or to raise the salary of existing employees
33 except:

- 34 (1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4, or 143-
35 27; or
36 (2) If the Director of the Budget finds that the new permanent employee
37 positions are necessary to maintain the function that generated the
38 receipts at the level anticipated in the certified budget codes for that
39 Fund. The Director of the Budget shall notify the President Pro
40 Tempore of the Senate, the Speaker of the House of Representatives,
41 the chairmen of the appropriations committees of the Senate and the
42 House of Representatives, and the Fiscal Research Division of the
43 Legislative Services Office that he intends to make such a finding at

1 least 10 days before he makes the finding. The notification shall set
2 out the reason the positions are necessary to maintain the function.

3 The Office of State Budget and Management shall report to the Joint Legislative
4 Commission on Governmental Operations and to the Fiscal Research Division of the
5 Legislative Services Office within 30 days after the end of each quarter the General
6 Fund Codes or Highway Fund Codes that did not result in a corresponding reduced
7 allotment from appropriations from that Fund.

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

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

18

19 Requested by: Representatives Nesbitt and Diamont

20 **INSURANCE AND FIDELITY BONDS**

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

25

26 Requested by: Representatives Nesbitt and Diamont

27 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

28 Sec. 12. Of the funds appropriated in this act to the Contingency and
29 Emergency Fund, the sum of nine hundred thousand dollars (\$900,000) for the 1993-94
30 fiscal year and the sum of nine hundred thousand dollars (\$900,000) for the 1994-95
31 fiscal year shall be designated for emergency allocations, which are for the purposes
32 outlined in G.S. 143-23(a1)(3), (4), and (5). Two hundred twenty-five thousand dollars
33 (\$225,000) for the 1993-94 fiscal year and two hundred twenty-five thousand dollars
34 (\$225,000) for the 1994-95 fiscal year shall be designated for other allocations from the
35 Contingency and Emergency Fund.

36

37 Requested by: Representatives Nesbitt and Diamont

38 **BUDGETING OF PILOT PROGRAMS**

39 Sec. 13. (a) Any program designated by the General Assembly as experimental,
40 model, or pilot shall be shown as a separate budget item and shall be considered as an
41 expansion item until a succeeding General Assembly reapproves it.

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

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

4
5 Requested by: Representatives Nesbitt and Diamont

6 **AUTHORIZED TRANSFERS**

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

14
15 Requested by: Representatives Nesbitt and Diamont

16 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

17 Sec. 15. All funds appropriated by this act into reserves may be expended
18 only for the purposes for which the reserves were established.

19
20 Requested by: Representatives Bowman and DeVane

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

22 Sec. 16. Each private, nonprofit entity eligible to receive State funds, either
23 by General Assembly appropriation, or by grant, loan, or other allocation from a State
24 agency, before funds may be disbursed to the entity, shall file with the disbursing
25 agency a notarized copy of that entity's policy addressing conflicts of interest that may
26 arise involving the entity's management employees and the members of its board of
27 directors or other governing body. The policy shall address situations where any of
28 these individuals may directly or indirectly benefit, except as the entity's employees or
29 members of the board or other governing body, from the entity's disbursing of State
30 funds, and shall include actions to be taken by the entity or the individual, or both, to
31 avoid conflicts of interest and the appearance of impropriety.

32
33 Requested by: Representatives Nesbitt and Diamont

34 **BUDGET REFORM STATEMENTS**

35 Sec. 17. The General Fund availability used in developing the 1993-95
36 budget is as shown below:

37 (1) Composition of the 1993-94 beginning availability:

- | | | | |
|----|----|--|---------------|
| 38 | a. | Revenues collection in 1992-93 in excess of authorized | |
| 39 | | estimates \$170,000,000 | |
| 40 | b. | Unexpended appropriations during 1992-93 (reversions) | |
| 41 | | 153,600,000 | |
| 42 | c. | Disproportionate share payments received in 1992-93 | |
| 43 | | <u>157,400,000</u> | |
| 44 | | Subtotal | \$481,000,000 |

1	d.	Transfer to Savings Reserve	120,200,000	
2				
3		Ending Fund Balance		\$360,800,000.
4				
5			<u>1993-94</u>	<u>1994-95</u>
6				
7	(2)	Beginning Unrestricted Fund Balance	\$ 360,800,000	-
8				
9		Revenues Existing Tax Structure	\$8,645,700,000	
10		\$9,208,100,000		
11				
12	Changes:			
13				
14	1.	Accelerated Growth with		
15		Implementation of GPAC		
16		recommendation		5,400,000
17		5,400,000		
18				
19	2.	Retain in General Fund		
20		interest previously paid to		
21		Highway Trust Fund		
22		(G.S. 105-187.9(b))	7,000,000	7,000,000
23				
24	3.	Child Day Care Credit		
25		(HB 720) (3,700,000)	(4,000,000)	
26				
27	5.	Transfer from Department of		
28		Insurance Fund		(474,580)
29		(1,132,000)		
30				
31	6.	Treasurer's Banking Fees/Local		
32		Government Operation	634,300	1,106,000
33				
34	7.	Local Financial Security		
35		Restore Earmarking	(236,824,154)	(259,000,000)
36				
37	8.	Highway Fund Transfer		
38		Reduction Related to		
39		Sales Tax Exemption	(200,000)	(200,000)
40				
41	9.	Transfer from Savings		
42		Reserve	<u>28,200,000</u>	=
43				
44		Total Changes	(199,964,434)	(250,826,000)

1		
2	Revised Revenues	8,445,735,566
3	8,957,274,000	
4		
5	Total Availability	8,806,535,566
6	8,957,274,000	
7		
8	Revenue Growth Rates:	
9	Economic Basis	6.2% 6.5%
10	Less Impact of Special	
11	Factors	-3.9% -.4
12	Actual Basis	2.3% 6.1%
13		

14 (3) Estimates of Disproportionate Share Payments included in the Governor's
15 budget proposals for the 1993-95 fiscal biennium as listed below are reserved:

16	1993-94	\$207,400,000
17	1994-95	\$203,000,000.

18
19 Requested by: Representative Nesbitt

20 **HIGHWAY FUND AVAILABILITY**

21 Sec. 18. The Highway Fund appropriations availability used in developing
22 the 1993-95 Highway Fund budget is shown below:

23		(\$Million)	(\$Million)
24		<u>1993-94</u>	<u>1994-95</u>
25	Beginning Credit Balance	\$ 9.03	-
26			
27	Estimated Revenues:	\$ 944.6	\$ 961.3
28	Transfer from Equipment Fund	10.0	-
29	Transfer to Highway Trust Fund	-	(9.6)
30			
31	Total Highway Fund Availability	\$ 963.63	\$ 951.7

32
33 Requested by: Representative Nesbitt

34 **SMALL EMPLOYER HEALTH INSURANCE FUNDS**

35 Sec. 20. The funds appropriated in this act to the Reserve for Small Employer
36 Health Insurance shall, contingent upon the enactment of House Bill 729 by the 1993
37 General Assembly, be used for the Health Plan Purchasing Alliance Board's operation
38 and for the initial operation of the health care purchasing alliances.

39
40 Requested by: Representatives Nesbitt and Diamont

41 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED** 42 **MOTOR VEHICLES**

1 Sec. 21. (a) Pursuant to the provisions of G.S. 14-250, for the 1993-95 fiscal
2 biennium, the General Assembly authorizes the use of private license tags on State-
3 owned motor vehicles only for the State Highway Patrol and for the following:

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

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

- 14 (1) 54 among Agent I officers;
- 15 (2) 20 among Agent II officers;
- 16 (3) 1 to the Deputy Director;
- 17 (4) 12 to the District Offices/Extra Vehicles; and
- 18 (5) 5 to the Director, to be distributed at the Director's discretion.

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

21 22 **PART 6. GENERAL GOVERNMENT**

23
24 Requested by: Representatives Mercer, Crawford, Wainwright, Ellis, Gray, Hensley,
25 Jeffus, Kennedy, Nichols, Wilkins, Nesbitt, Diamont

26 **BUDGET PRACTICES STUDY COMMISSION**

27 Sec. 22. (a) There is created the Budget Practices Study Commission, an
28 independent commission to study the effectiveness of the Executive Budget Act, Article
29 1 of Chapter 143 of the General Statutes. The Commission shall consist of 14 members.
30 The Speaker of the House of Representatives shall appoint seven members, six who
31 shall be members of the House of Representatives and one who shall be familiar with
32 and have experience in government fiscal management. The President Pro Tempore of
33 the Senate shall appoint seven members, six who shall be members of the Senate and
34 one who shall be familiar with and have experience in government fiscal management.
35 Initial appointments shall be made within 30 days following the 1993 General
36 Assembly's adjournment for a period of more than 10 days.

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

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

- 43 (1) Similarities and differences between the Executive Budget Act and
44 analogous statutes in other states, including the advantages of various

- 1 approaches to budget preparation, presentation, appropriation, and
2 execution.
- 3 (2) The effect of current statutory provisions, appropriations techniques,
4 and administrative practices upon:
- 5 a. The ability of the General Assembly to anticipate, evaluate, and
6 meet the financial needs of State government.
- 7 b. The availability of data needed by the General Assembly for
8 informed fiscal decision-making; particularly the availability of
9 output, impact, or performance data.
- 10 c. The General Assembly's ability to exercise its authority under
11 Section 7 of Article V of the North Carolina Constitution;
12 namely, its authority to control withdrawals from the State
13 treasury and to determine the purposes for which State funds
14 may be expended.
- 15 d. The Governor's authority under Section 5 of Article III of the
16 North Carolina Constitution; namely, the authority to prepare
17 and recommend a budget and the obligation to administer the
18 budget as enacted by the General Assembly.
- 19 e. The balance between fiscal control and management flexibility
20 in the administration of agency budgets.
- 21 f. The ability of State agencies to plan their fiscal conduct and to
22 perform their statutorily assigned functions efficiently in
23 accordance with modern business practices.
- 24 (3) Provisions of the budget system regarding management of various
25 fund types, including special revenue funds, federal funds, proprietary
26 funds, university funds, and fiduciary funds; and various types of
27 departmental receipts.
- 28 (4) The appropriate role of legislative oversight mechanisms, including the
29 Joint Legislative Commission on Governmental Operations.
- 30 (5) Such matters as may, in the judgment of the Commission, affect the
31 capacity of the General Assembly or the Governor to devise, adopt,
32 and implement a sound program of fiscal management on behalf of the
33 people of North Carolina.
- 34 (c) The Budget Practices Study Commission shall also have the following
35 additional powers and duties with specific reference to the performance budget review
36 process:
- 37 (1) To review and evaluate the development and implementation of the
38 performance budgeting system authorized by the General Assembly.
- 39 (2) To examine the presentation of information in the performance
40 budgeting system to assure the quality and validity of the information.
- 41 (3) To work in cooperation with the Governor and other State agencies as
42 additional program areas are converted into the performance budgeting
43 system.

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

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

9 (e) Members of the Commission who are also members of the General
10 Assembly shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-
11 3.1. Members of the Commission who are officials or employees of the State shall
12 receive travel allowances at the rate set forth in G.S. 138-6. All other members of the
13 Commission shall be paid per diem and allowances at the rates set forth in G.S. 138-5.

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

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

19

20 Requested by: Representatives Bowman and DeVane

21 **RESERVE FOR IMPLEMENTATION OF FEDERAL OSHA REGULATIONS**
22 **REGARDING BLOODBORNE PATHOGENS/USE OF FUNDS; LONG-RANGE**
23 **PLAN**

24 Sec. 23. (a) Funds appropriated in this act to the Office of State Budget and
25 Management for the implementation of the federal OSHA regulations regarding
26 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
27 personal protective equipment, and required cleanup equipment and supplies for
28 employees who are subject to these regulations and only if adequate funds are not
29 available for these purposes. They shall not be used as planning money or for salaries
30 for any new positions or for any other purpose than specifically authorized by this
31 section.

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

40

41 Requested by: Representatives Crawford and Wainwright

42 **STATE MILEAGE ALLOWANCE**

43

Sec. 24. (a) G.S. 138-6(a)(1) reads as rewritten:

1 "(1) For transportation by privately owned automobile, ~~twenty-five cents~~
2 ~~(25¢) the business standard mileage rate set by the Internal Revenue~~
3 ~~Service per mile of travel and the actual cost of tolls paid. Any other~~
4 ~~law which sets a mileage rate by referring to the rate set herein, instead~~
5 ~~establishes a rate of twenty-five cents (25¢) per mile. No~~
6 reimbursement shall be made for the use of a personal car in
7 commuting from an employee's home to his duty station in connection
8 with regularly scheduled work hours. Any designation of an
9 employee's home as his duty station by a department head shall require
10 prior approval by the Office of State Budget and Management on an
11 annual basis."

12 (b) Effective upon the convening of the 1995 Regular Session of the General
13 Assembly, G.S. 120-3.1(a)(1) reads as rewritten:

14 "(1) A weekly travel allowance for each week or fraction thereof that the
15 General Assembly is in regular or extra session. The amount of the
16 weekly travel allowance shall be calculated for each member by
17 multiplying the actual round-trip mileage from that member's home to
18 the City of Raleigh by the rate per mile ~~allowed to State employees for~~
19 ~~official travel, which is the business standard mileage rate set by the~~
20 ~~Internal Revenue Service in Rev. Proc. 92-104, December 28, 1992."~~

21 (c) Effective upon the convening of the 1995 Regular Session of the General
22 Assembly, G.S. 120-3.1(a)(2) reads as rewritten:

23 "(2) A travel allowance at the rate ~~allowed by statute for State employees~~
24 ~~which is the business standard mileage rate set by the Internal Revenue~~
25 ~~Service in Rev. Proc. 92-104, December 28, 1992, whenever the~~
26 member travels, whether in or out of session, as a representative of the
27 General Assembly or of its committees or commissions, with the
28 approval of the Legislative Services Commission."
29

30 Requested by: Representatives Crawford and Wainwright

31 **MEDIATION COSTS**

32 Sec. 25. (a) Notwithstanding the provisions of G.S. 143-23, any State
33 department or agency may use funds available from lapsed salaries to pay costs
34 apportioned to the department or agency as a result of mediation ordered by the
35 Industrial Commission or of a mediated settlement conference in the Office of
36 Administrative Hearings ordered by the chief administrative law judge.

37 (b) If House Bill 657, 1993 Regular Session is enacted, the first sentence of
38 Section 3 of that act is amended by deleting "only if the General Assembly appropriates
39 funds to implement the purpose of this act,". If House Bill 658, 1993 Regular Session is
40 enacted, the first sentence of Section 4 of that act is amended by deleting "only if the
41 General Assembly appropriates funds to implement the purpose of this act,".
42

43 Requested by: Representatives Nesbitt and Barnes

44 **LOCAL FINANCIAL SECURITY**

1 Sec. 26. (a) Effective July 1, 1993, and expiring on July 1, 1994, G.S. 105-213
2 reads as rewritten:

3 "**§ 105-213. ~~Appropriation to counties and municipalities; use of appropriation.~~**
4 **Distribution of taxes collected.**

5 (a) Amount to be Distributed. – On or before June 25, 1994, the Secretary shall
6 distribute to counties and municipalities ~~There is annually appropriated from the~~
7 ~~General Fund to counties and municipalities one hundred three percent (103%) of the~~
8 amount of revenue collected under this Article from July 1, 1993, through April 30,
9 1994, during the 1989-90 fiscal year, less an amount equal to the costs during the
10 preceding fiscal year of: less all of the following:

11 (1) An amount equal to the costs during the preceding fiscal year of:

12 a. Refunds made during the fiscal year of taxes levied under this
13 Article.

14 ~~(2)~~ b. The Department of Revenue to collect and administer the taxes
15 levied under this Article.

16 ~~(3)~~ c. The Department of Revenue in performing the duties imposed by
17 Article 15 of this Chapter.

18 ~~(4)~~ d. The Property Tax Commission.

19 ~~(5)~~ e. The Institute of Government in operating a training program in
20 property tax appraisal and assessment.

21 ~~(6)~~ f. The personnel and operations provided by the Department of State
22 Treasurer for the Local Government Commission.

23 (2) Twenty-three million seven hundred seventy thousand dollars
24 (\$23,770,000).

25 ~~The appropriation shall be distributed by August 30 of each year. The appropriation~~
26 ~~shall be included in the Current Operations Appropriations Act.~~

27 (b) Allocation of Distribution. – ~~The appropriation~~ amount of revenue to be
28 distributed under subsection (a) shall be allocated among the counties in proportion to
29 the net amount of taxes collected under this Article in each county during the preceding
30 fiscal year. The net amount of taxes collected in a county is the amount collected less
31 the amount of refunds made of taxes previously collected. The Secretary of Revenue
32 shall keep a separate record by counties of the taxes collected under this Article. The
33 Secretary shall allocate the amount ~~appropriated of revenue to be distributed under this~~
34 ~~section~~ subsection (a) to the counties ~~according to the county in which the taxes were~~
35 ~~collected~~ in accordance with the tax records. The amounts so allocated to each county
36 shall in turn be allocated between the county and the municipalities in the county in
37 proportion to the total amount of ad valorem taxes levied by each during the fiscal year
38 preceding the distribution. In dividing these amounts between each county and its
39 municipalities, the Secretary shall treat taxes levied by a merged school administrative
40 unit described in G.S. 115C-513 in a part of the unit located in a county as taxes levied
41 by the county in which that part is located. After making these allocations, the
42 Secretary of Revenue shall certify to the State Controller and to the State Treasurer the
43 amount to be distributed to each county and municipality in the State. The State
44 Controller shall then issue a warrant on the State Treasurer to each county and

1 municipality in the amount certified. ~~The funds shall be drawn from the Local~~
 2 ~~Government Tax Sharing Reserve.~~

3 For the purpose of computing the distribution of the tax under this subsection to any
 4 county and the municipalities located therein in the county for any quarter with respect
 5 to which the property valuation of a public service company is the subject of an appeal
 6 ~~pursuant to the provisions of the Machinery Act, or to applicable provisions of federal~~
 7 ~~law, and the Department of Revenue is restrained by operation of law or by a court of~~
 8 ~~competent jurisdiction from certifying such the valuation to the county and the~~
 9 ~~municipalities therein, in the county, the Department shall use the last property~~
 10 ~~valuation of such the public service company which that has been so certified in order to~~
 11 ~~determine the ad valorem tax levies applicable to such public service company in the~~
 12 ~~county and the municipalities therein certified.~~

13 The chair of each board of county commissioners and the mayor of each
 14 municipality shall report to the Secretary of Revenue information requested by the
 15 Secretary to enable the Secretary to allocate the amount ~~appropriated by this section.~~
 16 ~~distributed by this subsection.~~ If a county or municipality fails to make a requested
 17 report within the time allowed, the Secretary may disregard the county or municipality
 18 in allocating the amount ~~appropriated by this section.~~ ~~distributed by this subsection.~~

19 (c) Use of Revenue. – The amount distributed to each county and municipality
 20 shall be used by the county or municipality in proportion to property tax levies made by
 21 it for the various funds and activities of the county or municipality, unless the county or
 22 municipality has pledged the amount to be distributed to it under this section in payment
 23 of a loan agreement with the North Carolina Solid Waste Management Capital Projects
 24 Financing Agency. A county or municipality that has pledged amounts distributed
 25 under this section in payment of a loan agreement with the Agency may apply the
 26 amount the loan agreement requires.

27 ~~(b)~~ (d) Definition. – For purposes of this section, the term 'municipality' includes
 28 any urban service district defined by the governing board of a consolidated city-county,
 29 and the amounts due thereby shall be distributed to the government of the consolidated
 30 city-county."

31 (b) Effective July 1, 1994, G.S. 105-213 reads as rewritten:

32 "**§ 105-213. ~~Appropriation to counties and municipalities; use of appropriation.~~**
 33 **Distribution of taxes collected.**

34 (a) Amount to be Distributed. – On or before June 25 of each year, the Secretary
 35 shall distribute to counties and municipalities ~~There is annually appropriated from the~~
 36 ~~General Fund to counties and municipalities~~ the amount of revenue collected under this
 37 Article ~~during the 1989-90 fiscal year, less an amount equal to the costs during the~~
 38 ~~preceding fiscal year of:~~ during the 12 months ending the preceding April 30, less all of
 39 the following:

- 40 (1) An amount equal to the costs during the preceding fiscal year of:
 41 a. Refunds made during the fiscal year of taxes levied under this
 42 Article.
 43 ~~(2)~~ b. The Department of Revenue to collect and administer the taxes
 44 levied under this Article.

- 1 (3)- c. The Department of Revenue in performing the duties imposed by
2 Article 15 of this Chapter.
3 (4)- d. The Property Tax Commission.
4 (5)- e. The Institute of Government in operating a training program in
5 property tax appraisal and assessment.
6 (6)- f. The personnel and operations provided by the Department of State
7 Treasurer for the Local Government Commission.
8 (2) Twenty-three million seven hundred seventy thousand dollars
9 (\$23,770,000).

10 ~~The appropriation shall be distributed by August 30 of each year. The appropriation~~
11 ~~shall be included in the Current Operations Appropriations Act.~~

12 (b) Allocation of Distribution. – ~~The appropriation amount of revenue to be~~
13 ~~distributed under subsection (a) shall be allocated among the counties in proportion to~~
14 ~~the net amount of taxes collected under this Article in each county during the preceding~~
15 ~~fiscal year. The net amount of taxes collected in a county is the amount collected less~~
16 ~~the amount of refunds made of taxes previously collected. The Secretary of Revenue~~
17 ~~shall keep a separate record by counties of the taxes collected under this Article. The~~
18 ~~Secretary shall allocate the amount appropriated of revenue to be distributed under this~~
19 ~~section subsection (a) to the counties according to the county in which the taxes were~~
20 ~~collected in accordance with the tax records. The amounts so allocated to each county~~
21 ~~shall in turn be allocated between the county and the municipalities in the county in~~
22 ~~proportion to the total amount of ad valorem taxes levied by each during the fiscal year~~
23 ~~preceding the distribution. In dividing these amounts between each county and its~~
24 ~~municipalities, the Secretary shall treat taxes levied by a merged school administrative~~
25 ~~unit described in G.S. 115C-513 in a part of the unit located in a county as taxes levied~~
26 ~~by the county in which that part is located. After making these allocations, the~~
27 ~~Secretary of Revenue shall certify to the State Controller and to the State Treasurer the~~
28 ~~amount to be distributed to each county and municipality in the State. The State~~
29 ~~Controller shall then issue a warrant on the State Treasurer to each county and~~
30 ~~municipality in the amount certified. The funds shall be drawn from the Local~~
31 ~~Government Tax Sharing Reserve.~~

32 For the purpose of computing the distribution of the tax under this subsection to any
33 county and the municipalities located ~~therein in the county~~ for any quarter with respect
34 to which the property valuation of a public service company is the subject of an appeal
35 ~~pursuant to the provisions of the Machinery Act, or to applicable provisions of federal~~
36 ~~law, and the Department of Revenue is restrained by operation of law or by a court of~~
37 ~~competent jurisdiction from certifying such the valuation to the county and the~~
38 ~~municipalities therein, in the county, the Department shall use the last property~~
39 ~~valuation of such the public service company which that has been so certified in order to~~
40 ~~determine the ad valorem tax levies applicable to such public service company in the~~
41 ~~county and the municipalities therein certified.~~

42 The chair of each board of county commissioners and the mayor of each
43 municipality shall report to the Secretary of Revenue information requested by the
44 Secretary to enable the Secretary to allocate the amount ~~appropriated by this section.~~

1 distributed by this subsection. If a county or municipality fails to make a requested
2 report within the time allowed, the Secretary may disregard the county or municipality
3 in allocating the amount ~~appropriated by this section.~~ distributed by this subsection.

4 (c) Use of Revenue. – The amount distributed to each county and municipality
5 shall be used by the county or municipality in proportion to property tax levies made by
6 it for the various funds and activities of the county or municipality, unless the county or
7 municipality has pledged the amount to be distributed to it under this section in payment
8 of a loan agreement with the North Carolina Solid Waste Management Capital Projects
9 Financing Agency. A county or municipality that has pledged amounts distributed
10 under this section in payment of a loan agreement with the Agency may apply the
11 amount the loan agreement requires.

12 ~~(b)~~ (d) Definition. – For purposes of this section, the term 'municipality' includes
13 any urban service district defined by the governing board of a consolidated city-county,
14 and the amounts due thereby shall be distributed to the government of the consolidated
15 city-county."

16 (c) Effective July 1, 1993, G.S. 105-275.1(b) reads as rewritten:

17 "(b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the
18 Secretary shall pay to each county and city the amount it received under subsection (a)
19 in 1989 plus an amount equal to the county or city average rate multiplied by the value
20 of the items described in subdivisions (ii) and (iii) of subsection (a) that were required
21 to be listed and assessed as of January 1, 1987, and were listed on or before September
22 1, 1987, in the county or city, plus or minus the percentage of this product that equals
23 the percentage by which State personal income has increased or decreased during the
24 most recent 12-month period for which State personal income data has been compiled
25 by the Bureau of Economic Analysis of the United States Department of Commerce.
26 As soon as practicable after January 1, 1990, the Secretary shall also pay to each county
27 and city an amount equal to the average rate for each special district for which the
28 county or city collected taxes in 1987, but whose tax rates were not included in the
29 county or city's rates, multiplied by the value of the items described in subdivisions (ii)
30 and (iii) of subsection (a) that were required to be listed and assessed as of January 1,
31 1987, and were listed on or before September 1, 1987, in the district, plus or minus the
32 percentage of this product that equals the percentage by which State personal income
33 has increased or decreased during the most recent 12-month period for which State
34 personal income data has been compiled by the Bureau of Economic Analysis of the
35 United States Department of Commerce. As soon as practicable after January 1, 1991,
36 except as provided in subsection (f), the Secretary shall pay to each county and city the
37 amount it received under this section the preceding year plus an amount equal to the
38 county or city average rate multiplied by the value of the items described in subdivision
39 (v) of subsection (a) contained in the list submitted by the county or city, plus or minus
40 the percentage of this product that equals the percentage by which State personal
41 income has increased or decreased during the most recent 12-month period for which
42 State personal income data has been compiled by the Bureau of Economic Analysis of
43 the United States Department of Commerce. As soon as practical after January 1, 1992,
44 except as provided in subsection (f), the Secretary shall distribute to each county and

1 city the amount it received under this section the preceding year. On or before April 30,
2 1993, except as provided in subsection (f), the Secretary shall distribute to each county
3 and city ninety-nine and eighty-one one-hundredths percent (99.81%) of the amount it
4 received under this section the preceding year. Thereafter, beginning in August 1993,
5 except as provided in subsection (f), on or before ~~April~~ August 30 of each year, the
6 Secretary shall distribute to each county and city sixty percent (60%) of the amount it
7 received under this section ~~the preceding year. in April 1993,~~ and the Secretary shall
8 distribute to each county and city on or before April 30 of each year forty percent (40%)
9 of the amount it received under this section in April 1993.

10 Of the funds received by each county and city pursuant to this subsection in 1990,
11 the portion that was received because the county or city was collecting taxes for a
12 special district (either because the district's tax rate was included in the city or county's
13 rate or because the Secretary paid the county or city the product of the district's average
14 rate and the value of the inventories and other items in the district) shall be distributed
15 among the districts in the county or city as soon as practicable after the city or county
16 receives the funds. The county or city shall distribute to each special district in the
17 county or city the amount it distributed to the district in 1989 plus an amount equal to
18 the average rate for the district multiplied by the value of the items, other than
19 inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to
20 be listed and assessed as of January 1, 1987, and were listed on or before September 1,
21 1987, in the district, plus or minus the percentage of this product that equals the
22 percentage by which State personal income has increased or decreased during the most
23 recent 12-month period for which State personal income data has been compiled by the
24 Bureau of Economic Analysis of the United States Department of Commerce.

25 Each year thereafter, until August 1993, as soon as practicable after receiving funds
26 under this subsection, every county and city shall distribute among the special districts
27 for which the county or city collects tax an amount equal to the amount it distributed
28 among such districts the previous year. Each year thereafter, beginning in August 1993,
29 as soon as practical after receiving funds under this subsection in August, every county
30 and city shall distribute among the special districts for which the county or city collects
31 tax an amount equal to sixty percent (60%) of the amount it distributed among such
32 districts in April 1993, and as soon as practicable after receiving funds under this
33 subsection in April, every county and city shall distribute among the special districts for
34 which the county or city collects tax an amount equal to forty percent (40%) of the
35 amount it distributed among such districts in April 1993. ~~The~~

36 The Local Government Commission may adopt rules for the resolution of disputes
37 and correction of errors in the distribution among special districts provided in this
38 subsection. In addition, the Local Government Commission may adopt rules for the
39 reallocation of funds when a special district is dissolved, merged, or consolidated, or
40 when a special district ceases to levy tax, either temporarily or permanently."

41 (d) Effective July 1, 1993, G.S. 105-277A(b) reads as rewritten:

42 "(b) First Per Capita Distribution. – As soon as practicable after January 1 of
43 1989, the Secretary shall distribute to each taxing unit the unit's per capita share of the
44 sum of fifteen million seven hundred forty-five thousand dollars (\$15,745,000).

1 Thereafter, as soon as practicable after January 1 of 1990 and 1991, the Secretary shall
2 distribute to each taxing unit the unit's per capita share of an amount equal to the sum
3 distributed to all taxing units the previous year under this subsection plus or minus the
4 product of the sum distributed the previous year and the percentage by which State
5 personal income has increased or decreased during the most recent 12-month period for
6 which State personal income data has been compiled by the Bureau of Economic
7 Analysis of the United States Department of Commerce.

8 ~~Thereafter, on~~ On or before April 30 of each year April 30, 1992, and April 30,
9 1993, the Secretary shall distribute to each taxing unit the unit's per capita share of the
10 sum that this subsection provided was to be distributed to all taxing units in 1991.
11 Thereafter, the Secretary shall determine for each taxing unit the unit's per capita share
12 of the sum that was distributed to all taxing units in 1993. The Secretary shall distribute
13 sixty percent (60%) of this amount to each taxing unit on or before August 30 of each
14 year. The Secretary shall distribute the remaining forty percent (40%) of this amount to
15 each taxing unit on or before April 30 of each year.

16 To make the per capita distributions required by this subsection, the Secretary shall
17 first allocate the sum to be distributed among the counties on a per capita basis. The
18 Secretary shall then compute a per capita distributable amount for each county by
19 dividing the amount allocated to a county by the total population of the county, plus the
20 population of any incorporated towns and cities located in the county. Each taxing unit
21 in a county, including the county itself, shall receive the product of the population of the
22 taxing unit and the per capita distributable amount for that county.

23 A city or county that receives funds under this subsection and that collects taxes for
24 another taxing unit shall distribute part of the taxes received by it to the taxing unit for
25 which it collects tax. The distribution shall be made on the basis of the proportionate
26 amount of ad valorem taxes levied, for the most recent fiscal year beginning July 1, by
27 the city or county and by all the taxing units for which the city or county collects tax.
28 This distribution shall be made as soon as practicable after a city or county receives
29 funds from the State under this section."

30 (e) Effective July 1, 1993, G.S. 105-277A(c) reads as rewritten:

31 "(c) Second Per Capita Distribution. – On or before March 20, 1989, the Secretary
32 shall allocate to each county the county's per capita share of the sum of thirty-nine
33 million dollars (\$39,000,000).

34 Each year ~~thereafter, thereafter through April 1993,~~ on or before April 30, the
35 Secretary of Revenue shall allocate to each county the amount it received the previous
36 year under this subsection. On or before August 30, 1993, the Secretary shall determine
37 for each county the amount it received in April 1993 under this subsection. Beginning
38 in August 1993 and each year thereafter, the Secretary shall distribute sixty percent
39 (60%) of this amount to each county on or before August 30 and the remaining forty
40 percent (40%) to each county on or before April 30.

41 Amounts allocated to a county under this subsection shall in turn be divided and
42 distributed between the county and the cities located in the county in proportion to the
43 total amount of ad valorem taxes levied by each during the fiscal year preceding the
44 distribution. For the purposes of this section, the amount of the ad valorem taxes levied

1 by a county or city shall include any ad valorem taxes collected by the county or city in
2 behalf of a special district. For the purpose of computing the distribution for any year
3 with respect to which the property valuation of a public service company is the subject
4 of an appeal and the Department of Revenue is restrained by law from certifying the
5 valuation to the appropriate counties and cities, the Department shall use the latest
6 property valuation of that public service company that has been certified.

7 The governing body of each county and city shall report to the Secretary of Revenue
8 such information as he may request in order to make the distribution under this
9 subsection. If a county or city fails to make a requested report within the time
10 prescribed, the Secretary may disregard that county or city and the other taxing units in
11 the county or city in making the distribution."

12 (f) Effective July 1, 1993, G.S. 105-277A(c1) reads as rewritten:

13 "(c1) Claims-based Distribution. – On or before March 20, 1989, the Secretary shall
14 distribute to each county and city an amount equal to the amount by which the county or
15 city's inventory loss, as defined in subsection (d) of this section, exceeds the amount of
16 the reimbursement received by the county or city under subsection (c) of this
17 ~~subsection.~~section.

18 Except as provided in subsection (g) of this section, each year ~~thereafter,~~thereafter
19 through April 1993, on or before April 30, the Secretary shall distribute to each county
20 and city the amount it received the previous year under this subsection. On or before
21 August 30, 1993, the Secretary shall determine for each county and city the amount it
22 received in April 1993 under this subsection. Beginning in August 1993 and each year
23 thereafter, the Secretary shall distribute sixty percent (60%) of this amount to each
24 county and city on or before August 30 and the remaining forty percent (40%) of this
25 amount to each county and city on or before April 30."

26 (g) Effective July 1, 1993, G.S. 105-277A(c2) reads as rewritten:

27 "(c2) Supplemental Distribution. – On or before March 20, 1989, the Secretary
28 shall determine, with respect to each county and city, whether the sum of (i) the amount
29 the county or city received under subsection (c), plus (ii) the amount the county or city
30 received under subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the
31 total distribution received by the county or city under G.S. 105-472, 105-486, 105-501,
32 and Chapter 1096 of the 1967 Session Laws between January 1, 1988, and December
33 31, 1988, is less than ninety percent (90%) of the amount of taxes the county or city
34 actually levied on inventories owned by retailers and wholesalers for the 1987-88 tax
35 year. If that sum is less than ninety percent (90%) of the amount of taxes the county or
36 city actually levied on those inventories for the 1987-88 tax year, the Secretary shall
37 distribute to that county or city a supplemental amount equal to the amount by which
38 ninety percent (90%) of the taxes it actually levied on inventories owned by retailers
39 and wholesalers for the 1987-88 tax year exceeds the total of subdivisions (i), (ii), and
40 (iii).

41 Except as provided in subsection (g) of this section, each year ~~thereafter,~~thereafter
42 through April 1993, on or before April 30, the Secretary shall distribute to each county
43 and city the amount it received the previous year under this subsection. On or before
44 August 30, 1993, the Secretary shall determine for each county and city the amount it

1 received in April 1993 under this subsection. Beginning in August 1993 and each year
2 thereafter, the Secretary shall distribute sixty percent (60%) of this amount to each
3 county and city on or before August 30 and the remaining forty percent (40%) of this
4 amount to each county and city on or before April 30."

5 (h) Effective July 1, 1993, G.S. 105-113.82 reads as rewritten:

6 "**§ 105-113.82. ~~Appropriation of amount equal to~~ Distribution of part of beer and**
7 **wine taxes.**

8 (a) Amount, Method. — ~~An amount equal to the following percentages of the net~~
9 ~~amount of excise taxes collected, during the period that began October 1, 1989, and~~
10 ~~ended September 30, 1990, The Secretary shall distribute annually the following~~
11 ~~percentages of the net amount of excise taxes collected on the sale of malt beverages~~
12 ~~and wine, wine during the preceding 12-month period ending September 30, less the~~
13 amount of the net proceeds credited to the Department of Agriculture under G.S 105-
14 113.81A, ~~is annually appropriated from the General Fund to the counties and cities in~~
15 which the retail sale of these beverages is authorized:

- 16 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-
17 three and three-fourths percent (23 3/4%);
- 18 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-
19 two percent (62%); and
- 20 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-
21 two percent (22%).

22 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at
23 retail in both a county and a city located in the county, both the county and city shall
24 receive a portion of the amount ~~appropriated, distributed,~~ that portion to be determined
25 on the basis of population. If one of these beverages may be licensed to be sold at retail
26 in a city located in a county in which the sale of the beverage is otherwise prohibited,
27 only the city shall receive a portion of the amount ~~appropriated, distributed,~~ that portion
28 to be determined on the basis of population. ~~The amount of the appropriation to be~~
29 ~~amounts distributed under subdivisions (1), (2), and (3) shall be computed separately.~~

30 (b) Reduction in ~~Appropriation~~ Amount Distributed. — Where the sale of malt
31 beverages, unfortified wine, or fortified wine is prohibited in a defined area of a city or
32 county in which the sale of the beverage is authorized, the amount that would otherwise
33 be ~~appropriated distributed~~ to the city or county on the basis of population under
34 subsection (a) shall be reduced in the same ratio that the area of the defined area bears
35 to the total area of the city or county, unless the defined area is a city. If the defined
36 area in a county is a city, the reduction in the amount that would otherwise be
37 ~~appropriated distributed~~ to the county under subsection (a) shall be based on population
38 instead of area.

39 (c) Exception. — Notwithstanding subsection (a), in a county in which ABC
40 stores have been established by petition, the ~~amount appropriated revenue~~ shall be
41 distributed as though the entire county had approved the retail sale of a beverage whose
42 retail sale is authorized in part of the county.

43 (d) Time. — The ~~appropriation revenue~~ shall be distributed to cities and counties
44 within 60 days after September 30 of each year.

1 (e) Population Estimates. – To determine the population of a city or county for
2 purposes of the distribution required by this section, the Secretary shall use the most
3 recent annual estimate of population certified by the State Budget Officer.

4 (f) City Defined. – As used in this section, the term 'city' means a city as defined
5 in G.S. 153A-1(1) or an urban service district defined by the governing body of a
6 consolidated city-county.

7 (g) Use of Funds. – Funds ~~appropriated~~ distributed to a county or city under this
8 section may be used for any public purpose.

9 (h) Act. — ~~The appropriation made by this section shall be included in the Current
10 Operations Appropriations Act."~~

11 (i) Effective July 1, 1993, and applicable to taxes collected during the
12 calendar quarter ending June 30, 1993, G.S. 105-116(d) reads as rewritten:

13 "~~(d) Appropriation. There is annually appropriated from the General Fund
14 Distribution. – The Secretary of Revenue shall distribute quarterly to each municipality
15 an amount that equals three and nine hundredths percent (3.09%) of the taxable gross
16 receipts derived, from April 1, 1990, to March 31, 1991, derived during the preceding
17 calendar quarter by an electric power company and a natural gas company from sales
18 within the municipality of the commodities and services described in subsection (a).
19 subsection (a), less five million nine hundred seventy-five thousand dollars
20 (\$5,975,000). The Secretary of Revenue shall transfer the amount appropriated to a
21 municipality in quarterly installments on or before September 15, December 15, March
22 15, and June 15 in proportion to the taxable gross receipts derived within the
23 municipality during the preceding calendar quarter. distribute the revenue within 75
24 days after the end of each quarter. If a company's report does not state the company's
25 taxable gross receipts derived within a municipality, the Secretary of Revenue shall
26 determine a practical method of allocating part of the company's taxable gross receipts
27 to the municipality. ~~Before transferring the amount appropriated by this subsection, the
28 Secretary of Revenue shall certify the amount to be transferred to the State Controller.
29 The appropriation made by this subsection shall be included in the Current Operations
30 Appropriations Act.~~~~

31 As used in this subsection, the term 'municipality' includes an urban service district
32 defined by the governing board of a consolidated city-county. The amount due an urban
33 service district shall be distributed to the governing board of the consolidated city-
34 county."

35 (j) Effective July 1, 1993, and applicable to taxes collected during the
36 calendar quarter ending June 30, 1993, G.S. 105-120(c) reads as rewritten:

37 "~~(c) Appropriation. — There is annually appropriated from the General Fund
38 Distribution. – The Secretary of Revenue shall distribute to each municipality an
39 amount that equals three and nine hundredths percent (3.09%) of the taxable gross
40 receipts derived, from April 1, 1990, to March 31, 1991, derived during the preceding
41 calendar quarter from local telecommunications service provided within the
42 municipality. municipality, less eight hundred ninety thousand dollars (\$890,000). The
43 Secretary of Revenue shall ~~transfer the amount appropriated to a municipality in
44 quarterly installments on or before September 15, December 15, March 15, and June 15~~~~

1 ~~in proportion to the taxable gross receipts derived within the municipality during the~~
 2 ~~preceding calendar quarter. distribute the revenue within 75 days after the end of each~~
 3 ~~quarter.~~ If a company's report does not state the company's taxable gross receipts
 4 derived within a municipality, the Secretary of Revenue shall determine a practical
 5 method of allocating part of the company's taxable gross receipts to the municipality.
 6 ~~Before transferring the amount appropriated by this subsection, the Secretary of~~
 7 ~~Revenue shall certify the amount to be transferred to the State Controller.~~ The
 8 ~~appropriation made by this subsection shall be included in the Current Operations~~
 9 ~~Appropriations Act.~~

10 As used in this subsection, the term 'municipality' includes an urban service district
 11 defined by the governing board of a consolidated city-county. The amount due an urban
 12 service district shall be distributed to the governing board of the consolidated city-
 13 county."

14 (k) G.S 105-277A(d)(5) reads as rewritten:

15 "(5) 'Taxing unit' means a unit that levied a property tax or for which
 16 another unit collected a property tax for the fiscal year ~~beginning July~~
 17 ~~1 of the year~~ preceding the date fiscal year a distribution is made under
 18 this section."

19 (l) Subsection (a) of this section becomes effective July 1, 1993, and expires
 20 on July 1, 1994. Subsection (b) of this section becomes effective July 1, 1994.
 21 Subsections (i) and (j) become effective July 1, 1993, and apply beginning with taxes
 22 collected during the calendar quarter ending June 30, 1993. The remaining subsections
 23 of this section become effective July 1, 1993.

25 GOVERNOR'S OFFICE ECONOMIC INITIATIVES

26 Sec. 26.1. For the 1993-94 fiscal year only, the provisions of G.S. 143-16.3
 27 do not apply to the following programs in the Office of the Governor:

- 28 (1) The Total Quality Management Program;
- 29 (2) The Governor's Executive Institute; and
- 30 (3) The Economic Development Institute.

32 PART 7. DEPARTMENT OF ADMINISTRATION

34 Requested by: Representatives Crawford and Wainwright

35 STATE CAPITOL RESTORATION

36 Sec. 27. For all construction projects concerning restoration of the North
 37 Carolina State Capitol, the Department of Administration may prequalify bidders.

39 Requested by: Representatives Crawford and Wainwright

40 OFFICE OF MARINE AFFAIRS' TRANSFER TO THE DEPARTMENT OF 41 ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

42 Sec. 28. (a) G.S. 143B-279.3(a) is amended by adding a new subdivision to
 43 read:

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

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

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

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

5 "(1a) To administer the State Outer Continental Shelf (OCS) Task Force and
6 coordinate State participation activities in the federal outer continental
7 shelf resource recovery programs as provided under the OCS Lands
8 Act Amendments of 1978 (43 USC §§ 1801 et seq.) and the OCS
9 Lands Act Amendments of 1986 (43 USC §§ 1331 et seq.)."

10 (d) Part 8A of Article 9 of Chapter 143B of the General Statutes, G.S.
11 143B-390.2 through G.S. 143B-390.4, is recodified as Part 5B of Article 7 of Chapter
12 143B of the General Statutes, G.S. 143B-289.20 through G.S. 143B-289.22.

13 (e) G.S. 143B-390.2, as recodified as G.S. 143B-289.20 by subsection (d) of
14 this section, reads as rewritten:

15 "**§ 143B-289.20. Office of Marine Affairs – organization; powers and duties.**

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

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

20 (1a) To establish and maintain the North Carolina Aquariums;

21 (1b) To administer the operations of the North Carolina Aquariums, such
22 administrative duties to include, but not be limited to the following:

23 a. Adopt goals and objectives for the Aquariums and review and
24 revise these goals and objectives periodically;

25 b. Review and approve requests for use of the Aquarium facilities
26 and advise the Secretary of ~~Administration~~ the Department of
27 Environment, Health, and Natural Resources on the most
28 appropriate use consistent with the goals and objectives of the
29 Aquariums;

30 c. Continually review and evaluate the types of projects and
31 programs being carried out in the Aquarium facilities and
32 determine if the operation of the facilities is in compliance with
33 the established goals and objectives;

34 d. Recommend to the Secretary of ~~Administration~~ the Department
35 of Environment, Health, and Natural Resources any policies
36 and procedures needed to assure effective staff performance and
37 proper liaison among Aquarium facilities in carrying out the
38 overall purposes of the Aquarium programs;

39 e. Review Aquarium budget submissions to the Secretary of
40 ~~Administration~~ the Department of Environment, Health, and
41 Natural Resources;

42 f. Recruit and recommend to the Secretary of ~~Administration~~ the
43 Department of Environment, Health, and Natural Resources

- 1 candidates for the positions of directors of the North Carolina
 2 Aquariums; and
 3 g. Create local advisory committees in accordance with the
 4 provisions of G.S. ~~143B-390.4. 143B-289.22.~~
 5 (2) ~~Provide staff to the North Carolina Council on Ocean Affairs in~~
 6 ~~furtherance of the Council's statutory powers and duties;~~
 7 (3) ~~Advise the Secretary of Administration regarding the analysis,~~
 8 ~~planning and implementation of current and future State and federal~~
 9 ~~goals, policies and programs relating to the ocean and marine~~
 10 ~~resources of North Carolina, such duties to include, but not be limited~~
 11 ~~to, giving advice regarding:~~
 12 a. ~~Providing recommendations to other educational, informational~~
 13 ~~and policy-making bodies regarding marine and ocean resource~~
 14 ~~issues;~~
 15 b. ~~Administering* the State Outer Continental Shelf (OCS) Task~~
 16 ~~Force and coordinate State participation activities in the federal~~
 17 ~~outer continental shelf resource recovery programs as provided~~
 18 ~~under the OCS Lands Act Amendments of 1978 (43 USC §§~~
 19 ~~1801 et seq.) and the OCS Lands Act Amendments of 1986 (43~~
 20 ~~USC §§ 1331 et seq.); and~~
 21 e. ~~Coordinating necessary legal or technical research to carry out~~
 22 ~~the duties set forth in this subdivision.~~

23 (4) to (6) Repealed by Session Laws 1991, c. 320, s. 3.

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

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

27 (f) G.S. 143B-390.4, as recodified as G.S. 143B-289.22 by subsection (d) of
 28 this section reads as rewritten:

29 "**§ 143B-289.22. Local advisory committees; duties; membership.**

30 Local advisory committees created pursuant to ~~G.S. 143B-390.2(a)(1b)~~ G.S. 143B-
 31 289.20(a)(1b) shall assist each North Carolina Aquarium in its efforts to establish
 32 projects and programs and to assure adequate citizen-consumer input into those efforts.
 33 Members of these committees shall be appointed by the Secretary of ~~Administration~~ the
 34 Department of Environment, Health, and Natural Resources for three-year terms from
 35 nominations made by the Director of the Office of Marine Affairs. Each committee
 36 shall select one of its members to serve as chairperson. Members of the committees
 37 shall serve without compensation for services or expenses."

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

39 (h) Part 8C of Article 9 of Chapter 143B of the General Statutes, G.S. 143B-
 40 390.15 through G.S. 143B-390.16, is recodified as Part 28 of Article 7 of Chapter 143B
 41 of the General Statutes, G.S. 143B-344.16 through G.S. 143B-344.17.

42 (i) G.S. 143B-390.16, as recodified as G.S. 143B-344.17 by subsection (h) of
 43 this section, reads as rewritten:

1 **"§ 143B-344.17. North Carolina Aquariums Commission – organization, powers,**
2 **and duties.**

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

4 (1) Four members appointed by the Governor, including one member
5 designated by the Governor to serve as chair of the Commission and
6 one member appointed upon recommendation of the North Carolina
7 Aquarium Society, Inc., who resides in one of the counties where the
8 North Carolina Aquariums are located: Carteret, Dare, and New
9 Hanover,

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

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

22 (b) Commission members shall serve for terms of four years, beginning July 1,
23 1992, and may be removed at any time by the appointing authority. If a vacancy on the
24 Commission occurs, the appointing authority shall appoint a replacement to serve for
25 the unexpired term.

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

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

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

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

38 (g) All entrance fee receipts shall be credited to the Fund. The Secretary of
39 ~~Administration~~ the Department of Environment, Health, and Natural Resources may
40 expend monies from the Fund only upon the authorization of the General Assembly."
41

42 Requested by: Representatives Crawford and Wainwright

43 **DEPARTMENT OF ADMINISTRATION EMPLOYEE TRAINING**

1 Sec. 29. Of the funds appropriated for Travel Expenses in the Division of
2 Information Services, Department of Administration, during fiscal year 1993-94 and
3 fiscal year 1994-95, at least three thousand dollars (\$3,000) per year shall be used to
4 support employee training.

5
6 Requested by: Representatives Crawford and Wainwright

7 **ALLOCATION OF RAPE CRISIS CENTER FUNDS**

8 Sec. 30. All funds for the Rape Crisis Centers appropriated to the
9 Department of Administration, the North Carolina Council for Women, for the 1993-94
10 fiscal year and the 1994-95 fiscal year in this act shall be available to Rape Crisis
11 Centers providing direct services to victims of sexual assault and rape prevention
12 services. Funds shall be awarded according to criteria established by the Department of
13 Administration. Grants shall be awarded by September 1 each fiscal year and the funds
14 shall be disbursed on a quarterly basis.

15
16 Requested by: Representatives Crawford and Wainwright

17 **DOMESTIC VIOLENCE CENTER FUNDS**

18 Sec. 31. The funds appropriated in this act to the Department of
19 Administration, the North Carolina Council for Women, for the 1993-94 fiscal year and
20 for the 1994-95 fiscal year for domestic violence centers shall be allocated equally
21 among domestic violence centers in operation on July 1, 1990, that offer services
22 including a hotline, transportation services, community education programs, daytime
23 services, and call forwarding during the night and that fulfill other criteria established
24 by the Department of Administration. Grants shall be awarded based on criteria
25 established by the Department of Administration and disbursed on a quarterly basis.
26 The North Carolina Coalition against Domestic Violence, Incorporated, is eligible for a
27 grant of ten thousand dollars (\$10,000) under this section.

28
29 Requested by: Representatives Crawford and Wainwright

30 **PARKING REVENUES**

31 Sec. 32. The Secretary of Administration may use funds from parking
32 revenues that are in excess of parking system expense requirements to fund the ten
33 dollar (\$10.00) per month subsidies for vanpools and transit passes.

34
35 **PART 8. DEPARTMENT OF CULTURAL RESOURCES**

36
37 Requested by: Representatives Crawford and Wainwright

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

39 Sec. 33. Section 5 of Chapter 1008 of the 1977 Session Laws reads as
40 rewritten:

41 "Sec. 5. Funds for counties without organizations which meet the necessary
42 standards set by the Department of Cultural Resources shall be retained by the
43 department and used for arts programming within these counties. Where feasible, the
44 department shall maintain the same per capita rate for distribution of funds to these

1 counties and shall require the same matching ratio. ~~No State funds appropriated for the~~
2 ~~programs set forth in this act shall be used to pay for personnel positions."~~

3
4 Requested by: Representatives Crawford and Wainwright

5 **CULTURAL RESOURCES SECURITY OFFICERS**

6 Sec. 34. On July 1, 1994, the Department of Cultural Resources shall
7 redefine the job responsibilities of its security positions so that the services of a certified
8 law enforcement officer are no longer required, and shall accordingly discontinue
9 payments to the Law Enforcement Officers' Retirement System.

10
11 Requested by: Representatives Crawford and Wainwright

12 **DEPARTMENT OF CULTURAL RESOURCES VEHICLES**

13 Sec. 35. On or before December 30, 1993, the Department of Cultural
14 Resources shall transfer ownership of all vans, pickups, utility vehicles, and similar
15 passenger-carrying vehicles to the Division of Motor Fleet Management, Department of
16 Administration.

17
18 Requested by: Representatives Crawford and Wainwright

19 **NORTH CAROLINA SYMPHONY FUNDS**

20 Sec. 37. The Department of Cultural Resources shall use funds appropriated
21 in this act to the Department for the North Carolina Symphony to expand symphony
22 programs into economically depressed rural counties and low-wealth school
23 administrative districts.

24 The Department shall reduce by one-half any fee customarily paid by a sponsor for a
25 performance by the North Carolina Symphony if: (i) the sponsor is located in an
26 economically depressed county or a low-wealth school administrative district and (ii)
27 the symphony has not performed in that county or local school administrative district
28 during the calendar year in which the request is made.

29
30 Requested by: Representatives Wilkins, Crawford, Wainwright.

31 **STATE AID TO PUBLIC LIBRARIES FUNDS**

32 Sec. 38. A grant to a local library system from the Aid to Public Libraries
33 Fund shall not be terminated but shall be reduced proportionately by the Department of
34 Cultural Resources if the local funding for a public library was reduced by the local
35 governing body as part of an overall general budgetary reduction reflecting local
36 economic conditions and local government fiscal constraints.

37
38 **PART 9. OFFICE OF THE GOVERNOR**

39
40 Requested by: Representatives Crawford and Wainwright

41 **COUNCIL OF GOVERNMENT FUNDS**

42 Sec. 39. (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 Requested by: Representatives Wainwright, Crawford, Diamont

28 **CITIES IN SCHOOLS FUNDS**

29 Sec. 39.1. Funds appropriated in this act to the Office of the Governor for
30 Cities in Schools shall be used only to provide grants to local schools for use by those
31 schools.

32 33 **PART 10. DEPARTMENT OF INSURANCE**

34
35 Requested by: Representatives Crawford, Wainwright, Nesbitt

36 **UNBUDGETED INSURANCE RECEIPTS REVERT TO GENERAL FUND**

37 Sec. 40. Appropriations to the Department of Insurance in this act shall be
38 repaid to the General Fund from the Department of Insurance Fund in equal quarterly
39 installments, except that the final installment of the fiscal year shall be reduced by the
40 difference between the amount appropriated and actual expenditures in that fiscal year.
41 Notwithstanding provisions in Section 10 of this act, departmental receipts realized by
42 the Department of Insurance in excess of amounts approved for expenditure by the
43 General Assembly, as adjusted by the Office of State Budget and Management to reflect

1 the distribution of statewide reserves, shall revert to the General Fund at the end of each
2 fiscal year.

3

4 Requested by: Representatives Crawford and Wainwright

5 **FIRE/RESCUE COMMISSION STAFF**

6 Sec. 41. G.S. 58-78-5(a) reads as rewritten:

7 "(a) The Commission shall have the following powers and duties:

- 8 (1) To formally adopt a State Fire Education and Training Plan, a State
9 Master Plan for Fire Prevention and Control, a Rescue Training Plan,
10 and a State Master Plan for Rescue Services;
- 11 (2) To assist and participate with State and local fire prevention and
12 control agencies in the improvement of fire prevention and control in
13 North Carolina and to work with State and local rescue agencies to
14 improve rescue services in the State;
- 15 (3) To increase the professional skills of fire protection and fire-fighting
16 personnel and rescue personnel;
- 17 (4) To encourage public support for fire prevention and control and rescue
18 services;
- 19 (5) To accept gifts, bequests, devises, grants, matching funds, and other
20 considerations from private or governmental sources for use in
21 promoting its work;
- 22 (6) To make grants for use in pursuing its objectives, under such
23 conditions as are deemed to be necessary and such other powers as
24 may be necessary to carry out the State's duties with respect to all
25 grants to the State by the United States Fire Administration and the
26 National Fire Academy; and all support programs brought into the
27 State by these two entities shall be coordinated and controlled by the
28 Commission;
- 29 (7) To make studies and recommendations for the improvement of fire
30 prevention and control and rescue services in the State and to make
31 studies and recommendations for the coordination and implementation
32 of effective fire prevention and control and rescue services and for
33 effective fire prevention and control and rescue services education;
- 34 (8) To set objectives and priorities for the improvement of fire prevention
35 and control and rescue services throughout the State;
- 36 (9) To advise State and local interests of opportunities for securing federal
37 assistance for fire prevention and control and rescue services and for
38 improving fire prevention and control and rescue services
39 administration and planning within the State of North Carolina;
- 40 (10) To assist State agencies and institutions of local government and
41 combinations thereof in the preparation and processing of applications
42 for financial aid and to support fire prevention and control, rescue
43 services, and planning and administration;

- 1 (11) To encourage and assist coordination at the federal, State and local
2 government levels in the preparation and implementation of fire
3 prevention and control and rescue services administrative
4 improvements and crime reduction plans;
- 5 (12) To apply for, receive, disburse and audit the use of funds received
6 from any public and private agencies and instrumentalities for fire
7 prevention and control and rescue services, their administration and
8 plans therefor;
- 9 (13) To enter into monitoring and evaluating the results of contracts and
10 agreements necessary or incidental to the discharge of its assigned
11 responsibilities;
- 12 (14) To provide technical assistance to State and local fire prevention and
13 control and rescue agencies in developing programs for improvement;
- 14 (14a) To serve as a central office for the collection and dissemination
15 of information relative to fire service and rescue service
16 activities and programs in State government. All State
17 government agencies conducting fire service and rescue service
18 related programs and activities shall report the status of these
19 programs and activities to the Commission on a quarterly basis
20 and they shall also report to the Commission any new programs
21 or changes to existing programs as they are implemented;
- 22 (14b) To establish voluntary minimum professional qualifications for
23 all levels of fire service and rescue service personnel;
- 24 (14c) To prepare an annual report to the Governor on its fire prevention and
25 control activities and plans, rescue activities and plans, and to
26 recommend legislation concerning fire prevention and control and
27 rescue services; ~~and~~
- 28 (14d) To reimburse the members of the Commission's certification board, in
29 accordance with G.S. 138-5, for travel and subsistence expenses
30 incurred by them in their duties as certification board officers; and
- 31 (15) To take such other actions as may be deemed necessary or appropriate
32 to carry out its assigned duties and responsibilities."
33

34 Requested by: Representatives Crawford and Wainwright

35 **STATE CONTROLLER REVIEW OF INSURANCE CHART OF ACCOUNTS**

36 Sec. 42. The Office of the State Controller as authorized by G.S. 143B-
37 426.39 and this section shall review the chart of accounts used by the Department of
38 Insurance and shall report to the 1993 General Assembly and to the Department of
39 Insurance by March 1, 1994, the findings and recommendations of the State Controller's
40 Office regarding changes needed to align the accounting practices in the Department of
41 Insurance with standards of the Government Accounting Standards Board and generally
42 accepted principles of governmental accounting used within the State's accounting
43 system.
44

PART 11. OFFICE OF THE LIEUTENANT GOVERNOR

Requested by: Representatives Crawford and Wainwright

CERTAIN LIEUTENANT GOVERNOR APPROPRIATIONS NOT TO BE TRANSFERRED

Sec. 43. Funds appropriated to the Office of Lieutenant Governor for Other Services and for Service and Maintenance Contracts shall not be transferred to other objects of expenditure.

PART 12. DEPARTMENT OF REVENUE

Requested by: Representatives Crawford and Wainwright

REVENUE FIELD OFFICE CLOSURES AND CONSOLIDATIONS

Sec. 44. The Department of Revenue shall thoroughly analyze the effect of field office closures and consolidations executed pursuant to recommendations by the Government Performance Audit Committee, and shall report its findings to the General Assembly on or before March 31, 1994. At a minimum, the report shall present evidence relevant to the following issues:

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

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

PART 13. OFFICE OF STATE AUDITOR

Requested by: Representatives Crawford and Wainwright

INFORMATION FROM PRIVATE ORGANIZATIONS RECEIVING STATE FUNDS; INFORMATION FROM STATE DEPARTMENTS AND AGENCIES PROVIDING STATE FUNDS

Sec. 45. G.S. 143-6.1 reads as rewritten:

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

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

Each corporation, organization, and institution which receives, uses or expends State funds in the amount of twenty-five thousand dollars (\$25,000) or more annually, except when the funds are for the purchase of goods or services, shall file annually with the

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

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

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

31 **PART 14. SALARIES AND BENEFITS**

32
33 Requested by: Representatives Nesbitt and Diamont

34 **RESTORE JUNE 30TH PAYDATE FOR COMMUNITY COLLEGE** 35 **EMPLOYEES**

36 Sec. 46. (a) Funds appropriated in the Savings Reserve Account in this act to
37 reinstate the payday shall be used for the 1993-94 fiscal year to pay community college
38 employees paid from the General Fund on June 30, 1994, instead of July 1, 1994, for
39 work done during June of 1994.

40 (b) G.S. 143-15.3(b) reads as rewritten:

41 "(b) The Director ~~may~~ shall not use funds in the Savings Reserve Account unless
42 the use has been approved by an act of the General Assembly. It is the intent of the
43 General Assembly that in future sessions, as funds are available, it will reduce and then
44 eliminate the State's liability for payroll deferrals for State employees ~~and community~~

1 college employees and for the deferral of the twelfth month of teacher payroll. These
2 actions will bring the State into closer conformity with the GAAP."

3
4 Requested by: Representatives Nesbitt and Diamont

5 **APPROPRIATIONS**

6 Sec. 47. (a) Of the funds appropriated from the General Fund to the Reserve for
7 Salary Increases, the sum of sixty-four million twenty-seven thousand two hundred
8 fifty-seven dollars (\$64,027,257) for the 1993-94 fiscal year and sixty-eight million five
9 hundred twenty-four thousand six hundred seventy-five dollars (\$68,524,675) for the
10 1994-95 fiscal year shall be used to provide raises for State employees and school
11 personnel other than teachers.

12 (b) Of the funds appropriated from the Highway Fund to the Reserve for Salary
13 Increases, the sum of six million nine hundred sixty-three thousand four hundred forty-
14 six dollars (\$6,963,446) for the 1993-94 fiscal year and the sum of six million nine
15 hundred sixty-three thousand four hundred forty-six dollars (\$6,963,446) for the 1994-
16 95 fiscal year shall be used to provide raises for State employees.

17 (c) Of the funds appropriated from the General Fund to the Reserve for Salary
18 Increases, the sum of forty-two million four hundred forty-three thousand two hundred
19 seventeen dollars (\$42,443,217) for the 1993-94 fiscal year and the sum of forty-two
20 million four hundred forty-three thousand two hundred seventeen dollars (\$42,443,217)
21 for the 1994-95 fiscal year shall be used to implement the teacher salary schedule
22 provided in this act. This is the equivalent of two percent (2%) of teacher payroll.

23 (d) Of the funds appropriated from the Highway Fund to the Reserve for Salary
24 Increases, the sum of one hundred forty-five thousand seven hundred ten dollars
25 (\$145,710) for the 1993-94 fiscal year and the sum of one hundred forty-five thousand
26 seven hundred ten dollars (\$145,710) for the 1994-95 fiscal year shall be used to
27 implement the teacher salary schedule provided in this act. This is the equivalent of two
28 percent (2%) of teacher payroll.

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

35
36 Requested by: Representatives Nesbitt and Diamont

37 **GOVERNOR'S SALARY INCREASE**

38 Sec. 48. G.S. 147-11(a) reads as rewritten:

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

42
43 Requested by: Representatives Nesbitt and Diamont

44 **COUNCIL OF STATE/SALARY INCREASE**

1 Sec. 49. The annual salaries for members of the Council of State, payable
2 monthly, for the 1993-94 and 1994-95 fiscal years are:

3 <u>Council of State</u>	<u>Annual Salary</u>
4	
5 Lieutenant Governor	\$77,289
6 Attorney General	77,289
7 Secretary of State	77,289
8 State Treasurer	77,289
9 State Auditor	77,289
10 Superintendent of Public Instruction	77,289
11 Agriculture Commissioner	77,289
12 Insurance Commissioner	77,289
13 Labor Commissioner	77,289.

14
15 Requested by: Representatives Nesbitt and Diamont

16 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

17 Sec. 50. In accordance with G.S. 143B-9, the maximum annual salaries,
18 payable monthly, for the nonelected heads of the principal State departments for the
19 1993-94 and 1994-95 fiscal years are:

20 <u>Nonelected Department Heads</u>	<u>Annual Salary</u>
21	
22 Secretary of Administration	\$77,289
23 Secretary of Correction	77,289
24 Secretary of Crime Control and	
25 Public Safety	77,289
26 Secretary of Cultural Resources	77,289
27 Secretary of Commerce	77,289
28 Secretary of Environment, Health,	
29 and Natural Resources	77,289
30 Secretary of Human Resources	77,289
31 Secretary of Revenue	77,289
32 Secretary of Transportation	77,289.

33
34 Requested by: Representatives Nesbitt and Diamont

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

36 Sec. 51. (a) The annual salaries, payable monthly, for the 1993-94 and 1994-95
37 fiscal years for the following executive branch officials are:

38 <u>Executive Branch Officials</u>	<u>Annual Salary</u>
39	
40 Chairman, Alcoholic Beverage Control	
41 Commission	\$74,389
42 State Controller	120,301
43 Commissioner of Motor Vehicles	74,389
44 Commissioner of Banks	74,389

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

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

25
26 Requested by: Representatives Nesbitt and Diamont

27 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

28 Sec. 52. Effective upon convening of the 1995 Regular Session of the
29 General Assembly, G.S. 120-3 reads as rewritten:

30 **"§ 120-3. Pay of members and officers of the General Assembly.**

31 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-five~~
32 ~~thousand six hundred twenty-two dollars (\$35,622)~~, thirty-six thousand three hundred
33 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
34 thousand three hundred ~~twenty-four~~ sixty-six dollars ~~(\$1,320)~~ (\$1,346) per month. The
35 President Pro Tempore of the Senate shall be paid an annual salary of ~~thirty-five~~
36 ~~thousand six hundred twenty-two dollars (\$35,622)~~, thirty-six thousand three hundred
37 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
38 thousand three hundred ~~twenty-four~~ sixty-six dollars ~~(\$1,320)~~ (\$1,346) per month. The
39 Speaker Pro Tempore of the House shall be paid an annual salary of twenty thousand
40 ~~two hundred ninety-eight dollars seven hundred four dollars (\$20,298)~~, (\$20,704)
41 payable monthly, and an expense allowance of seven hundred ~~eighty-ninety-six~~
42 ~~(\$780.00)~~ (\$796.00) per month. The Deputy President Pro Tempore of the Senate shall
43 be paid an annual salary of twenty thousand ~~two hundred ninety-eight dollars seven~~
44 ~~hundred four (\$20,298)~~, (\$20,704) payable monthly, and an expense allowance of seven

1 hundred ~~eighty-ninety-six~~ dollars (~~\$780.00~~)-(~~\$796.00~~) per month. The majority and
2 minority leaders in the House and the majority and minority leaders in the Senate shall
3 be paid an annual salary of ~~fifteen thousand nine hundred eighteen~~ dollars (~~\$15,918~~),
4 sixteen thousand two hundred thirty-six dollars (\$16,236) payable monthly, and an
5 expense allowance of six hundred ~~twenty-two-thirty-four~~ dollars (~~\$622.00~~)-(~~\$634.00~~)
6 per month.

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

16 (c) The salary and expense allowances provided in this section are in addition to
17 any per diem compensation and any subsistence and travel allowance authorized by any
18 other law with respect to any regular or extra session of the General Assembly, and
19 service on any State board, agency, commission, standing committee and study
20 commission."
21

22 Requested by: Representatives Nesbitt and Diamont

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

24 Sec. 53. G.S. 120-37(c) reads as rewritten:

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

35 Requested by: Representatives Nesbitt and Diamont

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

37 Sec. 54. G.S. 120-37(b) reads as rewritten:

38 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
39 salary of ~~two hundred nineteen~~ dollars (~~\$219.00~~)-two hundred twenty-three dollars
40 (\$223.00) per week, plus subsistence at the same daily rate provided for members of the
41 General Assembly, plus mileage at the rate provided for members of the General
42 Assembly for one round trip only from their homes to Raleigh and return. The
43 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
44 prior to the convening of, and subsequent to adjournment or recess of, sessions as may

1 be authorized by the Legislative Services Commission. The reading clerks shall serve
 2 during sessions only."

3

4 Requested by: Representatives Nesbitt and Diamont

5 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

6 Sec. 55. The Legislative Administrative Officer may increase the salaries of
 7 nonelected employees of the General Assembly in effect for fiscal year 1992-93 by an
 8 amount equal to two percent (2%). Nothing in this act limits any of the provisions of
 9 G.S. 120-32.

10

11 Requested by: Representatives Nesbitt and Diamont

12 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

13 Sec. 56. (a) The annual salaries, payable monthly, for specified judicial branch
 14 officials for fiscal year 1993-94 and fiscal year 1994-95 are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
17 Chief Justice, Supreme Court	\$93,777
18 Associate Justice, Supreme Court	91,855
19 Chief Judge, Court of Appeals	88,930
20 Judge, Court of Appeals	86,996
21 Judge, Senior Regular Resident	
22 Superior Court	79,823
23 Judge, Superior Court	77,289
24 Chief Judge, District Court	68,256
25 Judge, District Court	65,674
26 District Attorney	71,965
27 Assistant District Attorney - an	
28 average of	46,738
29 Administrative Officer of the Courts	79,823
30 Assistant Administrative Officer	
31 of the Courts	65,160
32 Public Defender	71,965
33 Assistant Public Defender - an	
34 average of	46,738.

35 If an acting senior regular resident superior court judge is appointed under the
 36 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,
 37 Superior Court, until his temporary appointment is vacated, and the judge he replaces
 38 shall receive the salary indicated for Judge, Superior Court.

39 The district attorney or public defender of a judicial district, with the approval
 40 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 41 attorneys or assistant public defenders, respectively, in that district such that the average
 42 salaries of assistant district attorneys or assistant public defenders in that district do not
 43 exceed forty-six thousand seven hundred thirty-eight dollars (\$46,738), and the

1 minimum salary of any assistant district attorney or assistant public defender is at least
 2 twenty-three thousand eight hundred sixty-two dollars (\$23,862) effective July 1, 1993.

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

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

9
 10 Requested by: Representatives Nesbitt and Diamont

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

12 Sec. 57. (a) G.S. 7A-101 reads as rewritten:

13 **"§ 7A-101. Compensation.**

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

18 Population	19 Annual Salary	
20 1992-93' Less than 100,000	\$47,442	<u>\$48,391</u>
21 100,000 to 199,999 <u>149,999</u>	53,550	<u>54,621</u>
22 200,000 and above <u>150,000 to 249,999</u>	61,026	<u>62,247</u>
23 <u>250,000 and above</u>	<u>68,256</u>	

24
 25 When a county changes from one population group to another, the salary of the clerk
 26 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 27 salary appropriate for the new population group, except that the salary of an incumbent
 28 clerk shall not be decreased by any change in population group during his continuance
 29 in office."

30 (b) The increase required for the new annual salaries provided in subsection
 31 (a) of this section shall be funded from funds available to the Administrative Office of
 32 the Courts for fiscal years 1993-94 and 1994-95.

33
 34 Requested by: Representatives Nesbitt and Diamont

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

36 Sec. 58. G.S. 7A-102(c) reads as rewritten:

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

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

12 Sec. 59. G.S. 7A-102(c1) reads as rewritten:

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

15 Assistant Clerks	Annual Salary
16 '1992-93'	
17 Minimum \$20,712	
18 Maximum 35,262 <u>35,967</u>	

20 Deputy Clerks	Annual Salary
21 '1992-93'	
22 Minimum \$16,236 <u>\$16,560</u>	
23 Maximum 27,162. <u>27,705.</u> "	

24
 25 Requested by: Representatives Nesbitt and Diamont

26 **MAGISTRATES/SALARY INCREASE**

27 Sec. 60. G.S. 7A-171.1(a)(1) reads as rewritten:

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

33
 34 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

35	Number of Prior Years of Service	Annual Salary
36		'1992-93'
37	Less than 1	\$17,058 <u>\$17,399</u>
38	1 or more but less than 3	17,934 <u>18,293</u>
39	3 or more but less than 5	19,698 <u>20,092</u>
40	5 or more but less than 7	21,642 <u>22,075</u>
41	7 or more but less than 9	23,814 <u>24,290</u>
42	9 or more but less than 11	26,178 <u>26,702</u>
43	11 or more	28,758. <u>29,333.</u>
44		

1
2 A 'Full-time magistrate' is a magistrate who is assigned to work an
3 average of not less than 40 hours a week during his term of office.

4 Notwithstanding any other provision of this subdivision, a full-time
5 magistrate, who was serving as a magistrate on December 31, 1978,
6 and who was receiving an annual salary in excess of that which would
7 ordinarily be allowed under the provisions of this subdivision, shall
8 not have the salary, which he was receiving reduced during any
9 subsequent term as a full-time magistrate. That magistrate's salary
10 shall be fixed at the salary level from the table above which is nearest
11 and higher than the latest annual salary he was receiving on December
12 31, 1978, and, thereafter, shall advance in accordance with the
13 schedule in the table above."
14

15 Requested by: Representatives Nesbitt and Diamont

16 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

17 Sec. 61. The Director of the Budget may transfer from the Reserve for Salary
18 Increases created in this act for fiscal years 1993-94 and 1994-95 funds to the
19 Department of Community Colleges necessary to provide an average annual salary
20 increase of two percent (2%), including funds for the employer's retirement and social
21 security contributions, commencing July 1, 1993, for all permanent full-time
22 community college institutional personnel supported by State funds. The State Board
23 shall establish guidelines for providing salary increases to community college
24 institutional personnel. Salary funds shall be used to provide an average annual salary
25 increase of two percent (2%) to all full-time employees and part-time employees on a
26 pro rata basis.
27

28 Requested by: Representatives Nesbitt and Diamont

29 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

30 Sec. 62. The Director of the Budget shall transfer to the Board of Governors
31 of The University of North Carolina sufficient funds from the Reserve for Salary
32 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 to provide
33 an annual average salary increase of two percent (2%), including funds for the
34 employer's retirement and social security contributions, commencing July 1, 1993, for
35 all employees of The University of North Carolina, as well as employees of the North
36 Carolina School of Science and Mathematics, supported by State funds and whose
37 salaries are exempt from the State Personnel Act. These funds shall be allocated to
38 individuals according to the rules adopted by the Board of Governors, or the Board of
39 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
40 may not be used for any purpose other than for salary increases and necessary employer
41 contributions provided by this section.
42

43 Requested by: Representatives Nesbitt and Diamont

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

1 Sec. 63. (a) The salaries in effect for fiscal year 1992-93 for all permanent full-
2 time State employees whose salaries are set in accordance with the State Personnel Act
3 and who are paid from the General Fund or the Highway Fund shall be increased, on
4 and after July 1, 1993, unless otherwise provided by this act, by two percent (2%).

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

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

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

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

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

30
31 Requested by: Representatives Nesbitt and Diamont

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

33 Sec. 64. Of the funds appropriated from the General Fund for the Reserve for
34 Salary Increases in this act for the 1993-94 fiscal year and the 1994-95 fiscal year, funds
35 shall be made available for employees in locally operated State funded programs in an
36 amount equivalent to a two percent (2%) across-the-board salary increase. Such
37 employees do not receive the compensation bonus provided in this act.

38
39 Requested by: Representatives Nesbitt and Diamont

40 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

41 Sec. 65. (a) Superintendents, Assistant Superintendents, Associate
42 Superintendents, Supervisors, Directors, Coordinators, Evaluators, and Program
43 Administrators. – The Director of the Budget may transfer from the Reserve for Salary
44 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 funds

1 necessary to provide a salary increase of two percent (2%), including funds for the
2 employer's retirement and social security contributions, commencing July 1, 1993, for
3 all superintendents, assistant superintendents, associate superintendents, supervisors,
4 directors, coordinators, evaluators, and program administrators whose salaries are
5 supported from the State's General Fund. These funds may not be used for any purpose
6 other than for the salary increase and necessary employer contributions provided by this
7 subsection.

8 (b) Noncertified Employees. – The Director of the Budget may transfer from the
9 Reserve for Salary Increases created in this act for fiscal year 1993-94 and fiscal year
10 1994-95 funds necessary to provide a salary increase of two percent (2%), including
11 funds for the employer's retirement and social security contributions, commencing July
12 1, 1993, for all noncertified public school employees, except school bus drivers, whose
13 salaries are supported from the State's General Fund. These funds may not be used for
14 any purpose other than for the salary increases and necessary employer contributions
15 provided by this subsection.

16 (c) The fiscal year 1992-93 pay rates adopted by local boards of education for
17 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
18 1993, to the extent that such rates of pay are supported by the allocation of State funds
19 from the State Board of Education. Local boards of education shall increase the rates of
20 pay for all school bus drivers who were employed during fiscal year 1992-93 and who
21 continue their employment for fiscal year 1993-94 and fiscal year 1994-95 by at least
22 two percent (2%) on and after July 1, 1993. The Director of the Budget may transfer
23 from the salary increase reserve fund created in this act for fiscal year 1993-94 and
24 fiscal year 1994-95 funds necessary to provide the salary increases for school bus
25 drivers whose salaries are supported from the State's General Fund in accordance with
26 the provisions of this subsection.

27
28 Requested by: Representatives Nesbitt and Diamont

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

30 Sec. 66. (a) Salaries for positions that are funded partially from the General
31 Fund or Highway Fund and partially from sources other than the General Fund or
32 Highway Fund shall be increased from the General Fund or Highway Fund
33 appropriation only to the extent of the proportionate part of the salaries paid from the
34 General Fund or Highway Fund.

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

38 (c) The salary increases provided in this Part are to be effective July 1, 1993, do
39 not apply to persons separated from State service due to resignation, dismissal,
40 reduction in force, death, or retirement, whose last workday is prior to July 1, 1993, or
41 to employees involved in written disciplinary procedures. The employee shall receive
42 the increase on a current basis when the final written disciplinary procedure is resolved.

43 Payroll checks issued to employees after July 1, 1993, which represent
44 payment for services provided prior to July 1, 1993, shall not be eligible for salary

1 increases provided for in this act. This subsection shall apply to all employees, subject
2 to or exempt from the State Personnel Act, paid from State funds, including public
3 schools, community colleges, and The University of North Carolina.

4 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
5 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
6 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
7 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
8 automatic increment, and no State employee or officer shall receive a merit increment
9 during the 1993-94 and 1994-95 fiscal years, except as otherwise permitted by this act.

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

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

16
17 Requested by: Representatives Barnes, Nesbitt and Diamont

18 **RESERVE FOR LOWEST PAID EMPLOYEES**

19 Sec. 67. Notwithstanding any other provisions of the current law, the Office
20 of State Budget and Management may use funds in the Reserve for Lowest Paid
21 Employees for the purpose of continuing salary increases awarded during fiscal year
22 1992-93 to the lowest paid State employees pursuant to Section 37 of Chapter 1066 of
23 the 1989 Session Laws.

24
25 Requested by: Representatives Barnes and Nesbitt

26 **SET A WAGE FLOOR FOR THE LOWEST PAID STATE EMPLOYEES**

27 Sec. 68. (a) The hiring rate of Salary Grade 50 under the State Personnel
28 System is twelve thousand eight hundred seventy-seven dollars (\$12,877) per year. The
29 salary of any employee at Salary Grade 50 which is less than that amount is raised to
30 that amount.

31 (b) The hiring rate of Salary Grade 51 under the State Personnel System is twelve
32 thousand nine hundred seventy-seven dollars (\$12,977) per year. The salary of any
33 employee at Salary Grade 51 which is less than that amount is raised to that amount.

34 (c) The hiring rate of Salary Grade 52 under the State Personnel System is
35 thirteen thousand seventy-nine dollars (\$13,079) per year. The salary of any employee
36 at Salary Grade 52 which is less than that amount is raised to that amount.

37 (d) Of the funds appropriated to the Reserve for Salary Increases for fiscal year
38 1993-94 the sum of one hundred thirty-five thousand five hundred dollars (\$135,500)
39 and for fiscal year 1994-95 the sum of one hundred thirty-five thousand five hundred
40 dollars (\$135,500) shall be used to implement this section.

41 (e) The Office of State Personnel may use salary adjustment funds to adjust
42 salaries in Grades 50 through 52 on the basis of years of experience for persons who on
43 June 30, 1993, were above the hiring rate but will be at the hiring rate for their grade as
44 a result of this section.

1
2 Requested by: Representatives Nesbitt and Diamont

3 **COMPENSATION BONUS**

4 Sec. 69. (a) Any person:

5 (1) Whose salary is set by or under this Part;

6 (2) Who was, during the 1993-94 fiscal year, a permanent officer or
7 permanent employee whose salary is set by or under this Part; and

8 (3) Who was such an employee for the entire fiscal year, or, if the
9 permanent position was for a contract which provides for a term of
10 nine months or more but less than 12 months, was such an employee
11 for the entire term of the contract

12 shall receive in June of 1994, a compensation bonus of one percent (1%) of the annual
13 salary for that position.

14 (b) The provisions of this section do not apply to persons whose salaries are
15 determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a), except for those
16 employees who would not receive a salary increment for the 1993-94 fiscal year under
17 G.S. 7A-102 or G.S. 20-187.3(a) because they are at the top of their salary range, and do
18 not apply to persons whose salaries are set by G.S. 120-3.

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

21
22 Requested by: Representatives Nesbitt and Diamont

23 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

24 Sec. 70. (a) Required employer salary-related contributions for employees
25 whose salaries are paid from department, office, institution, or agency receipts shall be
26 paid from the same source as the source of the employees' salary. If an employee's
27 salary is paid in part from the General Fund or Highway Fund and in part from
28 department, office, institution, or agency receipts, required employer salary-related
29 contributions may be paid from the General Fund or Highway Fund only to the extent of
30 the proportionate part paid from the General Fund or Highway Fund in support of the
31 salary of the employee, and the remainder of the employer's requirements shall be paid
32 from the source that supplies the remainder of the employee's salary. The requirements
33 of this section as to source of payment are also applicable to payments on behalf of the
34 employee for hospital-medical benefits, longevity pay, unemployment compensation,
35 accumulated leave, workers' compensation, severance pay, separation allowances, and
36 applicable disability income and disability salary continuation benefits.

37 (b) Effective July 1, 1993, the State's employer contribution rates budgeted for
38 retirement and related benefits as a percentage of covered salaries for the 1993-94 and
39 1994-95 fiscal years are (i) ten and ninety-three hundredths percent (10.93%) - Teachers
40 and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State
41 Law Enforcement Officers; (iii) eight and ninety-two hundredths percent (8.92%) -
42 University Employees' Optional Retirement Program; (iv) twenty-four and eighty-three
43 hundredths percent (24.83%) - Consolidated Judicial Retirement System; and (v) thirty-
44 two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of

1 the foregoing contribution rates includes two percent (2%) for hospital and medical
2 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for
3 the Supplemental Retirement Income Plan. The rates for Teachers and State
4 Employees, State Law Enforcement Officers, and for the University Employees'
5 Optional Retirement Program includes forty-two hundredths percent (0.42%) for the
6 Disability Income Plan.

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

13 ..
14 Requested by: Representatives Nesbitt and Diamont

15 **ALLOW LEGISLATORS SERVING IN JANUARY 1985 TO PURCHASE**
16 **CREDITABLE SERVICE IN THE LEGISLATIVE RETIREMENT SYSTEM**

17 Sec. 71. G.S. 120-4.12 is amended by adding a new subsection to read:

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

22
23 Requested by: Representatives Nesbitt and Diamont

24 **ALLOW LOCAL BOARDS OF EDUCATION TO ESTABLISH SICK LEAVE**
25 **BANKS FOR PUBLIC SCHOOL EMPLOYEES**

26 Sec. 72. (a) G.S. 115C-47 is amended by adding a new subdivision to read:

27 "(36) Local boards of education may adopt rules for the establishment of a
28 voluntary sick leave bank from which an employee may, upon
29 exhaustion of accumulated sick leave, withdraw sick leave days in the
30 event of emergency or catastrophic illness. Local board rules
31 concerning the establishment of sick leave banks shall include
32 provisions for notifying employees who donate unused sick leave to,
33 and employees who withdraw sick leave from the sick leave bank, of
34 the State retirement credit consequences as to the donated sick leave."

35 (b) The Department of Public Instruction in fiscal years 1993-94 and 1994-95
36 may reimburse, from funds appropriated by this act, local school administrative units for
37 items relating to sick leave used by employees under this section.

38 (c) Each local school administrative unit creating a sick leave bank under this
39 section shall report to the Department of Public Instruction, on a schedule prescribed by
40 that Department, the number of employees participating, itemized by job classification,
41 the number of sick leave days withdrawn, and the cost of the leave.

42
43 Requested by Representatives Nesbitt and Diamont

1 **ALLOW PUBLIC SCHOOL EMPLOYEES AND STATE EMPLOYEES TO**
2 **CONVERT EXCESS ANNUAL LEAVE DAYS TO SICK LEAVE**

3 Sec. 73. (a) G.S. 115C-272(b)(2) reads as rewritten:

4 "(2) Notwithstanding any provisions of this section to the contrary no
5 person shall be entitled to pay for any vacation day not earned by that
6 person. Vacation days shall not be used for extending the term of
7 employment of individuals and shall not be cumulative from one fiscal
8 year to another fiscal year: Provided, that superintendents may
9 accumulate annual vacation leave days as follows: annual leave may
10 be accumulated without any applicable maximum until June 30 of each
11 year. On June 30 of each year, any superintendent with more than 30
12 days of accumulated leave shall have the excess accumulation
13 ~~cancelled~~ converted to sick leave so that only 30 days are carried
14 forward to July 1 of the same year. All vacation leave taken by the
15 superintendent will be upon the authorization of his immediate
16 supervisor and under policies established by the local board of
17 education. An employee shall be paid in a lump sum for accumulated
18 annual leave not to exceed a maximum of 240 hours when separated
19 from service due to resignation, dismissal, reduction in force, death, or
20 service retirement. If the last day of terminal leave falls on the last
21 workday in the month, payment shall be made for the remaining
22 nonworkdays in that month. Employees retiring on disability
23 retirement may exhaust annual leave rather than be paid in a lump
24 sum. The provisions of this subdivision shall be accomplished without
25 additional State and local funds being appropriated for this purpose.
26 The State Board of Education shall adopt rules and regulations for the
27 administration of this subdivision."

28 (b) G.S. 115C-285(a)(2) reads as rewritten:

29 "(2) Supervisors and classified principals paid on an hourly or other basis
30 whether paid from State or from local funds may accumulate annual
31 vacation leave days as follows: annual leave may be accumulated
32 without any applicable maximum until June 30 of each year. On June
33 30 of each year, any supervisor or principals with more than 30 days of
34 accumulated leave shall have the excess accumulation ~~cancelled~~
35 converted to sick leave so that only 30 days are carried forward to July
36 1 of the same year. All vacation leave taken by the employee will be
37 upon the authorization of his immediate supervisor and under policies
38 established by the local board of education. An employee shall be paid
39 in a lump sum for accumulated annual leave not to exceed a maximum
40 of 240 hours when separated from service due to resignation,
41 dismissal, reduction in force, death, or service retirement. If the last
42 day of terminal leave falls on the last workday in the month, payment
43 shall be made for the remaining nonworkdays in that month.
44 Employees retiring on disability retirement may exhaust annual leave

1 rather than be paid in a lump sum. The provisions of this subdivision
2 shall be accomplished without additional State and local funds being
3 appropriated for this purpose. The State Board of Education shall
4 adopt rules and regulations for the administration of this subdivision."

5 (c) G.S. 115C-302(a)(3) reads as rewritten:

6 "(3) Notwithstanding any provisions of this section to the contrary no
7 person shall be entitled to pay for any vacation day not earned by that
8 person. The first 10 days of annual vacation leave earned by a teacher
9 during any fiscal year period shall be scheduled to be used in the
10 school calendar adopted by the respective local boards of education.
11 Vacation days shall not be used for extending the term of employment
12 of individuals. Teachers may accumulate annual vacation leave days
13 as follows: annual leave may be accumulated without any applicable
14 maximum until June 30 of each year. On June 30 of each year, any
15 teachers with more than 30 days of accumulated leave shall have the
16 excess accumulation ~~cancelled~~ converted to sick leave so that only 30
17 days are carried forward to July 1 of the same year. All vacation leave
18 taken by the teacher will be upon the authorization of his immediate
19 supervisor and under policies established by the local board of
20 education. An employee shall be paid in a lump sum for accumulated
21 annual leave not to exceed a maximum of 240 hours when separated
22 from service due to resignation, dismissal, reduction in force, death, or
23 service retirement. If the last day of terminal leave falls on the last
24 workday in the month, payment shall be made for the remaining
25 nonworkdays in that month. Employees retiring on disability
26 retirement may exhaust annual leave rather than be paid in a lump
27 sum. The provisions of this subdivision shall be accomplished without
28 additional State and local funds being appropriated for this purpose.
29 The State Board of Education shall adopt rules and regulations for the
30 administration of this subdivision."

31 (d) G.S. 115C-316(a)(3) reads as rewritten:

32 "(3) Notwithstanding any provisions of this section to the contrary no
33 person shall be entitled to pay for any vacation day not earned by that
34 person. The first 10 days of annual leave earned by a 10- or 11-month
35 employee during any fiscal year period shall be scheduled to be used
36 in the school calendar adopted by the respective local boards of
37 education. Vacation days shall not be used for extending the term of
38 employment of individuals. Ten- or 11-month employees may
39 accumulate annual vacation leave days as follows: annual leave may
40 be accumulated without any applicable maximum until June 30 of each
41 year. On June 30 of each year, any of these employees with more than
42 30 days of accumulated leave shall have the excess accumulation
43 ~~cancelled~~ converted to sick leave so that only 30 days are carried
44 forward to July 1 of the same year. All vacation leave taken by these

1 employees will be upon the authorization of their immediate
2 supervisor and under policies established by the local board of
3 education. An employee shall be paid in a lump sum for accumulated
4 annual leave not to exceed a maximum of 240 hours when separated
5 from service due to resignation, dismissal, reduction in force, death or
6 service retirement. If the last day of terminal leave falls on the last
7 workday in the month, payment shall be made for the remaining
8 nonworkdays in that month. Employees retiring on disability
9 retirement may exhaust annual leave rather than be paid in a lump
10 sum. The provisions of this subdivision shall be accomplished without
11 additional State and local funds being appropriated for this purpose.
12 The State Board of Education shall adopt rules and regulations for the
13 administration of this subdivision."

14 (e) G.S. 115C-316(a)(4) reads as rewritten:

15 "(4) Twelve-month school employees other than superintendents,
16 supervisors and classified principals paid on an hourly or other basis
17 whether paid from State or from local funds may accumulate annual
18 vacation leave days as follows: annual leave may be accumulated
19 without any applicable maximum until June 30 of each year. On June
20 30 of each year, any employee with more than 30 days of accumulated
21 leave shall have the excess accumulation ~~cancelled~~ converted to sick
22 leave so that only 30 days are carried forward to July 1 of the same
23 year. All vacation leave taken by the employee will be upon the
24 authorization of his immediate supervisor and under policies
25 established by the local board of education. An employee shall be paid
26 in a lump sum for accumulated annual leave not to exceed a maximum
27 of 240 hours when separated from service due to resignation,
28 dismissal, reduction in force, death, or service retirement. If the last
29 day of terminal leave falls on the last workday in the month, payment
30 shall be made for the remaining nonworkdays in that month.
31 Employees retiring on disability retirement may exhaust annual leave
32 rather than be paid in a lump sum. The provisions of this subdivision
33 shall be accomplished without additional State and local funds being
34 appropriated for this purpose. The State Board of Education shall
35 adopt rules and regulations for the administration of this subdivision."

36 (f) G.S. 126-8 reads as rewritten:

37 **"§ 126-8. Minimum leave granted State employees.**

38 The amount of vacation leave granted to each full-time State employee subject to the
39 provisions of this Chapter shall be determined in accordance with a graduated scale
40 established by the State Personnel Commission which shall allow the equivalent rate of
41 not less than two weeks' vacation per calendar year, prorated monthly, cumulative to at
42 least 30 days. Any State employee who has vacation leave in excess of the allowed
43 accumulation shall have that leave converted to sick leave. Sick leave allowed as
44 needed to such State employees shall be at a rate not less than 10 days for each calendar

1 year, cumulative from year to year. Notwithstanding any other provisions of this section, no full-time State employee subject to the provisions of Chapter 126, as the same appears in the Cumulative Supplement to Volume 3B of the General Statutes, on May 23, 1973, shall be allowed less than the equivalent of three weeks' vacation per calendar year, cumulative to at least 30 days."

(g) This section becomes effective June 30, 1993.

Requested by Representatives Nesbitt and Diamont

PROVIDE AN INCREASE TO RETIREES OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM, AND TO INCREASE THE RETIREMENT FORMULA WITH ADJUSTING INCREASE TO RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

Sec. 74. (a) G.S. 120-4.22A is amended by adding a new subsection to read:

"(h) In accordance with subsection (a) of this section, from and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 1993, shall be increased by two percent (2%) of the allowance payable on January 1, 1993. Furthermore, from and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced after January 1, 1993, but before June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 1993, and June 30, 1993."

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

"(ll) From and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1992, but before June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

(c) G.S. 135-5(b13) reads as rewritten:

"(b13) Service Retirement Allowance of Members Retiring on or after July 1, 1992-1992, but before July 1, 1993. – Upon retirement from service in accordance with subsection (a) above, on or after July 1, 1992, but before July 1, 1993, a member shall receive the following service retirement allowance:

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

a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service

1 as a law enforcement officer, or after the completion of 30 years
2 of creditable service, the allowance shall be equal to one and
3 seventy hundredths percent (1.70%) of his average final
4 compensation, multiplied by the number of years of his
5 creditable service.

6 b. This allowance shall also be governed by the provisions of G.S.
7 135-5(b9)(1)b.

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

11 a. If the member's service retirement date occurs on or after his
12 65th birthday upon the completion of five years of creditable
13 service or after the completion of 30 years of creditable service
14 or on or after his 60th birthday upon the completion of 25 years
15 of creditable service, the allowance shall be equal to one and
16 seventy hundredths percent (1.70%) of his average final
17 compensation, multiplied by the number of years of creditable
18 service.

19 b. This allowance shall also be governed by the provisions of G.S.
20 135-5(b9)(2)b. c. and d."

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

22 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
23 1993. – Upon retirement from service in accordance with subsection (a) above, on or
24 after July 1, 1993, a member shall receive the following service retirement allowance:

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

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

35 b. If the member's service retirement date occurs after his 50th and
36 before his 55th birthday with 15 or more years of creditable
37 service as a law enforcement officer and prior to the completion
38 of 30 years of creditable service, the allowance shall be
39 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by
40 one-third of one percent (1/3 of 1%) thereof for each month by
41 which the retirement date precedes the first day of the month
42 coincident with or next following his 55th birthday.

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

4 a. If the member's service retirement date occurs on or after his
5 65th birthday upon the completion of five years of creditable
6 service or after the completion of 30 years of creditable service
7 or on or after his 60th birthday upon the completion of 25 years
8 of creditable service, the allowance shall be equal to one and
9 seventy-one hundredths percent (1.71%) of his average final
10 compensation, multiplied by the number of years of creditable
11 service.

12 b. If the member's service retirement date occurs after his 60th
13 birthday and before his 65th birthday and prior to the
14 completion of 25 years or more of creditable service, the
15 retirement allowance shall be computed as in G.S. 135-
16 5(b14)(2)a. but shall be reduced by one-quarter of one percent
17 (1/4 of 1%) thereof for each month by which his retirement date
18 precedes the first day of the month coincident with or next
19 following his 65th birthday.

20 c. If the member's service retirement date occurs before his 60th
21 birthday and prior to the completion of 30 or more years of
22 creditable service, the service retirement allowance shall be the
23 actuarial equivalent of the allowance payable at the age of 60
24 years as computed in G.S. 135(b14)(2)b.

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

28 (e) G.S 135-5 is amended by adding two new subsections to read:

29 "(vv) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1993. –
30 From and after July 1, 1993, the retirement allowance to or on account of beneficiaries
31 on the retirement rolls as of June 1, 1993, shall be increased by six-tenths of one percent
32 (.6%) of the allowance payable on June 1, 1993. This allowance shall be calculated on
33 the allowance payable and in effect on June 30, 1993, so as not to be compounded on
34 any other increase granted by act of the 1993 General Assembly.

35 (ww) From and after July 1, 1993, the retirement allowance to or on account of
36 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
37 by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S.
38 135-5(o). Furthermore, from and after July 1, 1993, the retirement allowance to or on
39 account of beneficiaries whose retirement commenced after July 1, 1992, but before
40 June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the
41 allowance payable as determined by the Board of Trustees based upon the number of
42 months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

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

1 "(n) From and after July 1, 1993, the retirement allowance to or on account of
2 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
3 by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S.
4 135-50. Furthermore, from and after July 1, 1993, the retirement allowance to or on
5 account of beneficiaries whose retirement commenced after July 1, 1992, but before
6 June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the
7 allowance payable as determined by the Board of Trustees based upon the number of
8 months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

9 (g) In order to fund the provisions of this section, the Board of Trustees of
10 the Teachers' and State Employees' Retirement System, the Consolidated Judicial
11 Retirement System, and the Legislative Retirement System, with the advice of the
12 consulting actuary, shall apply the unencumbered actuarial gains in the Systems by
13 allocating the percentage of payroll contribution rates for employers between the normal
14 and accrued liability contributions to the Retirement System without an increase in the
15 total employer contribution rate. The Board of Trustees of the Local Governmental
16 Employees' Retirement System, with the advice of its consulting actuary, shall apply the
17 unencumbered actuarial gain in the System to the normal percentage contribution of
18 payroll for employers to the Retirement System without an increase in the total
19 employer contribution rate.

21 **PART 15. COLLEGES AND UNIVERSITIES**

22
23 Requested by: Representatives Black and Rogers

24 **UNC ACADEMIC PROVISIONS**

25 Sec. 75. It is the intent of the General Assembly not to reduce the budgets of
26 The University of North Carolina for the 1993-95 fiscal biennium in response to the
27 thirty percent (30%) of costs of personnel exempt from the State Personnel Act who
28 retired during the 1992-93 fiscal year and were working in the areas of teaching,
29 libraries, and academic leadership.

30
31 Requested by: Representatives Black and Rogers

32 **INVENTORY**

33 Sec. 76. The Board of Governors of The University of North Carolina shall
34 direct the chancellors and appropriate management staff at the constituent institutions
35 and other affiliated operations to review their management of expendable inventory and
36 to establish the best management practices for inventory control, in keeping with the
37 recommendations of the Government Performance Audit Committee. To the degree
38 that savings can be achieved from better inventory management, the Board shall report
39 these savings to the Joint Appropriations Committees of the General Assembly by April
40 15, 1994.

41
42 Requested by: Representatives Black and Rogers

43 **COMPUTER NETWORK MANAGEMENT**

1 Sec. 77. The Board of Governors of The University of North Carolina shall
2 review its planned improvements in the LINCNET network operated by The University
3 of North Carolina, and, in conjunction with the Office of the State Controller and the
4 Microelectronics Center of North Carolina, determine if the improvements and the
5 ongoing operation of LINCNET can be accomplished more efficiently by combining
6 LINCNET with other networks or by its integration into the proposed statewide
7 broadband network. The Board shall report its findings to the General Assembly and to
8 the Information Resources Management Commission by May 1, 1994.

9
10 Requested by: Representatives Black and Rogers

11 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**
12 **FORMULAE**

13 Sec. 78. (a) Funds appropriated in this act to the Board of Governors of The
14 University of North Carolina for continuation of financial assistance to the medical
15 schools of Duke University and Wake Forest University shall be disbursed on
16 certifications of the respective schools of medicine that show the number of North
17 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
18 medical school as of November 1, 1993, and November 1, 1994. Disbursement to
19 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
20 for each medical student who is a North Carolina resident, one thousand dollars
21 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
22 aid to needy North Carolina students who are enrolled in the medical school. The
23 maximum aid given to any student from this fund in a given year may not exceed the
24 amount of the difference in tuition and academic fees charged by the school and those
25 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

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

36 (b) The Board of Governors shall establish the criteria for determining the
37 eligibility for financial aid of needy North Carolina students who are enrolled in the
38 medical schools and shall review the grants or awards to eligible students. The Board of
39 Governors shall adopt rules for determining which students are residents of North
40 Carolina for the purposes of these programs. The Board of Governors shall also adopt
41 any rules necessary to ensure that these funds are used directly for instruction in the
42 medical programs of the schools and not for religious or other nonpublic purposes. In
43 exchange for the receipt of these funds, these schools of medicine shall prepare a plan
44 with strategies to encourage North Carolina residents to enter primary care disciplines.

1 These schools of medicine shall present this plan to the Board of Governors of The
2 University of North Carolina by December 1, 1993. These schools of medicine shall
3 meet the goal of ensuring that the percentage of North Carolina students graduating
4 from each school who enter primary care residencies equals or exceeds fifty percent
5 (50%) of the total number of North Carolina graduates by 1996-97.

6 For purposes of this section, residencies in primary care disciplines include
7 residencies in family medicine, general pediatric medicine, general internal medicine,
8 internal medicine/pediatrics, and obstetrics/gynecology.

9 (c) Compliance with this section shall be determined by (i) the entry of State-
10 supported medical graduates into generalist residencies, and (ii) the specialty practiced
11 by a physician as of a date five years after graduation, provided that the physician
12 entering the generalist career remains in the generalist career and does not subsequently
13 choose a subspecialty. The Board of Governors shall certify data on graduates, their
14 residencies, and subsequent careers by October 1 of each calendar year, beginning in
15 October of 1995, to the Joint Legislative Education Oversight Committee and to the
16 Fiscal Research Division of the Legislative Services Office.

17 (d) If it is found that a medical school does not comply with this section, the
18 General Assembly intends to reduce the average per capita funding for that school by an
19 amount reached by multiplying the State appropriation for each full-time medical
20 student by the number of graduates that fail to meet the goal established in this section.

21
22 Requested by: Representatives Black and Rogers

23 **AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT**
24 **LIMITATIONS**

25 Sec. 79. (a) The amount of a tuition grant awarded to a student enrolled in a
26 degree program at a site away from the main campus of the approved private institution,
27 as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per
28 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
29 full-time on-campus instruction, multiplied by the maximum grant award, or the
30 maximum grant award allowable under this act, whichever is less.

31 (b) No Legislative Tuition Grant funds shall be expended for a program at an off-
32 campus site of a private institution, as defined in G.S. 116-22(1), established after May
33 15, 1987, unless (i) the private institution offering the program has previously notified
34 and secured agreement from other private institutions operating degree programs in the
35 county in which the off-campus program is located or operating in the counties adjacent
36 to that county or (ii) the degree program is neither available nor planned in the county
37 with the off-campus site or in the counties adjacent to that county.

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

40 (c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding
41 in this State incident to active military duty, who does not qualify as a resident for
42 tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition
43 Grant pursuant to this section if the member is enrolled as a full-time student. The

1 member's Legislative Tuition Grant shall not exceed the cost of tuition less any tuition
2 assistance paid by the member's employer.

3

4 Requested by: Representatives Black and Rogers

5 **AID TO PRIVATE COLLEGES/PROCEDURE**

6 Sec. 80. (a) Funds appropriated in this act to the Board of Governors of The
7 University of North Carolina for aid to private colleges shall be disbursed in accordance
8 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
9 to four hundred fifty dollars (\$450.00) per full-time equivalent North Carolina
10 undergraduate student enrolled at a private institution as of October 1 of each fiscal
11 year.

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

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

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

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

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

42 (1) The Board of Governors of The University of North Carolina, with the
43 approval of the Office of State Budget and Management, may transfer

1 available funds to meet the needs of the programs provided by
2 subsections (a) and (b) of this section; and

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

6 Any remaining funds shall revert to the General Fund.

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

9 (d) G.S. 116-19 reads as rewritten:

10 **"§ 116-19. Contracts with private institutions to aid North Carolina students.**

11 In order to encourage and assist private institutions to continue to educate North
12 Carolina students, ~~the Board of Governors of The University of North Carolina is~~
13 ~~hereby authorized to~~ the State Education Assistance Authority may enter into contracts
14 with the institutions under the terms of which an institution receiving any funds that
15 may be appropriated pursuant to this section would agree that, during any fiscal year in
16 which such funds were received, the institution would provide and administer
17 scholarship funds for needy North Carolina students in an amount at least equal to the
18 amount paid to the institution, pursuant to this section, during the fiscal year. Under the
19 terms of the contracts ~~the Board of Governors of The University of North Carolina the~~
20 State Education Assistance Authority would agree to pay to the institutions, subject to
21 the availability of funds, a fixed sum of money for each North Carolina student enrolled
22 at the institutions for the regular academic year, said sum to be determined by
23 appropriations that might be made from time to time by the General Assembly pursuant
24 to this section. Funds appropriated pursuant to this section shall be paid by the
25 ~~Department of Administration~~ State Education Assistance Authority to an institution
26 ~~upon recommendation of the Board of Governors of the University of North Carolina~~
27 ~~and~~ on certification of the institution showing the number of North Carolina students
28 enrolled at the institution as of October 1 of any year for which funds may be
29 appropriated."

30 (e) G.S. 116-21 reads as rewritten:

31 **"§ 116-21. Contract forms; reports; audits; regulations.**

32 ~~The Board of Governors of the University of North Carolina is authorized to~~ The
33 State Education Assistance Authority may prescribe the form of the contracts to be
34 executed under G.S. 116-19 and 116-20, to require of the institutions such reports,
35 statements and audits as the ~~Board~~ Authority may deem necessary or desirable in
36 carrying out the purposes of G.S. 116-19 through 116-22 and to ~~make any rules or~~
37 ~~regulations~~ adopt rules that will, in the opinion of the ~~Board~~ Authority, help to achieve
38 the purposes of G.S. 116-19 through 116-22."
39

40 Requested by: Representatives Black and Rogers

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

42 Sec. 81. There is appropriated from overhead receipts at North Carolina State
43 University to the Board of Governors of The University of North Carolina for the 1993-
44 94 fiscal year and for the 1994-95 fiscal year the sums of five hundred thousand dollars

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

4

5 Requested by: Representatives Black and Rogers

6 **NEW DEGREE PROGRAMS**

7 Sec. 82. The Board of Governors of The University of North Carolina shall
8 allocate at least one million four hundred thousand dollars (\$1,400,000) for the 1993-94
9 fiscal year of its lump sum appropriations in this act to supplement funds available to
10 the constituent institutions to implement the new doctoral degree programs proposed in
11 the long-range plan that have received the Board's approval for implementation.

12

13 Requested by: Representatives Black and Rogers

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

16 Sec. 83. (a) In the event that the State Medicaid Plan amendment affecting
17 Pitt County Memorial Hospital reimbursement at full cost due to its status as a primary
18 affiliated teaching hospital of a State-operated medical school is not approved by the
19 Health Care Financing Agency, funds in the amount of five million four hundred twenty
20 thousand nine hundred ninety-four dollars (\$5,420,994) for the 1993-94 fiscal year and
21 five million eight hundred sixty-five thousand seven hundred thirteen dollars
22 (\$5,865,713) for the 1994-95 fiscal year, shall be transferred from the Division of
23 Medical Assistance, Department of Human Resources, to the East Carolina University
24 School of Medicine for hospital teaching costs. In addition, if the amendment is not
25 approved, for the 1993-94 fiscal year, the amount of ten million six hundred two
26 thousand six hundred ninety-seven dollars (\$10,602,697) shall be appropriated from the
27 Savings Reserve Fund to the East Carolina University School of Medicine for hospital
28 teaching costs. If the amendment is not approved, the Governor shall notify the General
29 Assembly of the amendment's failure and of the effecting of this section's
30 appropriations, and the General Assembly shall address the need for additional funding
31 for the East Carolina University School of Medicine Hospital Teaching Costs for the
32 1994-95 fiscal year in the 1993 General Assembly, Regular Session 1994.

33

34 (b) Should the State Medicaid Plan be changed in the future to alter the
35 proposed amendment, it is the intent of the General Assembly to fund that portion of
36 Pitt County Memorial Hospital residents' costs that are not related to the direct care of
37 patients or not reimbursable from some other source.

37

38 Requested by: Representatives Black and Rogers

39 **ALLIED HEALTH PERSONNEL STUDY/AHEC**

40 Sec. 84. The Director of the North Carolina Area Health Education Centers
41 program, in conjunction with staff of General Administration of The University of
42 North Carolina and the North Carolina Department of Community Colleges, shall make
43 recommendations to the General Assembly, utilizing data that is currently available, on
44 methods to increase the number of physical therapists, occupational therapists, speech

1 and language pathologists, and other related allied health paraprofessional personnel
2 graduating from the university and community college systems.

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

5
6 Requested by: Representatives Barnes, Diamont, Black, Rogers

7 **PRINCIPAL FELLOWS PROGRAM**

8 Sec. 85. (a) Chapter 116 of the General Statutes is amended by adding a new
9 Article to read:

10 **"ARTICLE 5C.**

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

12 **"§ 116-74.41. North Carolina Principal Fellows Commission established;
13 membership.**

14 (a) There is established the North Carolina Principal Fellows Commission. The
15 Commission shall exercise its powers and duties independently of the Board of
16 Governors of The University of North Carolina. The Director of the Principal Fellows
17 Program shall staff the Commission. The State Education Assistance Authority (SEAA)
18 as created in G.S. 116-203 shall be responsible for implementing scholarship loan
19 agreements, monitoring, cancelling through service, collecting and otherwise enforcing
20 the agreements for the Principal Fellows Program scholarship loans established in
21 accordance with G.S. 116-74.42.

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

- 23 (1) One member of the Board of Governors of The University of North
24 Carolina appointed by the chair of that board, notwithstanding G.S.
25 116-7(b).
- 26 (2) One member of the State Board of Education appointed by the State
27 Board chair.
- 28 (3) Two deans of schools of education appointed by the President of The
29 University of North Carolina.
- 30 (4) One public school teacher appointed by the General Assembly upon
31 the recommendation of the President Pro Tempore of the Senate.
- 32 (5) One public school principal appointed by the General Assembly upon
33 the recommendation of the Speaker of the House of Representatives.
- 34 (6) A local superintendent chosen by the State Superintendent of Public
35 Instruction.
- 36 (7) One member to represent business and industry appointed by the
37 Governor.
- 38 (8) One local school board member appointed by the chair of the State
39 Board of Education.
- 40 (9) One parent of a public school child appointed by the State
41 Superintendent of Public Instruction.
- 42 (10) The chairperson of the Board of the State Education Assistance
43 Authority.

1 (11) The director of the Principal Fellows Program. The director shall chair
2 the Commission.

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

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

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

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

20 **"§ 116-74.42. Principal Fellows Program established; administration.**

21 (a) A Principal Fellows Program shall be administered by the North Carolina
22 Principal Fellows Commission in collaboration with the State Education Assistance
23 Authority. The Principal Fellows Program shall provide up to a two-year scholarship
24 loan to selected recipients and shall provide extracurricular enhancement activities for
25 recipients. The North Carolina Principal Fellows Commission shall determine selection
26 criteria, methods of selection, and shall select recipients to receive scholarship loans
27 made under the Principal Fellows Program.

28 (b) The Board of Governors of The University of North Carolina shall appoint a
29 director of the Principal Fellows Program. The director shall chair and staff the
30 Principal Fellows Commission, and shall administer the extracurricular enhancement
31 activities of the program. The Board of Governors shall provide office space and
32 clerical support staff for the program.

33 (c) The Principal Fellows Program shall provide a two-year scholarship loan in
34 the amount of twenty thousand dollars (\$20,000) per year, per recipient, to persons who
35 may be eligible to be selected as school administrators in the public schools of the State
36 by completing a full-time program in school administration in an approved program.
37 Approved programs are those chosen by the Commission from among school
38 administrator programs within the State. No more than 200 principal fellow scholarship
39 loan awards shall be made in each year. The final number of scholarship loan awards
40 per year shall be made in accordance with the Board of Governors' findings concerning
41 the supply and demand of administrators, the State's need for school administrator
42 candidates and within funds appropriated for the scholarship loans. Effective
43 September 1, 1995, and in accordance with school administrator training programs
44 established by the Board of Governors of The University of North Carolina, recipients

1 shall be required to complete an approved full-time academic program during the first
2 year of the scholarship loan program and a full-time internship during the second year
3 of the program. In order to attract fellows as interns, local school administrative units
4 may use all or part of the funds allotted for an assistant principal salary for each intern
5 accepted by the local school administrative unit; however, interns shall not serve as
6 assistant principals.

7 (d) The Commission shall adopt stringent standards, which may include
8 standardized test scores, undergraduate performance, job experience and performance,
9 leadership and management abilities, and other standards deemed appropriate by the
10 Commission, to ensure that only the best potential students receive scholarship loans
11 under the Principal Fellows Program. The Commission shall consider the qualifications
12 of all applicants fairly, regardless of gender or race, and shall consider the geographic
13 diversity of the State. Scholarship loans under the Principal Fellows Program shall be
14 awarded only to applicants who meet the standards set by the Commission, are
15 domiciled in North Carolina, and who agree to work as school administrators in a North
16 Carolina public school or at a school operated by the United States government in North
17 Carolina upon completion of the two-year school administrator program supported by
18 the loan.

19 (e) The Commission shall develop and administer the Principal Fellows Program
20 in cooperation with school administrator programs at institutions approved by the
21 Commission. The Commission shall develop criteria and a process for the approval of
22 campus program sites. Extracurricular enhancement activities shall be coordinated with
23 each fellow's campus program and shall focus on the leadership development of
24 program fellows.

25 (f) The Commission may form regional review committees to assist it in
26 identifying the best applicants for the program. The Commission and the review
27 committees shall make an effort to identify and encourage women and minorities and
28 others who may not otherwise consider a career in school administration to apply for the
29 Principal Fellows Program.

30 (g) Upon the naming of recipients of the scholarship loans by the Principal
31 Fellows Commission, the Commission shall transfer to the State Education Assistance
32 Authority (SEAA) its decisions. The SEAA shall perform all of the administrative
33 functions necessary to implement this Article, which functions shall include: rule
34 making, dissemination of information, disbursement, receipt, liaison with participating
35 educational institutions, determination of the acceptability of service repayment
36 agreements, and all other functions necessary for the execution, payment, and
37 enforcement of promissory notes required under this Article.

38 **"§ 116-74.43. Terms of loans; receipt and disbursement of funds.**

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

1 (b) The State Education Assistance Authority shall forgive the loan if, within six
2 years after graduation from a school administrator program, the recipient serves for four
3 years as a school administrator at a North Carolina public school or at a school operated
4 by the United States government in North Carolina. The SEAA shall also forgive the
5 loan if it finds that it is impossible for the recipient to work for four years, within 10
6 years after completion of the two-year school administrator program supported by the
7 scholarship loan at a North Carolina public school, or at a school operated by the United
8 States government in North Carolina, because of the death or permanent disability of the
9 recipient. If the recipient repays the scholarship loan by cash payments, all
10 indebtedness shall be repaid within 10 years after completion of the two-year school
11 administrator program supported by the scholarship loan.

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

18 (b) G.S. 135-40.2(a) reads as rewritten:

19 **"§ 135-40.2. Eligibility.**

20 (a) The following persons are eligible for coverage under the Plan, on a
21 noncontributory basis, subject to the provisions of G.S. 135-40.3:

22 (1) All permanent full-time employees of an employing unit who meet the
23 following conditions:

- 24 a. Paid from general or special State funds, or
25 b. Paid from non-State funds and in a group for which his or her
26 employing unit has agreed to provide coverage.

27 Employees of State agencies, departments, institutions, boards, and
28 commissions not otherwise covered by the Plan who are employed in
29 permanent job positions on a recurring basis and who work 30 or more
30 hours per week for nine or more months per calendar year are covered
31 by the provisions of this subdivision.

32 (1a) Permanent hourly employees as defined in G.S. 126-5(c4) who work at
33 least one-half of the workdays of each pay period.

34 (2) Retired teachers, State employees, members of the General Assembly,
35 and retired State law enforcement officers who retired under the Law
36 Enforcement Officers' Retirement System prior to January 1, 1985.

37 (2a) Surviving spouses of:

- 38 a. Deceased retired employees, provided the death of the former
39 plan member occurred prior to October 1, 1986; and
40 b. Deceased teachers, State employees, and members of the
41 General Assembly who are receiving a survivor's alternate
42 benefit under any of the State-supported retirement programs,
43 provided the death of the former plan member occurred prior to
44 October 1, 1986.

- 1 (3) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1020, s. 29(b),
2 effective January 1, 1988.
- 3 (3a) Employees of the General Assembly, not otherwise covered by this
4 section, as determined by the Legislative Services Commission, except
5 for legislative interns and pages.
- 6 (4) Members of the General Assembly.
- 7 (5) Notwithstanding the provisions of subsection (e) of this section,
8 employees on official leave of absence while completing a full-time
9 program in school administration in an approved program as a
10 Principal Fellow in accordance with Article 5C of Chapter 116 of the
11 General Statutes."
- 12 (c) The Commission may grant up to 50 scholarship loans during the 1994-95
13 fiscal year to recipients enrolled in school administrator programs approved by the
14 Commission.
- 15 (d) G.S. 120-123 is amended by adding a new subdivision to read:
16 "(59a) The North Carolina Principal Fellows Program established by G.S.
17 116-74.41."

18 Requested by: Representatives Barnes, Diamont, Black, Rogers

19 **SCHOOL LEADERSHIP ACADEMY**

20 Sec. 86. (a) The Board of Governors of The University of North Carolina and
21 the State Board of Education shall convene a Joint Committee to study how to establish
22 a School Leadership Academy to serve the needs of all school administrators throughout
23 the State. There shall be nine members of the Joint Committee. Members shall receive
24 per diem, subsistence, and travel allowances in accordance with G.S. 138-5, or G.S.
25 138-6, as appropriate. Appointments to the committee shall be made within 30 days of
26 ratification of this act. Except as otherwise provided, if a vacancy occurs in the
27 membership, the appointing authority shall appoint another person to serve for the
28 balance of the unexpired term. At the discretion of the appointing authority, Joint
29 Committee members may continue to serve on the Joint Committee after their
30 appointment to the Board of Governors or the State Board of Education has expired.
31 Appointments shall be made as follows:

- 32 (1) Three members of the Board of Governors appointed by the Chair of
33 the Board of Governors; one of the three shall be designated cochair of
34 the Joint Committee.
- 35 (2) Three members of the State Board of Education appointed by the Chair
36 of the State Board of Education; one of the three shall be designated
37 cochair of the Joint Committee.
- 38 (3) The Superintendent of Public Instruction, or a designee.
- 39 (4) One dean of a school of education appointed by the President of The
40 University of North Carolina.
- 41 (5) The President of the North Carolina Association of Independent
42 Colleges and Universities, or a designee.
- 43 (b) In its planning the Joint Committee shall consider:

- 1 (1) The recommendations of the report submitted to the 1993 General
2 Assembly by the Educational Leadership Task Force.
- 3 (2) How to incorporate all or part of the Principal's Executive Program
4 into the Educational Leadership Academy.
- 5 (3) A design for a governing board for the Educational Leadership
6 Academy composed of persons who have demonstrated a commitment
7 to improving educational leadership in the State including practicing
8 school administrators and professors of schools of education.
- 9 (4) A charge to the governing board that ensures coordination between the
10 Educational Leadership Academy and the initial preparation programs.
- 11 (5) How the State Board of Education shall ensure that all school
12 administrators be required to complete at least five of their 15
13 continuing education units for continued practice in the profession in
14 Educational Leadership Academy programs or in programs endorsed
15 by the Educational Leadership Academy's governing board.
- 16 (6) How to ensure that coordinated and geographically dispersed
17 professional development opportunities exist for school administrators.
- 18 (7) What facilities and staff are needed for the Academy; the Joint
19 Committee shall recommend whether a building is needed, and, if so,
20 whether there is an existing building that can be used to meet the needs
21 of the Academy, or if a new building is needed.
- 22 (8) The cost of its recommendations which shall be included in its report
23 to the Joint Legislative Education Oversight Committee.
- 24 (b) The General Administration of The University of North Carolina shall
25 provide meeting rooms, telephone, office space, equipment, and supplies to the Joint
26 Committee without charge.
- 27 (c) The General Administration of The University of North Carolina and the
28 Department of Public Instruction shall provide staff to the Joint Committee.
- 29 (d) Upon the request of the cochairs of the Joint Committee, all State
30 departments and agencies, all local governments and their subdivisions, and all
31 institutions approved to train public school administrators shall furnish the Committee
32 with any nonconfidential information in their possession or available to them.
- 33 (e) The Joint Committee shall report on its findings and the
34 recommendations concerning the establishment of the School Leadership Academy to
35 the Joint Legislative Education Oversight Committee no later than March 1, 1994. The
36 Joint Committee shall terminate on that date.
- 37 (f) Of the funds appropriated to the Board of Governors for the 1993-94 fiscal
38 year, up to the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the
39 work of the Joint Committee. Of the funds appropriated to the Department of Public
40 Education for aid to local school administrative units for the 1993-94 fiscal year, up to
41 the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the work of the
42 Joint Committee.

43
44 Requested by: Representative Nesbitt

1 ECU MEDICAL SCHOOL RECEIPTS

2 Sec. 87. (a) The East Carolina University School of Medicine shall request,
3 on a regular basis consistent with the State's cash management plan, funds earned by the
4 School from Medicare reimbursements for education costs. Upon receipt, these funds
5 shall be allocated as follows:

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

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

15 (3) The remainder of the funds shall be transferred to a special fund
16 account on deposit with the State Treasurer. This special fund account
17 shall be used for any necessary repayment of Medicare funds due to
18 final audit settlements for funds allocated under subdivision (2) of this
19 subsection. When the amount of these reimbursement funds has been
20 finalized by audit for each year, those funds remaining in the special
21 fund shall be available for appropriation by the General Assembly.

22 Funds in this special fund account as of July 1, 1993, shall be
23 subject to this subsection.

24 (b) Receipts from the lease of the Magnetic Resonance Imaging building and
25 equipment may be retained by the East Carolina School of Medicine in an institutional
26 trust fund account for maintenance of the facility and for improvements in the facility.
27 The receipts, fund balances, and allocations shall be indicated annually on reports to the
28 Office of State Budget and Management, UNC General Administration, and the Fiscal
29 Research Division of the General Assembly.

30 (c) All revenue for the treatment of patients in the Radiation Therapy Facility
31 shall accrue to the East Carolina University School of Medicine Medical Faculty
32 Practice Plan accounts. The Medical Faculty Practice Plan shall reimburse the General
33 Fund budget code quarterly for operating costs of the facility paid by the General Fund.
34 The reimbursement amount shall be limited to that portion of receipts actually collected
35 for the facility charges portion of billings.

36 (d) This section shall remain in effect until changed or repealed by the
37 General Assembly.

38
39 Requested by: Representatives Black, Rogers, Diamont

40 MEDICAL SCHOOLS/PRIMARY CARE

41 Sec. 88. (a) The Board of Governors of The University of North Carolina
42 shall set goals for the School of Medicine at the University of North Carolina at Chapel
43 Hill and the School of Medicine at East Carolina University for the percentage of
44 graduates who enter residencies in primary care. The immediate goal is established as

1 fifty percent (50%) of all graduates entering primary care residencies. By the
2 graduating classes of 1996, the goal is established for fifty-five percent (55%) of
3 graduates entering primary care residencies. For the graduating classes of 1997 and
4 following years, the goal is established as sixty percent (60%) of all graduates entering
5 primary care residencies. Primary care residencies include residencies in family
6 medicine, general pediatric medicine, general internal medicine, internal
7 medicine/pediatrics, and obstetrics/gynecology.

8 (b) The Board of Governors shall further initiate whatever changes are necessary
9 in admissions, advising, curriculum, and other policies to ensure that residency
10 programs have medical residency positions for medical school graduates in these
11 generalist specialties according to the following percentages: fifty percent (50%) by
12 1995, fifty-five percent (55%) by 1996, and sixty percent (60%) by 1997 and thereafter.

13 (c) Compliance with this section shall be determined by (i) the entry of State-
14 supported medical graduates into generalist residencies, and (ii) the specialty practiced
15 by a physician as of a date five years after graduation, provided that the physician
16 entering the generalist career remains in the generalist career and does not subsequently
17 choose a subspecialty. The Board of Governors shall certify data on graduates, their
18 residencies, and subsequent careers by October 1 of each calendar year, beginning in
19 October of 1995, to the Joint Legislative Education Oversight Committee and to the
20 Fiscal Research Division of the Legislative Services Office.

21 (d) If it is found that a medical school does not comply with this section, the
22 General Assembly intends to reduce the average per capita funding for that school by an
23 amount reached by multiplying the State appropriation for each full-time medical
24 student by the number of graduates that fail to meet the goal established in this section.

25
26 Requested by: Representatives Black and Rogers

27 **UNC GRADUATION RATES/UNDERGRADUATE EDUCATION**

28 Sec. 89. (a) In order to monitor institutional progress in meeting the
29 expectation of Item 1 of the "Plan to Improve graduation Rates in The University of
30 North Carolina" that full-time undergraduates will take an average of 15 semester hours
31 per term, the Board of Governors shall require constituent institutions to set a goal of
32 increasing to 15 the average number of credit hours per term taken by full-time
33 undergraduates. This goal shall be met systemwide and by each constituent institution
34 no later than December of 1997. The Board shall instruct all institutions to report on
35 their progress in meeting their goals in their annual assessment reports. The Board shall
36 require those institutions failing to make timely progress to submit special reports
37 identifying additional steps to be taken. The Board shall report annually by April 1 to
38 the Joint Legislative Education Oversight Committee on the progress of each
39 constituent institution in meeting these goals.

40 (b) The Board of Governors of The University of North Carolina shall ensure
41 that procedures are established that are necessary to impose a twenty-five percent (25%)
42 tuition surcharge on students who take more than 140 degree credit hours to complete a
43 baccalaureate degree in a four-year program or more than one hundred ten percent
44 (110%) of the credit hours necessary to complete a baccalaureate degree in any program

1 officially designated by the Board of Governors as a five-year program. The calculation
2 of these credit hours taken at a constituent institution or accepted for transfer shall
3 exclude hours earned through the College Board's Advanced Placement or CLEP
4 examinations, through institutional advanced placement or course validation, or through
5 summer term or extension programs. The Board shall report to the Joint Legislative
6 Education Oversight Committee by April 1, 1994, on its recommendations for
7 implementing this surcharge.

8 (c) The Board of Governors of The University of North Carolina shall
9 allocate two hundred fifty thousand dollars (\$250,000) from overhead receipts each year
10 of the biennium for establishing faculty awards for excellent teaching, with special
11 emphasis on those campuses that do not currently have such a recognition system.

12 (d) Any funds allocated by the Board of Governors from the Reserve for
13 University Operations in this act to the Distinguished Professors Endowment Trust
14 Fund shall be used only for the establishment of endowed chairs that recognize
15 excellence in undergraduate teaching as the primary criterion for selection.

16 (e) None of the funds appropriated for increases in enrollment at the
17 constituent institutions of The University of North Carolina shall be used to increase the
18 overall time available for teaching faculty to perform research or service activities. The
19 Board of Governors shall prepare a report for the Joint Legislative Education Oversight
20 Committee on the impact of these enrollment increase funds on faculty teaching
21 workloads at each institution. This report shall be presented to the Joint Legislative
22 Education Oversight Committee by May 1, 1994.

23 (f) The State Education Assistance Authority shall gather sufficient data from
24 the private institutions of higher education whose students receive Legislative Tuition
25 Grants to determine the number of cumulative academic terms for which students
26 receive the Legislative Tuition Grants and to determine each private institution's
27 requirements for satisfactory academic progress towards a degree.

28
29 Requested by: Representatives Black and Rogers

30 **UNC AGRICULTURAL PROGRAMS**

31 Sec. 90. Of the funds appropriated to the Board of Governors of The
32 University of North Carolina in this act for Agricultural Programs at North Carolina
33 State University, the Board of Governors shall use at least five hundred thousand dollars
34 (\$500,000) for the 1993-94 fiscal year and the sum of five hundred thousand dollars
35 (\$500,000) for the 1994-95 fiscal year to fund additional staff and operating costs at the
36 Tidewater Research Station and shall not be expended at any other location.

37
38 Requested by: Representatives Black and Rogers

39 **UNC LIBRARIES FUNDING**

40 Sec. 91. Of the funds appropriated in this act to the Board of Governors of
41 The University of North Carolina for Institutional Programs, the Board of Governors
42 shall allocate at least nine million four hundred thousand dollars (\$9,400,000) for the
43 1993-94 fiscal year and at least six million five hundred thousand dollars (\$6,500,000)

1 for Lines 2 and 4 of the Schedule of Priorities, to enhance library networks and library
2 operations.

3

4 Requested by: Representatives Black and Rogers

5 **UNC PUBLIC TELEVISION**

6 Sec. 92. Of the funds appropriated in this act to the Board of Governors of
7 The University of North Carolina for institutional programs, the Board of Governors
8 shall allocate forty-three thousand four hundred seventy-two dollars (\$43,472) for the
9 1993-94 fiscal year and the sum of forty-three thousand four hundred seventy-two
10 dollars (\$43,472) for the 1994-95 fiscal year, for the University of North Carolina
11 Center for Public Television for the Sesame Street Pre-Educational Program.

12

13 Requested by: Representatives Black and Rogers

14 **UNC FUNDING LEVELS**

15 Sec. 93. Of the funds appropriated in this act to the Board of Governors of
16 The University of North Carolina for institutional programs, the Board of Governors
17 shall allocate at least one million dollars (\$1,000,000) for the 1993-94 fiscal year and at
18 least one million dollars (\$1,000,000) for the 1994-95 fiscal year to Line 11 of the
19 Schedule of Priorities, to address the funding levels of various institutions.

20

21 Requested by: Representatives Black, Rogers, Cummings

22 **UNC HUNGER STUDY**

23 Sec. 94. There is appropriated from overhead receipts of the University of
24 North Carolina at Chapel Hill for the University of North Carolina at Chapel Hill,
25 School of Public Health, the sum of fifty thousand dollars (\$50,000) for the 1993-94
26 fiscal year to conduct a study of childhood hunger in North Carolina. The study shall:

- 27 (1) Examine the extent of hunger among children in the State and its
28 counties;
- 29 (2) Examine the availability and use of publicly funded feeding programs;
30 and
- 31 (3) Examine the association between hunger and child health.

32 The School of Public Health shall report its findings to the General Assembly on or
33 before March 1, 1994.

34

35 Requested by: Representatives DeVane, Black, Rogers

36 **CHRISTMAS TREE PRODUCTION**

37 Sec. 95. North Carolina State University, through the Cooperative Extension
38 Service, shall provide from funds appropriated to North Carolina State University for
39 the Cooperative Extension Service in this act for the 1993-95 fiscal biennium a full-time
40 extension forestry specialist and related support services to assist growers with
41 problems related to the culturing and production of Christmas trees. The position and
42 support services provided by this section shall provide a level of assistance to growers at
43 least comparable to the assistance available at the beginning of the 1992-93 fiscal year.

44

1 Requested by: Representatives Jenkins, Beall, Ramsey, Nesbitt, Black, Rogers

2 **AQUACULTURE FUNDS**

3 Sec. 96. (a) Of the funds appropriated to the Board of Governors of The
4 University of North Carolina in the Reserve for University Operations, the sum of one
5 hundred thirty-six thousand dollars (\$136,000) shall be allocated for the 1993-94 fiscal
6 year and the sum of one hundred thirty-six thousand dollars (\$136,000) shall be
7 allocated for the 1994-95 fiscal year to support the Mountain Aquaculture Research
8 Center at Western Carolina University.

9 (b) Of the funds appropriated to the Board of Governors of The University of
10 North Carolina in the Reserve for University Operations, the sum of sixty-four thousand
11 dollars (\$64,000) for each year of the 1993-95 fiscal biennium shall be used to support
12 research and extension programs to benefit the cold-water aquaculture industry of the
13 State by establishing a program to coordinate the production of trout with the timing,
14 processing capacities, and flesh quality characteristics needed by trout processors in
15 North Carolina, and to assist growers in obtaining commitments from processors for the
16 purchase of the fish.

17 (c) The focus of the coordination efforts shall begin on trout farms in Graham
18 County and surrounding areas. With assistance from the North Carolina Cooperative
19 Extension Service, the project will survey trout producers to establish a current
20 inventory of trout on the farms and to determine the production capacity of the farms.
21 Based upon the ability of the processors to market the fish, the project will establish
22 production schedules for trout producers which coincide with the scheduled purchases
23 by processors.

24 (d) The North Carolina Cooperative Extension Service will establish
25 demonstration projects at three facilities in Graham County for the purpose of
26 demonstrating appropriate waste management and methods of reducing the costs of
27 trout production. With trout producers' cooperation, these projects will focus upon
28 production of additional plant and animal crops using waste materials from trout
29 production and techniques for improving feed conversion efficiency, production
30 forecasting, and farm record keeping.

31 (e) The North Carolina Cooperative Extension Service shall cooperate with
32 the Mountain Area Aquaculture Research Center and Western Carolina University in
33 carrying out this section.

34

35 Requested by: Representatives Baddour, Black, Rogers

36 **DIABETES PROGRAM FUNDS**

37 Sec. 97. Of the funds appropriated to the Board of Governors of The
38 University of North Carolina in the Reserve for University Institutional Programs in this
39 act, the sum of two hundred twenty-five thousand dollars (\$225,000) for the 1993-94
40 fiscal year and the sum of two hundred twenty-five thousand dollars (\$225,000) for the
41 1994-95 fiscal year shall be used to establish and operate an interdisciplinary diabetes
42 program at the School of Medicine at the University of North Carolina at Chapel Hill.

43

44 Requested by: Representatives Fussell, Black, Rogers

1 NURSE ANESTHETIST TRAINING FUNDS

2 Sec. 98. Of the funds appropriated to the Board of Governors of The
3 University of North Carolina in this act, the sum of fifty thousand dollars (\$50,000) for
4 the 1993-94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95
5 fiscal year shall be used for the Area Health Education Center program to contract for
6 training of certified, registered nurse anesthetists.

7
8 Requested by: Representatives Smith, Black, Rogers

9 SEAFOOD LABORATORY FUNDS

10 Sec. 99. Of the funds appropriated to the Board of Governors of The
11 University of North Carolina in this act for Agricultural Programs, the sum of one
12 hundred twenty-five thousand dollars (\$125,000) for the 1993-94 fiscal year and the
13 sum of one hundred twenty-five thousand dollars (\$125,000) for the 1994-95 fiscal year
14 shall be allocated to North Carolina State University, College of Agriculture and Life
15 Science, for the Seafood Laboratory Program located in Morehead City, to provide
16 extension education and an applied research program for the North Carolina seafood
17 industry.

18
19 Requested by: Representatives Black and Rogers

20 LEARNING LINK

21 Sec. 100. Of the funds appropriated to the Board of Governors of The
22 University of North Carolina for University Operations, the sum of one hundred
23 thousand dollars (\$100,000) for the 1993-94 fiscal year and the sum of one hundred
24 thousand dollars (\$100,000) for the 1994-95 fiscal year shall be allocated to the
25 University of North Carolina Center for Public Television to provide public schools in
26 the State access to LEARNING LINK, a computer-based interactive communications
27 system.

28
29 Requested by: Representatives Black and Rogers

30 NORTH CAROLINA CENTRAL UNIVERSITY SCHOOL OF LAW

31 Sec. 101. In its allocations from the Reserve for University Operations for its
32 Schedule of Priorities, the Board of Governors of The University of North Carolina
33 shall allocate at least one million six hundred thousand dollars (\$1,600,000) for the
34 1993-94 fiscal year and at least one million six hundred thousand dollars (\$1,600,000)
35 for the 1994-95 fiscal year for enhancement of the School of Law at North Carolina
36 Central University, to address the accreditation concerns of the American Bar
37 Association, as addressed by the budget requests of the campus. The total allocations
38 shall include at least three hundred thousand dollars (\$300,000) each fiscal year for
39 operating enhancement of the School of Law library and sufficient funds to link North
40 Carolina Central University fully with the Triangle Research Libraries Network and the
41 statewide network.

42
43 PART 16. COMMUNITY COLLEGES
44

1 Requested by: Representatives Black and Rogers

2 **COURSE REPETITION POLICY**

3 Sec. 102. (a) No full-time equivalent students (FTE) shall be generated for
4 occupational extensions students after the first repetition of an occupational extension
5 class. Except as provided in subsection (b) of this section, if students take an
6 occupational extension class more than twice, they shall pay the full amount of the per
7 student cost for the class and the community college shall earn no budget FTE for these
8 students.

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

15 (c) The State Board of Community Colleges shall conduct a review of all
16 occupational extension courses, including their content, length, definition, and common
17 course title. It shall ensure that these courses are classified appropriately as
18 occupational extension and are not actually community services courses.

19

20 Requested by: Representatives Black and Rogers

21 **AUDIT POLICIES**

22 Sec. 103. (a) The State Board of Community Colleges shall require that the
23 program auditors shall use a minimum twenty-five percent (25%) sample size in their
24 audits of community colleges.

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

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

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

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

38

39 Requested by: Representatives Black and Rogers

40 **COMMUNITY COLLEGE IN-PLANT TRAINING**

41 Sec. 104. (a) The State Board of Community Colleges shall operate in-plant
42 training programs in accordance with the rules adopted by the State Board on April 8,
43 1993, except that the State Board may increase the administrative overhead percentage
44 from fifteen percent (15%) to twenty-five percent (25%).

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

6
7 Requested by: Representatives Black and Rogers

8 **PRISON EDUCATION**

9 Sec. 105. (a) Correction education programs shall report full-time equivalent
10 (FTE) student hours on the basis of contact hours rather than student membership hours.

11 (b) The State Board of Community Colleges shall develop a plan for the
12 delivery of appropriate education in correctional facilities. This plan shall address the
13 length and type of course, taking into consideration the mobility of the prison
14 population. The State Board shall report its plan to the General Assembly by May 1,
15 1994.

16
17 Requested by: Representatives Black and Rogers

18 **HUSKINS PROGRAM**

19 Sec. 106. (a) The State Board of Community Colleges shall ensure that all
20 courses offered to high school students under Huskins Bill programs are limited to
21 college level courses that are not available or could not be offered by the local high
22 schools.

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

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

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

37
38 Requested by: Representatives Black and Rogers

39 **COMMUNITY COLLEGE SHELTERED WORKSHOPS/ADAP FUNDS**
40 **TRANSFER**

41 Sec. 107. In order to achieve administrative efficiencies, it is the intent of the
42 General Assembly to provide funds for sheltered workshops through the Department of
43 Human Resources' Adult Developmental Activity Program (ADAP). Of the funds
44 appropriated to the Division of Mental Health, Developmental Disabilities, and

1 Substance Abuse Services, Department of Human Resources, in this act, the sum of one
2 million fifty-nine thousand two dollars (\$1,059,002) for each year of the 1993-95
3 biennium shall be used for providing funds to the sheltered workshops/ADAPs that
4 received funds or services from local community colleges during the 1992-93 Budget
5 FTE Year. The Department of Human Resources shall not use any of these funds for
6 administration. No State funds shall be used by community colleges to provide training
7 in sheltered workshops, except for compensatory education and literacy programs.

8

9 Requested by: Representatives Black and Rogers

10 **REMEDIATION MEASURES**

11 Sec. 108. (a) The State Board of Community Colleges shall study the
12 different tests used by colleges to place students in developmental courses. This study
13 shall determine appropriate tests and proficiency levels to be used in selecting and
14 placing students in developmental courses.

15 (b) The State Board shall report its findings to the General Assembly by May
16 1, 1994.

17

18 Requested by: Representatives Black and Rogers

19 **COMMUNITY COLLEGE ACCOUNTABILITY MEASURES**

20 Sec. 109. (a) The State Board of Community Colleges shall establish
21 standards for levels of institutional performance on those critical success factors that can
22 be appropriately measured to indicate how individual colleges are performing in
23 meeting the goals of the North Carolina Community College System. Each community
24 college shall report its performance on these measures to the State Board. Colleges that
25 fail to attain any of the the standards in any year shall report to the State Board the
26 reasons why performance fell below standards and the steps being taken to meet the
27 standards.

28 (b) The State Board of Community Colleges shall study models for
29 measuring institutional effectiveness, such as the Desktop Audit used by Coastal
30 Carolina Community College, and shall direct community colleges to utilize similar
31 models in providing accountability information to the State Board for the General
32 Assembly. Colleges shall provide information on graduate placement rates and
33 employer, graduate, and early leavers satisfaction with college programs to the State
34 Board. In addition, the State Board shall direct colleges to follow up on early leavers
35 from their programs to determine, to the extent possible, the reasons for their
36 withdrawal from college programs.

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

40

41 Requested by: Representatives Black and Rogers

42 **MAINTENANCE OF PLANT**

43 Sec. 110. Article 3 of Chapter 115D of the General Statutes is amended by
44 adding a new section to read:

1 **"§ 115D-31.2. Maintenance of plant.**

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

8
9 Requested by: Representatives Black and Rogers

10 **OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**
11 **EXTENSION**

12 Sec. 111. Chapter 115D-5 is amended by adding a new subsection to read:

13 "(g) Funds appropriated to the Department of Community Colleges as operating
14 expenses for allocation to the institutions comprising the North Carolina Community
15 College System shall not be used to support recreation extension courses. The financing
16 of these courses by any institution shall be on a self-supporting basis, and membership
17 hours produced from these activities shall not be counted when computing full-time
18 equivalent students (FTE) for use in budget-funding formulas at the State level."

19
20 Requested by: Representatives Black and Rogers

21 **FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY**
22 **COLLEGES**

23 Sec. 112. For the purpose of determining the community college system-
24 wide number of full-time equivalent (FTE) student enrollment each year, the total
25 curriculum full-time equivalent student enrollment shall be divided by the appropriate
26 number for each year of the 1993-95 fiscal biennium pursuant to funds appropriated in
27 this act for this purpose. The occupational extension full-time equivalent student
28 enrollment shall be divided by 23 for the 1993-95 fiscal biennium.

29
30 Requested by: Representatives Black and Rogers

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

32 Sec. 113. Appropriations to the Department of Community Colleges for
33 equipment and library books are made for each year of the fiscal biennium. All
34 unencumbered appropriations shall revert to the General Fund 12 months after the close
35 of each fiscal year for which they were appropriated. Encumbered balances outstanding
36 at the end of each period shall be handled in accordance with existing State budget
37 policies. The Department shall be able to identify to the Office of State Budget and
38 Management which appropriations will revert at the end of the 12 months after the close
39 of each fiscal year.

40
41 Requested by: Representatives Black and Rogers

42 **"TECH PREP"IMPLEMENTATION**

43 Sec. 114. Of the funds available to State-aid to local school administrative
44 units for vocational education, fifty thousand dollars (\$50,000) for the 1993-94 fiscal

1 year and fifty thousand dollars (\$50,000) for the 1994-95 fiscal year, shall be allocated
2 to the North Carolina Tech Prep Leadership Development Center at Richmond
3 Community College for assistance to local education agencies and community colleges
4 in planning and implementing "Tech Prep" across the State. The Department of
5 Community Colleges shall allocate fifty thousand dollars (\$50,000) each fiscal year
6 from funds available to it for the 1993-94 fiscal year and for the 1994-95 fiscal year for
7 the North Carolina "Tech Prep" Leadership Development Center at Richmond
8 Community College.

9
10 Requested by: Representatives Nesbitt, Black, Rogers

11 **COMMUNITY COLLEGE FACULTY SALARIES**

12 Sec. 115. (a) The General Assembly appropriated thirty-two thousand seven
13 hundred ninety-six dollars (\$32,796) as the unit value for community college curriculum
14 faculty during the 1992-93 fiscal year. The Southern Regional Education Board states'
15 average salary for full-time community college faculty was thirty-two thousand fifteen
16 dollars (\$32,015) in the 1991-92 fiscal year. While the average community college
17 curriculum faculty salary for the Community College System was thirty-three thousand
18 thirty-five dollars (\$33,035) for the 1992-93 fiscal year, there were 34 colleges in the
19 System that paid less than the unit value. Beginning with the 1993-94 fiscal year, each
20 community college shall pay its full-time curriculum faculty an average salary that is
21 the amount appropriated by the General Assembly for the curriculum unit value in the
22 System's funding formula. For the 1993-94 fiscal year, the amount appropriated for the
23 curriculum unit value is thirty-four thousand two hundred sixty-two dollars (\$34,262).

24 (b) The State Board of Community Colleges may grant a community college
25 an exemption from the requirement of subsection (a) of this section if it finds sound
26 educational reasons for such an exemption. The State Board shall report each year by
27 May 1 to the Joint Legislative Commission on Governmental Operations on any
28 exemptions granted under this section, including the reasons for the exemptions.

29
30 Requested by: Representatives Black and Rogers

31 **HOSIERY TECHNOLOGY CENTER FUNDS**

32 Sec. 116. Of the funds appropriated to the Department of Community
33 Colleges in this act for specialized technology centers, fifty thousand dollars (\$50,000)
34 for the 1993-94 fiscal year and fifty thousand dollars (\$50,000) for the 1994-95 fiscal
35 year shall be used to establish a Hosiery Technology program at the Center for Applied
36 Textile Technology to provide technological services to hosiery manufacturers
37 operating in North Carolina.

38
39 Requested by: Representatives Nesbitt and Diamont

40 **GPAC/COMMUNITY COLLEGES**

41 Sec. 117. **COMMUNITY COLLEGE COST OF EDUCATION POLICY.**

42 (a) The General Assembly finds that the tuition policy of the North Carolina
43 Community College System needs to be reexamined in order to reflect better the
44 constitutional mandate to provide higher education free of expense "as far as

1 practicable" by reevaluating the relationship of tuition to the cost of education and by
2 determining what costs must be made up of tuition charged in order to ensure that all
3 eligible North Carolinians are indeed guaranteed a public higher education in the North
4 Carolina Community College System at the lowest possible cost while maintaining a
5 public community college system that is worthy of the support of all North Carolinians.

6 (b) The General Assembly finds that tuition and required fees charged for
7 community colleges should be a limited amount of resident students' per capita student
8 funding.

9 (c) The State Board of Community Colleges shall develop a tuition/fee policy
10 consistent with law that limits tuition and required fees to a specific percentage of less
11 than one-fifth of the per capita student funding for resident students attending
12 community colleges.

13 (d) The State Board of Community Colleges shall present its plan for
14 implementing the tuition adjustments pursuant to this section to the General Assembly
15 by April 1, 1994.

16 (e) G.S. 115D-5(a) reads as rewritten:

17 "(a) The State Board of Community Colleges may adopt and execute such
18 policies, regulations and standards concerning the establishment, administration, and
19 operation of institutions as the State Board may deem necessary to insure the quality of
20 educational programs, to promote the systematic meeting of educational needs of the
21 State, and to provide for the equitable distribution of State and federal funds to the
22 several institutions.

23 The State Board of Community Colleges shall establish standards and scales for
24 salaries and allotments paid from funds administered by the State Board, and all
25 employees of the institutions shall be exempt from the provisions of the State Personnel
26 Act. The State Board shall have authority with respect to individual institutions: to
27 approve sites, buildings, building plans, budgets; to approve the selection of the chief
28 administrative officer; to establish and administer standards for professional personnel,
29 curricula, admissions, and graduation; to regulate the awarding of degrees, diplomas,
30 and certificates; to establish and regulate student tuition and fees ~~and financial~~
31 ~~accounting procedures.~~ within policies for tuition and fees established by the General
32 Assembly; and to establish and regulate financial accounting procedures."

33 (f) This section becomes effective July 1, 1993.

34 Sec. 118. COMMUNITY COLLEGE SYSTEM FUNDING GOAL.

35 (a) It is the goal of the General Assembly to increase the per student funding for
36 the North Carolina Community College System, as soon as fiscal conditions permit, to a
37 level more comparable to national averages for similar institutions.

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

39 Sec. 119. COMMUNITY COLLEGE SYSTEM FUNDING FORMULA.

40 (a) The State Board of Community Colleges shall develop a program-based
41 funding system, including a full-time equivalency component and specific goal
42 performance components, in order to encourage the community colleges to meet
43 particular State needs or goals. The State Board of Community Colleges shall propose
44 an initial set of such goals and shall propose revisions of these goals periodically. The

1 State Board of Community Colleges shall report its proposed new funding system to the
2 1995 General Assembly for its approval.

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

4 Sec. 120. COMMUNITY COLLEGE MORATORIUM.

5 (a) Before the date of adjournment of the 1993 Session of the 1993 General
6 Assembly, the State Board of Community Colleges shall adopt guidelines for
7 multicampus colleges and off-campus centers that recognize the availability of
8 technology and transportation, that locate any new facilities to minimize the impact on
9 existing colleges, campuses, and centers, and that apply regional program-sharing
10 principles. There shall be no new colleges, multicampus colleges, or off-campus
11 centers established within the North Carolina Community College System until the
12 State Board adopts these guidelines, at which time the moratorium shall be lifted.

13 (b) This section is effective upon ratification.

14 Sec. 121. GPAC/COMMUNITY COLLEGE PROGRAM REVIEW.

15 (a) The State Board of Community Colleges shall conduct a review of the
16 structure of the community college system. The State Board of Community Colleges
17 shall study the structure of the community college system based upon a regional review
18 of program needs in order to facilitate the most efficient use of system resources. The
19 program planning required by this act shall include the defining of enlarged service
20 areas for community colleges based upon the needs of the respective service areas. The
21 planning process utilized by the State Board shall include review of the need to
22 consolidate, eliminate, or modify the status of existing community colleges and
23 multicampus and off-campus centers. The State Board shall review the distribution of
24 physical facilities, programs, and resources in regions for the purpose of eliminating
25 competition among the community colleges for students in overlapping service areas.

26 (b) In the defining of new regions for the most efficient functioning of the
27 community college system, the State Board of Community Colleges shall conduct a
28 comprehensive program review designed to eliminate any unproductive, low-quality,
29 unnecessary, or duplicative programs.

30 (c) The State Board of Community Colleges shall implement a regional program
31 structure to facilitate effective program planning, efficient use of resources, the
32 implementation of statewide curriculum standards, and consolidated high-quality
33 programs. The regional structure shall be the unit used for the purposes of
34 comprehensive planning and budgeting in the community college system. The criteria
35 used by the State Board in determining the manner in which the community college
36 system shall be restructured into newly defined regions may include, in addition to other
37 appropriate criteria, the following:

38 (1) Location of the nearest college, campus, or off-campus center;

39 (2) New or anticipated population to be served;

40 (3) Existing and proposed transportation corridors and facilities;

41 (4) Programs proposed compared to the location of the nearest similar
42 program;

43 (5) Feasibility of delivering programs using technology;

44 (6) Use and availability of facilities of local school systems;

1 (7) Potential impact on enrollment of nearby institutions; and

2 (8) Geographical redistribution of college transfer programs.

3 (d) The State Board of Community Colleges shall establish standards for the
4 periodic review of community college programs including standards for the termination
5 of programs.

6 (e) The State Board of Community Colleges shall establish within the
7 community college system Programs for Excellence, which shall be world-class model
8 programs in each curriculum program area, to be implemented throughout the
9 community college system at each of the institutions authorized to offer each program.
10 To create the Programs for Excellence, the State Board shall appoint, for each
11 curriculum program area and from any community college, ad hoc committees of
12 community college faculty members who have demonstrated individual excellence and
13 leadership. Each ad hoc committee shall design model curricula, establish curriculum
14 standards, and update curricula in response to changes in technologies and market
15 conditions.

16 (f) This section is effective upon ratification.

17 Sec. 122. COMMUNITY COLLEGE SCHOLARSHIPS.

18 (a) The Department of Community Colleges shall develop a plan to establish a
19 Community College System Challenge Grant Scholarship Fund. The plan shall be
20 presented to the 1994 Regular Session of the 1993 General Assembly. The plan shall
21 address initial funding (method and amounts) as well as matching contributions from
22 non-State contributions.

23 (b) It is the goal of the General Assembly that the Challenge Grant Scholarship
24 Fund be developed for the benefit of students with demonstrated financial need in the
25 North Carolina Community College System.

26 (c) The State Board of Community Colleges shall administer the Challenge Grant
27 Scholarship Fund as a means for augmenting rapidly the principal in the Fund so that
28 the State Board will gain greater resources from which to award aid to a larger number
29 of needy students.

30 (d) This section is effective upon ratification.

31

32 Requested by: Representatives Black, Rogers, Brawley

33 **PRORATION OF FTE REIMBURSEMENTS/MINIMUM CLASS SIZE STUDY**

34 Sec. 124. (a) The State Board of Community Colleges shall develop a plan
35 for the proration of FTE reimbursements between two community colleges when (i)
36 both are operating a joint program or (ii) one is operating a program on the other's
37 campus.

38 (b) This proration plan shall be based on the respective costs of each of the
39 community colleges associated with the following:

- 40 (1) Recruitment of students;
- 41 (2) Provision of classroom space;
- 42 (3) Development of course materials;
- 43 (4) Administrative and support costs; and
- 44 (5) Instructional costs.

1 (c) The State Board of Community Colleges shall study the issue of
2 establishing minimum class sizes for community college classes.

3 (d) The State Board of Community Colleges shall report on the proration plan
4 developed pursuant to subsections (a) and (b) of this section and on the results of its
5 minimum class size study pursuant to subsection (c) of this section to the 1993 General
6 Assembly, Regular Session 1994, by May 1, 1994.

7
8 **PART 17. PUBLIC SCHOOLS**

9
10 Requested by: Representatives Black and Rogers

11 **FRESHMAN PERFORMANCE REPORTS MADE AVAILABLE TO PARENTS**
12 **OF HIGH SCHOOL STUDENTS**

13 Sec. 125. G.S. 115C-12(18)c. reads as rewritten:

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

23
24 Requested by: Representatives Black and Rogers

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

26 Sec. 126. The State Board of Education shall require the local school
27 administrative units receiving career development funds to modify their differentiated
28 pay plans for the 1994-95 fiscal year so that the cost of the differentiated pay plan
29 equals (i) five percent (5%) of teacher and administrator salaries and of the employer's
30 contributions for social security and retirement, for the prior fiscal year, and (ii) the
31 amount of local funds available for differentiated pay.

32 It is the intent of the General Assembly that this reduction in appropriations
33 not result in employees receiving less on a monthly basis in salary and State-funded
34 bonuses during the 1994-95 fiscal year than they received on a monthly basis during the
35 1993-94 fiscal year so long as the employees qualify for bonuses under the local
36 differentiated pay plan.

37
38 Requested by: Representatives Black and Rogers

39 **TEACHER SALARY SCHEDULES**

40 Sec. 127. (a) The Director of the Budget may transfer from the Reserve for
41 Salary Increases for the 1993-94 fiscal year funds necessary to implement the teacher
42 salary schedule set out in subsection (b) of this section, including funds for the
43 employer's retirement and social security contributions and funds for annual longevity
44 payments at one percent (1%) of base salary for 10 to 14 years of State service, one and

1 one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent
2 (2%) of base salary for 20 to 24 years of State service, and two and one-half percent
3 (2.5%) of base salary for 25 years of State service, commencing July 1, 1993, for all
4 teachers whose salaries are supported from the State's General Fund. These funds shall
5 be allocated to individuals according to rules adopted by the State Board of Education
6 and the Superintendent of Public Instruction. The longevity payment shall be paid in a
7 lump sum once a year.

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

12 Years of 1993-94
13 Experience Salary

14 00 \$2,002

15 01 2,042

16 02 2,083

17 03 2,125

18 04 2,168

19 05 2,211

20 06 2,255

21 07 2,300

22 08 2,346

23 09 2,393

24 10 2,441

25 11 2,490

26 12 2,540

27 13 2,591

28 14 2,643

29 15 2,696

30 16 2,750

31 17 2,805

32 18 2,861

33 19 2,918

34 20 2,976

35 21 3,036

36 22 3,097

37 23 3,159

38 24 3,222

39 25 3,286

40 26 3,352

41 27 3,419

42 28 3,487

43 29+ 3,557

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

<u>Years of Experience</u>	<u>1993-94 Salary</u>
00	\$2,127
01	2,170
02	2,213
03	2,257
04	2,302
05	2,348
06	2,395
07	2,443
08	2,492
09	2,542
10	2,593
11	2,645
12	2,698
13	2,752
14	2,807
15	2,863
16	2,920
17	2,978
18	3,038
19	3,099
20	3,161
21	3,224
22	3,288
23	3,354
24	3,421
25	3,489
26	3,559
27	3,630
28	3,703
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 in addition to the compensation certified personnel of the public schools who are classified as "G"teachers. This 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 (4) Beginning July 1, 1993, certified public school teachers with
2 certification based on academic preparation at the doctoral degree level
3 shall receive a salary supplement of two hundred fifty-three dollars
4 (\$253.00) per month in addition to the compensation provided for
5 certified personnel of the public schools who are classified as
6 "G"teachers. This is in lieu of the separate salary schedule adopted by
7 the General Assembly for these employees in Section 72 of Chapter
8 900 of the 1991 Session Laws.

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

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

20
21 Requested by: Representatives Black and Rogers

22 **OFFICE OF TEACHER RECRUITMENT STATUTES REPEALED**

23 Sec. 128. Part 1 of Article 24C of Chapter 115C of the General Statutes is
24 repealed.

25
26 Requested by: Representatives Black and Rogers

27 **ALLOCATION OF FUNDS FOR MERGED CAREER LADDER PILOT**
28 **PROJECTS**

29 Sec. 129. (a) Any differentiated pay plan for a local school administrative unit in
30 a school unit that resulted from a merger of a school unit that was a career development
31 pilot project and a school unit that was not a career development pilot project shall
32 receive (i) the amount of funds that was previously allocated to the particular pilot
33 project by the State Board of Education and (ii) the amount of funds the unit is entitled
34 to receive to administer the School Accountability Act of 1989 pursuant to this act for
35 the portion of the merged unit that did not participate in the pilot project.

36 (b) The differentiated pay plan for a local school administrative unit that
37 resulted from a merger subsequent to June 30, 1993, of a school unit that was a career
38 development pilot project and a school unit that was not a career development pilot
39 project may be modified by the local school board, upon the recommendation of the
40 State Superintendent of Public Instruction and with the approval of the State Board of
41 Education.

42
43 Requested by: Representatives Black and Rogers

44 **REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

1 Sec. 130. Notwithstanding G.S. 143-23 or any other provision of law, the
 2 Superintendent of Public Instruction shall reorganize the Department of Public
 3 Instruction to implement a seven hundred sixty-three thousand three hundred sixty-six
 4 dollar (\$763,366) base budget reduction for the 1993-94 fiscal year and a one million
 5 seven hundred eighty-one thousand seven hundred sixteen dollar (\$1,781,716) base
 6 budget reduction for the 1994-95 fiscal year. As a result of the reorganization, 57
 7 positions funded from the General Fund shall be abolished during the 1993-95 fiscal
 8 biennium.

9
 10 Requested by: Representatives Rogers and H. Hunter

11 **CONTINUE MODEL TEACHER EDUCATION CONSORTIUM**

12 Sec. 131. Section 72(a) of Chapter 752 of the 1989 Session Laws, as
 13 rewritten by Section 56(c) of Chapter 900 of the 1991 Session Laws, reads as rewritten:

14 "(a) There is established a model teacher education consortium for the following
 15 local school administrative units: Bertie, Gates County, Granville County, Halifax
 16 County, Hertford County, Northampton County, Vance County, Warren County,
 17 Roanoke Rapids City and Weldon City, with the collaboration of East Carolina
 18 University, Elizabeth City State University, Barton College, North Carolina Wesleyan
 19 College, Halifax Community College, and Vance-Granville Community College."

20
 21 Requested by: Representatives Nesbitt, Black, Rogers

22 **SCHOOL-BASED ADMINISTRATOR SALARIES**

23 Sec. 132. (a) Of the funds appropriated to Aid to Local School
 24 Administrative Units, the sum of three million three hundred twenty-eight thousand
 25 seven hundred thirty-one dollars (\$3,328,731) for the 1993-94 fiscal year and the sum of
 26 three million one hundred eighty-four thousand seven hundred thirty-five dollars
 27 (\$3,184,735) for the 1994-95 fiscal year shall be used to begin implementation of a new
 28 salary schedule for school-based administrators as provided in this act. These funds
 29 shall be used for State-paid employees only.

30 (b) The salary schedule for school-based administrators shall apply only to
 31 principals and assistant principals. The salary schedule for the 1993-94 fiscal year is as
 32 follows:

	1	1	2	3	4	5	6	7
	Asst.							
Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI Prin.VII
0	—	—	—	—	—	—	—	—
1	—	—	—	—	—	—	—	—
2	—	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—	—
4	\$2,371	—	—	—	—	—	—	—
5	2,418	—	—	—	—	—	—	—

1	6	2,466	-	-	-	-	-	-	-
2	7	2,515	-	-	-	-	-	-	-
3	8	2,565	\$2,565	-	-	-	-	-	-
4	9	2,616	2,616	-	-	-	-	-	-
5	10	2,668	2,668	\$2,721	-	-	-	-	-
6	11	2,721	2,721	2,775	-	-	-	-	-
7	12	2,775	2,775	2,831	\$2,888	-	-	-	-
8	13	2,831	2,831	2,888	2,946	\$3,005	-	-	-
9	14	2,888	2,888	2,946	3,005	3,065	\$3,126	-	-
10	15	2,946	2,946	3,005	3,065	3,126	3,189	-	-
11	16	3,005	3,005	3,065	3,126	3,189	3,253	\$3,318	-
12	17	3,065	3,065	3,126	3,189	3,253	3,318	3,384	\$3,452
13	18	3,126	3,126	3,189	3,253	3,318	3,384	3,452	3,521
14	19	3,189	3,189	3,253	3,318	3,384	3,452	3,521	3,591
15	20	3,253	3,253	3,318	3,384	3,452	3,521	3,591	3,663
16	21	3,318	3,318	3,384	3,452	3,521	3,591	3,663	3,736
17	22	3,384	3,384	3,452	3,521	3,591	3,663	3,736	3,811
18	23	3,452	3,452	3,521	3,591	3,663	3,736	3,811	3,887
19	24	3,521	3,521	3,591	3,663	3,736	3,811	3,887	3,965
20	25	3,591	3,591	3,663	3,736	3,811	3,887	3,965	4,044
21	26	3,663	3,663	3,736	3,811	3,887	3,965	4,044	4,125
22	27	3,736	3,736	3,811	3,887	3,965	4,044	4,125	4,208
23	28	3,811	3,811	3,887	3,965	4,044	4,125	4,208	4,292
24	29	3,887	3,887	3,965	4,044	4,125	4,208	4,292	4,378
25	30	3,965	3,965	4,044	4,125	4,208	4,292	4,378	4,466
26	31	4,044	4,044	4,125	4,208	4,292	4,378	4,466	4,555
27	32	-	4,125	4,208	4,292	4,378	4,466	4,555	4,646
28	33	-	-	4,292	4,378	4,466	4,555	4,646	4,739
29	34	-	-	4,378	4,466	4,555	4,646	4,739	4,834
30	35	-	-	-	4,555	4,646	4,739	4,834	4,931
31	36	-	-	-	4,646	4,739	4,834	4,931	5,030
32	37	-	-	-	-	4,834	4,931	5,030	5,131
33	38	-	-	-	-	-	5,030	5,131	5,234
34	39	-	-	-	-	-	-	5,234	5,339
35	40	-	-	-	-	-	-	5,339	5,446
36	41	-	-	-	-	-	-	-	5,555

37 Provided, however, this salary schedule sets the entry level salary of an assistant
 38 principal four percent (4%) higher than the salary of a teacher with a "G" certificate with
 39 four years of experience, and it contains an approximate two percent (2%) increase
 40 between each step. If the salary schedule for teachers with "G" certificates is modified
 41 for the 1993-94 or subsequent fiscal years, the State Board of Education shall modify
 42 this salary schedule accordingly.

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

Grade	Classification	Number of Teachers Supervised
1	Assistant Principal	Less than 11 Teachers
	Principal I	
2	Principal II	11-21 Teachers
3	Principal III	22-32 Teachers
4	Principal IV	33-43 Teachers
5	Principal V	44-54 Teachers
6	Principal VI	55-65 Teachers
7	Principal VII	More than 65 Teachers.

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

(d) An assistant principal shall be placed on the step on the salary schedule that reflects total years of experience as a certificated employee of the public schools.

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

(e) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid an additional one hundred twenty-six dollars (\$126.00) per month. Principals and assistant principals with certification based on academic preparation at the doctoral degree level shall be paid an additional two hundred fifty-three dollars (\$253.00) per month.

(f) The State Board of Education shall adopt rules for placing principals and assistant principals who have experience in other states on the salary schedule.

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

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

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

This subdivision applies to all transfers on or after the ratification date of this act, except transfers in school systems

1 that have been created, or will be created, by merging two or
2 more school systems. Transfers in these merged systems are
3 exempt from the provisions of this subdivision for one calendar
4 year following the date of the merger.

5 (i) Notwithstanding any other provision of this act, if a principal's or assistant
6 principal's certified salary for the 1992-93 fiscal year is more than three percent (3%)
7 greater than the principal's or assistant principal's salary established in accordance with
8 this section, the principal or assistant principal shall receive a State-paid salary
9 increment of one percent (1%); if a principal's or assistant principal's certified salary
10 established in accordance with this section for the 1993-94 fiscal year would not be at
11 least one percent (1%) greater than the principal's or assistant principal's salary for the
12 1992-93 fiscal year, the principal or assistant principal shall receive a State-paid salary
13 increment of three percent (3%).

14 Notwithstanding any other provision of this act, for the 1994-95 fiscal year,
15 no principal or assistant principal shall receive a State-paid salary increment of less than
16 one percent (1%) or more than three percent (3%) as a result of placement on the salary
17 schedule unless the principal or assistant principal is at the top of the range for the
18 classification or is promoted or demoted.

19 (j) Principals and assistant principals who are initially employed in a public
20 school in North Carolina shall be placed on the "G"teacher salary schedule in
21 accordance with their total experience in education and then given a percentage increase
22 for assignment to the specific school-based administrator classification. The percentage
23 increase shall be computed as follows:

24 "G"teacher salary + 4% for assignment to Assistant Principal
25 4% for assignment to Principal I
26 6% for assignment to Principal II
27 8% for assignment to Principal III
28 10% for assignment to Principal IV
29 12% for assignment to Principal V
30 14% for assignment to Principal VI
31 16% for assignment to Principal VII

32 Principals and assistant principals who are initially employed in a public school in
33 North Carolina shall also receive a one step increment for each six years of documented
34 administrative experience.

35
36 Requested by: Representatives Nesbitt, Black, Rogers

37 **SALARIES FOR NONCERTIFIED PUBLIC SCHOOL EMPLOYEES**

38 Sec. 133. (a) G.S. 115C-12(16) reads as rewritten:

39 "(16) Power with Regard to Salary Schedules. –

40 a. Support personnel refers to all public school employees who are
41 not required by statute or regulation to be certified in order to
42 be employed. The State Board of Education is authorized and
43 empowered to adopt all necessary rules for full implementation

1 of all schedules to the extent that State funds are made available
2 for support personnel.

- 3 b. Salary schedules for the following public school support
4 personnel shall be adopted by the State Board of Education:
5 school finance officer, office support personnel, property and
6 cost clerks, teacher assistants, maintenance supervisors,
7 custodial personnel, and transportation personnel. The Board
8 shall classify these support positions in terms of uniform pay
9 grades included in the salary schedule of the State Personnel
10 Commission.

11 Prior to the 1995-96 school year, local boards of education
12 shall place State-allotted office support personnel, teacher
13 assistants, and custodial personnel on the salary schedule
14 adopted by the State Board of Education so that the average
15 salary paid is the State-allotted amount for the category. In
16 placing employees on the salary schedule, the local board shall
17 consider education, training, and experience of each employee.
18 It is the intent of the General Assembly that a local school
19 administrative unit not fail to employ an employee who was
20 employed for the prior school year in order to implement the
21 provisions of this sub-subdivision. The Department of Public
22 Instruction shall provide technical assistance to local school
23 administrative units regarding the implementation of this sub-
24 subdivision.

25 The State Board of Education shall report to the General
26 Assembly, prior to March 31, 1994, and March 31, 1995, on the
27 implementation of this sub-subdivision."

- 28 c. Salary schedules for other support personnel, including but not
29 limited to maintenance and school food service personnel, shall
30 be adopted by the State Board of Education. The Board shall
31 classify these support positions in terms of uniform pay grades
32 included in the salary schedule of the State Personnel
33 Commission. These schedules shall apply if the local board of
34 education does not adopt a salary schedule of its own for
35 personnel paid from other than State appropriations."

36 (b) G.S. 115C-238.6(a) reads as rewritten:

37 "(a) Prior to June 30 each year, the State Superintendent shall review local school
38 improvement plans submitted by the local school administrative units in accordance
39 with policies and performance indicators adopted by the State Board of Education. If the
40 State Superintendent approves the plan for a local school administrative unit, that unit
41 shall participate in the Program for the next fiscal year.

42 If a local plan contains a request for a waiver of State laws, regulations, or policies,
43 in accordance with G.S. 115C-238.3(b1), the State Superintendent shall determine
44 whether and to what extent the identified laws, regulations, or policies should be

1 waived. The State Superintendent shall present that plan and his determination to the
2 State Board of Education. If the State Board of Education deems it necessary to do so to
3 enable a local unit to reach its local accountability goals, the State Board, only upon the
4 recommendation of the State Superintendent, may grant waivers of:

- 5 (1) State laws pertaining to class size, teacher certification, assignment of
6 teacher assistants, the use of State-adopted textbooks, and the purposes
7 for which State funds for the public schools, except for funds for
8 school health coordinators, may be used: Provided, however, the State
9 Board of Education shall not permit the use of funds for teachers for
10 expanded programs under the Basic Education Program for any other
11 purpose;
- 12 (2) All State regulations and policies, except those pertaining to State
13 salary schedules and employee benefits for school employees, the
14 instructional program that must be offered under the Basic Education
15 Program, the system of employment for public school teachers and
16 administrators set out in G.S. 115C-325, health and safety codes,
17 compulsory school attendance, the minimum lengths of the school day
18 and year, and the Uniform Education Reporting System.

19 The provisions of G.S. 115C-12(16)b. regarding the placement of State-allotted
20 office support personnel, teacher assistants, and custodial personnel on the salary
21 schedule adopted by the State Board shall not be waived.

22 Waivers shall be granted only for the specific schools for which they are requested
23 in building-level plans and shall be used only under the specific circumstances for
24 which they are requested."
25

26 Requested by: Representatives Nesbitt, Black, Rogers

27 **EXCEPTIONAL CHILDREN FUNDS**

28 Sec. 134. (a) The funds appropriated for exceptional children in this act shall
29 be allocated as follows:

- 30 (1) The sum of \$127,387 for the 1993-94 fiscal year and the sum of
31 \$127,387 for the 1994-95 fiscal year shall be used to provide to each
32 local school administrative unit the sum of \$630.63 per child for 3.9%
33 of the 1992-93 actual average daily membership in the local school
34 administrative unit for academically gifted children, regardless of the
35 number of children identified as academically gifted in the local school
36 administrative unit. The total number of children for which funds shall
37 be allocated pursuant to this subdivision is 43,114 for the 1993-94
38 school year.
- 39 (2) The sum of \$3,872,613 for the 1993-94 fiscal year and the sum of
40 \$3,872,613 for the 1994-95 fiscal year shall be used to fund services
41 for exceptional children other than academically gifted children in
42 local school administrative units in which the number of these children
43 exceeds 12.5% of the 1992-93 actual average daily membership in the
44 local school administrative unit.

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

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

18 (c) The State Board of Education shall reexamine the State's laws, rules, and
19 policies concerning the education of academically gifted children. As part of this
20 review, the Board shall (i) determine whether there should be State criteria for the
21 identification of these children, (ii) determine whether local school administrative units
22 should be required to count academically gifted children as part of their annual head
23 counts for exceptional children, (iii) identify, and establish performance criteria to
24 measure the success of, appropriate programs or other uses of the funds for
25 academically gifted children under subsection (a) of this section, and (iv) establish
26 criteria to ensure that academically gifted children are generally reflective of the
27 population of children enrolled in the State's public schools.

28 (d) The State Board of Education shall report its recommendations, including
29 any proposals for modified laws, rules, or policies and findings under subsections (b)
30 and (c) of this section to the Commission on Children with Special Needs and to the
31 chairs of the appropriations committees and the appropriations subcommittees on
32 education of the Senate and the House of Representatives by March 15, 1994.

33
34 Requested by: Representatives Nesbitt, Black, Rogers

35 **SCHOOL TECHNOLOGY FUNDS**

36 Sec. 135. (a) There is created the Commission on School Technology. The
37 Commission shall be located administratively in the Department of Public Education
38 but shall exercise all its prescribed statutory powers independently of the State Board of
39 Education and the Department of Public Instruction.

40 (b) The Commission shall consist of 15 members appointed as follows:

41 (1) Three members appointed by the Governor;

42 (2) Two members appointed by the Lieutenant Governor;

43 (3) Five members appointed by the General Assembly upon the
44 recommendation of the President Pro Tempore of the Senate in

1 accordance with G.S. 120-121, one of whom shall be recommended by
2 the President of the Senate to serve as cochair; and

3 (4) Five members appointed by the General Assembly upon the
4 recommendation of the Speaker of the House of Representatives in
5 accordance with G.S. 120-121, one of whom shall be recommended by
6 the Speaker of the House of Representatives to serve as cochair.

7 (c) Members shall serve for two-year terms. Vacancies in terms of members
8 appointed by the Governor and the Lieutenant Governor shall be filled by the
9 appointing officer. Vacancies in terms of members appointed by the General Assembly
10 shall be filled in accordance with G.S. 120-122.

11 (d) The initial meeting of the Commission shall be called jointly by the cochairs.

12 (e) Members of the Commission who are not State officers or employees
13 shall receive per diem and necessary travel and subsistence expenses in accordance with
14 G.S. 138-5. Members who are State officers or employees shall be reimbursed for
15 travel and subsistence in accordance with G.S. 138-6.

16 (f) The Department of Public Instruction shall provide requested professional
17 and clerical staff to the Commission. The Commission may also employ professional
18 and clerical staff and may hire outside consultants to assist it in its work.

19 (g) The Commission shall monitor the use of educational technology in the
20 schools and the expenditure of State funds for educational technology. The
21 Commission shall report its findings to the General Assembly on an annual basis.

22

23 Requested by: Representatives Black and Rogers

24 **LOW PERFORMING UNITS**

25 Sec. 136. (a) If a local school administrative unit is identified as a low
26 performing school system or placed on warning status by the State Board of Education
27 in accordance with G.S. 115C-64.1, the Department of Public Instruction may use up to
28 one million two hundred thousand dollars (\$1,200,000) of the funds appropriated for
29 Aid to Local School Administrative Units for each fiscal year to provide the local
30 school administrative unit with staff development activities and technical assistance to
31 enable the unit to improve student performance and decrease dropout rates.

32 The Department of Public Instruction shall not use these funds for new
33 employee positions.

34 (b) If a local school administrative unit is identified as a low performing
35 school system by the State Board of Education in accordance with G.S. 115C-64.1, and
36 that local school administrative unit receives small school system supplemental funding,
37 low-wealth counties supplemental funding, or both, the local school administrative unit
38 shall use those funds to implement the plan for improving student performance and
39 decreasing dropout rates that it submitted to the State Board of Education in accordance
40 with G.S. 115C-64.2(a).

41 If a local school administrative unit is placed on warning status by the State
42 Board of Education, and that local school administrative unit receives small school
43 system supplemental funding, low-wealth counties supplemental funding, or both, the

1 local school administrative unit shall use those funds to implement a locally developed
2 plan for improving student performance and decreasing dropout rates.

3 (c) The Board of Governors of The University of North Carolina shall require the
4 Offices of School Services at the constituent institutions to provide in-kind technical
5 assistance worth at least six hundred thousand dollars (\$600,000) for each fiscal year
6 through the Department of Public Instruction to local school administrative units that
7 are identified as low performing school systems or placed on warning status by the State
8 Board of Education in accordance with G.S. 115C-64.1.

9

10 Requested by: Representative R. Hunter

11 **MOBILE PRESCHOOL PILOT PROGRAM**

12 Sec. 137. The State Board of Education shall use funds appropriated for the
13 McSmiles pilot program to implement a pilot Mobile Classroom Instructional
14 Laboratory for Educational Success Program in the McDowell County School
15 Administrative Unit. These State funds shall be used for a teacher and a teacher
16 assistant for the pilot program. All other costs of the pilot program shall be met with
17 non-State funds.

18 The pilot program shall be a mobile preschool program for unserved four-
19 year-old children in the McDowell County School Administrative Unit. The goal of the
20 pilot program shall be to prevent school failure through early identification of
21 developmental needs and learning styles of preschool children.

22 The McDowell County School Administrative Unit shall report to the State
23 Board of Education and to the General Assembly on the pilot program prior to March 1,
24 1995.

25

26 Requested by: Representatives Black and Rogers

27 **SUPPLEMENTAL FUNDS FOR SCHOOLS IN LOW-WEALTH COUNTIES**

28 Sec. 138. (a) The General Assembly finds that it is appropriate to provide
29 supplemental funds in low-wealth counties to allow those counties to enhance the
30 instructional program and student achievement; therefore, of the funds appropriated to
31 Aid to Local School Administrative Units, the sum of eighteen million dollars
32 (\$18,000,000) for the 1993-94 fiscal year and the sum of eighteen million dollars
33 (\$18,000,000) for the 1994-95 fiscal year shall be used for supplemental funds for
34 schools. Of these funds, the State Board of Education shall allocate (i) the sum of nine
35 million dollars (\$9,000,000) for the 1993-94 fiscal year and the sum of nine million
36 dollars (\$9,000,000) for the 1994-95 fiscal year to the counties in which the adjusted
37 property tax base per student for that county is less than the State average adjusted
38 property tax base per student, and (ii) the sum of nine million dollars (\$9,000,000) for
39 the 1993-94 fiscal year and the sum of nine million dollars (\$9,000,000) for the 1994-95
40 fiscal year to the 30 counties in which the adjusted property tax base per student is
41 lowest.

42 The amount each such county receives shall be its pro rata share of the funds
43 appropriated for supplemental funding in this act, computed as follows:

- 1 (1) Divide the county adjusted property tax base per student by the State
2 adjusted property tax base per student;
- 3 (2) Multiply the resulting amount by the State average current expense
4 appropriations per student;
- 5 (3) Subtract the resulting amount per student from the State average
6 county current expense appropriations per student; and
- 7 (4) Multiply the resulting amount by the average daily membership of
8 students in the county.

9 The funds a county receives shall be allocated to each local school
10 administrative unit, located in whole or in part in the county, based on the average daily
11 membership of the county's students in the school units.

12 This formula is solely a basis for distribution of supplemental funding for
13 low-wealth counties and is not intended to reflect any measure of the adequacy of the
14 educational program or funding for public schools. The formula is also not intended to
15 reflect any commitment by the General Assembly to appropriate any additional
16 supplemental funds for low-wealth counties.

17 (b) Funds received pursuant to this section shall be used only to provide
18 instructional positions, instructional support positions, teacher assistant positions,
19 clerical positions, instructional supplies and equipment, staff development, and
20 textbooks.

21 (c) Nonsupplant Requirement. – A county in which a local school
22 administrative unit receives funds under this section shall use the funds to supplement
23 and not supplant existing State and local funding for public schools.

24 The Local Government Commission shall analyze the budgets and the
25 expenditures of school administrative units that receive funds under this section in light
26 of their budgets and expenditures for the previous year and shall determine whether
27 those funds were used to supplement and not supplant State and local funding for public
28 schools. The Local Government Commission shall report the results of its study to the
29 State Board of Education, to the Joint Legislative Education Oversight Committee, and
30 to the Appropriations Committees of the Senate and the House of Representatives, prior
31 to May 1, 1994, and May 1, 1995.

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

- 33 (1) "Average daily membership" means average daily membership as
34 defined in the North Carolina Public Schools Allotment Policy
35 Manual, adopted by the State Board of Education.
- 36 (2) " County adjusted property tax base per student" means the total
37 assessed property valuation for each county, adjusted using a weighted
38 average of the three most recent annual sales assessment ratio studies,
39 divided by the total number of students in average daily membership
40 who reside within the county, and further adjusted using the ratio of
41 the county's per capita income to the State average per capita income.
- 42 (3) " Effective county tax rate" means the actual county tax rate multiplied
43 by a weighted average of the three most recent annual sales assessment
44 ratio studies.

- 1 (4) " Per capita income" means the per capita income according to the
2 most recent report of the United States Department of Commerce,
3 Bureau of Economic Analysis.
- 4 (5) " Sales assessment ratio studies" means sales assessment ratio studies
5 performed by the Department of Revenue under G.S. 105-289(h).
- 6 (6) " State adjusted property tax base per student" means the sum of all
7 county adjusted property tax bases divided by the total number of
8 students who reside within the State.
- 9 (7) " State average current expense appropriations per student" means the
10 most recent State total of county current expense appropriations to
11 public schools, as reported by counties in the annual county financial
12 information report to the State Treasurer, divided by the total State
13 average daily membership for that year.
- 14 (8) " Weighted average of the three most recent annual sales assessment
15 ratio studies" means the weighted average of the three most recent
16 annual sales assessment ratio studies in the most recent years for which
17 county current expense appropriations and adjusted property tax
18 valuations are available. If real property in a county has been revalued
19 one year prior to the most recent sales assessment ratio study, a
20 weighted average of the two most recent sales assessment ratios shall
21 be used. If property has been revalued the year of the most recent
22 sales assessment ratio study, the sales assessment ratio for the year of
23 revaluation shall be used.

24 (e) Minimum Effort Required. – Counties that receive funding under this
25 section shall maintain an effective county tax rate that is at least one hundred percent
26 (100%) of the State average effective tax in the most recent year for which data are
27 available. Any county that fails to maintain an effective county tax rate that is at least
28 one hundred percent (100%) of the State average effective tax in the most recent year
29 for which data are available shall refund to the State the entire amount of its allocation
30 under this section.

31 (f) The funds Edgecombe County receives shall be allocated to each local
32 school administrative unit, located in whole or in part in the county including the Nash-
33 Rocky Mount School Administrative Unit, based on the average daily membership of
34 the county's students in the school units.

35 (g) Counties that receive funds under this section shall report to the State
36 Board of Education before March 1 each year on how they are using the funds for the
37 fiscal year. The State Board of Education shall report to the Joint Legislative Education
38 Oversight Committee prior to May 1, 1994, and May 1, 1995, on how the funds are
39 being used.

40
41 Requested by: Representatives Diamont, Colton, Black, Rogers

42 **SAFE SCHOOLS**

43 Sec. 139. (a) Of the funds appropriated to Aid to Local School Administrative
44 Units, the sum of two million five hundred thousand dollars (\$2,500,000) for the 1993-

1 94 fiscal year and the sum of two million five hundred thousand dollars (\$2,500,000) for
2 the 1994-95 fiscal year shall be used to provide grants for local school administrative
3 units for locally designed innovative local programs to make schools safe for students
4 and school employees. These funds shall be used for grants of from fifty thousand
5 dollars (\$50,000) to one hundred thousand dollars (\$100,000) per year to local school
6 administrative units. These funds may be used for continuing or noncontinuing
7 expenses.

8 A local school administrative unit may apply for a grant or two or three
9 adjacent local school administrative units may apply jointly for a grant. Applicants for
10 grants shall submit to the State Board of Education an application that includes the
11 following information:

- 12 (1) An assessment of local problems with regard to violence in the schools
13 prepared by a local task force of educators, parents, students,
14 community leaders, and representatives of social services and law
15 enforcement, appointed by the local board of education.
- 16 (2) A detailed plan for addressing these local problems, including
17 proposed goals and anticipated outcomes, prepared after consultation
18 with the task force.
- 19 (3) A statement of how the grant funds would be used to address these
20 local problems and what other resources would be used to address the
21 problems.
- 22 (4) A process for assessing on an annual basis the success of the local plan
23 for addressing problems with regard to violence in the schools.

24 Grant recipients shall be selected prior to January 1, 1994. In selecting grant
25 recipients, the State Board of Education shall consider the severity of the local problems
26 with regard to violence in the schools and the likelihood that the locally designed plan
27 will deal with the problems successfully. The State Board shall also attempt to give
28 grants to local school administrative units that are located geographically throughout the
29 State, that have different demographic profiles, and that propose different approaches to
30 their problems. The State Board of Education shall appoint a State task force to review
31 grant applications and recommend grant recipients to it. The State task force shall
32 include representatives of the Department of Public Instruction, local school
33 administrative units, educators, parents, the juvenile justice system, social services, and
34 nongovernmental agencies providing services to children, and other members the State
35 Board deems appropriate.

36 The Superintendent of Public Instruction shall administer the grant program,
37 provide technical assistance to grant applicants and recipients, and work with the State
38 task force that reviews grant applications and recommends grant recipients to the State
39 Board of Education.

40 The State Board of Education shall report to the Joint Legislative Education
41 Oversight Committee prior to March 15, 1994, and prior to January 15, 1995, on how
42 the funds are being used.

43 (b) G.S. 115C-12 is amended by adding a new subdivision to read:

1 "(21) Duty to Monitor Acts of School Violence. – The State Board of
2 Education shall monitor and compile an annual report on acts of
3 violence in the public schools. The State Board shall adopt standard
4 definitions for acts of school violence and shall require local boards of
5 education to report them to the State Board in a standard format
6 adopted by the State Board."

7 (c) G.S. 115C-47 is amended by adding a new subdivision to read:

8 "(36) To Report All Acts of School Violence. – Local boards of education
9 shall report all acts of school violence to the State Board of Education
10 in accordance with G.S. 115C-12(21)."

11 (d) G.S. 115C-81 is amended by adding a new subsection to read:

12 "(a4) Conflict Resolution and Mediation Program to be Recommended and
13 Implemented:

14 The State Board of Education shall develop a model curriculum for the prevention of
15 school violence and shall require all local school administrative units to implement a
16 curriculum based on the model. The model curriculum shall be flexible enough to be
17 tailored to local needs and resources. The model shall include (i) a minimum of 10
18 hours of instruction per year in the areas of conflict resolution and mediation for
19 students in kindergarten through grade 12 and (ii) instruction and guidance for the
20 voluntary implementation of peer mediation programs.

21 The model shall also include a plan that provides instruction and guidance for
22 teachers concerning the integration of conflict resolution and mediation lessons into the
23 existing classroom curriculum.

24 The model curriculum shall be implemented at the beginning of the 1994-95 school
25 year."

26
27 Requested by: Representatives Jack Hunt, Black, Rogers, Kuczmariski

28 **PARENTS AS TEACHERS PILOT PROGRAMS**

29 Sec. 140. The State Board of Education shall use funds appropriated for the
30 Parents as Teachers Pilot Programs to implement pilot programs in the Rutherford
31 County School Administrative Unit and the Wake County School Administrative Unit,
32 which have been designated as national training sites for the program. The purpose of
33 the program shall be to send parent educators into the homes of children from birth to
34 three years old to provide the children's parents information and training to help the
35 children have the best possible start in life. These funds shall be used to provide funds
36 for direct services to children and their families in the Rutherford County School
37 Administrative Unit and the Wake County School Administrative Unit.

38 The Rutherford County School Administrative Unit and the Wake County
39 School Administrative Unit shall report to the State Board of Education and to the
40 General Assembly on the pilot program prior to March 1, 1995.

41
42 Requested by: Representatives Barnes, Black, Rogers

43 **TASK FORCE ON TEACHER STAFF DEVELOPMENT**

1 Sec. 141. (a) There is created the Task Force on Teacher Staff Development.
2 The Task Force shall be located administratively in the Department of Public Instruction
3 but shall exercise all its prescribed statutory powers independently of the Department of
4 Public Instruction. The Task Force shall consist of 19 members appointed as follows:

- 5 (1) The Superintendent of Public Instruction or the Superintendent's
6 designee, who shall serve as Chair;
- 7 (2) One member of the State Board of Education appointed by the Chair
8 of the State Board;
- 9 (3) One member of the Board of Governors of The University of North
10 Carolina appointed by the Chair of the Board of Governors;
- 11 (4) The Director of the North Carolina Center for the Advancement of
12 Teaching;
- 13 (5) Two deans of a School of Education appointed by the President of The
14 University of North Carolina;
- 15 (6) Four public school teachers appointed by the General Assembly upon
16 the recommendation of the Speaker of the House of Representatives in
17 accordance with G.S. 120-121, one of whom teaches in preschool
18 through grade 2, one of whom teaches in grades 3 through 5, one of
19 whom teaches in grades 6 through 8, and one of whom teaches in
20 grades 9 through 12;
- 21 (7) Four public school teachers appointed by the General Assembly upon
22 the recommendation of the President Pro Tempore of the Senate in
23 accordance with G.S. 120-121, one of whom teaches in preschool
24 through grade 2, one of whom teaches in grades 3 through 5, one of
25 whom teaches in grades 6 through 8, and one of whom teaches in
26 grades 9 through 12;
- 27 (7a) Two public school teachers appointed by the Governor;
- 28 (8) One superintendent of a local school administrative unit appointed by
29 the Governor; and
- 30 (9) Two public school principals appointed by the Governor.

31 (b) The Task Force shall develop a plan to establish a statewide network of
32 high quality, integrated, comprehensive, collaborative, and sustained professional
33 development for teachers. The plan shall integrate fully the resources of the State and
34 local units.

35 The plan shall address the following:

- 36 (1) Efficient and effective use of existing State, federal, and local
37 resources through an integrated delivery of professional development
38 to teachers.
- 39 (2) Short-range and long-range plans for school-based staff development
40 that address the professional development needs of teachers in site-
41 based decision making, core content areas, instruction, and other
42 appropriate subjects.

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

29 The Task Force shall consider existing professional development
30 organizations and networks in the development of the plan. The Task Force shall also
31 work in conjunction with the Teacher Training Task Force in the development of the
32 plan.

33 The Task Force shall report the plan to the Joint Legislative Education
34 Oversight Committee no later than March 1, 1994.

35 (c) The Task Force, the Department of Public Instruction, and other agencies
36 assigned duties by the Task Force plan shall begin implementation of the plan for staff
37 development for teachers by developing training modules, providing for training for the
38 initial cadre of teacher trainers, contracting with trainers, and selecting sites for the staff
39 development for summer training in 1994.

40 The Task Force shall report on its implementation of the plan to the Joint
41 Legislative Education Oversight Committee no later than January 1, 1995.

42 (d) The Department of Public Instruction shall provide professional and
43 clerical services to the Task Force. The Task Force may also employ special staff or

1 consultants. The Department of Public Instruction shall also provide meeting rooms,
2 telephones, office space, equipment, and supplies to the Commission.

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

5 (f) The Task Force shall terminate January 1, 1995.

6

7 Requested by: Representatives Barnes, Black, Rogers

8 **EXPAND NCCAT SERVICES**

9 Sec. 142. Funds in the amount of two hundred thousand dollars (\$200,000)
10 for the 1993-94 fiscal year and two hundred thousand dollars (\$200,000) for the 1994-
11 95 fiscal year that are appropriated to the Board of Governors of The University of
12 North Carolina Reserve for University Operations shall be allocated to the North
13 Carolina Center for the Advancement of Teaching at Western Carolina University
14 (NCCAT) to be used to train teacher trainers, expand NCCAT services to areas that are
15 not located near the Center, and to conduct pilot programs at five local school
16 administrative units.

17 The purpose of the pilot programs shall be to help local school administrative
18 units develop professional development programs to solve the needs that have been
19 identified by school-based committees. The pilot units shall be geographically and
20 socioeconomically diverse and shall represent both urban and rural areas and large and
21 small average daily membership.

22 The NCCAT program shall conduct clinical research at the five pilot units to
23 evaluate the effectiveness at the unit, school building, and individual level of the
24 NCCAT program design on the implementation of staff development plans.

25

26 Requested by: Representatives Barnes, Black, Rogers

27 **STAFF DEVELOPMENT FUNDS**

28 Sec. 143. Of the funds appropriated to Aid for Local School Administrative
29 Units for staff development for teachers, the sum of two million dollars (\$2,000,000)
30 for the 1993-94 fiscal year shall be used to pay stipends to certified instructional
31 personnel who participate in staff development activities on days outside of the 200-day
32 school calendar. The stipend shall be for ten dollars (\$10.00) per eligible hour, with a
33 maximum of sixty dollars (\$60.00) per day. To qualify for the payment of the stipend,
34 the staff development activities shall be approved in advance by the employee's
35 principal or supervisor.

36

37 Requested by: Representative DeVane

38 **SCOTLAND COUNTY SCHOOL PAY DATE CHANGED**

39 Sec. 143.1. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
40 316(a), or any other provision of law, all 10-month employees of the Scotland County
41 Schools except for school bus drivers, who are paid on a monthly basis, shall be paid on
42 the fifteenth day of each month. Nothing in this section shall have the effect of
43 changing the rate of pay for any employee of Scotland County Schools.

1 This section shall not be construed to authorize prepayment of any employees
2 by the Scotland County Board of Education.

3
4 Requested by: Representative Redwine

5 **BRUNSWICK COUNTY SCHOOL PAY DATE CHANGED**

6 Sec. 144. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
7 316(a), or any other provision of law, all 10-month contract teachers and all 10-month
8 employees of the Brunswick County Schools, who are paid on a monthly basis, shall be
9 paid on the fifteenth day of each month. Nothing in this section shall have the effect of
10 changing the rate of pay for any employee of Brunswick County Schools.

11 This section shall not be construed to authorize prepayment of any employees
12 by the Brunswick County Board of Education.

13
14 **PART 18. DEPARTMENT OF TRANSPORTATION**

15
16 Requested by: Representatives McAllister and McLaughlin

17 **PERMANENT HOURLY WORKER STATUS**

18 Sec. 145. (a) The Department of Transportation shall begin converting all
19 existing permanent hourly Highway Maintenance Worker positions to permanent full-
20 time Highway Maintenance Worker status effective July 1, 1993. All current permanent
21 hourly employees shall be evaluated between July 1, 1993, and December 31, 1993, and
22 those receiving satisfactory ratings, in accordance with performance standards
23 established by the State Personnel Commission pursuant to G.S. 126-4(8), shall be
24 placed in a permanent Highway Maintenance Worker position as they become available.
25 The Department shall cease hiring permanent hourly workers on July 1, 1993, and
26 complete conversion of permanent hourly workers to permanent status by January 1,
27 1994.

28 (b) G.S. 126-5(c4) is repealed. This subsection becomes effective January 1,
29 1994.

30
31 Requested by: Representatives McAllister and McLaughlin

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

33 Sec. 146. G.S. 20-97(c) is repealed.

34
35 Requested by: Representatives McAllister and McLaughlin

36 **RENAME NORTH CAROLINA ELDERLY AND HANDICAPPED**
37 **TRANSPORTATION ASSISTANCE PROGRAM**

38 Sec. 147. G.S. 136-44.27 reads as rewritten:

39 "**§ 136-44.27. North Carolina Elderly and ~~Handicapped-Disabled~~ Transportation**
40 **Assistance Program.**

41 (a) There is established the Elderly and ~~Handicapped-Disabled~~ Transportation
42 Assistance Program that shall provide State financed elderly and ~~handicapped-disabled~~
43 transportation services for counties within the State. The Department of Transportation
44 is designated as the agency of the State responsible for administering State funds

1 appropriated to purchase elderly and ~~handicapped~~ disabled transportation services for
2 counties within the State. The Department shall develop appropriate procedures
3 regarding the distribution and use of these funds and shall adopt rules to implement
4 these procedures. No funds appropriated pursuant to this act may be used to cover State
5 administration costs.

6 (b) For the purposes of this section, an elderly person is defined as one who has
7 reached the age of 60 or more years, and a ~~handicapped~~ disabled person is defined as
8 one who has a physical or mental impairment that substantially limits one or more major
9 life activities, an individual who has a record of such impairment, or an individual who
10 is regarded as having such an impairment. Certification of eligibility shall be the
11 responsibility of the county.

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

19 (d) The Public Transportation Division of the Department of Transportation shall
20 distribute these funds to the counties according to the following formula: fifty percent
21 (50%) divided equally among all counties; twenty-two and one-half percent (22 1/2%)
22 based upon the number of elderly residents per county as a percentage of the State's
23 elderly population; twenty-two and one-half percent (22 1/2%) based upon the number
24 of ~~handicapped~~ disabled residents per county as a percentage of the State's ~~handicapped~~
25 disabled population; and, the remaining five percent (5%) based upon a population
26 density factor that recognizes the higher transportation costs in sparsely populated
27 counties.

28 (e) Funds distributed by the Department under this section shall be used by
29 counties in a manner consistent with transportation development plans which have been
30 approved by the Department and the Board of County Commissioners. To receive
31 funds apportioned for a given fiscal year, a county shall have an approved transportation
32 development plan. Funds that are not obligated in a given fiscal year due to the lack of
33 such a plan will be distributed to the eligible counties based upon the distribution
34 formula prescribed by subsection (d) of this section."
35

36 Requested by: Representatives McAllister and McLaughlin

37 **SMALL URBAN CONSTRUCTION PROGRAM FUNDS**

38 Sec. 148. Of the funds appropriated in this act to the Department of
39 Transportation, the sum of nine million twenty-eight thousand two hundred sixty-six
40 dollars (\$9,028,266) shall be allocated in each fiscal year of the biennium for small
41 urban construction projects. Six million dollars (\$6,000,000) of these funds shall be
42 allocated equally in each fiscal year of the biennium among the 14 Highway Divisions
43 for the Small Urban Construction Program for small urban construction projects that are
44 located within the area covered by a one-mile radius of the municipal corporate limits.

1 Of the remaining funds, three million twenty-eight thousand two hundred sixty-six
2 dollars (\$3,028,266) for the 1993-94 fiscal year and three million twenty-eight thousand
3 two hundred sixty-six dollars (\$3,028,266) for the 1994-95 fiscal year shall be used
4 statewide for rural or small urban highway improvements as approved by the Secretary
5 of the Department of Transportation.

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

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

13
14 Requested by: Representatives McAllister and McLaughlin

15 **IMPLEMENTING SELECTED GPAC RECOMMENDATIONS**

16 Sec. 149. (a) The Department of Transportation shall centralize the monitoring
17 and reporting of data related to small and minority business development firms and civil
18 rights-related matters, and reorganize the Department so that functions related to these
19 activities will be integrated into and institutionalized under the Division of Highways.
20 The Department will comply with this section by July 1, 1993. The Department shall
21 report to the Joint Legislative Highway Oversight Committee by October 1, 1993, on
22 the reorganization of civil rights-related functions within the Department.

23 (b) The Secretary of the Department of Transportation shall submit to the
24 General Assembly and the Joint Legislative Highway Oversight Committee, on or
25 before September 1, 1993, a plan to consolidate part-time driver licensing offices across
26 the State to increase productivity. The plan shall consider the number of applications
27 processed per day by examiners, the number of full-time and part-time offices located in
28 each county, the proximity of offices in each county to one another, population served,
29 costs to support part-time offices, and any other criteria the Secretary deems warranted.
30 The plan shall also document cost savings by office and the estimated increase in
31 productivity due to consolidations. The Secretary of the Department of Transportation
32 shall further notify the Joint Legislative Highway Oversight Committee on or before
33 April 1, 1994, of the amount of funds by which the Division of Motor Vehicles' 1994-95
34 appropriation can be reduced due to consolidation of driver licensing offices.

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

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

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

4 The Department of Transportation is currently contracting out
5 twenty percent (20%) to twenty-five percent (25%) of preconstruction
6 work to private engineering firms. If outside contract forces were used
7 to address the preconstruction work load associated with the additional
8 298 positions, then the level of preconstruction work contracted out
9 would rise to about thirty-two percent (32%) to thirty-six percent
10 (36%).

11 This increase in contracting out work load, from twenty percent
12 (20%) to twenty-five percent (25%), to thirty-two percent (32%) to
13 thirty-six percent (36%) would be a reasonable level of increase
14 because the Highway Trust Fund represents a seventy-eight percent
15 (78%) increase in the pre-1989 preconstruction work load of the
16 Department.

17 (2) The Secretary of Transportation shall submit a plan to the Joint
18 Legislative Highway Oversight Committee, by September 1, 1993, to
19 implement the recommendation in subdivision (1) of this subsection to
20 freeze preconstruction positions and contract out the balance of its
21 preconstruction work to private engineering firms.

22 (e)(1) The General Assembly finds that the Department of Transportation's
23 ongoing strategy to increasingly rely on the use of private engineering
24 firms to perform surveys, process control, and construction
25 engineering and inspection functions should be continued.

26 With the Highway Trust Fund program entering a phase of expanded
27 construction activity, having completed a number of project plans, the
28 Department will need to further leverage its in-house construction staff
29 to meet the requirements of the program.

30 (2) The increased use of outside contract forces to perform quality control
31 and quality assurance functions will require continued Department of
32 Transportation construction staff involvement in project oversight and
33 verification, careful selection of vendors, and rigorous contract
34 administration of these projects. The level of this outside contracting
35 should be based on the following considerations:

- 36 a. Focus outside contract activity on the peak load requirements of
37 the Highway Trust Fund construction program;
- 38 b. Retain sufficient in-house capability to address the base load
39 requirements of the Highway Trust Fund construction program
40 and properly administer the outside construction engineering
41 and inspection-related contracts; and
- 42 c. Select contractors with significant experience in performing
43 construction engineering and inspection for major road and
44 bridge projects and familiarity with Department of

- 1 Transportation engineering standards and construction
2 specifications.
- 3 (3) By using private engineering firms to handle more of the Highway
4 Trust Fund program construction work load, the Department of
5 Transportation can reduce the number of new in-house staff required
6 to support the construction portion of the program.
- 7 (4) The Secretary of Transportation shall report to the Joint Legislative
8 Highway Oversight Committee, no later than September 1, 1993, a
9 plan meeting the construction needs of the Highway Trust Fund
10 program with a minimum of new construction staff in the Department
11 of Transportation and increasing the use of outside contract forces
12 while meeting the criteria in subdivisions (1) through (3) of this
13 subsection.
- 14 (f)(1) The General Assembly finds that the Equipment Sections of the 14
15 highway divisions perform maintenance and repair functions for all
16 Department of Transportation equipment, except for sedans which are
17 maintained through the Department of Administration. Each division
18 has between five and 10 garages, including one major division garage.
19 In some cases, two-person garages continue to operate in certain rural
20 areas of the State, where the distance between garages is fairly large
21 (40 to 50 miles). In addition, there are local county garages colocated
22 near the division garages. These latter garages represent a potential
23 opportunity for consolidation, to reduce the overall number of garage
24 facilities maintained by the Department of Transportation.
- 25 (2) The Department of Transportation shall develop a plan to consolidate
26 the equipment section resources associated with the 14 division
27 garages and those 14 Department county garages located nearby for
28 submission to the Joint Legislative Highway Oversight Committee by
29 February 1, 1994.
- 30 (g)(1) The General Assembly finds that Division Traffic Services units are
31 variously organized, with some units having all field forces reporting
32 to the Division Traffic Services Supervisor and others having signal-
33 related forces assigned to the Assistant Division Traffic Engineer in a
34 Traffic Control Technical Services unit. The latter arrangement
35 provides a better balance of technical and nontechnical traffic services
36 personnel among the middle management positions within this unit,
37 resulting in a more equitable span of control among these supervisory
38 personnel. This alignment recognizes the increasingly technical
39 aspects of traffic signal planning and implementation, while also
40 providing for a more balanced distribution of Traffic Services staff
41 among the Traffic Services supervisors.
- 42 (2) The Secretary of Transportation shall realign the Traffic Services
43 sections of the 14 Traffic Divisions so that the signal/traffic control

1 personnel report to the Assistant Traffic Engineer and pavement
2 markings/signs personnel report to the Traffic Services Supervisor.

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

- 5 a. The determination of resources needed to provide an acceptable
6 level of service, accomplish the annual maintenance program
7 efficiently, and erase the existing maintenance backlog; and
8 b. The determination of the most appropriate mix of contract and
9 in-house resources.

10 As the maintenance work load has increased, the Department of
11 Transportation has been able to handle a portion of the increased work
12 through contracting. The Department of Transportation can make
13 additional use of private contractors.

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

- 18 a. The continued contracting out of construction activities, as well
19 as those maintenance functions, such as mowing, roadside rest
20 area maintenance, building maintenance, signal installation, and
21 signal maintenance, that it currently contracts;
22 b. The contracting out of all of the Secondary Road Construction
23 program and free up the in-house maintenance staff now
24 performing this function to concentrate on backlogged and
25 expanding maintenance needs; and
26 c. Expanding the Department's efforts to contract out maintenance
27 functions, by increasing the proportion of contracted work in
28 such areas as: ditch cleaning, landscaping, and bituminous
29 surface treatment resurfacing.
30

31 Requested by: Representatives McAllister and McLaughlin

32 **EQUIPMENT FUND TRANSFER**

33 Sec. 150. The Department of Transportation's Equipment Fund shall pay to
34 the Highway Fund the sum of ten million dollars (\$10,000,000) for the 1993-94 fiscal
35 year.
36

37 Requested by: Representatives McAllister and McLaughlin

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

39 Sec. 151. The Department of Transportation shall report to the Joint
40 Legislative Highway Oversight Committee on or before October 1, 1993, concerning
41 billboard fees. The Department shall report on the fees currently collected and the
42 amounts of fees that would be needed to fund the administration of the billboard
43 program.
44

1 Requested by: Representatives McAllister and McLaughlin

2 **DIVISION OF MOTOR VEHICLES TO REPORT ON PERSONNEL EFFECTS**
3 **OF NEW COMPUTER SYSTEM**

4 Sec. 152. The Secretary of Transportation shall report to the Joint Legislative
5 Highway Oversight Committee, on or before October 1, 1993, on the plans for reducing
6 staffing and costs during the 1994-95 fiscal year as a result of the implementation of the
7 new computer systems for Drivers Licensing and Vehicle Registration. The report shall
8 also contain an update on the status of completion of the implementation of the new
9 computer systems as of the date of the report.

10

11 Requested by: Representatives McAllister and McLaughlin

12 **MODIFY AVIATION APPROPRIATION**

13 Sec. 153. (a) G.S. 136-16.4 reads as rewritten:

14 **"§ 136-16.4. Continuing aviation appropriations.**

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

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

30

31 Requested by: Representatives McAllister and McLaughlin

32 **DEPARTMENT OF TRANSPORTATION TO REPORT ON THE USE OF**
33 **INMATE LABOR**

34 Sec. 154. The Department of Transportation shall report to the Joint
35 Legislative Highway Oversight Committee, on or before October 1, 1993, on the use of
36 minimum and medium custody inmates. The report shall detail:

- 37 (1) The requirements placed on the Department by G.S. 148-26, the State
38 policy on the employment of prisoners.
- 39 (2) Whether the use of inmate labor is cost-effective.
- 40 (3) Whether the cost-sharing arrangement with the Department of
41 Correction is equitable with respect to the contributions from the
42 Department of Transportation and the Highway Fund.
- 43 (4) A cost-effective analysis comparing the cost and productivity of using
44 inmate labor versus using temporary highway maintenance workers.

1

2 Requested by: Representatives McAllister and McLaughlin

3 **BRANCH AGENT TRANSACTION RATE**

4 Sec. 155. The Division of Motor Vehicles of the Department of
5 Transportation shall compensate a contractor with whom it has a contract under G.S.
6 20-63(h) at the rate of ninety-two cents (92¢) for each transaction performed in
7 accordance with the requirements set by the Division. A transaction is any of the
8 following activities:

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

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

30

31 Requested by: Representatives McAllister and McLaughlin

32 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

33 Sec. 156. The Controller of the Department of Transportation shall allocate
34 at the beginning of each fiscal year from the various appropriations made to the
35 Department of Transportation in this act, Titles:

36 State Construction

37 State Funds to Match Federal Highway Aid

38 State Maintenance

39 Ferry Operations,

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

42

43 Requested by: Representatives McAllister and McLaughlin

1 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
 2 **APPROPRIATIONS**

3 Sec. 157. (a) The General Assembly authorizes and certifies anticipated
 4 revenues of the Highway Fund as follows:

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

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

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

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

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

11

12 Requested by: Representatives McAllister and McLaughlin

13 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

14 Sec. 158. (a) Overexpenditures from Section 4 of this act may be made by
 15 authorization of the Director of the Budget, Titles:

16 State Construction Primary Construction

17 State Construction Urban Construction

18 State Construction Access and Public Service Roads

19 State Funds to Match Federal Highway Aid

20 State Maintenance

21 Ferry Operations,

22 provided that there are corresponding underexpenditures from these same Titles.

23 Overexpenditures or underexpenditures in any Titles may not vary by more than ten
 24 percent (10%) without prior consultation with the Advisory Budget Commission.

25 Written reports covering overexpenditures or underexpenditures of more than ten
 26 percent (10%) shall be made to the Joint Legislative Highway Oversight Committee.

27 The reports shall be delivered to the Director of the Fiscal Research Division not less
 28 than 96 hours prior to the beginning of the Committee's full meeting.

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

30 State Construction Primary Construction

31 State Construction Urban Construction

32 State Construction Access and Public Service Roads

33 State Funds to Match Federal Highway Aid

34 State Maintenance

35 Ferry Operations,

36 for the purpose of providing additional positions shall be approved by the Director of
 37 the Budget and shall be reported on a quarterly basis to the Joint Legislative Highway

38 Oversight Committee and to the Fiscal Research Division.

39

40 Requested by: Representatives McAllister and McLaughlin

41 **RESURFACED ROADS MAY BE WIDENED**

42 Sec. 159. Of the contract maintenance resurfacing program funds
 43 appropriated in this act to the Department of Transportation, an amount not to exceed
 44 fifteen percent (15%) of the Board of Transportation's allocation of these funds may be

1 used for widening existing narrow pavements that are scheduled for resurfacing. The
2 Department of Transportation shall report on the use of these funds to the Joint
3 Legislative Highway Oversight Committee and the Fiscal Research Division by May
4 15, 1994.

5

6 Requested by: Representatives McAllister and McLaughlin

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

8 Sec. 160. Any unreserved credit balance in the Highway Fund on June 30 of
9 each of the fiscal years of this biennium shall support appropriations in the succeeding
10 fiscal year. If all of the balance is not needed for these appropriations, the Director of
11 the Budget may use the remaining excess to establish a reserve for access and public
12 roads, a reserve for unforeseen happening of a state of affairs requiring prompt action as
13 provided by G.S. 136-44.1, and other required reserves. Actual revenue in excess of
14 estimated revenue shall be placed in the reserve for highway maintenance. If all of the
15 remaining excess is not used to establish these reserves, the remainder shall be allocated
16 to the State-funded maintenance appropriations in the manner approved by the Board of
17 Transportation. The Board of Transportation shall report monthly to the Joint
18 Legislative Highway Oversight Committee and the Fiscal Research Division about the
19 use of the reserve for highway maintenance.

20

21 Requested by: Representatives McAllister and McLaughlin

22 **DEPARTMENT OF TRANSPORTATION TO PAY COMPENSATION OF**
23 **ATTORNEYS ASSIGNED TO MOTOR VEHICLES DIVISION BY THE**
24 **ATTORNEY GENERAL**

25 Sec. 161. The Department of Transportation shall pay the compensation,
26 including salaries and benefits, of the attorneys assigned to the Division of Motor
27 Vehicles by the Attorney General. The funds to pay the compensation for those legal
28 positions shall be taken from the Highway Fund.

29

30 Requested by: Representatives McAllister and McLaughlin

31 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**
32 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**
33 **MANAGEMENT**

34 Sec. 162. The Department of Transportation may enter into a design-build-
35 warrant contract to develop, with Federal Highway Administration participation under
36 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
37 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
38 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
39 Notwithstanding any other provision of law, contractors, contractors' employees, and
40 Department of Transportation employees involved in this project only do not have to be
41 licensed by occupational licensing boards as "license" and "occupational licensing
42 board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the
43 Department of Transportation is exempted from the provisions of the following General
44 Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These

1 statutory exemptions are limited and available only to the extent necessary to comply
2 with federal rules, regulations, and policies for completion of this project.

3 The Department of Transportation shall report quarterly to the Joint
4 Legislative Highway Oversight Committee on its efforts to enter into a design-build-
5 warrant contract and to award and construct the project. The report shall include, but
6 not be limited to, the number of types of firms bidding on the project, special
7 qualifications of the firms bidding, and the effect statutory exemptions might have had
8 on the award and construction of the project and the receipt of federal discretionary
9 funding for the project.

10
11 Requested by: Representatives McAllister and McLaughlin

12 **DEPARTMENT OF TRANSPORTATION TO REPORT ON DIVISION OF**
13 **MOTOR VEHICLES ENFORCEMENT SECTION**

14 Sec. 163. The Department of Transportation shall report to the Joint
15 Legislative Highway Oversight Committee, on or before October 1, 1993, on efforts by
16 the Department to restructure the Enforcement Section of the Division of Motor
17 Vehicles.

18
19 Requested by: Representatives Nesbitt, McAllister, McLaughlin

20 **DISPOSITION OF TAX PROCEEDS FROM THE HIGHWAY TRUST FUND**

21 Sec. 164. (a) G.S. 105-187.9 reads as rewritten:

22 **"§ 105-187.9. Disposition of tax proceeds.**

23 Taxes collected under this Article at the rate of eight percent (8%) shall be credited
24 to the General Fund. Taxes collected under this Article at the rate of three percent (3%)
25 shall be credited to the North Carolina Highway Trust Fund. In each fiscal year the
26 State Treasurer shall transfer the sum of one hundred seventy million dollars
27 (\$170,000,000) of the taxes deposited in the Trust Fund to the General Fund. ~~Fund by~~
28 ~~transferring one-fourth of this amount at the end of each quarter in the fiscal year. The~~
29 transfer of funds authorized by this section may be made by transferring one-fourth of
30 the amount at the end of each quarter in the fiscal year or by transferring the full amount
31 annually on July 1 of each fiscal year, subject to the availability of revenue."

32 (b) The interest earned on the one hundred seventy million dollars
33 (\$170,000,000) to be transferred pursuant to subsection (a) of this section shall be
34 deposited in the General Fund.

35
36 Requested by: Representatives Barbee, McAllister, McLaughlin

37 **DMV ENFORCEMENT EFFICIENCY IMPLEMENTATION REPORT**

38 Sec. 165. The Commissioner of Motor Vehicles shall report to the
39 Appropriations Committees on Transportation of the House of Representatives and
40 Senate and to the Fiscal Research Division, on the first day of the 1994 Session of the
41 General Assembly, on the implementation of the 1993-94 expansion budget requests for
42 computer equipment, computerized vehicle weighing systems, and the Optical Disk File
43 Storage System. The report shall include the potential savings in manpower and office
44 expenses attributable to the new equipment.

1

2 Requested by: Representatives McAllister and McLaughlin

3 **MAJOR RESURFACING AND MAINTENANCE PROJECTS TO BE IN**
4 **TRANSPORTATION IMPROVEMENT PROGRAM**

5 Sec. 166. The Secretary of the Department of Transportation shall report to
6 the Appropriations Committees on Transportation of the House of Representatives and
7 the Senate and the Fiscal Research Division, not later than 30 days before the start of
8 the 1994 Session of the General Assembly, on a plan to include major resurfacing
9 projects and major bridge and highway maintenance projects on the primary system in
10 the Transportation Improvement Program issued pursuant to G.S. 143B-350(f)(4).

11

12 Requested by: Representatives McAllister and McLaughlin

13 **PIEDMONT TRIAD TRANSPORTATION STUDY**

14 Sec. 167. Of the funds appropriated in this act from the Highway Fund to the
15 Department of Transportation, the sum of two hundred twenty-two thousand seven
16 hundred fifty dollars (\$222,750) for the 1993-94 fiscal year and the sum of three
17 hundred forty-six thousand five hundred dollars (\$346,500) for the 1994-95 fiscal year
18 shall be used for a study of the transportation needs of the Piedmont Triad Area
19 involving the metropolitan planning organizations of High Point, Greensboro, and
20 Winston-Salem.

21 The Board of Transportation shall allocate funds for the study as needed until
22 the appropriation for each year has been used. Funds not used in any year shall revert to
23 the Highway Fund.

24 The Board of Transportation shall require the recipient of these fund
25 allocations to provide detailed periodic reports on its activities and accomplishments
26 and the expenditures and revenues from all sources. A final report shall be made to the
27 Board of Transportation and the North Carolina General Assembly by May 31, 1995.

28

29 Requested by: Representative McAllister

30 **STATE HIGHWAY SYSTEM RENAMING MORATORIUM**

31 Sec. 168. (a) The Board of Transportation shall undertake a review of its policies
32 concerning naming of bridges, highways, and facilities in the State Highway system.

33 (b) The Board of Transportation shall report to the Joint Legislative Highway
34 Oversight Committee on any revised policies concerning naming of bridges, highways,
35 and facilities in the State Highway system.

36 (c) Until the Board of Transportation makes the report to the Joint Legislative
37 Highway Oversight Committee required by subsection (b) of this section, there shall be
38 a moratorium on the renaming of bridges, facilities, and highways already named in the
39 State Highway system.

40

41 Requested by: Representatives McLaughlin and Nesbitt

42 **STUDY OF HIGHWAY FUND EXPENDITURES TO AGENCIES OTHER**
43 **THAN THE DEPARTMENT OF TRANSPORTATION**

1 Sec. 169. The Legislative Research Commission may study, and the Fiscal
2 Trends Study Commission shall study, all appropriations from the Highway Fund to
3 agencies other than the Department of Transportation, including the Highway Patrol,
4 Department of Correction, and Department of Public Instruction, and shall report to the
5 General Assembly by the first day of the 1994 Regular Session on the appropriateness
6 of these appropriations, the trends of these appropriations, on how the future growth in
7 these appropriations can be limited, and on a policy on what type of programs can be
8 funded from the Highway Fund.

9
10 **PART 19. DEPARTMENT OF CORRECTION**

11
12 Requested by: Representatives Holt and Gist

13 **CURRENT OPERATING EXPENSES**

14 Sec. 170. From the funds appropriated to the Department of Correction in the
15 certified budget for the 1993-94 fiscal year, the Department may transfer within its
16 budget up to five million dollars (\$5,000,000) for repair and renovation of its facilities.
17 The use of these funds shall be subject to the prior approval of the Office of State
18 Budget and Management. The Department of Correction shall have a verifiable ten
19 percent (10%) goal for participation by minority and women contractors in these
20 projects. If necessary, the Department may transfer within its budget up to six hundred
21 fifty thousand dollars (\$650,000) in each fiscal year to match federal grant funds
22 received by the Department.

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

28
29 Requested by: Representatives Holt and Gist

30 **LIMIT USE OF OPERATIONAL FUNDS**

31 Sec. 171. Funds appropriated in this act to the Department of Correction for
32 operational costs for additional facilities shall be used for personnel and operating
33 expenses set forth in the budget approved by the General Assembly in this act. These
34 funds may not be expended for any other purpose, and may not be expended for
35 additional prison personnel positions until the new facilities are within 90 days of
36 completion, except for certain management and support positions necessary to prepare
37 the facility for opening, as authorized in the budget approved by the General Assembly.

38
39 Requested by: Representatives Holt and Gist

40 **NCCIW/MATCH PROGRAM FUNDS**

41 Sec. 172. Funds from the one hundred twelve million five hundred thousand
42 dollars (\$112,500,000) in bond proceeds appropriated and allocated for repairs and
43 renovations at the North Carolina Correctional Institution for Women in Section 239 of
44 Chapter 689 of the 1991 Session Laws, as amended by Section 41(a) of Chapter 1044 of

1 the 1991 Session Laws, shall be used to provide a gatehouse and a visiting/operations
2 center that will include designated space for the Mothers and Their Children (MATCH)
3 program. The MATCH program will be a specialized treatment program that will
4 provide supervised visitation between inmates and their children and hold classes in
5 parenting and related subjects.

6
7 Requested by: Representatives Holt and Gist

8 **SUMMIT HOUSE**

9 Sec. 173. (a) Of the funds appropriated to the Department of Correction, the
10 sum of four hundred thousand dollars (\$400,000) for the 1993-94 fiscal year, and the
11 sum of four hundred thousand dollars (\$400,000) for the 1994-95 fiscal year, shall be
12 used to support the program at Summit House, a community-based residential
13 alternative to incarceration for mothers and pregnant women convicted of nonviolent
14 crimes, including expansion of nonresidential day center services.

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

22 (c) Of the funds appropriated to the Department of Correction for the 1994-95
23 fiscal year, the sum of five hundred thousand dollars (\$500,000) shall be used for the
24 sharing of operating costs of satellite Summit House programs in Mecklenburg and
25 Wake Counties. The funds appropriated for operating costs of the satellite programs in
26 Mecklenburg and Wake Counties are in addition to other resources available to those
27 programs.

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

39
40 Requested by: Representatives Holt and Gist

41 **HARRIET HOUSE**

42 Sec. 174. Of the funds appropriated to the Department of Correction, the sum
43 of fifty-four thousand dollars (\$54,000) for the 1993-94 fiscal year, and the sum of fifty-
44 four thousand dollars (\$54,000) for the 1994-95 fiscal year, shall be used to support the

1 programs of Harriet House, a transitional home for female ex-offenders and their
2 children. Harriet House shall report quarterly to the Joint Legislative Commission on
3 Governmental Operations on the expenditure of State appropriations and on the
4 effectiveness of the program including information on the number of clients served and
5 the number of clients who successfully complete the Harriet House program.

6
7 Requested by: Representatives Holt and Gist

8 **INMATE INCENTIVE PAY**

9 Sec. 175. G.S. 148-18(a) reads as rewritten:

10 "(a) Prisoners employed in prison enterprises shall be compensated at hourly rates
11 fixed by the Department of Correction's rules and regulations, or on the basis of
12 production quotas established by prison enterprises, for work performed; provided, that
13 no prisoner working for prison enterprises shall be paid more than ~~one dollar (\$1.00)~~
14 three dollars (\$3.00) per day from funds made available by the Prison Enterprises Fund.

15 Prisoners employed other than by prison enterprises and those involved in the
16 maintenance and housekeeping of the prison system, shall be compensated at rates fixed
17 by the Department of Correction's rules and regulations; provided, that no prisoner so
18 paid shall receive more than one dollar (\$1.00) per day. The source of wages and
19 allowances provided inmates who are not employed by prison enterprises shall be funds
20 provided by the Department of Transportation to the Department of Correction for this
21 purpose. The provisions of this subsection shall not apply to wages paid by private
22 prison enterprises conducted pursuant to G.S. 148-70."

23
24 Requested by: Representatives Holt and Gist

25 **PRIVATE CONFINEMENT FACILITIES**

26 Sec. 176. No for-profit, privately owned or operated confinement facilities
27 may be added to the State prison system unless approved by the General Assembly.
28 The State may continue its existing contracts with private, nonprofit firms to provide or
29 operate work and study release centers for women and for youth.

30
31 Requested by: Representatives Holt and Gist

32 **CONSOLIDATION OF PRISON FACILITIES**

33 Sec. 177. In order to begin the consolidation of smaller prison units into a
34 lesser number of facilities, the Department of Correction shall develop and implement
35 plans to close Granville, Halifax, Person, Warren, and Vance prison units and replace
36 them with appropriate facilities to be recommended by the Department.

37
38 Requested by: Representatives Holt and Gist

39 **REASONABLE AUDIT FEES AND ACCESS TO INMATE MEDICAL** 40 **RECORDS**

41 Sec. 178. (a) Any hospital in the State that provides medical care or treatment to
42 an inmate in the custody of the Department of Correction shall permit the Department or
43 any of its agents to review or audit those medical records upon request. The hospital
44 may charge no more than reasonable fees for allowing such review or audit for

1 providing necessary copies of bills or charges or information related to bills or charges
2 and may not impose any unreasonable conditions or restrictions upon the access to those
3 medical records.

4 (b) Chapter 131E of the General Statutes is amended by adding a new section to
5 read:

6 **"§ 131E-99.2. Inmate medical records.**

7 Notwithstanding any other provision of law, a hospital does not breach patient
8 confidentiality by providing the Department of Correction with the medical records of
9 inmates who receive medical treatment at the hospital while in the custody of the
10 Department. A hospital complying with a request from the Department of Correction or
11 its agent for a copy of the medical records of an inmate who received medical services
12 while in custody shall be immune from liability in any civil action for the release of the
13 inmate's medical record."

14
15 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

16
17 Requested by: Representatives Holt and Gist

18 **REPORT ON COMMUNITY SERVICE WORKERS**

19 Sec. 179. The Department of Crime Control and Public Safety shall report
20 quarterly in the 1993-94 fiscal year and the 1994-95 fiscal year to the Joint Legislative
21 Commission on Governmental Operations and the Fiscal Research Division on the
22 number of community service workers who were available during each month of the
23 time period preceding that report to perform repairs and maintenance of the parks and
24 when and where they were available.

25
26 Requested by: Representatives Holt and Gist

27 **RAPE VICTIMS ASSISTANCE PROGRAM**

28 Sec. 180. (a) Notwithstanding G.S. 143-12 or any other provision of law, the
29 Department of Crime Control and Public Safety may utilize up to one hundred fifty
30 thousand dollars (\$150,000) of funds received, but not used, from the contingency and
31 emergency fund in order to liquidate unpaid invoices for hospital emergency room
32 services provided to rape victims and to provide rape evidence collection kits to hospital
33 emergency rooms.

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

35
36 Requested by: Representatives Holt and Gist

37 **NATIONAL GUARD DISASTER TRAINING**

38 Sec. 181. (a) G.S. 166A-6 is amended by adding a new subsection to read:

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

42 (b) This section is effective upon ratification.

43
44 Requested by: Representatives Holt and Gist

REPORT BY HIGHWAY PATROL DIVISION

Sec. 182. The Department of Crime Control and Public Safety, Highway Patrol Division, shall prepare a written report to the Senate and House Appropriations Committees on Justice and Public Safety and to the Joint Appropriations Committee on Transportation on the following:

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

By April 30, 1994, the Department of Crime Control and Public Safety, Highway Patrol Division, shall provide copies of the report to the Senate and House Appropriations Committees on Justice and Public Safety and to the Joint Appropriations Committee on Transportation, and to the Fiscal Research Division of the Legislative Services Office. The Division shall be available to present the report to the Senate and House Appropriations Committees on Justice and Public Safety and to the Joint Appropriations Committee on Transportation within five days of the convening of the Joint Appropriations Committee. The Senate and House Appropriations Committees on Justice and Public Safety and the Joint Appropriations Committee on Transportation shall meet within five days of the convening of the Joint Appropriations Committee to receive the report required by this section.

Requested by: Representatives Holt and Gist

REPORT ON THE CRIME VICTIMS COMPENSATION FUND

Sec. 183. The Department of Crime Control and Public Safety shall report annually to the Senate and House Appropriations Base Budget Committees on Justice and Public Safety and the Fiscal Research Division on the administrative expenditures of the North Carolina Crime Victims Compensation Fund.

Requested by: Representatives Holt and Gist

LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER GRANTS

Sec. 184. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968 provides that State applications for drug law enforcement grants are subject to review by the State legislature or its designated body.

1 (b) The North Carolina General Assembly hereby provides that State applications
2 for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M
3 of the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of
4 P.L. 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint
5 Legislative Commission on Governmental Operations if at the time of review the
6 General Assembly is not in session. Any State agency submitting a grant application
7 for review shall also report to the House Appropriations Subcommittee on Justice and
8 Public Safety and to the Senate Appropriations Committee on Justice and Public Safety
9 with regard to the grant.

10 (c) Unless a State statute provides a different forum for review where a federal
11 law or regulation provides that a State application for a grant must be reviewed by the
12 State legislature or its designated body and at the time of the review the General
13 Assembly is not in session, that application shall be reviewed by the Joint Legislative
14 Commission on Governmental Operations. Any State agency submitting a grant
15 application for review shall also report to the House Appropriations Subcommittee on
16 Justice and Public Safety and to the Senate Appropriations Committee on Justice and
17 Public Safety with regard to the grant.

18
19 Requested by: Representatives Holt and Gist

20 **AUTOMATED ADMINISTRATION OF THE CRIME VICTIMS**
21 **COMPENSATION FUND**

22 Sec. 185. The Department of Crime Control and Public Safety shall develop
23 or acquire software to automate the system of claims and reimbursement administration
24 for the Crime Victims Compensation Fund. The automated system shall have among its
25 capabilities the ability to track individual applications for reimbursement from the initial
26 filing of the claim through the disposition of the claim, including the status of claims
27 investigations and third-party reimbursements. The Department of Crime Control and
28 Public Safety shall submit a report to the House and Senate Appropriations Committees
29 on Justice and Public Safety and to the Fiscal Research Division by March 31, 1994,
30 that identifies the automated system installed by the Department, documents the status
31 of bringing the claims management and reimbursement system on-line, and documents
32 the ability of the system to track administration and reimbursement of claims.

33
34 **PART 21. JUDICIAL DEPARTMENT**

35
36 Requested by: Representatives Holt and Gist

37 **AOC NETWORK TRANSFER STUDY**

38 Sec. 186. The Information Resource Management Commission and the
39 Administrative Office of the Courts jointly shall prepare a written evaluation of the
40 costs, benefits, and feasibility of transferring ownership of the Administrative Office of
41 the Courts' network back to the ownership and management of the State
42 Telecommunications System. The evaluation shall include an independent study to
43 determine whether the incremental operating costs (including incremental overhead
44 costs) are lower under the State Telecommunications System and whether a service

1 level agreement between the State Telecommunications System and the Administrative
2 Office of the Courts that meets the Administrative Office of the Courts' requirements for
3 network service can be developed. The Information Resource Management
4 Commission and the Administrative Office of the Courts jointly shall present the written
5 evaluation to the Joint Legislative Commission on Governmental Operations not later
6 than December 31, 1993.

7
8 Requested by: Representatives Holt and Gist

9 **INDIGENT PERSONS' ATTORNEY FEE FUND**

10 Sec. 187. (a) Effective July 1, 1993, the Administrative Office of the Courts
11 shall each year of the 1993-95 biennium place the sum of three million eight hundred
12 thousand dollars (\$3,800,000) from the Indigent Persons' Attorney Fee Fund in a
13 reserve for capital cases and for transcripts, professional examinations, and expert
14 witness fees. The Administrative Office of the Courts shall allot these funds as needed
15 for these purposes and for unanticipated demands on the fund.

16 (b) Effective July 1, 1993, the Administrative Office of the Courts shall, for each
17 year of the biennium, allot the sum of eleven million five hundred thousand dollars
18 (\$11,500,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and
19 guardian **ad litem** cases for the 1993-94 and 1994-95 fiscal years to each judicial
20 district in which the superior and district court districts are coterminous, and otherwise
21 by county, according to the caseload of indigent persons who were not represented by
22 the public defender in the districts or counties during 1992-93 and 1993-94,
23 respectively.

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

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

36 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a
37 district or county prior to the end of the fiscal year, the Administrative Office of the
38 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
39 the same manner as provided in subsection (b) of this section. However, if necessary
40 and appropriate due to unusual and unanticipated circumstances occurring in the current
41 year, the Administrative Office of the Courts may allocate funds to a district or county
42 in a manner calculated to result in the reasonably fair distribution of remaining funds.
43 Such funds shall be subject to the limitations and directions set out in subsection (b) of
44 this section.

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

6
7 Requested by: Representatives Holt and Gist

8 **SPECIAL CAPITAL CASE REHEARING FUND**

9 Sec. 188. (a) There is continued in the Judicial Department the nonreverting
10 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be
11 used to provide for resentencing hearings, related appeals, and postconviction hearings
12 required by the decisions of the United States Supreme Court in McKoy v. North
13 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon
14 remand of that case, including the payment of attorneys' fees and related expenses for
15 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
16 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all
17 funds remaining in it shall be transferred to the Indigent Persons' Attorney Fee Fund,
18 when the Director of the Administrative Office of the Courts certifies to the State
19 Controller that all reasonably foreseeable resentencing hearings, related appeals, and
20 postconviction hearings have been substantially completed.

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

26
27 Requested by: Representatives Holt and Gist

28 **COMMUNITY PENALTIES PROGRAMS**

29 Sec. 189. (a) Of the funds appropriated from the General Fund to the Judicial
30 Department for the 1993-95 biennium to conduct the community penalties programs,
31 the sum of one million nine hundred eighteen thousand nine hundred twelve dollars
32 (\$1,918,912) for the 1993-94 fiscal year and the sum of one million nine hundred
33 eighteen thousand nine hundred twelve dollars (\$1,918,912) for the 1994-95 fiscal year
34 may be allocated by the Judicial Department in any amount among existing community
35 penalties programs or may be used to establish new community penalties programs.

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

39
40 Requested by: Representatives Holt and Gist

41 **RAPE VICTIM WITNESS COUNSELOR PROGRAM**

42 Sec. 190. From funds appropriated to the Judicial Department in the certified
43 budget for the 1993-95 biennium, the Administrative Office of the Courts may transfer
44 within its budget up to twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal

1 year and up to twenty-five thousand dollars (\$25,000) for the 1994-95 fiscal year to
2 support the existing Rape Victim Witness Counselor Program.

3
4 Requested by: Representatives Holt and Gist

5 **GRANT MATCHING FUNDS**

6 Sec. 191. From the funds appropriated to the Judicial Department in the
7 certified budget for the 1993-95 biennium, the Administrative Office of the Courts may
8 transfer within its budget for each fiscal year up to two hundred thousand dollars
9 (\$200,000) to match any grants awarded to the Judicial Department from non-State
10 funds.

11
12 Requested by: Representatives Holt and Gist

13 **EXTEND INDIGENT PERSONS' ATTORNEY REPRESENTATION**
14 **CONTRACT PROGRAM**

15 Sec. 192. G.S. 7A-344 reads as rewritten:

16 "**§ 7A-344. Special duties of Director concerning representation of indigent**
17 **persons.**

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

- 19 (1) Supervise and coordinate the operation of the laws and regulations
20 concerning the assignment of legal counsel for indigent persons under
21 Subchapter IX of this Chapter to the end that all indigent persons are
22 adequately represented;
- 23 (2) Advise and cooperate with the offices of the public defenders as
24 needed to achieve maximum effectiveness in the discharge of the
25 defender's responsibilities;
- 26 (3) Collect data on the operation of the assigned counsel and the public
27 defender systems, and make such recommendations to the General
28 Assembly for improvement in the operation of these systems as appear
29 to him to be appropriate; and
- 30 (4) Accept and utilize federal or private funds, as available, to improve
31 defense services for the indigent, including indigent juveniles alleged
32 to be delinquent or undisciplined. To facilitate processing of juvenile
33 and other indigent cases, the administrative officer is further
34 authorized, in any ~~district court district~~, district or set of districts as
35 defined in G.S. 7A-41.1(a), with the approval of the chief district court
36 judge, ~~judge for cases in the district court division and the approval of~~
37 the senior resident superior court judge for cases in the superior court
38 division, to engage the services of a particular attorney or attorneys to
39 provide specialized representation on a full-time or part-time basis."
40

41 Requested by: Representatives Holt and Gist

42 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

43 Sec. 193. Funds appropriated to the Judicial Department in the 1993-95
44 biennium for equipment and supplies shall be certified in a reserve account. The

1 Administrative Office of the Courts shall have the authority to transfer these funds to
2 the appropriate programs and between programs as the equipment priorities and supply
3 consumptions occur during the operating year. These funds may not be expended for
4 any other purpose. The Administrative Office of the Courts shall make quarterly reports
5 on transfers made pursuant to this section to the Joint Legislative Commission on
6 Governmental Operations and the Chairs of the Senate and House Appropriations
7 Subcommittees on Justice and Public Safety.

8

9 Requested by: Representatives Holt and Gist

10 **ADDITIONAL PUBLIC AND APPELLATE DEFENDER PERSONNEL**

11 Sec. 194. From funds appropriated to the Indigent Persons' Attorney Fee
12 Fund in the Judicial Department for the 1993-95 biennium, the Administrative Office of
13 the Courts may use up to four hundred sixty-six thousand two hundred thirty dollars
14 (\$466,230) in the 1993-94 fiscal year and up to four hundred seventy-one thousand nine
15 hundred eighty-nine dollars (\$471,989) in the 1994-95 fiscal year for salaries, benefits,
16 and related expenses to be allocated as follows:

- 17 (1) \$217,060 in the 1993-94 fiscal year and \$234,478 in the 1994-95 fiscal
18 year to establish up to four new assistant public defenders;
- 19 (2) \$140,640 in the 1993-94 fiscal year and \$119,555 in the 1994-95 fiscal
20 year to establish up to five new public defender secretaries; and
- 21 (3) \$108,530 in the 1993-94 fiscal year and \$117,478 in the 1994-95 fiscal
22 year to establish up to two new assistant appellate defenders.

23

24 Requested by: Representatives Holt and Gist

25 **TRANSFER FUNDS FROM SPECIAL CAPITAL CASE REHEARING FUND** 26 **TO THE INDIGENT PERSONS' ATTORNEY FEE FUND**

27 Sec. 195. (a) Notwithstanding the provisions of Section 78 of Chapter 689 of
28 the 1991 Session Laws, the Judicial Department may transfer up to the sum of one
29 million one hundred thousand dollars (\$1,100,000) from the Special Capital Case
30 Rehearing Fund, established in Section 2 of Chapter 742 of the 1991 Session Laws, to
31 the Indigent Persons' Attorney Fee Fund by June 30, 1994, to pay the obligations
32 incurred by the Indigent Persons' Attorney Fee Fund.

33 (b) This section is effective upon ratification.

34

35 Requested by: Representatives Holt, Gist, Fitch

36 **EMERGENCY SPECIAL SUPERIOR COURT JUDGES**

37 Sec. 199. Article 7 of Chapter 7A of the General Statutes is amended by
38 adding a new section to read:

39 **"§ 7A-45.2. Emergency special judges of the superior court; qualifications,**
40 **appointment, removal, and authority.**

41 (a) Any justice or judge of the appellate division of the General Court of Justice
42 who:

1 (1) Retires under the provisions of the Consolidated Judicial Retirement
2 Act, Article 4 of Chapter 135 of the General Statutes, or who is
3 eligible to receive a retirement allowance under that act;
4 (2) Has not reached the mandatory retirement age specified in G.S. 7A-
5 4.20;
6 (3) Has served at least five years as a superior court judge or five years as
7 a justice or judge of the appellate division of the General Court of
8 Justice, or any combination thereof, whether or not eligible to serve as
9 an emergency justice or judge of the appellate division of the General
10 Court of Justice; and
11 (4) Whose judicial service ended within the preceding 10 years;
12 may apply to the Governor for appointment as an emergency special superior court
13 judge in the same manner as is provided for application as an emergency superior court
14 judge in G.S. 7A-53. If the Governor is satisfied that the applicant meets the
15 requirements of this section and is physically and mentally able to perform the duties of
16 a superior court judge, the Governor shall issue a commission appointing the applicant
17 as an emergency special superior court judge until the applicant reaches the mandatory
18 retirement age for superior court judges specified in G.S. 7A-4.20.

19 (b) Any emergency special superior court judge appointed as provided in this
20 section shall:

21 (1) Have the same powers and duties, when duly assigned to hold court, as
22 provided for an emergency superior court judge by G.S. 7A-48;
23 (2) Be subject to assignment in the same manner as provided for an
24 emergency superior court judge by G.S. 7A-46;
25 (3) Receive the same compensation, expenses, and allowances, when
26 assigned to hold court, as an emergency superior court judge as
27 provided by G.S. 7A-52(b);
28 (4) Be subject to the provisions and requirements of the Canons of Judicial
29 Conduct; and
30 (5) Not engage in the practice of law during any period for which the
31 emergency special superior court judgeship is commissioned.
32 However, this subdivision shall not be construed to prohibit an
33 emergency special superior court judge appointed pursuant to this
34 section from serving as a referee, arbitrator, or mediator, during
35 service as an emergency special superior court judge when the service
36 does not conflict with or interfere with the emergency special superior
37 court judge's judicial service in emergency status.

38 (c) Upon reaching mandatory retirement age for superior court judges as set
39 forth in G.S. 7A-4.20, any emergency special superior court judge appointed pursuant to
40 this section, whose commission has expired, may be recalled as a recalled emergency
41 special superior court judge to preside over any regular or special session of the superior
42 court under the following circumstances:

43 (1) The judge shall consent to the recall;
44 (2) The Chief Justice may order the recall;

- 1 (3) Prior to ordering recall, the Chief Justice shall be satisfied that the
2 recalled judge is capable of efficiently and promptly discharging the
3 duties of the office to which recalled;
4 (4) Jurisdiction of a recalled emergency special superior court judge is as
5 set forth in G.S. 7A-48;
6 (5) Orders of recall and assignment shall be in writing and entered upon
7 the minutes of the court to which assigned; and
8 (6) Compensation, expenses, and allowances of recalled emergency
9 special superior court judges are the same as for recalled emergency
10 superior court judges under G.S. 7A-52(b).

11 (d) Any former justice or judge of the appellate division of the General Court of
12 Justice who otherwise meets the requirements of subsection (a) of this section to be
13 appointed an emergency special superior court judge but has already reached the
14 mandatory retirement age for superior court judges set forth in G.S. 7A-4.20 on
15 retirement may, in lieu of serving as an emergency judge of the court from which he
16 retired, apply to the Governor to be appointed as an emergency special superior court
17 judge as provided in this section. If the Governor issues a commission to the applicant,
18 the retired justice or judge is subject to recall as an emergency special superior court
19 judge as provided in subsection (c) of this section.

20 (e) No justice or judge appointed as an emergency special superior court judge or
21 subject to recall as provided in this section shall, during the period so appointed or
22 subject to recall, contemporaneously serve as an emergency justice or judge of the
23 appellate division of the General Court of Justice."

24
25 Requested by: Representatives Holt and Gist

26 **STUDY OF MEDIATION PROGRAMS**

27 Sec. 200. The Administrative Office of the Courts shall study the
28 effectiveness of the Child Custody and Visitation Mediation Programs, the Court-
29 Ordered Non-Binding Arbitration Programs, and the Dispute Mediation Programs, and
30 shall report its findings to the General Assembly by April 15, 1994, including
31 recommendations on whether those programs should be expanded and in what manner
32 they should be expanded.

33
34 Requested by: Representative Barnes

35 **SENTENCING COMMISSION EXTENDED**

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

38 "Sec. 8. This act is effective upon ratification, and shall expire July 8, ~~1993~~, 1
39 1994."

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

41 **"§ 164-38. Terms of members; compensation; expenses.**

42 The terms of existing members shall expire on June 30, ~~1992~~, 1993. New members
43 shall be appointed or the existing members reappointed by the appointing authorities to
44 serve until July 1, ~~1993~~, 1994, unless they resign or are removed. Members serving by

1 virtue of elective or appointive office or as designees of such officeholders may serve
2 only so long as the officeholders hold those respective offices. Members appointed by
3 the Speaker of the House and the President Pro Tempore of the Senate may be removed
4 by the appointing authority without cause. Vacancies occurring before the expiration of
5 a term shall be filled in the manner provided for the members first appointed. A member
6 of the Commission may be removed only for disability, neglect of duty, incompetence,
7 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective
8 with respect to members designated on or after July 1, 1992, a person making a
9 designation pursuant to G.S. 164-37 may not make another designation, except that the
10 person's successor in elective or appointive office may make a new designation.

11 The Commission members shall receive no salary for serving. All Commission
12 members shall receive necessary subsistence and travel expenses in accordance with the
13 provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable."
14

15 **PART 22. DEPARTMENT OF JUSTICE**

16
17 Requested by: Representatives Holt and Gist

18 **SBI FUNDS/SPENDING PRIORITIES**

19 Sec. 201. Of the funds appropriated in this act to the Department of Justice,
20 State Bureau of Investigation, for the 1993-94 fiscal year and the 1994-95 fiscal year for
21 overtime payments, the first priority for use of the funds by the Department shall be:

- 22 (1) To make overtime payments to SBI agents in the Field Investigations
23 Division; and
- 24 (2) To make overtime payments to supervisory personnel receiving
25 overtime payments as of June 30, 1993, up to a maximum of five
26 thousand two hundred dollars (\$5,200) annually per individual.
27

28 Requested by: Representatives Holt and Gist

29 **SBI USE OF COURT-ORDERED RESTITUTION FUNDS**

30 Sec. 202. The State Bureau of Investigation (SBI) may use funds available
31 from court-ordered restitution in undercover drug operations.
32

33 Requested by: Representatives Holt and Gist

34 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING** 35 **BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

36 Sec. 203. The Private Protective Services and Alarm Systems Licensing
37 Boards shall pay the appropriate State agency for the use of physical facilities and
38 services provided to those boards by the State.
39

40 Requested by: Representatives Holt and Gist

41 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE** 42 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

43 Sec. 204. (a) Assets transferred to the Department of Justice during the 1993-95
44 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that

1 Department and shall result in an increase of law enforcement resources for the
2 Department. Assets transferred to the Department of Crime Control and Public Safety
3 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
4 budget of that Department and shall result in an increase of law enforcement resources
5 for the Department. The Departments shall report to the Joint Legislative Commission
6 on Governmental Operations upon the receipt of these assets and, before using these
7 assets, shall report the intended use of these assets and the departmental priorities on
8 which the assets may be expended.

9 The General Assembly finds that the use of these assets for new projects,
10 the acquisition of real property, repair of buildings where such repair includes structural
11 change, and construction of or additions to buildings may result in additional expenses
12 for the State in future fiscal periods; therefore, the Department of Justice and the
13 Department of Crime Control and Public Safety are prohibited from using these assets
14 for such purposes without the prior approval of the General Assembly.

15 (b) This section does not apply to the extent that it prevents North Carolina
16 law enforcement agencies from receiving funds from the United States Department of
17 Justice pursuant to 19 U.S.C. § 1616a.

18
19 Requested by: Representatives Holt and Gist

20 **DEPARTMENT OF JUSTICE TO REPORT ON ATTORNEYS' FEES**

21 Sec. 205. The Department of Justice shall report to the 1994 Regular Session
22 of the 1993 General Assembly and annually thereafter on efforts of the Department of
23 Justice to collect attorneys' fees to support the Consumer Anti-Trust Section.

24
25 Requested by: Representatives Holt and Gist

26 **TRANSFER LEGAL COUNSEL FROM BANKING COMMISSION TO** 27 **DEPARTMENT OF JUSTICE**

28 Sec. 206. (a) The legal counsel and support staff of the Banking Commission
29 are transferred to the Department of Justice from the Banking Commission. The funds,
30 equipment, supplies, records, and other property to support the positions transferred by
31 this subsection are also transferred from the Banking Commission to the Department of
32 Justice. The Banking Commission shall continue to provide adequate office space for
33 legal and support staff assigned to that department by the Attorney General. Any
34 disputes arising out of this transfer shall be resolved by the Director of the Budget.

35 (b) G.S. 53-96 reads as rewritten:

36 "**§ 53-96. Salary of Commissioner; ~~legal assistance and compensation.~~ assistance.**

37 The salary of the Commissioner of Banks shall be fixed by the General Assembly in
38 the Current Operations Appropriations Act. ~~The Governor may appoint and assign legal~~
39 ~~assistance to the Commissioner of Banks when the Governor considers it necessary.~~
40 ~~Compensation of those appointed and assigned to provide legal assistance shall be~~
41 ~~within the salary classification for attorneys established by the State Personnel~~
42 ~~Commission.~~ The Attorney General shall assign an attorney on his staff to work full
43 time with the Banking Commission. The attorney shall be subject to all provisions of
44 Chapter 126 of the General Statutes relating to the State Personnel System."

1

2 Requested by: Representatives Gist, Holt, Richardson

3 **DEPARTMENT OF JUSTICE SALARY FUNDS**

4 Sec. 207. (a) Of the funds appropriated to the Department of Justice in this act,
5 the sum of seven hundred fifty thousand dollars (\$750,000) for the 1993-94 fiscal year
6 and the sum of seven hundred fifty thousand dollars (\$750,000) for the 1994-95 fiscal
7 year may be used by the Attorney General for creating new positions and for support
8 costs for those positions, or for changing the salaries of existing positions, or some
9 combination. Such changes in salaries of existing positions may be done by range
10 revisions, reclassifications, adjustments on a market basis, or a combination of these
11 methods. Any action authorized by this section must be taken by December 31, 1994.

12 (b) The Attorney General shall report any action under this section to the
13 Fiscal Research Division on a quarterly basis no later than 30 days after the end of the
14 quarter.

15

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

17

18 Requested by: Representatives Easterling and Nye

19 **WILLIE M.**

20 Sec. 208. (a) Legislative Findings. – The General Assembly finds:

21 (1) That there is a need in North Carolina to provide appropriate treatment
22 and education programs to children under the age of 18 who suffer
23 from emotional, mental, or neurological handicaps accompanied by
24 violent or assaultive behavior;

25 (2) That children meeting these criteria have been identified as a class in
26 the case of Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v.
27 Martin, et al.; and

28 (3) That these children have a need for a variety of services, in addition to
29 those normally provided, that may include, but are not limited to,
30 residential treatment services, educational services, and independent
31 living arrangements.

32 (b) Funds appropriated by the General Assembly to the Department of Human
33 Resources for serving members of the Willie M. Class shall be expended only for
34 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,
35 et al., formerly Willie M., et al. v. Martin, et al., including evaluations of potential class
36 members. The Department shall reallocate these funds among services to Willie M.
37 Class members during the year as it deems advisable in order to use the funds efficiently
38 in providing appropriate services to Willie M. Class children.

39 (c) Funds for Department of Public Education. – Funds appropriated to the
40 Department of Public Education in this act for members of the Willie M. Class are to
41 establish a supplemental reserve fund to serve only members of the class identified in
42 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. These funds
43 shall be allocated by the State Board of Education to the local education agencies to
44 serve those class members who were not included in the regular average daily

1 membership and the census of children with special needs, and to provide the additional
2 program costs which exceed the per pupil allocation from the State Public School Fund
3 and other State and federal funds for children with special needs.

4 (d) The Department of Human Resources shall continue to implement its
5 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
6 reasonable costs by conducting cost center service type rate comparisons and cost center
7 line item budget reviews as may be necessary, and based upon these reviews and
8 comparisons, the Department shall reduce and/or cap rates to programs which are
9 significantly higher than those rates paid to other programs for the same service.

10 Any exception to this requirement shall be approved by the Director of the
11 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
12 and shall be reported in the Department's annual joint report to the Governor and the
13 General Assembly and in any periodic report the Department may make to the Joint
14 Legislative Commission on Governmental Operations.

15 (d1) The Department of Human Resources shall implement a process to
16 review those cases for whom treatment has been recommended whose annual cost is
17 anticipated to be in excess of one hundred fifty percent (150%) of the average annual
18 per client expenditure of the previous fiscal year and shall take actions to reduce these
19 treatment costs where appropriate.

20 (e) Reporting Requirements. – The Department of Human Resources and the
21 Department of Public Education shall submit, by May 1 of each fiscal year, a joint
22 report to the Governor and the General Assembly on the progress achieved in serving
23 members of the Willie M. Class. The report shall include the following unduplicated
24 data for each county: (i) the number of children nominated for the Willie M. Class; (ii)
25 the number of children actually identified as members of the Class in each county; (iii)
26 the number of children served as members of the Class in each county; (iv) the number
27 of children who remain unserved or for whom additional services are needed in order to
28 be determined to be appropriately served; (v) the types and locations of treatment and
29 education services provided to Class members; (vi) the cost of services, by type, to
30 members of the Class and the maximum and minimum rates paid to providers for each
31 service; (vii) the number of cases whose treatment costs were in excess of one hundred
32 fifty percent (150%) of the average annual per client expenditure; (viii) information on
33 the impact of treatment and education services on members of the Class; (ix) an
34 explanation of, and justification for, any waiver of departmental rules that affect the
35 Willie M. program; and (x) the total State funds expended, by program, on Willie M.
36 Class members, other than those funds specifically appropriated for the Willie M.
37 programs and services.

38 (e1) From existing funds available to it, the Department of Human Resources
39 shall begin a process to document and assess individual class members' progress
40 through the continuum of services. Standardized measures of functioning shall be
41 administered periodically to each member of the Class, and the information generated
42 from these measures shall be used to assess client progress and program effectiveness.

43 (f) The Departments of Human Resources and Public Education shall
44 provide periodic reports of expenditures and program effectiveness on behalf of the

1 Willie M. Class and to the Fiscal Research Division. As part of these reports, the
2 Departments shall explain measures they have taken to control and reduce program
3 expenditures.

4 (g) In fulfilling the responsibilities vested in it by the Constitution of North
5 Carolina, the General Assembly finds:

6 (1) That the General Assembly has evaluated the known needs of the
7 State and has endeavored to satisfy those needs in comparison to their
8 social and economic priorities; and

9 (2) That the funds appropriated will enable the development and
10 implementation of placement and services for the Class members in
11 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et
12 al., within a reasonable period of time considered within the context of
13 the needs of the class members, the other needs of the State and the
14 resources available to the State.

15 (h) The General Assembly supports the efforts of the responsible officials
16 and agencies of the State to meet the requirements of the court order in Willie M., et al.
17 v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. To ensure that Willie M. Class
18 members are appropriately served, no State funds shall be expended on placement and
19 services for Willie M. Class members except:

20 (1) Funds specifically appropriated by the General Assembly for the
21 placement and services of Willie M. Class members; and

22 (2) Funds for placement and services for which Willie M. Class members
23 are otherwise eligible.

24 This limitation shall not preclude the use of unexpended Willie M. funds from prior
25 fiscal years to cover current or future needs of the Willie M. program subject to
26 approval by the Director of the Budget. These Willie M. expenditures shall not be
27 subject to the requirements of G.S. 143-18.

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

34
35 Requested by: Representatives Nye and Easterling

36 **THOMAS S.**

37 Sec. 209. (a) Funds appropriated to the Department of Human Resources in this
38 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas
39 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty,
40 shall be expended only for programs serving Thomas S. Class members or for services
41 for those clients who are:

42 (1) Adults with mental retardation, or who have been treated as if they had
43 mental retardation, who were admitted to a State psychiatric hospital
44 on or after March 22, 1984, and who are included on the Division of

- 1 Mental Health, Developmental Disabilities, and Substance Abuse
2 Services' official list of prospective Class members;
- 3 (2) Adults with mental retardation who have a documented history of
4 State psychiatric hospital admissions regardless of admission date and
5 who, without funding support, have a good probability of being
6 readmitted to a State psychiatric hospital; or
- 7 (3) Adults with mental retardation who have never been admitted to a
8 State psychiatric hospital but who have a documented history of
9 behavior determined to be of danger to self or others that results in
10 referrals for inpatient psychiatric treatment and who, without funding
11 support, have a good probability of being admitted to a State
12 psychiatric hospital.

13 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
14 program shall be used for clients meeting subdivisions (2) or (3) of this subsection.

15 (b) To ensure that Thomas S. Class members are appropriately served, no
16 State funds shall be expended on placement and services for Thomas S. Class members
17 except:

- 18 (1) Funds specifically appropriated by the General Assembly for the
19 placement and services of Thomas S. Class members; and
- 20 (2) Funds for placement and services for which Thomas S. Class members
21 are otherwise eligible.

22 (c) The Department of Human Resources shall develop and implement during
23 the 1993-94 fiscal year a prospective unit cost reimbursement system and shall ensure
24 that unit cost rates reflect reasonable costs by conducting cost center service type rate
25 comparisons and cost center line item budget reviews as may be necessary.

26 (d) Reporting requirements. The Department of Human Resources shall submit
27 by April 1 of each fiscal year a report to the General Assembly on the progress achieved
28 in serving members and prospective members of the Thomas S. Class. The report shall
29 include the following:

- 30 (1) The number of Thomas S. clients confirmed as Class members;
- 31 (2) The number of prospective Class members evaluated;
- 32 (3) The number of prospective Class members awaiting evaluation;
- 33 (4) The number of Class members or prospective class members added in
34 the preceding 12 months due to their admission to a State psychiatric
35 hospital;
- 36 (5) A description of the types of treatment services provided to Class
37 members; and
- 38 (6) An analysis of the use of funds appropriated for the Class.

39 (e) Notwithstanding any other provision of law, if the Department of Human
40 Resources determines that a local program is not providing minimally adequate services
41 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
42 al. v. Flaherty, the Department may ensure the provision of these services through
43 contracts with public or private agencies or by direct operation by the Department of
44 these programs.

1

2 Requested by: Representatives Easterling and Nye

3 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

4 Sec. 210. In order to assure maximum utilization of funds in county
5 departments of social services, county or district health agencies, and area mental
6 health, developmental disabilities, and substance abuse authorities, the Director of the
7 Budget may transfer excess funds appropriated to a specific service, program, or fund,
8 whether specified in a block grant plan or General Fund appropriation, into another
9 service, program, or fund for local services within the budget of the respective State
10 agency.

11 The Office of State Budget and Management shall report quarterly to the
12 Fiscal Research Division on each transfer authorized by this section.

13

14 Requested by: Representatives Nye and Easterling

15 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

16 Sec. 211. Funds received by the Department of Human Resources from the
17 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
18 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall
19 be matched by local funds in accordance with the State/local ratio established by the
20 current area mental health matching formula. These funds shall be allocated to the area
21 mental health programs for substance abuse services on a per capita basis as determined
22 by the Office of State Budget and Management's most recent estimates of county
23 populations.

24

25 Requested by: Representatives Easterling and Nye

26 **SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION**

27 Sec. 212. Funds made available as a result of the conversion of State-
28 supported beds in specialized residential centers to ICF/MR beds shall be used to
29 increase the State subsidy provided to centers. Funds made available to centers by this
30 section shall be used, as they become available, to increase the subsidy rate to sixty-five
31 percent (65%) of the statewide average cost of providing this service based on the most
32 recent Specialized Community Residential Cost Study.

33

34 Funds made available in addition to those needed to increase the subsidy rate
35 may be transferred to the Department of Human Resources, Division of Medical
36 Assistance, as needed, to be used as a State match for the converted ICF/MR beds.

36

37 Requested by: Representatives Nye and Easterling

38 **PHYSICIAN SERVICES**

39 Sec. 213. With the approval of the Office of State Budget and Management,
40 the Department of Human Resources may use funds appropriated in this act for across-
41 the-board salary increases and performance pay to offset similar increases in the costs of
42 contracting with private and independent universities for the provision of physician
43 services to clients in facilities operated by the Division of Mental Health,
44 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be

1 done in the same manner as is currently done with constituent institutions of The
2 University of North Carolina.

3

4 Requested by: Representatives Easterling and Nye

5 **LIABILITY INSURANCE**

6 Sec. 214. The Secretary of the Department of Human Resources, the
7 Secretary of the Department of Environment, Health, and Natural Resources, and the
8 Secretary of the Department of Correction may provide medical liability coverage not to
9 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments
10 licensed to practice medicine or dentistry, and on behalf of medical residents from The
11 University of North Carolina who are in training at institutions operated by the
12 Department of Human Resources. This coverage may include commercial insurance or
13 self-insurance and shall cover these individuals for their acts or omissions only while
14 they are engaged in providing medical and dental services pursuant to their State
15 employment or training.

16 The coverage provided under this section shall not cover any individual for
17 any act or omission that the individual knows or reasonably should know constitutes a
18 violation of the applicable criminal laws of any state or the United States, or that arises
19 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to
20 willful or wanton negligence.

21 The coverage provided pursuant to this section shall not require any
22 additional appropriations and shall not apply to any individual providing contractual
23 service to the Department of Human Resources, the Department of Environment,
24 Health, and Natural Resources, or the Department of Correction, with the exception that
25 coverage may include medical residents from The University of North Carolina who are
26 in training at institutions operated by the Department of Human Resources.

27

28 Requested by: Representatives Nye and Easterling

29 **NON-MEDICAID REIMBURSEMENT**

30 Sec. 215. Providers of medical services under the various State programs,
31 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at
32 rates no more than those under the North Carolina Medical Assistance Program.

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

39 Notwithstanding the provisions of paragraph one of this section, the
40 Department of Human Resources may negotiate with providers of medical services
41 under the various Department of Human Resources' programs, other than Medicaid, for
42 rates as close as possible to Medicaid rates for the following purposes: contracts or
43 agreements for medical services and purchases of medical equipment and other medical
44 supplies. These negotiated rates are allowable only to meet the medical needs of its

1 non-Medicaid eligible patients, residents, and clients who require these services that
2 cannot be provided when limited to the Medicaid rate.

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

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

16

17 The eligibility level for children in the Medical Eye Care Program in the
18 Division of Services for the Blind and for adults in the Clozaril program in the Division
19 of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be
20 one hundred percent (100%) of the federal poverty guidelines, as revised annually by
21 the United States Department of Health and Human Services and in effect on July 1 of
22 each fiscal year.

23 The Department of Human Resources shall contract at, or as close as possible
24 to, Medicaid rates for medical services provided to residents of State facilities of the
25 Department.

26

27 Requested by: Representatives Easterling and Nye

28 **DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID**

29 Sec. 216. Of the funds appropriated in this act to the Department of Human
30 Resources, Division of Mental Health, Developmental Disabilities, and Substance
31 Abuse Services, the sum of two million three hundred one thousand two hundred forty-
32 eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three
33 hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95
34 fiscal year are transferred to the Department of Public Instruction for handicapped
35 children aged 3 through 4 years who have been identified through Division of Mental
36 Health, Developmental Disabilities, and Substance Abuse Services statewide services
37 and who are served in developmental day centers. These funds shall be used to contract
38 with area mental health, developmental disabilities, and substance abuse authorities or
39 with public or private nonprofit developmental day centers to continue to serve
40 handicapped children aged 3 through 4 years who are identified as needing
41 developmental day services.

42 The Department of Public Instruction shall report to the General Assembly
43 and to the Fiscal Research Division by May 1, 1994, and May 1, 1995, regarding the use
44 of the funds transferred to it by this section.

1

2 Requested by: Representatives Nye and Easterling

3 **CHANGE IN THE SHORT-TERM LOAN FUND FOR ICF/MR FACILITIES**

4 Sec. 217. The short-term loan fund established pursuant to Section 133 of
5 Chapter 689 of the 1991 Session Laws is continued and, effective July 1, 1994, shall be
6 used to assist area mental health programs in the establishment of community, non-
7 Medicaid-funded housing alternatives.

8

9 Requested by: Representatives Easterling and Nye

10 **PLANNING AND PILOT IMPLEMENTATION OF AN INTEGRATED**
11 **FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE ABUSE**
12 **INSTITUTIONAL SERVICES**

13 Sec. 218. The Department of Human Resources shall develop and implement
14 a plan during the 1993-95 fiscal biennium to pilot-test an integrated funding system for
15 mental health/substance abuse institutional services, involving one regional psychiatric
16 hospital, one regional alcohol and drug abuse treatment center, and the area mental
17 health, developmental disabilities, and substance abuse programs using these facilities.
18 The Department may use funds that become available to it through gifts, federal or
19 private grants, receipts from federal programs, or any other source to support the
20 planning and implementation of this pilot program.

21 The Department shall present a written report to the House and Senate
22 Human Resources Appropriations Subcommittees by May 1, 1994, describing the
23 results of its planning activities, the proposed schedule and cost for implementation of
24 the integrated funding system and any proposed legislation needed to implement the
25 plan. The Department shall submit a written report to these Subcommittees by May 1,
26 1995, describing the results of the implementation of the integrated funding system.

27

28 Requested by: Representatives Nye and Easterling

29 **CHILD SUPPORT FUNDS**

30 Sec. 219. (a) The consent judgment in the case of Cassell, et al. v. Britt, et
31 al., C-C-90-0010-M, United States District Court for the Western District of North
32 Carolina, Charlotte Division, is subject to G.S. 114-2.2.

33 (b) Funds appropriated to enable the Child Support Enforcement Section,
34 Division of Social Services, Department of Human Resources, to distribute child
35 support collections based upon the date the payment is withheld from an obligor's
36 disposable income may be used to implement that consent judgment. Implementation
37 costs may include:

- 38 (1) Quarterly notices to clients;
- 39 (2) Toll-free telephone number;
- 40 (3) Four Account Technician II positions;
- 41 (4) System enhancements; and
- 42 (5) Court-ordered costs.

43 (c) The Office of State Budget and Management and the Department of
44 Human Resources shall report annually on expenditures and progress in achieving

1 necessary improvements in the distribution of child support collection. Reports shall be
2 submitted to the Governor, the General Assembly, and the Fiscal Research Division not
3 later than May 1 of each year.

4 (d) Funds appropriated to the Department of Human Resources in this act for
5 covering expenses incurred as a result of the Cassell, et al. v. Britt, et al. lawsuit shall be
6 deposited in a nonreverting fund account in the Department of Human Resources,
7 Division of Social Services, that the Department shall establish for this purpose. Any
8 unexpended and unencumbered funds remaining in the nonreverting account on July 1,
9 1995, shall revert to the General Fund on that date.

10
11 Requested by: Representatives Easterling and Nye

12 **"PIONEER" MENTAL HEALTH PLAN**

13 Sec. 220. (a) G.S. 122C-3 is amended by inserting the following new
14 subdivision to read:

15 "(20a) 'Local funds' means fees from services, including client payments,
16 Medicare and the local and federal share of Medicaid receipts, fees
17 from agencies under contract, gifts and donations, and county and
18 municipal funds, and any other funds not administered by the
19 Division."

20 (b) G.S. 122C-3 is further amended by inserting a new subdivision to read:

21 "(26a) 'Other recipient' means an individual who is not admitted to a facility
22 but who receives a service other than care, treatment, or rehabilitation
23 services. The services that the 'other recipient' may receive include
24 consultative, preventative, educational, and assessment services."

25 (c) G.S. 122C-3 is further amended by inserting another new subdivision to read:

26 "(35a) 'State resources' means State and federal funds and other receipts
27 administered by the Division."

28 (d) G.S. 122C-143 is repealed.

29 (e) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
30 adding the following new sections to read:

31 **"§ 122C-143.1. Policy guidance.**

32 (a) The General Assembly shall, as it considers necessary, endorse as policy
33 guidance long-range plans for the broad age/disability categories of persons to be served
34 and the services to be provided by area authorities.

35 (b) The Secretary shall develop a payment policy that designates, within broad
36 age/disability categories, the priority populations, based on their disability level and the
37 types of service to be supported by State resources. The Secretary shall review the
38 Department's payment policy annually to assure that payments are made consistent with
39 the State's long-range plans.

40 (c) The Secretary shall ensure that the payment policy provides incentives
41 designated to target resources consistent with legislative policy and with the State's
42 long-range plans and to promote equal accessibility to services for individuals
43 regardless of their catchment area.

1 (d) Upon request of the Secretary, each area authority shall develop, revise, or
2 amend its local long-range plans to be consistent with the policy guidance set forth in
3 the State's long-range plans. Local service implementation plans shall be subject to the
4 approval of the Secretary.

5 (e) The Secretary shall ensure that the Department's requests for expansion funds
6 for area authorities are consistent with the State's long-range plans and include
7 consideration of needs identified by the area authorities and their local plans.

8 **"§ 122C-143.2. Annual Memorandum of Agreement.**

9 (a) In accordance with procedures specified by the Secretary, the area authority
10 shall complete cost finding, rate setting, and annual age/disability service planning as
11 preparation for a Memorandum of Agreement between the area authority and the
12 Department.

13 (b) In a format established by the Secretary, the Memorandum of Agreement
14 shall include age/disability service plans that delineate the services that are to be
15 purchased by the State. Payment for services purchased shall be made at reimbursement
16 rates established in G.S. 122C-147.2.

17 (c) The Memorandum of Agreement shall include the area authority activities
18 that will be supported by grants allocated in accordance with G.S. 147.1(c)(2).

19 (d) The Memorandum of Agreement shall provide flexibility for the area
20 authority to earn State resources within the payment policy for each age/disability fund
21 established by G.S. 122C-143.1(b).

22 (e) The Memorandum of Agreement may delineate other special conditions or
23 expectations."

24 (f) G.S. 122C-144 is repealed.

25 (g) Chapter 122C of the General Statutes is amended by inserting a new
26 section to read:

27 **"§ 122C-144.1. Budget format and reports.**

28 (a) The area authority shall maintain its budget in accordance with the
29 requirements of Article 3 of Subchapter III of Chapter 159 of the General Statutes, the
30 Local Government Budget and Fiscal Control Act.

31 (b) The Secretary may require periodic reports of receipts and expenditures for
32 all area authority services provided directly or under contract according to a format
33 prescribed by the Secretary.

34 (c) In accordance with G.S. 159-34, the area authority shall have an audit
35 completed and submit it to the Local Government Commission.

36 (d) The Secretary may require reports of client characteristics, staffing patterns,
37 agency policies or activities, services, or specific financial data of the area authority, but
38 the reports shall not identify individual clients of the area authority unless specifically
39 required by State statute or federal statute or regulation, or unless valid consent for the
40 release has been given by the client or legally responsible person."

41 (h) The catch line of G.S. 122C-147 reads as rewritten:

42 **"§ 122C-147. Allocation of funds to area authorities. Financing and title of area**
43 **authority property."**

44 (i) G.S. 122C-147(a) is repealed.

1 (j) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
2 inserting the following new sections to read:

3 **"§ 122C-147.1. Appropriations and allocations.**

4 (a) Except as provided in subsection (b) of this section, funds shall be
5 appropriated by the General Assembly in broad age/disability categories. The Secretary
6 shall allocate and account for funds in broad age/disability categories so that the area
7 authority may, with flexibility, earn funds in response to local needs that are identified
8 within the payment policy developed in accordance with G.S. 122C-143.1(b).

9 (b) When the General Assembly determines that it is necessary to appropriate
10 funds for a more specific purpose than the broad age/disability category, the Secretary
11 shall determine whether expenditure accounting, special reporting within earning from a
12 broad fund, the Memorandum of Agreement, or some other mechanism allows the best
13 accounting for the funds.

14 (c) Funds that have been appropriated by the General Assembly for a more
15 specific purpose than specified in subsection (a) of this section shall be converted to a
16 broad age/disability category at the beginning of the second biennium following the
17 appropriation, unless otherwise acted upon by the General Assembly.

18 (d) The Secretary shall allocate funds to area programs:

19 (1) To be earned in a purchase of service basis, at negotiated
20 reimbursement rates, for services that are included in the payment
21 policy and delivered to mentally ill, developmentally disabled, and
22 substance abuse clients and for services that are included in the
23 payment policy to other recipients; or

24 (2) To be paid under a grant on the basis of agreed-upon expenditures,
25 when the Secretary determines that it would be impractical to pay on a
26 purchase of service basis.

27 (e) After the close of a fiscal year, final payments of funds shall be made:

28 (1) Under the purchase of service basis, on the earnings of the area
29 authority for the delivery to individuals within each age/disability
30 group, of any services that are consistent with the payment policy
31 established in G.S. 122C-143.1(b), up to the final allocation amount;

32 or

33 (2) When awarded on an expenditure basis, on allowable actual
34 expenditures, up to the final allocation amount.

35 Under rules adopted by the Secretary, final payments shall be adjusted on the basis
36 of the audit required in G.S. 122C-144.1(d).

37 **"§ 122C-147.2. Purchase of services and reimbursement rates.**

38 When funds are used to purchase services, the following provisions apply:

39 (1) Reimbursement rates for specific types of service shall be negotiated
40 between the Secretary and the area authority. The negotiation shall
41 begin with the rate determined by the standardized cost-finding and
42 rate-setting procedure that is required by G.S. 122C-143.2(a) or by
43 another method approved by the Secretary.

1 (2) The reimbursement rate used for the payment of services shall
2 incorporate operating and administrative costs, including costs for
3 property in accordance with G.S. 122C-147."

4 (k) G.S. 122C-148, 122C-149, and 122C-150 are repealed.

5 (l) G.S. 122C-151 reads as rewritten:

6 **"§ 122C-151. Responsibilities of those receiving appropriations.**

7 (a) All resources allocated to and received by any area authority and used for
8 programs of mental health, developmental disabilities, substance abuse or other related
9 fields-services are subject to the conditions specified in this Article and to the rules of
10 the Commission and the Secretary. Secretary and to the conditions of the Memorandum
11 of Agreement specified in G.S. 122C-143.2.

12 (b) If an area authority fails to complete actions necessary for the development of
13 a Memorandum of Agreement, fails to file required reports within the time limit set by
14 the Secretary, or fails to comply with any other requirements specified in this Article,
15 the Secretary may:

16 (1) Delay payments; and

17 (2) With written notification of cause and subject to an appeal as provided
18 by G.S. 122C-151.2, reduce or deny payment of funds. Restoration of
19 funds upon compliance is within the discretion of the Secretary."

20 (m) G.S. 122C-145 is renumbered as G.S. 122C-151.2.

21 (n) Effective July 1, 1994, G.S. 122C-151.1 is repealed.

22 (o) Effective January 1, 1994, Part 4 of Article 4 of Chapter 122C of the
23 General Statutes is amended by adding the following new sections to read:

24 **"§ 122C-151.3. Dispute with area authorities.**

25 An area authority shall establish written procedures for resolving disputes over
26 decisions of an area authority that may be appealed to the Area Authority Appeals Panel
27 under G.S. 122C-151.4. The procedures shall be informal and shall provide an
28 opportunity for those who dispute the decision to present their position.

29 **"§ 122C-151.4. Appeal to Area Authority Appeals Panel.**

30 (a) Definitions. – The following definitions apply in this section:

31 (1) 'Contract' means a contract with an area authority to provide services,
32 other than personal services, to clients and other recipients of services.

33 (2) 'Contractor' means a person who has a contract or who had a contract
34 during the current fiscal year.

35 (3) 'Former contractor' means a person who had a contract during the
36 previous fiscal year.

37 (b) Appeals Panel. – The Area Authority Appeals Panel is established. The Panel
38 shall consist of three members appointed by the Secretary. The Secretary shall
39 determine the qualifications of the Panel members. Panel members serve at the pleasure
40 of the Secretary.

41 (c) Who Can Appeal. – The following persons may appeal to the Area Authority
42 Appeals Panel after having exhausted the appeals process at the appropriate area
43 authority:

- 1 (1) A contractor or a former contractor who claims that an area authority
2 is not acting or has not acted within applicable State law or rules in
3 imposing a particular requirement on the contractor on fulfillment of
4 the contract;
- 5 (2) A contractor or a former contractor who claims that a requirement of
6 the contract substantially compromises the ability of the contractor to
7 fulfill the contract;
- 8 (3) A contractor or former contractor who claims that an area authority has
9 acted arbitrarily and capriciously in reducing funding for the type of
10 services provided or formerly provided by the contractor or former
11 contractor;
- 12 (4) A client or a person who was a client in the previous fiscal year, who
13 claims that an area authority has acted arbitrarily and capriciously in
14 reducing funding for the type of services provided or formerly
15 provided to the client directly by the area authority; and
- 16 (5) A person who claims that an area authority did not comply with a State
17 law or a rule adopted by the Secretary or the Commission in
18 developing the plans and budgets of the area authority and that the area
19 authority's failure to comply has adversely affected the ability of the
20 person to participate in the development of the plans and budgets.
- 21 (d) Hearing. – All members of the Area Authority Appeals Panel shall hear an
22 appeal to the Panel. An appeal shall be filed with the Panel within the time required by
23 the Secretary and shall be heard by the Panel within the time required by the Secretary.
24 A hearing shall be conducted at the place determined in accordance with the rules
25 adopted by the Secretary. A hearing before the Panel shall be informal; no sworn
26 testimony shall be taken and the rules of evidence do not apply. The person who
27 appeals to the Panel has the burden of proof. The Panel shall not stay a decision of an
28 area authority during an appeal to the Panel.
- 29 (e) Decision. – The Area Authority Appeals Panel shall make a written decision
30 on each appeal to the Panel within the time set by the Secretary. A decision may direct
31 a contractor or an area authority to take an action or to refrain from taking an action, but
32 it shall not require a party to appeal to pay any amount except payment due under the
33 contract. In making a decision, the Panel shall determine the course of action that best
34 protects or benefits the clients of the area authority. If a party to an appeal fails to
35 comply with a decision of the Panel and the Secretary determines that the failure
36 deprives clients of the area authority of a type of needed service, the Secretary may use
37 funds previously allocated to the area authority to provide the service.
- 38 (f) 150B Appeal. – A person who is dissatisfied with a decision of the Panel may
39 commence a contested case under Article 3 of Chapter 150B of the General Statutes.
40 Notwithstanding G.S. 150B-2(1), an area authority is considered an agency for purposes
41 of the limited appeal authorized by this section. The Secretary shall make a final
42 decision in the contested case."
- 43 (p) G.S. 122C-112(a) reads as rewritten:
44 "(a) The Secretary shall:

- 1 (1) Enforce the provisions of this Chapter and the rules of the Commission
- 2 and the Secretary;
- 3 (2) Assist counties and area authorities in the establishment and operation
- 4 of community-based programs within catchment areas specified in
- 5 rules adopted by the Commission;
- 6 (3) Operate State facilities and adopt rules pertaining to their operation;
- 7 (4) Promote a unified system of services for the citizens of this State by
- 8 coordinating services provided in State facilities and area facilities;
- 9 (5) Approve the plans and budgets of an area authority and adopt rules
- 10 pertaining to the content and format of these plans and budgets;
- 11 (6) Adopt rules governing the expenditure of all area authority funds;
- 12 (6a) Adopt rules to implement the appeal procedure authorized by G.S.
- 13 122C-151.2;
- 14 (7) Adopt rules for the establishment of single portal designation and
- 15 approve an area as a single portal area;
- 16 (8) Except as provided in G.S. 122C-26(4), adopt rules establishing
- 17 procedures for waiver of rules adopted by the Secretary under this
- 18 Chapter;
- 19 (9) Notify the clerks of superior court of changes in the designation of
- 20 State facility regions and of facilities designated under G.S. 122C-252;
- 21 (10) Promote public awareness and understanding of mental health, mental
- 22 illness, developmental disabilities, and substance abuse;
- 23 (11) Administer and enforce rules that are conditions of participation in
- 24 federal or State financial aid;
- 25 (12) Carry out G.S. 122C-361; and
- 26 (13) Coordinate and facilitate the development and administration of the
- 27 early intervention system for eligible infants and toddlers and shall
- 28 assign among the cooperating agencies the responsibility, including
- 29 financial responsibility, for services. The Secretary shall be advised
- 30 by the Interagency Coordinating Council for Handicapped Children
- 31 from Birth to Five Years of Age, established by G.S. 143B-179.5, and
- 32 may enter into formal interagency agreements to establish the
- 33 collaborative relationships with the Department of Environment,
- 34 Health, and Natural Resources, the Department of Public Instruction,
- 35 other appropriate agencies, and other public and private service
- 36 providers necessary to administer the system and deliver the services.
- 37 The Secretary shall adopt rules to implement the early intervention
- 38 system, in cooperation with all other appropriate agencies."
- 39 (q) Subsection (n) of this section becomes effective July 1, 1994. Subsection
- 40 (o) of this section becomes effective January 1, 1994. All other subsections of this
- 41 section become effective July 1, 1993.
- 42

43 Requested by: Representatives Esposito, Nye, Easterling

44 **DEVELOPMENTAL DISABILITIES TRAINING REQUIREMENTS**

1 Sec. 221. The Division of Mental Health, Developmental Disabilities, and
2 Substance Abuse Services, Department of Human Resources, shall develop training
3 requirements to carry out the goals and objectives of the Developmental Disabilities
4 Plan adopted by the Mental Health Study Commission. The training is to be
5 administered by the Developmental Disabilities Training Institute of the Division of
6 Continuing Education of the University of North Carolina at Chapel Hill.

7
8 Requested by: Representatives Easterling and Nye

9 **OWNERSHIP, CUSTODY, OR CONTROL OF VEHICLES PURCHASED BY**
10 **THE DIVISION OF VOCATIONAL REHABILITATION SERVICES.**

11 Sec. 221.1. The Division of Vocational Rehabilitation Services, Department
12 of Human Resources, may use funds made available to it to purchase vehicles to be
13 used primarily to transport clients being served pursuant to the Rehabilitation Act of
14 1973, 42 U.S.C. 701 **et seq.**, as amended. Notwithstanding the provisions of G.S. 143-
15 341(8)i.3., the Division of Vocational Rehabilitation Services shall not be required to
16 transfer ownership, custody, or control of any vehicle purchased pursuant to this section
17 to the Department of Administration.

18
19 Requested by: Representatives Nye and Easterling

20 **MEDICAID**

21 Sec. 222. (a) Funds appropriated in this act for services provided in accordance
22 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
23 needy and the medically needy. Funds appropriated for these services shall be
24 expended in accordance with the following schedule of services and payment bases. All
25 services and payments are subject to the language at the end of this subsection.

26 Services and payment bases:

- 27 (1) Hospital-Inpatient. – Payment for hospital inpatient services will be
28 prescribed in the State Plan as established by the Department of
29 Human Resources. Administrative days for any period of
30 hospitalization shall be limited to a maximum of three days.
- 31 (2) Hospital-Outpatient. – Eighty percent (80%) of allowable costs or a
32 prospective reimbursement plan as established by the Department of
33 Human Resources.
- 34 (3) Nursing Facilities. – Payment for nursing facility services will be
35 prescribed in the State Plan as established by the Department of
36 Human Resources. Nursing facilities providing services to Medicaid
37 recipients who also qualify for Medicare shall be enrolled in the
38 Medicare program as a condition of participation in the Medicaid
39 program. State facilities are not subject to the requirement to enroll in
40 the Medicare Program.
- 41 (4) Intermediate Care Facilities for the Mentally Retarded. – As prescribed
42 in the State Plan, as established by the Department of Human
43 Resources.

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

- 1 (18) Physical Therapy and Speech Therapy. – Services limited to EPSDT-
2 eligible children. Payments are to be made only to the Children's
3 Special Health Services program at rates negotiated by the Department
4 of Human Resources.
- 5 (19) Personal Care Services. – Payment in accordance with plan approved
6 by the Department of Human Resources.
- 7 (20) Case Management Services. – Reimbursement in accordance with the
8 availability of funds, to be transferred within the Department of
9 Human Resources.
- 10 (21) Hospice. – Services may be provided in accordance with plan
11 developed by the Department of Human Resources.
- 12 (22) Other Mental Health Services. – Unless otherwise covered by this
13 section, coverage is limited to agencies meeting the requirements of
14 the rules established by the Commission for Mental Health,
15 Developmental Disabilities, and Substance Abuse Services, and
16 reimbursement is made in accordance with a plan developed by the
17 Department of Human Resources not to exceed the upper limits
18 established in federal regulations.
- 19 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
20 Children. – Reimbursement in accordance with plan approved by the
21 Department of Human Resources.
- 22 (24) Health Insurance Premiums. – Payments to be made in accordance
23 with the plan adopted by the Department of Human Resources
24 consistent with federal regulations.
- 25 (25) Medical Care/Other Remedial Care. – Services not covered elsewhere
26 in this section include related services in schools; health professional
27 services provided outside the clinic setting to meet maternal and infant
28 health goals; and services to meet federal EPSDT mandates. Services
29 addressed by this subdivision are limited to those prescribed in the
30 State Plan, as established by the Department of Human Resources.
31 Providers of these services shall be certified as meeting program
32 standards of the Department of Environment, Health, and Natural
33 Resources.

34 Services and payment bases may be changed with the approval of the
35 Director of the Budget.

36 Reimbursement is available for up to 24 visits per recipient per year to any
37 one or combination of the following: physicians, clinics, hospital outpatients,
38 optometrists, chiropractors, and podiatrists. Prenatal services, all EPDST children, and
39 emergency rooms are exempt from the visit limitations contained in this paragraph.
40 Exceptions may be authorized by the Department of Human Resources where the life of
41 the patient would be threatened without such additional care. Any person who is
42 determined by the Department to be exempt from the 24-visit limitation may also be
43 exempt from the six-prescription limitation.

(b) Allocation of Nonfederal Cost of Medicaid. – The State shall pay eight-five percent (85%) and the county shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section.

(c) Copayment for Medicaid Services. – The Department of Human Resources may establish copayment up to the maximum permitted by federal law and regulation.

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. – Effective January 1, 1990, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

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

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

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

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

(e) Dental Coverage Limits. – Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

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

As used in this subsection "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the

1 time of packaging; and "established name" has the same meaning as in section 502(e)(3)
2 of the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

3 (g) Exceptions to Service Limitations, Eligibility Requirements, and
4 Payments. – Service limitations, eligibility requirements, payments, and payments bases
5 in this section may be waived by the Department of Human Resources, with the
6 approval of the Director of the Budget, to allow the Department to carry out pilot
7 programs for prepaid health plans, managed care plans, or community-based services
8 programs in accordance with plans approved by the United States Department of Health
9 and Human Services, or when the Department determines that such a waiver will result
10 in a reduction in the total Medicaid costs for the recipient.

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

17 (i) Cost-Containment Programs. – The Department of Human Resources,
18 Division of Medical Assistance, may undertake cost-containment programs including
19 preadmissions to hospitals and prior approval for certain outpatient surgeries, before
20 they may be performed in an inpatient setting.

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

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

27 (l) The Department of Human Resources shall provide coverage to pregnant
28 women and children according to the following schedule:

- 29 (1) Pregnant women with incomes equal to or less than one hundred
30 eighty-five percent (85%) of the federal poverty guidelines, as
31 revised each April 1 shall be covered for Medicaid benefits;
- 32 (2) Infants under the age of 1 with family incomes equal to or less than
33 one hundred eighty-five percent (85%) of the federal poverty
34 guidelines as revised each April 1, shall be covered for Medicaid
35 benefits;
- 36 (3) Children aged 1 through 5 with family incomes equal to or less than
37 one hundred thirty-three percent (133%) of the federal poverty
38 guidelines as revised each April 1 shall be covered for Medicaid
39 benefits; and
- 40 (4) Children aged 6 through 18 who were born after September 30, 1983,
41 with family incomes equal to the federal poverty guidelines, as revised
42 each April 1, shall be covered for Medicaid benefits.

43 Services to pregnant women eligible under this section continue throughout the
44 pregnancy but include only those related to pregnancy and to those other conditions

1 determined by the Department as conditions that may complicate pregnancy. In order to
2 reduce county administrative costs and to expedite the provision of medical services to
3 pregnant women, to infants, and to children eligible under this section, no resources test
4 shall be applied.

5 (m) The Department of Human Resources may use Medicaid funds budgeted
6 from program services to support the cost of administrative activities to the extent that
7 these administrative activities produce a net savings in services requirements.
8 Administrative initiatives funded by this section shall be first approved by the Office of
9 State Budget and Management.

10
11 Requested by: Representatives Easterling and Nye

12 **REDUCE INFANT MORTALITY**

13 Sec. 223. The Department of Human Resources, Division of Medical
14 Assistance, shall provide medical coverage for nutritional counseling, psycho-social
15 counseling, and predelivery and post-partum home visits by maternity care coordinators
16 and public health nurses for Medicaid-eligible pregnant women.

17
18 Requested by: Representatives Nye and Easterling

19 **PURCHASE TRANSPORTATION SERVICES FOR PREGNANT WOMEN**
20 **AND CHILDREN ON MEDICAID**

21 Sec. 224. (a) Of the funds appropriated from the General Fund to the
22 Department of Human Resources in this act, three hundred thousand dollars (\$300,000)
23 for the 1993-94 fiscal year and three hundred thousand dollars (\$300,000) for the 1994-
24 95 fiscal year shall be transferred to the Department of Transportation, Public
25 Transportation Division, to purchase transportation services for pregnant women and for
26 children on Medicaid. All funds distributed by the Department, under this section, to
27 counties are intended to purchase additional transportation services and not to supplant
28 funds now being used by local governments for that purpose. These funds shall not be
29 used towards the purchase of transportation vehicles or equipment, and shall not be used
30 to cover State administrative costs. Only those counties maintaining Medicaid
31 transportation services to pregnant women and to children at a level that is not reduced
32 from the level of services in place during the 1989-90 fiscal year are be eligible for
33 additional transportation assistance funds.

34 (b) The Public Transportation Division of the Department of Transportation shall
35 distribute these funds to the counties according to the following formula:

- 36 (1) Fifty percent (50%) divided equally among all eligible counties;
37 (2) Forty-five percent (45%) on the basis of the number of pregnant
38 women and of children receiving Medicaid in the county as a
39 percentage of the total number of pregnant women and of children
40 receiving Medicaid statewide; and
41 (3) Five percent (5%) based upon a population density factor that
42 recognizes the higher transportation costs in sparsely populated
43 counties.

1 The Department of Transportation shall develop appropriate procedures for the
2 distribution and use of these funds and shall adopt rules to implement these procedures.

3 (c) Funds distributed by the Department of Transportation under this section
4 shall be used by counties in a manner consistent with implemented transportation
5 development plans that have been approved by the Department of Transportation and
6 the board of county commissioners. To receive funds apportioned for a given fiscal
7 year, a county shall have an approved transportation plan. Funds that are not obligated
8 in a given fiscal year due to the lack of an approved transportation plan shall be
9 distributed to the eligible counties based on the distribution formula in subsection (b) of
10 this section.

11
12 Requested by: Representatives Nye and Easterling

13 **PHARMACY DISPENSING FEE**

14 Sec. 225. The professional limits fee for dispensing drugs shall be five
15 dollars and sixty cents (\$5.60) per prescription, adjusted in accordance with subdivision
16 (5) of Section 222 of this act.

17
18 Requested by: Representatives Easterling and Nye

19 **ICF AND ICF/MR WORK INCENTIVE ALLOWANCES**

20 Sec. 226. The Department of Human Resources may provide an incentive
21 allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are
22 regularly engaged in work activities as part of their developmental plan and for whom
23 retention of additional income contributes to their achievement of independence. The
24 State funds required to match the federal funds that are required by these allowances
25 shall be provided from savings within the Medicaid budget or from other unbudgeted
26 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.

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28
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32
33
34 Requested by: Representatives Nye and Easterling

35 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT**

36 Sec. 227. Effective July 1, 1994, the Department of Human Resources,
37 Division of Medical Assistance, shall implement a budget-neutral Diagnosis-Related
38 Group reimbursement methodology for inpatient hospital services. In addition, the
39 Department shall study the feasibility of implementing selective contracts for hospital
40 inpatient services and shall report its recommendations to the General Assembly by
41 March 15, 1994.

42
43 Requested by: Representatives Easterling and Nye

44 **FAMILY SUPPORT ACT**

1 Sec. 228. (a) The General Assembly finds that it is in the best interest of the
2 State and of all its citizens to encourage recipients of Aid to Families with Dependent
3 Children to obtain jobs and become self-sufficient. It further finds that, by continuing
4 medical assistance and providing limited wage assistance to those recipients who are
5 working, the State will make it possible to help many recipients to be able to keep their
6 jobs, support their families, and become self-sufficient.

7 (b) The Social Services Commission shall adopt rules to change the way it
8 budgets Aid to Families with Dependent Children payments that will result in more
9 recipients being able to find work and keep working. These rules shall include
10 subtracting countable income from the State standard of need, and paying a percentage
11 of the difference. The percentage that shall be applied to determine the amount of
12 assistance shall be the same percentage set in the Current Operations Appropriations
13 Act that determines the Aid to Families of Dependent Children payment level from the
14 standard of need.

15
16 Requested by: Representatives Nye and Easterling

17 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

18 Sec. 229. The Department of Human Resources shall use funds appropriated
19 to it by this act to provide a State supplementary payment to Aid to Families of
20 Dependent Children households adversely affected by the retrospective accounting
21 procedure as allowed under section 403(a) of the Social Security Act (42 U.S.C. §
22 603(a)), as amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act
23 of 1982. The amount of the State supplement shall not exceed the maximum payment
24 standard for the Aid to Families with Dependent Children Program.

25
26 Requested by: Representatives Easterling and Nye

27 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

28 Sec. 230. The Division of Social Services, Department of Human Resources,
29 shall provide Aid to Families with Dependent Children to women in their third trimester
30 of pregnancy, regardless of whether these women have children, if they otherwise
31 qualify for these payments.

32
33 Requested by: Representatives Nye and Easterling

34 **FOSTER CARE**

35 Sec. 231. Funds appropriated to the Department of Human Resources in this
36 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
37 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special
38 needs allowance for the child.

39
40 Requested by: Representatives Easterling and Nye

41 **EMERGENCY ASSISTANCE**

42 Sec. 232. The Division of Social Services, Department of Human Resources,
43 shall not expend more State funds than are appropriated for Emergency Assistance by
44 this act. Within this limit, Emergency Assistance benefits shall not exceed three

1 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this
2 30-day period, Emergency Assistance benefits are not available to that family until 12
3 months have elapsed from the initial authorization date. The family may have no more
4 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
5 Emergency Assistance pursuant to this section.

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

12
13 Requested by: Representatives Easterling and Nye

14 **FOOD STAMP OUTREACH**

15 Sec. 233. The Department of Human Resources shall continue a Food Stamp
16 Outreach Program. Under the Program, the Department shall inform public and private
17 agencies, community groups, potentially eligible persons, and the general public
18 regarding the eligibility requirements of the Food Stamp Program. The Department
19 shall maintain a referral list of public and private agencies, community groups, and
20 interested persons and organizations who serve low-income persons. The Department
21 shall inform these agencies and persons regarding the Food Stamp Program and changes
22 in the law that affect client eligibility or the extent of benefits. The Department shall
23 develop and distribute informational materials, such as public service announcements,
24 brochures, pamphlets, posters, and correspondence.

25
26 Requested by: Representatives Nye and Easterling

27 **CHILD PROTECTIVE SERVICES**

28 Sec. 234. (a) Funds appropriated to the Division of Social Services,
29 Department of Human Resources, in this act for Child Protective Services shall be
30 allocated for the 1993-94 fiscal year and for the 1994-95 fiscal year as follows:

- 31 (1) Each county department of social services shall receive an amount
32 based on a formula that takes into consideration the number of Child
33 Protective Services cases in that county and the number of Child
34 Protective Services workers required to meet a ratio of no more than
35 20 active cases per one Child Protective Services worker. The
36 allocation of these funds to each county shall not be less than that
37 county's allocation in the 1992-93 fiscal year unless the General
38 Assembly appropriates less funds for the 1993-94 fiscal year and the
39 1994-95 fiscal year for Child Protective Services than it appropriated
40 in the 1992-93 fiscal year; and
- 41 (2) Each county department of social services shall receive a portion of the
42 remainder of these funds, if any, on a proportional basis determined by
43 the amount of funds necessary in that county to enable that county to
44 achieve the caseload prescribed in subdivision (1) of this subsection.

1 Counties that have achieved the caseload ratios prescribed by
2 subdivision (1) of this section pursuant to funds allocated in that
3 subdivision in either the 1993-94 fiscal year or the 1994-95 fiscal year
4 shall not receive any funds pursuant to this subdivision in that fiscal
5 year.

6 (b) Funds allocated to county departments of social services pursuant to this
7 section shall be used for Child Protective Services staff for carrying out investigations
8 of reports of child abuse or neglect or for providing protective or preventive services in
9 cases in which the department confirms abuse, neglect, or dependency. All
10 expenditures shall be used for direct support of the department's Child Protective
11 Services program .

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

15
16 Requested by: Representatives Easterling and Nye

17 **ADOPTION SUBSIDY**

18 Sec. 235. The adoption subsidy paid monthly by the Division of Social
19 Services, Department of Human Resources, to eligible families who adopt hard-to-place
20 children shall be established at two hundred sixty-five dollars (\$265.00) per child per
21 month.

22
23 Requested by: Representatives Nye and Easterling

24 **SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES**

25 Sec. 236. (a) Of the funds appropriated to the Department of Human
26 Resources, Division of Social Services, in this act the sum of four hundred ten thousand
27 dollars (\$410,000) for the 1993-94 fiscal year and the sum of four hundred ten thousand
28 dollars (\$410,000) for the 1994-95 fiscal year shall be used to enable the Department to
29 develop further the Social Services Plan, in consultation and cooperation with other
30 appropriate agencies and organizations, and consistent with the policies as provided by
31 Chapter 448 of the 1989 Session Laws.

32 As part of the further development of the Social Services Plan, the
33 Department of Human Resources shall pilot in three to five counties the core services as
34 described in its report on the Social Services Plan to the General Assembly. The
35 piloting shall include the establishment of minimum standards for the provision of the
36 core services, including the staffing standards, caseload standards, training standards,
37 and facilities standards.

38 In implementing Family Centered Services as a core service, the Secretary of
39 the Department of Human Resources shall consider the advice and recommendations of
40 the Advisory Committee on Family Centered Services.

41 These funds may be used as a match for federal funds that may be available
42 in order to maximize support for the pilot. Funds appropriated by the General
43 Assembly to be allocated to counties for child protective services shall be used by the
44 pilot counties to strengthen investigations and treatment in Child Protective Services as

1 a core service. Any funds allocated to counties pursuant to this subsection shall be
2 matched by the counties at the rate of one county dollar for every three State dollars.

3 (b) Of the funds appropriated to the Department of Human Resources, Division
4 of Social Services, in this act, the sum of fifty thousand dollars (\$50,000) for the 1993-
5 94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year
6 shall be used to make grants to public or private agencies to develop and implement
7 model programs of locally based Family Preservation Services as provided in Part 4A of
8 Article 3 of Chapter 143B of the General Statutes, the Family Preservation Act. These
9 funds shall be used in conjunction with funds identified within the Department to
10 implement the Family Preservation Services Program as provided in this section. The
11 Secretary of the Department of Human Resources shall ensure that the development of
12 these Family Preservation Models and the piloting of the core social services described
13 in subsection (a) of this section are coordinated at State and local levels to achieve the
14 most effective service delivery for families and use of available funding sources.

15
16 Requested by: Representatives Easterling and Nye

17 **COUNTY MATCHING REQUIREMENTS FOR CHILD PROTECTIVE**
18 **SERVICES**

19 Sec. 237. State Assistance to counties for child protective services shall be
20 matched by counties at the rate of twenty-five percent (25%) effective July 1, 1993.
21 Counties may use federal funds or county funds to meet matching requirements.

22
23 Requested by: Representatives Nye and Easterling

24 **CAROLINA ACCESS PROGRAM/EYE CARE**

25 Sec. 238. Medicaid patients who receive health care through the Carolina
26 Access Program may receive eye care directly from licensed optometrists and licensed
27 ophthalmologists.

28
29 Requested by: Representatives Nye and Easterling

30 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

31 Sec. 239. Effective July 1, 1993, the maximum monthly rate for residents in
32 domiciliary care facilities shall be nine hundred thirty-five dollars (\$935.00) for
33 ambulatory residents and nine hundred seventy-six dollars (\$976.00) for
34 semiambulatory residents.

35
36 Requested by: Representative Nye

37 **REST HOME PAYMENT METHOD**

38 Sec. 240. (a) The Department of Human Resources shall develop a plan for a
39 vendor payment methodology for domiciliary care facilities. The plan's proposed
40 methodology shall include:

41 (1) A direct payment for mandated services, including:

42 a. Direct and indirect costs associated with minimum wage law;

43 b. Direct and indirect costs associated with Workers'
44 Compensation law; and

- 1 c. Direct and indirect costs associated with Occupational Safety
2 and Health Act law; and
3 (2) A direct payment for associated administrative costs, including:
4 a. Direct and indirect costs associated with insurance inflation
5 management; and
6 b. Direct and indirect costs associated with an equitable return on
7 investment.

8 (b) The Department of Human Resources shall submit the plan in a report to the
9 1993 General Assembly and to the Fiscal Research Division by March 1994. The report
10 shall include a five-year fiscal impact analysis of the cost of implementing the proposed
11 methodology.
12

13 Requested by: Representatives Easterling and Nye

14 **PILOT SUBSIDY TO DOMICILIARY HOMES FOR SERVICES TO**
15 **DEVELOPMENTALLY DISABLED RESIDENTS**

16 Sec. 241. Notwithstanding the provisions of G.S. 143-23, the Secretary of
17 Human Resources, with the approval of the Office of State Budget and Management,
18 may use, to the extent possible, any funds appropriated or otherwise available to the
19 Department in the 1993-94 fiscal year to conduct a pilot of a subsidy to homes for the
20 aged and disabled and family care homes to support the provision of habilitative and
21 related services needed by developmentally disabled persons who reside there. The
22 Department shall present the results of the pilot to the General Assembly by July 1,
23 1994.
24

25 Requested by: Representatives Nye and Easterling

26 **DHR MONITORING DOMICILIARY CARE FACILITIES' COMPLIANCE**
27 **WITH LICENSURE REQUIREMENTS**

28 Sec. 242. G.S. 108A-14(8) reads as rewritten:

29 "(8) To supervise domiciliary homes for aged or disabled persons and to
30 monitor these homes for compliance with the licensure law as required
31 by the Department, under the rules ~~and regulations~~ of the Social
32 Services Commission."
33

34 Requested by: Representatives Easterling and Nye

35 **CAREGIVER SUPPORT SHARING**

36 Sec. 243. (a) Of the funds appropriated to the Division of Aging, Department of
37 Human Resources, by this act for the 1993-95 fiscal biennium, the sum of one million
38 eight thousand dollars (\$1,008,000) for the 1993-94 fiscal year and the sum of one
39 million eight thousand dollars (\$1,008,000) for the 1994-95 fiscal year shall be used for
40 services that support family caregivers of elderly persons with functional disabilities,
41 whether physical or mental, who want to stay in their homes rather than be
42 institutionalized, but who need assistance with the activities of daily living in order to
43 remain at home. The services that may be purchased from funds received under this
44 section include:

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

8 (b) The Division of Aging shall expend funds for these services according to
 9 the population of persons 70 years of age or older in each region. The Division of
 10 Aging shall use a minimum of ninety-five percent (95%) of the funds it receives under
 11 this section for the services described in subdivisions (1) through (4) of subsection (a) of
 12 this section and may only use a maximum of five percent (5%) for technical assistance
 13 as described in subsection (c) of this section. The Division of Aging shall choose
 14 providers in accordance with procedures under the Older Americans Act. Funds
 15 allocated by the Division pursuant to this section shall be allocated by October 1 of each
 16 fiscal year.

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

21

22 Requested by: Representatives Nye and Easterling

23 **SENIOR CENTER OUTREACH**

24 Sec. 244. (a) Of the funds appropriated to the Department of Human
 25 Resources, Division of Aging, by this act for the 1993-95 fiscal biennium, four hundred
 26 three thousand eight hundred dollars (\$403,800) for the 1993-94 fiscal year and four
 27 hundred three thousand eight hundred dollars (\$403,800) for the 1994-95 fiscal year
 28 shall be used by the Division of Aging to enhance senior center programs as follows:

- 29 (1) To test "satellite" services provided by existing senior centers to
 30 unserved or underserved areas; or
 31 (2) To provide start-up funds for new senior centers.

32 All of these funds shall be allocated by October 1 of each fiscal year.

33 (b) Prior to funds being allocated pursuant to this section for start-up funds
 34 for a new senior center, the county commissioners of the county in which the new center
 35 will be located shall:

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

40 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

41

42 Requested by: Representatives Easterling and Nye

43 **RURAL/PRIMARY CARE INITIATIVES**

44 Sec. 245. G.S. 131E-76 is amended by adding two new subdivisions to read:

- 1 (6) 'Primary care hospital' means a hospital which has been designated as
2 a primary care hospital by the North Carolina Department of Human
3 Resources, Office of Rural Health and Resource Development. To be
4 designated as a primary care hospital under this subdivision, the
5 hospital must be located in a rural community, provide primary care
6 inpatient services that do not include inpatient surgery, and provide
7 outpatient services which may include outpatient surgery. A primary
8 care hospital shall have a maximum annual average daily census of 15
9 patients and may have psychiatric and long-term care distinct part
10 units. A primary care hospital must be part of a rural hospital network.
11 (7) 'Rural hospital network' means an alliance of members that shall
12 include at least one primary care hospital and one other hospital. To
13 qualify as a rural hospital network, the members must submit a
14 comprehensive, written memorandum of understanding to the
15 Department of Human Resources for the Department's approval. The
16 memorandum of understanding must include provisions for patient
17 referral and transfer, a plan for network-wide emergency services, and
18 a plan for sharing patient information and services between hospital
19 members including medical staff credentialing, risk management,
20 quality assurance, and peer review."

21
22 Requested by: Representatives Nye and Easterling

23 **DAY CARE FUNDS MATCHING REQUIREMENT**

24 Sec. 246. No local matching funds may be required by the Department of
25 Human Resources as a condition of any locality's receiving any State day care funds
26 appropriated by this act unless federal law requires such a match.
27

28 Requested by: Representatives Easterling and Nye

29 **DAY CARE**

30 Sec. 247. Except for the allocation of support costs from federal grants by the
31 General Assembly or the reallocation of federal grant funds by the Office of State
32 Budget and Management, the Department of Human Resources shall distribute the
33 funds appropriated and otherwise available to it for the purchase of slots in day care for
34 minor children of needy families so as to serve the greatest number of children possible.
35

36 Requested by: Representatives Nye and Easterling

37 **DAY CARE RATES**

38 Sec. 248. (a) Rules for the monthly schedule of payments for the purchase of day
39 care services for low-income children shall be established by the Social Services
40 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
41 requirements:

- 42 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
43 than fifty percent (50%) of the enrollees are subsidized by State or
44 federal funds, the State shall continue to pay the same fee paid by

1 private paying parents for a child in the same age group in the same
2 facility.

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

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

7 b. The market rate, as calculated annually by the Division of
8 Facility Services' Child Day Care Section in the Department of
9 Human Resources.

10 (3) A market rate shall be calculated for each county and for each age
11 group or age category of enrollees and shall be representative of fees
12 charged to unsubsidized private paying parents for each age group of
13 enrollees within the county. The county market rates shall be
14 calculated from facility fee schedules collected by the Child Day Care
15 Section on a routine basis. The Section shall also calculate a statewide
16 market rate for each age category. The Social Services Commission
17 shall adopt rules to establish minimum county rates that use the
18 statewide market rates as a reference point.

19 (4) Child day care homes as defined in G.S. 110-86(4) and other home-
20 based day care arrangements that are not required to be regulated by
21 the State licensing agency may be paid the market rate for day care
22 homes, which shall be calculated at least biennially by the Child Day
23 Care Section according to the method described in subdivision (3) of
24 subsection (a) of this section.

25 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
26 Statutes may participate in the program that provides for the purchase of care in day
27 care facilities for minor children of needy families. No separate licensing requirements
28 shall be used to select facilities to participate. In addition, day care facilities shall be
29 required to meet any additional applicable requirements of federal law or regulations.

30 Day care homes as defined in G.S. 110-86(4) from which the State purchases
31 day care services shall meet the standards established by the Child Day Care
32 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional
33 requirements of State law or federal law or regulations. Child care arrangements
34 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General
35 Statutes shall meet the requirements established by other State law and by the Social
36 Services Commission.

37 (c) County departments of social services shall continue to negotiate with day
38 care providers for day care services below those rates prescribed by subsection (a) of
39 this section. County departments shall purchase day care services so as to serve the
40 greatest number of children possible with existing resources.

41
42 Requested by: Representatives Easterling and Nye

43 **DAY CARE ALLOCATION FORMULA**

1 Sec. 249. (a) To simplify current day care allocation methodology and more
2 equitably distribute State day care funds, the Department of Human Resources shall
3 apply the following allocation formula to all noncategorical federal and State day care
4 funds used to pay the costs of necessary day care for minor children of needy families:

5 (1) One-third of budgeted funds shall be distributed according to the
6 county's population in relation to the total population of the State;

7 (2) One-third of the budgeted funds shall be distributed according to the
8 number of children under 6 years of age in a county who are living in
9 families whose income is below the State poverty level in relation to
10 the total number of children under 6 years of age in the State in
11 families whose income is below the poverty level; and

12 (3) One-third of budgeted funds shall be distributed according to the
13 number of working mothers with children under 6 years of age in a
14 county in relation to the total number of working mothers with
15 children under 6 years of age in the State.

16 (b) A county's initial allocation shall not be less than that county's initial
17 allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of
18 Chapter 500 of the 1989 Session Laws. However, if the total amount available to
19 allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a
20 county's allocation may be less than the county's initial allocation was in that fiscal year.

21
22 Requested by: Representatives Nye and Easterling

23 **DHR EMPLOYEES/IN-KIND MATCH**

24 Sec. 250. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
25 of the Department of Human Resources may assign employees of the Office of Rural
26 Health and Resource Development to serve as in-kind match to nonprofit corporations
27 working to establish health care programs that will improve health care access while
28 controlling costs.

29
30 Requested by: Representatives Easterling and Nye

31 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

32 Sec. 251. County governments participating in the Community-Based
33 Alternatives Program shall certify annually to the Division of Youth Services,
34 Department of Human Resources, that Community-Based Alternatives Aid to Counties
35 shall not be used to duplicate or supplant other programs within the county.

36
37 Requested by: Representatives Nye and Easterling

38 **SUPPLEMENTAL HEAD START FUNDS**

39 Sec. 252. Supplemental Head Start funds appropriated in this act to the
40 Department of Human Resources, Division of Economic Opportunity, shall continue to
41 be allocated to those counties currently receiving these funds.

42
43 Requested by: Representatives Gardner, Easterling, Nye

44 **COUNTY DAY CARE ENCOURAGEMENT**

1 Sec. 253. (a) The General Assembly encourages all counties to use all their
2 initial child care allocations by actively and aggressively pursuing all existing child care
3 resources currently available. The Department of Human Resources, Division of Child
4 Development, Day Care Section, shall reevaluate its allocation/reversion/reallocation
5 timetable to balance equitably the needs of those counties that have had difficulty using
6 their initial allocations in a timely fashion with the needs of those counties who have
7 used the reverted allocations to excellent purpose.

8 (b) The General Assembly encourages counties to use creative and innovative
9 methods of enriching their existing day care, such as by using volunteers from senior
10 citizen centers in day care, and to identify any State law or policy bars that may
11 currently exist to these methods.

12 (c) The General Assembly encourages counties that now provide certain child
13 care payments directly to parents rather than directly to the provider to reevaluate this
14 practice in order to ensure that the method of payment properly reflects both the needs
15 of the individual families and the day care community.

16 (d) The Department of Human Resources shall report quarterly to the Joint
17 Legislative Commission on Governmental Operations and to the Fiscal Research
18 Division of the Legislative Services Office on the implementation of this section.

19
20 Requested by: Representative Easterling

21 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

22 Sec. 254. (a) Article 3 of Chapter 143B of the General Statutes is amended by
23 adding a new Part to read:

24 **"PART 10B. EARLY CHILDHOOD INITIATIVES.**

25 **"§ 143B-168.10. Early childhood initiatives; findings.**

26 The General Assembly finds, upon consultation with the Governor, that every child
27 can benefit from, and should have access to, high quality childhood education and
28 development services. The economic future and well-being of the State depend upon it.
29 Throughout the State, however, a shortage of high quality, comprehensive programs is
30 approaching crisis proportions. The effects of this crisis cut across all boundaries of
31 race, sex, and income.

32 **"§ 143B-168.11. Early childhood initiatives; intent; North Carolina Partnership** 33 **for Children, Inc.**

34 It is the intent of the General Assembly, upon consultation with the Governor, to
35 support through financial and other means, the North Carolina Partnership for Children,
36 Inc., a nonprofit corporation, which has as its mission the development of a
37 comprehensive, long-range strategic vision for early childhood development and the
38 provision, through public and private means, of high quality early childhood education
39 and development services for children and families.

40 **"§ 143B-168.12. Early childhood initiatives; North Carolina Partnership for** 41 **Children, Inc.; conditions; powers and duties; local demonstration** 42 **projects; statewide needs and resource assessment; rule making;** 43 **reporting requirements.**

1 (a) As a condition for receiving funds appropriated to the North Carolina
2 Partnership for Children, Inc., members of the Board of Directors of the North Carolina
3 Partnership for Children, Inc., shall consist of four ex officio members and 25 appointed
4 members. The four ex officio members shall be the Secretary of the Department of
5 Human Resources, the Secretary of the Department of Environment, Health, and
6 Natural Resources, the Superintendent of Public Instruction, and the President of the
7 Department of Community Colleges. The appointed members shall be appointed as
8 follows: four by the Speaker of the House of Representatives, four by the President Pro
9 Tempore of the Senate, and 17 by the Governor.

10 As a further condition for receiving funding, the North Carolina Partnership for
11 Children, Inc., shall agree that it shall adopt procedures for its operations that are similar
12 to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law,
13 and Chapter 132 of the General Statutes, the Public Records Law, and provide for
14 enforcement by the Department. The State Auditor shall, at the expense of the
15 corporation, conduct an annual audit that was discretionary under G.S. 159-40(b).

16 (b) As a condition for receiving funding appropriated to it, the North Carolina
17 Partnership for Children, Inc., shall oversee the development and implementation of 12
18 local demonstration projects. Each demonstration project shall be coordinated by a new
19 local, private, nonprofit 501(c)(3) organization responsible for developing a
20 comprehensive, collaborative, long-range plan of services to children and families in the
21 service-delivery area. The board of directors of each local nonprofit organization shall
22 consist of no more than 20 members, including representatives of public and private
23 nonprofit health and human service agencies, day care providers, the business
24 community, foundations, county and municipal governments, local education units, and
25 families. The Department of Human Resources, in cooperation with the North Carolina
26 Partnership for Children, Inc., may specify in its requests for applications the local
27 agencies that shall be represented on the Board.

28 The Department of Human Resources shall develop a statewide process, in
29 cooperation with the North Carolina Partnership for Children, Inc., to select the local
30 demonstration projects. The 12 local demonstration projects developed and
31 implemented shall be located in the 12 congressional districts, one to a district.

32 An existing local, private, nonprofit 501(c)(3) organization in the community may
33 apply to serve as the coordinator of a demonstration project if the governance of the
34 project meets the objective of decision making by a broad range of public and private
35 health and human services providers.

36 (c) Funds appropriated to be allocated to the local demonstration projects for
37 services to children and families shall be used to expand coverage and improve the
38 quality of services. These funds shall not be allocated to any local demonstration
39 project until the Secretary of the Department of Human Resources, upon
40 recommendation of the North Carolina Partnership for Children, Inc., has approved its
41 final local plan.

42 (d) Funds appropriated to support the local strategic planning process and
43 activities of the North Carolina Partnership for Children, Inc., the local nonprofit

1 organizations, and start-up and related activities shall be available for these purposes
2 upon the effective date of enactment of this Part.

3 (e) Communities shall be given the maximum flexibility and discretion
4 practicable in developing their plans. Depending on local, regional, or statewide needs,
5 funds may be used to support such activities and services as day care services, start-up
6 funding, conforming to licensing and building code requirements, in-home visitation,
7 parent training programs, quality enhancement, technical assistance, needs and resource
8 assessments, infant tracking, evaluation, child care resource and referral services,
9 educational enrichment, staff and organizational development, leadership and
10 administrative development, technology assisted education, strategic 'visioning' and
11 planning processes, and other appropriate services, including local administrative
12 support.

13 (f) The Department of Human Resources, in cooperation with the North Carolina
14 Partnership for Children, Inc., shall develop a needs and resource assessment for each of
15 the counties unserved by the demonstration projects. Of the funds appropriated to it to
16 implement this Part, the Department may make available up to ten thousand dollars
17 (\$10,000) per county for one year to an appropriate private nonprofit entity or to the
18 county to perform this assessment.

19 (g) The Department of Human Resources, in cooperation with the North Carolina
20 Partnership for Children, Inc., shall adopt any rules necessary to implement this section.

21 (h) The Department of Human Resources shall report to the General Assembly
22 and the Governor by April 1, 1994, and by March, 1, 1995, on the results of all the local
23 demonstration projects' work, including all details of the use to which the allocations
24 were put, and on the continuing plans of the North Carolina Partnership for Children,
25 Inc., and of the Department of Human Resources, together with legislative proposals,
26 including proposals to implement the program statewide, and including appropriations
27 requests."

28 (b) Of the funds appropriated to the Department of Human Resources, the
29 sum of twenty million dollars (\$20,000,000) for the 1993-94 fiscal year and the sum of
30 twenty-eight million four hundred forty thousand dollars (\$28,440,000) for the 1994-95
31 fiscal year to implement subsection (a) of this section. From the funds appropriated by
32 this subsection, the Department shall provide funds for services prescribed in subsection
33 (a) of this section for necessary State, regional, and local administration of this Part, and
34 for the activities of the North Carolina Partnership for Children, Inc., consistent with the
35 provisions of subsection (a) of this section.

36 (c) Effective January 1, 1994, G.S. 110-91(7) reads as rewritten:

37 "(7) Staff-Child Ratio. – In determining the staff-child ratio, all children
38 younger than 13 years shall be counted. The Commission shall adopt
39 rules regarding staff-child ratios, group sizes and multi-age groupings
40 for each category of facility other than for infants and toddlers,
41 provided that such these rules and regulations shall be no less stringent
42 than those currently required for staff-child ratios as enacted in Section
43 156(e) of Chapter 757 of the 1985 Session Laws. The staff-child ratios

and group sizes for infants and toddlers shall be no less stringent than as follows:

<u>Age</u>	<u>Ratio</u>	<u>Group Size</u>
<u>0 to 12 months</u>	<u>5</u>	<u>10</u>
<u>12 to 24 months</u>	<u>6</u>	<u>12</u>
<u>2 to 3 years</u>	<u>10</u>	<u>20."</u>

(c1)

Notwithstanding any other provision of law to the contrary, religious sponsored facilities operating under G.S. 110-106, and not receiving any State or federal child care subsidies, including subsidies paid by the State or local service agency directly to the facility or to the parent of a child enrolled in the facility, shall have until June 30, 1994 to comply with the lower staff-child ratios for children under age 3 if the religious sponsored facility files with the Department of Human Resources a notice of intent to delay compliance with the ratios and a statement of assurance that the facility will not accept any public child-care subsidy funds until compliance with the ratios is achieved. All religious sponsored facilities shall comply fully with the provisions of G.S. 110-91(7) by July 1, 1994.(d) Of the funds appropriated to the Department of Human Resources the sum of one million seven hundred fifteen thousand two hundred six dollars (\$1,715,206) for the 1993-94 fiscal year and the sum of two million two hundred sixteen thousand two hundred ninety-three dollars (\$2,216,293) for the 1994-95 fiscal year, shall be used to increase the reimbursement rate for day care providers to implement subsection (c) of this section.

Requested by: Representatives Nye and Easterling

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES PLAN

Sec. 255. Counties participating in the Early Childhood Education and Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the General Statutes, if enacted by the 1993 General Assembly by the effective date of this act, may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the Department of Human Resources. The use of federal funds shall be consistent with the appropriate federal regulations. Day care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered day care by the Social Services Commission, and with applicable federal regulations.

Requested by: Representatives Easterling and Nye

CHILD DAY CARE REVOLVING LOAN FUND

Sec. 256. Notwithstanding any law to the contrary, funds budgeted for the Child Day Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral

1 for borrowers, pay the contractor's cost of operating the Fund, or to pay the
2 Department's cost of administering the program.

3
4 Requested by: Representatives Nye and Easterling

5 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
6 **QUALITY ASSURANCE/ACCOUNTABILITY**

7 Sec. 257. (a) The General Assembly finds, in consultation with the Governor,
8 that it is essential to begin to develop comprehensive programs that provide high quality
9 early childhood education and development services locally for children and their
10 families. The General Assembly also finds that it is equally essential that these
11 programs be developed in a manner that will provide both quality assurance and
12 performance-based accountability to the children, their families, their communities, and
13 the State.

14 (b) The Department of Human Resources shall develop and implement a
15 performance-based evaluation system to evaluate the Early Childhood Education and
16 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
17 General Statutes, if enacted. The Department shall design this system:

- 18 (1) To incorporate the elements of a formative evaluation, including
19 process and efficiency studies, and of a summative evaluation,
20 including outcome and effectiveness studies, in order to:
21 a. Provide information to the Department and to the General
22 Assembly on how to improve and refine the Programs;
23 b. Enable the Department and the General Assembly to assess the
24 overall quality and impact of the existing Programs and any
25 future ones; and
26 c. Enable the Department and the General Assembly to determine
27 whether to make the Early Childhood Education and
28 Development Initiatives statewide;
29 (2) To focus the Programs, as they develop and continue, on quality
30 assurance, by making quality a central and on-going priority and to
31 ensure that quality improvement efforts address outcomes, such as
32 functions and processes, rather than persons, specific details, or
33 paperwork;
34 (3) To use reliable statistical methods to measure performance of
35 processes, functions, efforts, and outcomes, which methods shall allow
36 adequate tracking of children and families through the program and
37 into the school system, in order to provide a real, objective measure of
38 the outcome of the Programs; and
39 (4) To provide a detailed fiscal analysis of the use to which State funds for
40 these Programs are put.

41 (b) The Department shall report to the General Assembly by October 1, 1993,
42 on the system it has developed, prior to the beginning of the system's implementation.
43 It shall report every three months after that date on the implementation of the system

1 and on the cumulative results of the evaluations as they occur. The Department shall
2 present a final cumulative report to the General Assembly by February 1, 1995.

3
4 Requested by: Representatives Easterling and Nye

5 **HEALTH CENTERS' PURCHASE OF MEDICATIONS**

6 Sec. 258. Notwithstanding any provisions of law to the contrary, State rural
7 health centers and federally funded community and migrant health centers shall be
8 permitted to purchase medications by participating in contracts administered by the
9 Department of Administration, Division of Purchase and Contracts.

10
11 Requested by: Representatives Nye, Easterling, DeVane, Balmer

12 **JOINT LEGISLATIVE HUMAN RESOURCES OVERSIGHT COMMITTEE**

13 Sec. 259. Chapter 120 of the General Statutes is amended by adding a new
14 article to read:

15 **"ARTICLE 12I.**

16 **"JOINT LEGISLATIVE HUMAN RESOURCES OVERSIGHT COMMITTEE.**

17 **"§ 120-70.90. Creation and membership of Joint Legislative Human Resources**
18 **Oversight Committee.**

19 The Joint Legislative Human Resources Oversight Committee is established. The
20 Committee consists of 16 members as follows:

- 21 (1) Eight members of the Senate appointed by the President Pro Tempore
22 of the Senate, at least two of whom are members of the minority party;
23 and
24 (2) Eight members of the House of Representatives appointed by the
25 Speaker of the House of Representatives, at least three of whom are
26 members of the minority party.

27 Terms on the Committee are for two years and begin on the convening of the
28 General Assembly in each odd-numbered year, except the terms of the initial members,
29 which begin on appointment and end on the day of the convening of the 1995 General
30 Assembly. Members may complete a term of service on the Committee even if they do
31 not seek reelection or are not reelected to the General Assembly, but resignation or
32 removal from service in the General Assembly constitutes resignation or removal from
33 service on the Committee.

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

36 **"§ 120-70.91. Purpose and powers of Committee.**

37 (a) The Joint Legislative Human Resources Oversight Committee shall examine,
38 on a continuing basis, the institutions in North Carolina that provide human resources
39 services to North Carolinians at the State and local level, in order to make ongoing
40 recommendations to the General Assembly on ways to improve the provision of these
41 services. In this examination, the Committee shall:

- 42 (1) Study the budgets, programs, and policies of the the Department of
43 Human Resources, and all its divisions to determine ways in which the
44 General Assembly may encourage the improvement of all human

resources services provided to North Carolinians and may aid in the development of more integrated methods of institutional accountability;

(2) Study local agencies' provision of human resources services, both public and private, to determine how the General Assembly may encourage the improvement of these services and how to ensure that State and local services are coordinated and not duplicated;

(3) Study other states' innovative human resources services initiatives at the state and local level, in order to provide an ongoing commentary to the General Assembly on these initiatives and to make recommendations for implementing similar initiatives in North Carolina; and

(4) Study any other human resources services matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

"§ 120-70.92. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Human Resources Oversight Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Legislative Services Commission may allocate monies from available funds for the work of the Committee."

Requested by: Representative Barnes

STATE ABORTION FUND ELIGIBILITY CRITERIA

Sec. 259.1. (a) The Social Services Commission shall adopt rules governing the eligibility of applicants to receive services under the State Abortion Fund. Eligibility for services shall be limited to women whose income is below the federal poverty level, as revised annually, or who are eligible for Medicaid, and:

(1) the woman is a victim of rape or incest, or

(2) the woman is mentally retarded, or

- 1 (3) the woman is a minor, or
2 (4) a physician, selected by the woman, has determined that the woman's
3 health would be impaired by the pregnancy, or
4 (5) a physician has determined that a fetal deformity is present.
5 (b) Except as otherwise provided under subsection (a) of this section,
6 eligibility rules adopted by the Commission may not be based on the applicant's race,
7 creed, color, national origin, marital status, age, or handicapping condition.
8 (c) Services provided under this section shall be in accordance with the
9 provisions of G.S. 14-45.1 governing when abortion is lawful.
10 (d) No State funds in excess of one million four hundred twenty-four thousand
11 dollars (\$1,424,000) per fiscal year shall be expended for the State Abortion Fund
12 during the 1993-94 fiscal year or the 1994-95 fiscal year.

13 14 **PART 24. DEPARTMENT OF AGRICULTURE**

15
16 Requested by: Representatives Bowman and DeVane

17 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS FOREST** 18 **LANDS**

19 Sec. 260. From funds from the sale of timber deposited with the State
20 Treasurer under G.S. 146-30 to the credit of the Department of Agriculture in a capital
21 improvement account, the sum of twenty thousand dollars (\$20,000) is transferred to the
22 Reserve for Forest Management for expenditure in fiscal year 1993-94, and the sum of
23 twenty thousand dollars (\$20,000) is transferred to the Reserve for Forest Management
24 for expenditure in fiscal year 1994-95. These sums are in addition to any funds already
25 in that Reserve.

26 27 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 28 **RESOURCES**

29
30 Requested by: Representatives DeVane and Bowman

31 **TECHNICAL REVIEW COMMITTEE APPOINTMENTS**

32 Sec. 261. G.S. 143-215.74B reads as rewritten:

33 **"§ 143-215.74B. Committee established.**

34 Detailed plans for implementing the program shall be reviewed and suggested
35 changes and reasons therefor shall be given by a committee consisting of the Master of
36 the North Carolina State Grange, President of the North Carolina Farm Bureau
37 Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of
38 Agriculture and Life Sciences at North Carolina State University, the Dean of the
39 School of Agriculture at North Carolina Agricultural and Technical State University, the
40 Chairman of the State Soil and Water Conservation Commission, the President of the
41 North Carolina Association of Soil and Water Conservation Districts, the Executive
42 Director of the Wildlife Resources ~~Commission~~, Commission or a designee, and the
43 Director of the Division of Marine ~~Fisheries~~, Fisheries or a designee. The committee
44 shall review the program prior to expenditure of any funds for the program.

1 Certification documenting the committee's review of the program shall be made in
 2 writing to the Speaker of the House of Representatives, the President of the Senate, the
 3 Chairmen of the Appropriations Committees of the Senate and the House of
 4 Representatives, the Director of the Fiscal Research Division of the Legislative Services
 5 Office, and the Legislative Library."

6
 7 Requested by: Representatives DeVane and Bowman

8 **HAZARDOUS WASTE INSPECTORS**

9 Sec. 262. As industry is permitted that is subject to G.S. 130A-295.02
 10 requiring the establishment of resident inspectors, the Department of Environment,
 11 Health, and Natural Resources may request through the Office of State Budget and
 12 Management the authorization to establish new positions and support costs necessary to
 13 comply with G.S. 130A-295.02. The Department shall report these positions as a
 14 continuation item in its next biennial budget request.

15
 16 Requested by: Gottovi, DeVane, Bowman

17 **OYSTER MANAGEMENT**

18 Sec. 263. (a) G.S. 143B-289.5 reads as rewritten:

19 "**§ 143B-289.5. Marine Fisheries Commission – members; selection; removal;**
 20 **compensation; quorum; services.**

21 (a) Members, Selection. – The Marine Fisheries Commission shall consist of ~~15~~
 22 17 members appointed by the Governor. The Governor shall select the members so that
 23 all the following interests are represented:

24 (1) Four who shall at the time of appointment represent commercial
 25 fishing interests. Of the four, three who—shall at the time of
 26 appointment be actively connected with and have experience in
 27 commercial fishing, as demonstrated by deriving at least fifty percent
 28 (50%) of earned income from taking and selling food resources living
 29 in coastal fishing ~~waters;~~ waters, and one shall at the time of
 30 appointment be actively connected with and have experience in
 31 seafood processing and distribution as demonstrated by deriving at
 32 least fifty percent (50%) of earned income from activities involving
 33 processing and distributing seafood;

34 (2) Four who shall at the time of appointment be actively connected with
 35 and have experience in sport fishing;

36 (2a) Three who shall at the time of appointment represent
 37 shellfishing interests;

38 (3) Three who shall at the time of appointment have special training and
 39 expertise in marine or estuarine sciences or the environment affecting
 40 the marine and estuarine resources;

41 ~~(4) Two who shall at the time of appointment be actively connected with~~
 42 ~~and have experience in seafood processing and distribution as~~
 43 ~~demonstrated by deriving at least fifty percent (50%) of earned income~~
 44 ~~from activities involving processing and distributing seafood;~~

1 (5) ~~Two~~Three at large who shall at the time of appointment have
2 knowledge of and experience related to the subjects and persons
3 regulated by the Commission.

4 In making appointments to and filling vacancies upon the Commission, the
5 Governor shall give due consideration to securing appropriate representation of women
6 and minorities.

7 (b) Terms. – Members shall serve staggered terms of office of six years.
8 Commission members may continue to serve until their successors have been appointed.
9 Each member of the Commission, before assuming the duties of his office, shall take an
10 oath for the faithful performance of his duties.

11 (c) Vacancies. – Vacancies on the Commission occurring for any reason shall be
12 filled by the Governor. Any appointment to fill a vacancy on the Commission created
13 by the resignation, dismissal, death or disability of a member shall be for the balance of
14 the unexpired term.

15 (d) Removal. – Commission members may be removed by the Governor for
16 misconduct, incompetence, or neglect of duty. Regular attendance at Commission
17 meetings is a duty of each member. The Commission shall develop procedures for
18 declaring any seat on the Commission to be vacant upon failure by a member to perform
19 his duty.

20 (e) Residential Qualifications. – In appointing four members of the Commission
21 pursuant to G.S. 143B-289.5(a)(1), the Governor shall cause at least one resident of
22 each of the following areas to be appointed: (1) Bertie, Camden, Chowan, Currituck,
23 Dare, Gates, Halifax, Hertford, Martin, Northampton, Pasquotank, Perquimans, Tyrrell
24 and Washington Counties; (2) Beaufort, Hyde and Pamlico Counties; (3) Carteret,
25 Craven and Jones Counties; (4) Bladen, Brunswick, Columbus, New Hanover, Onslow
26 and Pender Counties. Persons appointed to the Commission seats created pursuant to
27 ~~G.S. 143B-289.5(a)(4)~~G.S. 143B-289.5(a)(2a) shall be residents of one of the counties
28 listed above. No more than three members appointed by the Governor may reside in
29 any of the areas defined above.

30 (f) Office May Be Held Concurrently With Others. – Membership on the Marine
31 Fisheries Commission is hereby declared to be an office that may be held concurrently
32 with other elective or appointive offices permitted to be held by one person under G.S.
33 128-1.1.

34 (g) Compensation. – Members of the Commission who are State officers or
35 employees shall receive no per diem compensation for serving on the Commission, but
36 shall be reimbursed for their expenses in accordance with G.S. 138-6. Members of the
37 Commission who are full-time salaried public officers or employees other than State
38 officers or employees shall receive no per diem compensation for serving on the
39 Commission, but shall be reimbursed for their expenses in accordance with G.S. 138-6
40 in the same manner as State officers or employees. All other Commission members
41 shall receive per diem compensation and reimbursement in accordance with the
42 compensation rate established in G.S. 93B-5.

43 (h) Quorum. – A majority of the Commission of the duly appointed members
44 shall constitute a quorum for the transaction of business. No vacancy in the

1 membership of the Commission shall impair the rights of a quorum to exercise all the
2 rights and to perform all the duties of the Commission.

3 (i) Staff. – All clerical and other services required by the Commission shall be
4 supplied by the Fisheries Director and the Department of Environment, Health, and
5 Natural Resources.

6 (j) Legal Services. – The Attorney General shall act as attorney for the
7 Commission and shall initiate actions in the name of, and at the request of, the
8 Commission, and shall represent the Commission in the hearing of any appeal from or
9 other review of any order of the Commission."

10 (b) There is established the Oyster Management Advisory Council. The
11 Oyster Management Advisory Council shall advise the Secretary on rules, policies, and
12 programs to protect and rehabilitate the State's oyster resources. The Council shall
13 consider the topics it deems necessary to protect and rehabilitate the oyster resource,
14 including, but not limited to: causes of decline, regulatory structure and authority,
15 measures needed to protect, reclaim, improve, and expand oyster habitat, and rezoning
16 of public trust waters to accommodate needs of oyster industry.

17 (c) The Oyster Management Advisory Council shall consist of 11 members
18 appointed by the Secretary of Environment, Health, and Natural Resources. The
19 membership of the Council shall be comprised as follows:

20 (1) Four members shall be appointed who are actively connected with and
21 have experience in oysters.

22 (2) Two members shall be appointed who have scientific training in
23 marine biology and expertise in oyster resources.

24 (3) One member shall be appointed who is an oyster pathologist.

25 (4) One member shall be appointed who is a human health expert.

26 (5) One member shall be appointed who is a water quality expert with
27 particular knowledge of oyster habitats.

28 (6) Two members shall be appointed as at-large members.

29 (d) The Secretary may remove any member of the Council for misfeasance,
30 malfeasance, or nonfeasance. A member who fails to attend three consecutive meetings
31 of the Council shall cease to be a member of the Council.

32 (e) The Secretary shall designate one member of the Council to serve as
33 Chair. The Council shall meet upon the call of the Chair. A majority of the Council
34 shall constitute a quorum for the transaction of business.

35 (f) Any person who is a member of the Council may hold membership
36 concurrently with and in addition to any other elective or appointive office the person is
37 permitted to hold under G.S. 128-1.1.

38 (g) Members of the Council who are not State employees shall receive per
39 diem and necessary travel and subsistence expenses in accordance with the provisions
40 of G.S. 138-5.

41 (h) All clerical and other services required by the Council shall be supplied
42 by the Department of Environment, Health, and Natural Resources.

43 (i) The Council shall report to the Secretary of Environment, Health, and
44 Natural Resources by January 1, 1995, its recommendations regarding regulatory and

1 other proposals to improve the regulation and rehabilitation of the oyster resources of
2 the State.

3
4 Requested by: Representatives DeVane, Bowman, Gottovi

5 **FUNDS TO STUDY EFFECTIVENESS OF CAMA**

6 Sec. 264. Of the funds appropriated to the Department of Environment,
7 Health, and Natural Resources in this act, the sum of fifty thousand dollars (\$50,000)
8 for the 1993-94 fiscal year shall be used for the Coastal Futures Committee, provided
9 these funds are matched on the basis of two dollars (\$2.00) of non-State funds for every
10 one dollar (\$1.00) of State funds, to be used to provide staff and materials in the
11 Division of Coastal Management to coordinate the year-long efforts of the volunteer
12 Committee. The purpose of the Committee is to manage a year-long comprehensive
13 study of the successes and failures of the 20 years of the Coastal Area Management Act
14 (CAMA).

15
16 Requested by: Representatives DeVane and Bowman

17 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

18 Sec. 265. (a) During the 1993-94 fiscal year, the Secretary of the Department of
19 Environment, Health, and Natural Resources may contribute from the Inactive
20 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty
21 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action
22 program at up to three high priority sites that substantially endanger public health or the
23 environment.

24 (b) No later than April 1, 1994, the Department of Environment, Health, and
25 Natural Resources shall report to the General Assembly. This report shall contain the
26 location of the sites for which a voluntary remedial action program was implemented
27 under subsection (a) of this section, the rationale for the State contributing to the cost of
28 that remedial action, and the amount of the contribution made from the Inactive
29 Hazardous Sites Cleanup Fund.

30
31 Requested by: Representatives DeVane and Bowman

32 **SUPERFUND PROGRAM FUNDS**

33 Sec. 266. (a) The Department of Environment, Health, and Natural Resources
34 may use available funds, with the approval of the Office of State Budget and
35 Management, in order to provide the ten percent (10%) cost share required for
36 Superfund cleanups on the National Priority List sites. These funds may be in addition
37 to those appropriated for this purpose.

38 (b) The Department of Environment, Health, and Natural Resources and the
39 Office of State Budget and Management shall report to the Joint Legislative
40 Commission on Governmental Operations the amount and the source of the funds used
41 pursuant to subsection (a) of this section within 30 days of the expenditure of these
42 funds.

43
44 Requested by: Representatives DeVane and H. Hunter

GOVERNOR'S WASTE MANAGEMENT BOARD'S ASSETS TRANSFERRED

Sec. 267. All positions, property, unexpended balances of appropriations, allocations, and other refunds, including the functions of budgeting and purchasing, are transferred from the Governor's Waste Management Board to the Office of Environmental Education in the Department of Environment, Health, and Natural Resources.

Requested by: Representative DeVane

HAZARDOUS WASTE REDUCTION AND MANAGEMENT PLAN

Sec. 268. The Department of Environment, Health, and Natural Resources shall not approve any permit for a commercial hazardous waste incinerator or a commercial hazardous waste treatment facility until the Department has developed and adopted a hazardous waste reduction and management plan and has determined that additional commercial hazardous waste treatment capacity is needed.

Requested by: Representatives Bowman and DeVane

DENTAL HEALTH PROGRAM

Sec. 269. G.S. 130A-366 reads as rewritten:

"§ 130A-366. Department to establish dental health program.

(a) The Department shall establish and administer a dental health program for the delivery of preventive, educational and dental care services to preschool children, school-age children, and adults. The program shall include, but not be limited to, providing teacher training, adult and child education, consultation, screening and referral, technical assistance, community coordination, field research and direct patient care. The primary emphasis of the program shall be the delivery of preventive, educational, and dental care services to preschool children and school-age children.

(b) The Commission shall adopt rules necessary to implement the program."

Requested by: Representatives Bowman and DeVane

COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY

Sec. 270. (a) For the 1993-94 and 1994-95 fiscal years, the Department of Environment, Health, and Natural Resources may combine and allocate funds appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into one Acute Communicable Disease Control Aid to Counties Grant. Communicable Disease Aid to Counties funding to local health departments and other authorized recipients will be based on a general communicable disease formula to be developed by the Department of Environment, Health, and Natural Resources.

(b) The Department of Environment, Health, and Natural Resources, in conjunction with local health departments, will maintain a system to monitor and identify Aid to Counties communicable disease expenditures by each communicable disease group. The Department shall report to the Joint Legislative Commission on Governmental Operations not later than October 1, 1994, on Aid to Counties expenditures by county for each communicable disease group and the purpose of the

1 expenditures for the 1993-94 fiscal year. The report shall also include an evaluation of
2 the effectiveness of combining Aid to Counties funding into one grant fund and the
3 effectiveness of the formula used to allocate funds.

4
5 Requested by: Representatives Bowman and DeVane

6 **PHARMACEUTICAL FUNDS/SEXUALLY TRANSMITTED DISEASE**
7 **CONTROL PROGRAM**

8 .Sec. 271. 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: Representatives Bowman and DeVane

15 **DWI TEST CHANGES**

16 Sec. 272. (a) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-
17 94 and 1994-95 and designated for the alcohol testing program of the Injury Control
18 Section of the Department of Environment, Health, and Natural Resources shall not
19 revert to the General Fund unless the amounts exceed the amounts appropriated in
20 subsection (b) of this section.

21 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-
22 16.5(j) that are designated for the alcohol testing program of the Injury Control Section
23 of the Department of Environment, Health, and Natural Resources and are not needed
24 for that program shall be transferred quarterly to the Governor's Highway Safety
25 Program for grants to local law enforcement agencies for training concerning
26 enforcement of the laws on driving while impaired. Except for amounts transferred
27 during the fourth quarter of a fiscal year, the Governor's Highway Safety Program shall
28 expend funds transferred to it under this section in the fiscal year in which they are
29 received. Amounts received by the Governor's Highway Safety Program during the
30 fourth quarter of a fiscal year shall not revert and shall be expended by the following
31 September 30.

32 (b) There is appropriated from the General Fund to the Department of
33 Environment, Health, and Natural Resources the sum of one million ninety-six thousand
34 eight hundred ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year and the sum
35 of one million ninety-one thousand nine hundred seven dollars (\$1,091,907) for the
36 1994-95 fiscal year to fund the statewide chemical alcohol testing program administered
37 by the Injury Control Section of the Department. If the revenues raised pursuant to
38 subsection (a) of this section are less than one million ninety-six thousand eight hundred
39 ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year or one million ninety-one
40 thousand nine hundred seven dollars (\$1,091,907) for the 1994-95 fiscal year, the
41 appropriations made in this subsection are reduced accordingly.

42
43 Requested by: Representatives Bowman and DeVane

44 **ASBESTOS HAZARD MANAGEMENT FUNDS**

1 Sec. 273. The fees established and collected pursuant to Article 19 of
2 Chapter 130A of the General Statutes are appropriated to the Department of
3 Environment, Health, and Natural Resources to support the Asbestos Hazard
4 Management Program.

5
6 Requested by: Representatives Bowman and DeVane

7 **ELIGIBILITY STANDARDS FOR PARTICIPATION IN DEPARTMENT**
8 **REIMBURSEMENT PROGRAMS ESTABLISHED**

9 Sec. 274. G.S. 130A-29(c) is amended by adding a new subdivision to read:

10 "(5a) Establishing eligibility standards for participation in Department
11 reimbursement programs;".

12
13 Requested by: Representatives Bowman and DeVane

14 **MATERNAL AND CHILD HEALTH PROGRAM FUNDS DO NOT REVERT**

15 Sec. 275. G.S. 130A-124 reads as rewritten:

16 **"§ 130A-124. Department to establish maternal and child health program.**

17 (a) The Department shall establish and administer a maternal and child health
18 program for the delivery of preventive, diagnostic, therapeutic and habilitative health
19 services to women of childbearing years, children and other persons who require these
20 services. The program may include, but shall not be limited to, providing professional
21 education and consultation, community coordination and direct care and counseling.

22 (b) The Commission shall adopt rules necessary to implement the program.

23 (c) Prior year refunds received by the Children's Special Health Services
24 Program that are not encumbered or spent during a fiscal year shall not revert to the
25 General Fund but shall remain in the Department for purchase of care and contracts in
26 the Program. Funds appropriated for the purchase of care and contracts in the Program
27 that are encumbered and not spent during a fiscal year shall not revert to the General
28 Fund but shall remain in the Department for the purchase of care and contracts in the
29 Program."

30
31 Requested by: Representatives Bowman and DeVane

32 **ADOLESCENT PREGNANCY PREVENTION PROJECTS**

33 Sec. 276. Article 5 of Chapter 130A of the General Statutes is amended by
34 adding the following new Part to read:

35 **"PART 6. ADOLESCENT PREGNANCY PREVENTION PROJECTS.**

36 **"§ 130A-131.15. Department to establish program.**

37 (a) The Department shall establish and administer a program to distribute funds
38 appropriated for adolescent pregnancy prevention projects.

39 (b) The Commission shall adopt rules necessary to implement the program.

40 (c) The Department shall evaluate all of the adolescent pregnancy projects
41 funded as a result of this program at least yearly and shall report its findings to the
42 Commission for Health Services, the Joint Legislative Commission on Governmental
43 Operations, and the Chairmen of the House Appropriations Subcommittee on Natural
44 and Economic Resources, and the Senate Appropriations Committee on Natural and

1 Economic Resources by April 1 of each year. The evaluation shall be conducted by a
2 firm or individual external to the Department. Any evaluation of these projects shall
3 include a study of the effectiveness of the project in reducing the pregnancy rate within
4 the target population.

5 (d) The Commission shall be responsible for monitoring the Department's
6 administration of the Adolescent Pregnancy Prevention Program. The Department shall
7 manage and fund the Adolescent Pregnancy Prevention Program projects as follows:

8 (1) Applications. Any local agency or organization or combination of
9 agencies and organizations may apply to the Department for an
10 allocation of money to operate a project aimed at preventing
11 adolescent pregnancy. The application shall contain an analysis of the
12 adolescent pregnancy and related problems in the locality the project
13 would serve, and a description of how the project would attempt, over
14 a period of at least five years, to prevent the problems. The application
15 shall state how much money is needed to operate the project and how
16 the money shall be spent. The Department shall conduct annually a
17 proposal-writing session that shall be attended by a representative of
18 any project that wishes to apply for funding; that session shall define
19 the criteria for accountability and evaluation that the Department
20 requires of projects. That session shall also provide information about
21 additional funding sources to which projects might turn to satisfy the
22 matching requirements of subdivision (5) of this subsection.

23 (2) Proposal Requirements. The Department shall apply the following
24 minimum standards to projects applying for first-year funding:

- 25 a. Each project shall have a plan of action that extends for at least
26 five years for prevention of adolescent pregnancy.
27 b. Each project shall have realistic, specific, and measurable goals
28 and objectives for the prevention of adolescent pregnancy.
29 c. Each project, before submitting its proposal, shall send a
30 representative to the proposal-writing session held by the
31 Department.

32 (3) Operating Standards. The Department shall apply the following
33 minimum operating standards:

- 34 a. Each project shall have a Board of Advisors composed of
35 members from outside the sponsoring agency of the project.
36 The Board of Advisors shall include representatives from at
37 least four of the following: media, government, charitable
38 organizations, private business, and medical institutions. The
39 Boards of Advisors shall meet at least quarterly and advise
40 project staff on project policies and operations.
41 b. Each project shall comply with reporting, contracting, and
42 evaluation requirements of the Department.
43 c. Each project shall define and maintain cooperative ties with
44 other community institutions.

1 d. Each project shall demonstrate its ability to attract financial
2 support from sources other than the State, including sources in
3 the local community.

4 (4) Criteria for Project Selection. For first-year funding, the Department
5 shall choose from among the applicants that meet the minimum
6 standards in subdivision (2) of this subsection the best selection of
7 projects according to the following criteria:

8 a. Adequacy of proposed staff to meet project objectives;

9 b. Appropriateness of project strategies to reduce adolescent
10 pregnancy;

11 c. Level of community support, including endorsement from the
12 appropriate local government entity and documentation from
13 the appropriate local government entity and from community
14 organizations that opportunity has been given for citizen input
15 into the proposed program, and that there is community support
16 for the proposal. Documentation may include letters or
17 statements of support from citizens or community
18 organizations, or statements that community support was
19 expressed at public hearings. A public hearing is not required
20 by this paragraph;

21 d. Degree of need of the locality, including that the county has a
22 significant adolescent pregnancy problem as evidenced by its
23 attributable risk score developed by the State Center for Health
24 and Environmental Statistics; and

25 e. Other appropriate criteria.

26 The Department shall make its recommendations for funding to the
27 Commission. The Commission shall make the final determination of
28 which projects are to be funded. The Commission shall consider the
29 recommendations of the Department but shall not be bound by them.
30 The Commission shall notify the projects that are to be funded by June
31 1 of each year.

32 (5) Schedule of Funding. If the Commission, upon consultation with the
33 Department, finds that a project it has chosen for first-year funding
34 continues to meet the operating standards of subdivisions (2) and (3) of
35 this subsection, funding for that project shall continue, to the extent of
36 available money, for an additional four years. The level of funding
37 provided by the Department to approved projects shall be set
38 according to the following schedule:

39 a. First year, eighty percent (80%) of the project's annual budget
40 not to exceed the maximum award established by the
41 Commission for Health Services;

42 b. Second year, ninety percent (90%) of the State appropriations
43 or federal block grant funds awarded in the first year;

- 1 c. Third year, seventy-five percent (75%) of the State
2 appropriations or federal block grant funds awarded in the first
3 year;
4 d. Fourth year, sixty-five percent (65%) of the State appropriations
5 or federal block grant funds awarded in the first year; and
6 e. Fifth year, fifty percent (50%) of the State appropriations or
7 federal block grant funds awarded in the first year.

8 The portion of a project's budget that must come from sources other
9 than State or federal block grant funds may be provided as in-kind
10 contributions as well as cash.

11 (6) Five-Year Limit on Funding. No project shall receive State funding if
12 it has previously received State funding for five full years. Any
13 project that has received State funding before July 1, 1990, will be
14 eligible for consideration for an additional five years' State support,
15 according to the schedule. The Commission may fund any such
16 project that meets the minimum standards if it determines, after
17 considering the experience and impact of the project and measuring its
18 application against those of other applicants, that it should be funded.

19 (7) Maximum Level of Funding. The Commission for Health Services
20 shall by rule determine the maximum annual amount that may be made
21 to any one project.

22 (8) As adolescent pregnancy prevention project grant funds decrease, a
23 project shall maintain its original budget level, less the amount
24 expended for start-up costs. The Department shall develop guidelines
25 for determining start-up costs, which guidelines shall be uniform for
26 all projects. Local match percentage may come from any in-kind
27 source or newly generated funds, public or private, available to the
28 project."

29
30 Requested by: Representatives Bowman and DeVane

31 **LIABILITY INSURANCE PREMIUMS**

32 Sec. 277. (a) The Department of Environment, Health, and Natural Resources
33 may use funds available from lapsed salaries to pay premiums for liability coverage for
34 medical personnel as authorized in this act.

35 (b) The Office of State Budget and Management shall prepare a report on
36 professional liability insurance for State medical personnel. The report shall include:

- 37 (1) Identification of all State agencies, including the university system,
38 which provide professional liability insurance for their medical
39 personnel;
40 (2) Whether the insurance identified in subdivision (1) of this section is
41 provided through self-insurance by the State agency, through payment
42 of insurance premiums, or by other means;
43 (3) The annual cost of the insurance provided by the State agency, and the
44 source of the funding used to pay this cost;

- 1 (4) Whether personnel for whom each State agency provides the liability
2 coverage are administrators or active medical practitioners; and
3 (5) Types of medical personnel covered by the liability insurance provided
4 by the State agency.

5 The Office of State Budget and Management shall submit the report required under this
6 subsection to the Joint Legislative Commission on Governmental Operations not later
7 than January 7, 1994.

8

9 Requested by: Representatives Bowman and DeVane

10 **PURCHASE OF VACCINES FOR CHILDHOOD IMMUNIZATION**

11 Sec. 278. The Communicable Disease Section of the Division of
12 Epidemiology, Department of Environment, Health, and Natural Resources, is
13 encouraged to purchase vaccines for childhood immunizations from North Carolina
14 pharmaceutical companies when these North Carolina companies offer comparable
15 quality vaccines at the same or lower prices than non-State companies.

16

17 Requested by: Representatives Bowman, DeVane, H. Hunter

18 **WIC PROGRAM FUNDS**

19 Sec. 279. Of the funds appropriated in this act to the Department of
20 Environment, Health, and Natural Resources for the Women, Infants, and Children
21 Program (WIC), the sum of five hundred thousand dollars (\$500,000) in the 1993-94
22 fiscal year and the sum of one million two hundred thousand dollars (\$1,200,000) for
23 the 1994-95 fiscal year shall, if sufficient federal food funds are available, be used for
24 the WIC program as follows:

- 25 (1) Not more than \$290,000 or not less than \$160,000 in the 1993-94
26 fiscal year, and not more than \$700,000 or not less than \$400,000 in
27 the 1994-95 fiscal year to establish new WIC Programs in Head Start
28 or other private or public nonprofit agencies to serve additional
29 mothers, infants, and children. The Department shall utilize these
30 funds for local program operations including staff to provide eligibility
31 determination, nutrition education, and health care referrals. In
32 selecting the new WIC programs, the Department shall consider
33 accessibility to the target population including location and hours of
34 operation.
- 35 (2) Not more than \$210,000 or not less than \$80,000 in the 1993-94 fiscal
36 year, and not more than \$500,000 or not less than \$200,000 in the
37 1994-95 fiscal year to renovate facilities of existing programs where
38 space constraints limit program expansion, and to fund rental costs in
39 areas where accessible donated space is not available. In selecting the
40 facilities, the Department shall consider accessibility to the target
41 population including location and extended hours of operation. In
42 determining whether to fund rental of space, the Department shall
43 ensure that options for using donated accessible space have been
44 considered. Not more than \$65,000 of the funds allocated under this

1 subdivision in the 1993-94 fiscal year, and not more than \$150,000 in
2 the 1994-95 fiscal year shall be used for the rental of space.

3 (3) Not more than \$105,000 or not less than \$40,000 in the 1993-94 fiscal
4 year, and not more than \$250,000 or not less than \$100,000 in the
5 1994-95 fiscal year to purchase physician-prescribed special formulas
6 and nutritional supplements for infants, children, and pregnant women.

7 (4) Not more than \$60,000 or not less than \$20,000 in each fiscal year of
8 the 1993-95 biennium to provide the required State match to the WIC
9 farmers' market project.

10 If sufficient federal food funds are not available, then funds appropriated in this act for
11 the WIC program shall be used to supplement federal food funds and any balance in
12 funds remaining after such supplemental use shall be used in accordance with
13 subdivisions (1) through (4) of this section to the extent that funds are available to meet
14 the funding requirements of each subdivision.

15

16 Requested by: Representatives Bowman, DeVane, H. Hunter

17 **LEAD POISONING PREVENTION FUNDS**

18 Sec. 280. Of the funds appropriated in this act to the Department of
19 Environment, Health, and Natural Resources for the Women, Infants, and Children
20 Program (WIC), the sum of three hundred thirty-one thousand ninety-five dollars
21 (\$331,095) for the 1993-94 fiscal year and the sum of one million thirty-one thousand
22 ninety-five dollars (\$1,031,095) for the 1994-95 fiscal year shall be allocated to the
23 Lead Poisoning Prevention Program for early identification (blood screening for lead),
24 medical management, and environment investigation and abatement. The funds
25 allocated pursuant to this section for the 1993-94 fiscal year shall be used for positions
26 and operating expenses. Funds allocated pursuant to this section for the 1994-95 fiscal
27 year shall be used for positions, operating expenses, and Aid-to-Counties.

28

29 Requested by: Representatives Bowman and DeVane

30 **COMMISSION FOR HEALTH SERVICES VACCINATION RULES**

31 Sec. 281. (a) The Commission for Health Services shall, pursuant to G.S.
32 130A-152 and G.S. 130A-433, adopt rules establishing reasonable fees for the
33 administration of vaccines and rules limiting the requirements that can be placed on
34 children, their parents, guardians, or custodians as a condition for receiving vaccines
35 provided by the State. These rules shall become effective January 1, 1994.

36 (b) Effective January 1, 1994, G.S. 130A-433 reads as rewritten:

37 **"§ 130A-433. Contracts for purchase of vaccines; distribution; fee; rules.**

38 (a) Notwithstanding any law to the contrary, the Secretary may enter into
39 contracts with the manufacturers and suppliers of covered vaccines and with other
40 public entities either within or without the State for the purchase of covered vaccines
41 and may provide for the distribution or sale of the covered vaccines to health care
42 providers. Local health departments shall distribute the covered vaccines at the request
43 of the Department. ~~The Secretary may charge a fee for providing a covered vaccine to a~~
44 ~~health care provider. The fee shall be set at an amount that covers the cost of the vaccine~~

1 to the Department, plus the cost to the Department of storing and distributing the
2 vaccine.—The Secretary shall adopt rules to implement this Article.—Article except for
3 subsection (b) of this section.

4 (b) A health care provider who receives vaccine from the State may charge no
5 more than the cost of the vaccine and a reasonable fee for the administration of the
6 vaccine.—than a reasonable fee established by the Commission for Health Services for
7 the administration of the vaccine. Vaccines provided by the State to local health
8 departments for administration shall be administered at no cost to the patient."
9

10 Requested by: Representatives Bowman, DeVane, H. Hunter

11 **IMMUNIZATION RECEIPTS**

12 Sec. 282. Immunization receipts received in the 1993-94 and 1994-95 fiscal
13 years by the Department of Environment, Health, and Natural Resources for
14 reimbursement for childhood vaccines provided to Medicaid recipients that exceed the
15 Medicaid reimbursement amount established in the Department's continuation budget
16 for the 1993-94 and 1994-95 fiscal years, and refunds from federal excise taxes on
17 childhood vaccines may be used in the 1993-94 fiscal year and the 1994-95 fiscal year
18 for the following purposes:

- 19 (1) To push forward the schedule for providing measles, mumps, and
20 rubella (MMR) vaccines to children ages 8 to 18;
- 21 (2) To pay for the cost of purchasing approved vaccines if that cost
22 exceeds the highest prices charged in the 1992-93 fiscal year; and
- 23 (3) To partially fund an automated immunization registry system that will
24 track the number and type of vaccines received by each child.
25 Specified receipts that can be used for this purpose shall not exceed the
26 amount unavailable from federal and private funds.

27 Any of these funds remaining on June 30, 1995, shall revert to the General
28 Fund.
29

30 Requested by: Representatives Bowman, DeVane, H. Hunter

31 **RURAL OBSTETRICAL CARE INCENTIVE**

32 Sec. 283. Of the eight hundred thousand dollars (\$800,000) appropriated in
33 this act for the 1993-95 fiscal biennium to the Division of Maternal and Child Health,
34 Department of Environment, Health, and Natural Resources, for the Rural Obstetrical
35 Care Incentive Program, the Division may, each fiscal year, use four hundred thousand
36 dollars (\$400,000) as follows:

- 37 (1) To increase the maximum amount per provider per year to no more
38 than seven thousand five hundred dollars (\$7,500);
- 39 (2) To increase the number of counties served; and
- 40 (3) To increase the maximum any county may receive each year.

41 General surgeons who provide cesarean section backup to family physicians
42 in counties where there are no obstetricians or where there are no obstetricians willing
43 or able to provide such backup are also eligible for the program. Physicians and
44 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program

1 shall participate in an obstetrical care coverage plan developed by their local health
2 department or community, migrant, or rural health center, and shall agree to provide
3 services to pregnant women regardless of their ability to pay for the services.

4
5 Requested by: Representatives Bowman, DeVane, Diamont,
6 H. Hunter

7 **INFANT MORTALITY FUNDS**

8 Sec. 284. (a) Of the funds appropriated in this act from the General Fund to
9 the Department of Environment, Health, and Natural Resources for the Governor's
10 Commission on the Reduction of Infant Mortality, the sum of one hundred thousand
11 dollars (\$100,000) for the 1993-94 fiscal year shall be used to contract with outside
12 evaluators to determine the extent to which the public and private health, social services
13 and mental health, developmental disabilities, and substance abuse services systems in
14 each county meet the health needs of pregnant women and infants up to age one, and of
15 children ages one to five. The study shall include, but not be limited to: an examination
16 of the percentage of pregnant women in each county that receive early and continuous
17 prenatal care; the extent to which eligible pregnant women, infants, and children are
18 receiving nutritional supplements, case management and other necessary health, social,
19 mental health, and other support services; and the extent to which children are receiving
20 age-appropriate immunizations. The study shall determine what barriers, if any, exist in
21 each county which prevent pregnant women, infants, and children under the age of five
22 from receiving timely and necessary health services. The Governor's Commission on
23 the Reduction of Infant Mortality shall report its findings to the General Assembly on or
24 before May 15, 1994.

25 (b) The Department of Environment, Health, and Natural Resources shall
26 prepare a plan to ensure that local health departments are providing or arranging for the
27 services necessary to meet the health care needs of pregnant women, infants, and
28 children under age five. The plan shall include a description of rules, policies, and
29 procedures, and any changes in State law, necessary to:

- 30 (1) Identify counties in which excessive infant and child morbidity and
31 mortality exist;
- 32 (2) Provide local health departments in these identified counties with
33 assistance in developing and implementing improvement plans; and
- 34 (3) Ensure that these local health departments meet appropriate
35 improvement goals.

36 In order to ensure that improvement goals are met, the Department's plan
37 shall include a compliance system. The compliance system may include: heightened
38 technical assistance; targeting of additional resources; withholding of federal or State
39 funds; administrative changes, including formation of district health departments where
40 appropriate; the appointment of caretaker administrators or public health boards; or any
41 other measure necessary to ensure that the health care needs of pregnant women,
42 infants, and children under age five are being met.

1 The Department of Environment, Health, and Natural Resources, Division of
2 Maternal and Child Health, shall submit this report to the General Assembly no later
3 than May 15, 1994.

4 (c) Of the funds appropriated in this act from the General Fund to the
5 Department of Environment, Health, and Natural Resources, Division of Maternal and
6 Child Health, the sum of three hundred seventy-five thousand dollars (\$375,000) for the
7 1993-94 fiscal year and the sum of seven hundred fifty thousand dollars (\$750,000) for the
8 1994-95 fiscal year shall be used to expand the existing Comprehensive Adolescent
9 Health Projects. Ten additional grants will be available to be awarded each year of the
10 biennium. To receive funding, each project must arrange for or provide preventive and
11 primary medical care and mental health services, including, but not limited to:
12 preventive services to delay early sexual involvement, treatment of minor problems and
13 injuries, referrals and follow-up treatments for serious illnesses and injuries, referrals
14 for alcohol and other drug abuse, sexually transmitted diseases, and immunizations.
15 The Comprehensive Adolescent Health Care Projects shall be developed with the
16 participation of the public schools, local health departments, area mental health
17 programs, community migrant and rural health centers, private physicians, and other
18 appropriate community programs.

19 (d) Of the funds appropriated in this act from the General Fund to the
20 Department of Environment, Health, and Natural Resources, Division of Maternal and
21 Child Health, the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year
22 shall be used to contract with the University of North Carolina Center on Early
23 Adolescence to provide technical assistance to and evaluate existing adolescent health
24 care clinics and to assist other counties in developing adolescent health care services.
25

26 Requested by: Representatives Bowman, DeVane, Diamont, Easterling

27 **CHILD FATALITY PREVENTION SYSTEM**

28 Sec. 285. (a) Article 62 of Chapter 143 of the General Statutes reads as
29 rewritten:

30 **"ARTICLE 62.**

31 **"NORTH CAROLINA CHILD FATALITY ~~REVIEW TEAM; NORTH~~**
32 **CAROLINA**

33 **~~CHILD FATALITY TASK FORCE AND STUDY. PREVENTION SYSTEM.~~**

34 **"§ 143-571. Declaration of public policy.**

35 The General Assembly finds that it is the public policy of this State to prevent the
36 abuse and neglect of children and child deaths. The General Assembly further finds that
37 the prevention of the abuse and neglect of children and child deaths is a community
38 responsibility; that professionals from disparate disciplines have responsibilities for
39 children and have expertise that can promote child safety and well-being; and that
40 multidisciplinary reviews of the abuse and neglect of children and child deaths can lead
41 to a greater understanding of the causes and methods of preventing these deaths. It is,
42 therefore, the intent of the General Assembly, through this Article, to establish a
43 ~~multidisciplinary task force to study the incidence and causes of child deaths and to~~
44 ~~develop a mechanism for multidisciplinary child death reviews. It is further the intent~~

1 of the General Assembly that the task force, based upon its study and its expertise, make
2 recommendations to the General Assembly and the Governor for changes to law, rule,
3 and policy that will support the safe and healthy development of our children. It is also
4 the intent of the General Assembly to establish a State Child Fatality Review Team to
5 review certain child deaths. a statewide multidisciplinary, multiagency child fatality
6 prevention system, to be phased in by July 1, 1995, consisting of the State Team
7 established in G.S. 143-575 and the Local Teams established in G.S. 143-576.1. The
8 purpose of the system is to assess the records of selected cases in which children are
9 being served by child protective services and the records of all deaths of children in
10 North Carolina from birth to age 18 in order to (i) develop a community-wide
11 approach to the problem of child abuse and neglect, (ii) understand the causes of
12 childhood deaths, (iii) identify any gaps or deficiencies that may exist in the delivery of
13 services to children and their families by public agencies that are designed to prevent
14 future child abuse, neglect, or deaths, and (iv) make and implement recommendations
15 for changes to laws, rules, and policies that will support the safe and healthy
16 development of our children and prevent future child abuse, neglect, and deaths.

17 **"§ 143-572. Definitions.**

18 The following definitions apply in this Article:

- 19 (1) Local team. — A local multidisciplinary child abuse and neglect
20 review team established for a county. Team. — A Community Child
21 Protection Team or a Child Fatality Prevention Team.
22 (2) State Team. — The North Carolina Child Fatality Review-Prevention
23 Team.
24 (3) Task Force. — The North Carolina Child Fatality Task Force.
25 (4) Team Coordinator. — The Child Fatality Prevention Team Coordinator.
26 (5) Additional Child Fatality. — Any death of a child that did not result
27 from suspected abuse or neglect and about which no report of abuse or
28 neglect had been made to the county department of social services
29 within the previous 12 months.

30 **"§ 143-573. Task Force – creation; membership; vacancies.**

31 (a) There is created the North Carolina Child Fatality Task Force within the
32 Department of Environment, Health, and Natural Resources for budgetary purposes
33 only.

34 (b) The Task Force shall be composed of 29-30 members, 12 of whom shall be ex
35 officio members, three-four of whom shall be appointed by the Governor, seven of
36 whom shall be appointed by the Speaker of the House of Representatives, and seven of
37 whom shall be appointed by the President Pro Tempore of the Senate. The ex officio
38 members other than the Chief Medical Examiner may designate representatives from
39 their particular departments, divisions, or offices to represent them on the Task Force.

40 The members shall be as follows:

- 41 (1) The Chief Medical Examiner;
42 (2) The Attorney General;
43 (3) The Director of the Division of Social Services;
44 (4) The Director of the State Bureau of Investigation;

- 1 (5) The Director of the Division of Maternal and Child Health of the
2 Department of Environment, Health, and Natural Resources;
- 3 (6) The Director of the Governor's Youth Advocacy and Involvement
4 Office;
- 5 (7) The Superintendent of Public Instruction;
- 6 (8) The Chairman of the State Board of Education;
- 7 (9) The Director of the Division of Mental Health, Developmental
8 Disabilities, and Substance Abuse Services;
- 9 (10) The Secretary of the Department of Human Resources;
- 10 (11) The Secretary of the Department of Environment, Health, and Natural
11 Resources;
- 12 (11.1) The Director of the Administrative Office of the Courts;
- 13 (12) A director of a county department of social services appointed by the
14 Governor upon recommendation of the President of the North Carolina
15 Association of County Directors of Social Services;
- 16 (13) A representative from a Sudden Infant Death Syndrome counseling
17 and education program appointed by the Governor upon
18 recommendation of the Director of the Division of Maternal and Child
19 Health of the Department of Environment, Health, and Natural
20 Resources;
- 21 (14) A representative from the North Carolina Child Advocacy Institute
22 appointed by the Governor upon recommendation of the President of
23 the Institute;
- 24 (14.1) A director of a county department of health, appointed by the
25 Governor upon the recommendation of the President of the North
26 Carolina Association of Local Health Directors;
- 27 (15) A representative from a private group, other than the North Carolina
28 Child Advocacy Institute, that advocates for children, appointed by the
29 Speaker of the House of Representatives upon recommendation of
30 private child advocacy organizations;
- 31 (16) A pediatrician, licensed to practice medicine in North Carolina,
32 appointed by the Speaker of the House of Representatives upon
33 recommendation of the North Carolina Pediatric Society;
- 34 (17) A representative from the North Carolina League of Municipalities
35 appointed by the Speaker of the House of Representatives upon
36 recommendation of the League;
- 37 (18) Two public members appointed by the Speaker of the House of
38 Representatives;
- 39 (19) A county or municipal law enforcement officer appointed by the
40 President Pro Tempore of the Senate upon recommendation of
41 organizations that represent local law enforcement officers;
- 42 (20) A district attorney appointed by the President Pro Tempore of the
43 Senate upon recommendation of the President of the North Carolina
44 Conference of District Attorneys;

- 1 (21) A representative from the North Carolina Association of County
2 Commissioners appointed by the President Pro Tempore of the Senate
3 upon recommendation of the Association;
- 4 (22) Two public members appointed by the President Pro Tempore of the
5 Senate; and
- 6 (23) Two members of the Senate appointed by the President Pro Tempore
7 of the Senate and two members of the House of Representatives
8 appointed by the Speaker of the House of Representatives.

9 (c) All members of the Task Force are voting members. Vacancies in the
10 appointed membership shall be filled by the appointing officer who made the initial
11 appointment. The Speaker of the House of Representatives shall call the first meeting no
12 later than October 1, 1991. At the first meeting the members shall elect a chair who
13 shall preside for the duration of the Task Force.

14 **"§ 143-574. Task Force – duties.**

15 The Task Force shall:

- 16 (1) Undertake a statistical study of the incidence and causes of child
17 deaths in this State during 1988 and 1989, and establish a profile of
18 child deaths. The study shall include (i) an analysis of all community
19 and private and public agency involvement with the decedents and
20 their families prior to death, and (ii) an analysis of child deaths by age,
21 cause, and geographic distribution;
- 22 (2) Develop a system for multidisciplinary review of child deaths. In
23 developing such a system, the Task Force shall study the operation of
24 existing local teams. The Task Force shall also consider the feasibility
25 and desirability of local or regional review teams and, should it
26 determine such teams to be feasible and desirable, develop guidelines
27 for the operation of the teams. The Task Force shall also examine the
28 laws, rules, and policies relating to confidentiality of and access to
29 information that affect those agencies with responsibilities for
30 children, including State and local health, mental health, social
31 services, education, and law enforcement agencies, to determine
32 whether those laws, rules, and policies inappropriately impede the
33 exchange of information necessary to protect children from
34 preventable deaths, and, if so, recommend changes to them;
- 35 (3) Receive and consider reports from the State Team; and
- 36 (4) Perform any other studies, evaluations, or determinations the Task
37 Force considers necessary to carry out its mandate.

38 **"§ 143-575. State Team – creation; membership; vacancies.**

39 (a) There is created the North Carolina Child Fatality ~~Review-Prevention~~ Team
40 within the Department of Environment, Health, and Natural Resources for budgetary
41 purposes only.

42 (b) The State Team shall be composed of ~~nine~~ eleven members of whom ~~eight~~
43 nine members are ex officio and ~~one is~~ two are appointed. The ex officio members

1 other than the Chief Medical Examiner may designate a representative from their
2 departments, divisions, or offices to represent them on the State Team.

- 3 (1) The Chief Medical Examiner, who shall chair the State Team;
- 4 (2) The Attorney General;
- 5 (3) The Director of the Division of Social ~~Services~~; Services, Department
6 of Human Resources;
- 7 (4) The Director of the State Bureau of Investigation;
- 8 (5) The Director of the Division of Maternal and Child Health ~~Division~~ of
9 the Department of Environment, Health, and Natural Resources;
- 10 (6) The Superintendent of Public Instruction;
- 11 (7) The Director of the Division of Mental Health, Developmental
12 Disabilities, and Substance Abuse ~~Services~~; and Services, Department
13 of Human Resources;
- 14 (7.1) The Director of the Administrative Office of the Courts;
- 15 (8) The pediatrician appointed pursuant to G.S. 143-573(b)(16) to the
16 ~~Task Force~~. Force;
- 17 (9) A public member, appointed by the Governor; and
- 18 (10) The Team Coordinator.

19 (c) All members of the State Team are voting members. Vacancies in the
20 appointed membership shall be filled by the appointing officer who made the initial
21 appointment.

22 **"§ 143-576. State Team – duties.**

23 The State Team shall:

- 24 (1) Review current deaths of children when those deaths are attributed to
25 child abuse or neglect or when the decedent was reported as an abused
26 or neglected juvenile pursuant to G.S. 7A-543 at any time before
27 death; ~~and~~
- 28 (2) Report to the Task Force during the existence of the Task Force, in the
29 format and at the time required by the Task Force, on the State Team's
30 activities and its recommendations for changes to any law, rule, and
31 policy that would promote the safety and well-being of children; ~~and~~
- 32 (3) Upon request of a ~~local team~~, Local Team, provide technical assistance
33 to the ~~team~~. Team;
- 34 (4) Periodically assess the operations of the multidisciplinary child fatality
35 prevention system, and make recommendations for changes as needed;
- 36 (5) Work with the Team Coordinator to develop guidelines for selecting
37 child deaths to receive detailed, multidisciplinary death reviews by
38 Local Teams that review cases of additional child fatalities; and
- 39 (6) Receive reports of findings and recommendations from Local Teams
40 that review cases of additional child fatalities, and work with the Team
41 Coordinator to implement recommendations.

42 **"§ 143-576.1. Community Child Protection Teams; Child Fatality Prevention**
43 **Teams; creation and duties.**

1 (a) Community Child Protection Teams are established in every county of the
2 State. Each Community Child Protection Team shall:

- 3 (1) Review, in accordance with the procedures established by the director
4 of the county department of social services under G.S. 143-576.4:
5 a. Selected active cases in which children are being served by
6 child protective services; and
7 b. Cases in which a child died as a result of suspected abuse or
8 neglect, and
9 1. A report of abuse or neglect has been made about the
10 child or the child's family to the county department of
11 social services within the previous 12 months, or
12 2. The child or the child's family was a recipient of child
13 protective services within the previous 12 months.
14 (2) Submit annually to the board of county commissioners
15 recommendations, if any, and advocate for system improvements and
16 needed resources where gaps and deficiencies may exist.

17 In addition, each Community Child Protection Team may review the records of all
18 additional child fatalities and report findings in connection with these reviews to the
19 Team Coordinator.

20 (b) Any Community Child Protection Team that determines it will not review
21 additional child fatalities shall notify the Team Coordinator. In accordance with the
22 plan established under G.S. 143-576.3(1), a separate Child Fatality Prevention Team
23 shall be established in that county to conduct these reviews. Each Child Fatality
24 Prevention Team shall:

- 25 (1) Review the records of all cases of additional child fatalities.
26 (2) Submit annually to the board of county commissioners
27 recommendations, if any, and advocate for system improvements and
28 needed resources where gaps and deficiencies may exist.
29 (3) Report findings in connection with these reviews to the Team
30 Coordinator.

31 (c) All reports to the Team Coordinator under this section shall include:

- 32 (1) A listing of the system problems identified through the review process,
33 and recommendations for preventive actions;
34 (2) Any changes that resulted from the recommendations made by the
35 Local Team;
36 (3) Information about each death reviewed; and
37 (4) Any additional information requested by the Team Coordinator.

38 **"§ 143-576.2. Local Teams; composition.**

39 (a) Each Local Team shall consist of representatives of public and nonpublic
40 agencies in the community that provide services to children and their families and other
41 individuals who represent the community. No single team shall encompass a geographic
42 or governmental area larger than one county.

43 (b) Each Local Team shall consist of the following persons:

- 1 (1) The director of the county department of social services, and a member
2 of the director's staff;
- 3 (2) A local law enforcement officer, appointed by the board of county
4 commissioners;
- 5 (3) An attorney from the district attorney's office, appointed by the district
6 attorney;
- 7 (4) The executive director of the local community action agency, as
8 defined by the Division of Economic Opportunity, Department of
9 Human Resources, or the executive director's designee;
- 10 (5) The superintendent of each local school administrative unit located in
11 the county, or the superintendent's designee;
- 12 (6) A member of the county board of social services, appointed by the
13 chair of that board;
- 14 (7) A local mental health professional, appointed by the director of the
15 area authority established under Chapter 122C of the General Statutes;
- 16 (8) The local guardian **ad litem** coordinator, or the coordinator's designee;
- 17 (9) The director of the county department of public health; and
- 18 (10) A local health care provider, appointed by the county board of health.

19 In addition, a Local Team that reviews the records of additional child fatalities shall
20 include the following four additional members:

- 21 (1) An emergency medical services provider or firefighter, appointed by
22 the board of county commissioners;
- 23 (2) A district court judge, appointed by the chief district judge in that
24 district;
- 25 (3) A county medical examiner, appointed by the Chief Medical
26 Examiner;
- 27 (4) A representative of a local day care facility or Head Start program,
28 appointed by the director of the county department of social services;
29 and
- 30 (5) A parent of a child who died before reaching the child's eighteenth
31 birthday, to be appointed by the board of county commissioners.

32 The Team Coordinator shall serve as an ex officio member of each Local Team that
33 reviews the records of additional child fatalities. The board of county commissioners
34 may appoint a maximum of five additional members to represent county agencies or the
35 community at large to serve on any Local Team. Vacancies on a Local Team shall be
36 filled by the original appointing authority.

37 (c) Each Local Team shall elect a member to serve as chair at the Team's
38 pleasure.

39 (d) Each Local Team shall meet at least four times each year.

40 (e) The director of the county department of social services shall call the first
41 meeting of the Community Child Protection Team. The director of the county
42 department of health, upon consultation with the Team Coordinator, shall call the first
43 meeting of the Child Fatality Prevention Team. Thereafter, the chair of each Local
44 Team shall schedule the time and place of meetings, in consultation with these directors,

1 and shall prepare the agenda. The chair shall schedule Team meetings no less often
2 than once per quarter and often enough to allow adequate review of the cases selected
3 for review. Within three months of election, the chair shall participate in the
4 appropriate training developed under this Article.

5 **"§ 143-576.3. Child Fatality Prevention Team Coordinator; duties.**

6 The Child Fatality Prevention Team Coordinator shall serve as liaison between the
7 State Team and the Local Teams that review records of additional child fatalities and
8 shall provide technical assistance to these Local Teams. The Team Coordinator shall:

- 9 (1) Develop a plan to establish Local Teams that review the records of
10 additional child fatalities in each county by July 1, 1995.
- 11 (2) Develop model operating procedures for these Local Teams that
12 address when public meetings should be held, what items should be
13 addressed in public meetings, what information may be released in
14 written reports, and any other information the Team Coordinator
15 considers necessary.
- 16 (3) Provide structured training for these Local Teams at the time of their
17 establishment, and continuing technical assistance thereafter.
- 18 (4) Provide statistical information on all child deaths occurring in each
19 county to the appropriate Local Team, and assure that all child deaths
20 in a county are assessed through the multidisciplinary system.
- 21 (5) Monitor the work of these Local Teams.
- 22 (6) Receive reports of findings, and other reports that the Team
23 Coordinator may require, from these Local Teams.
- 24 (7) Report the aggregated findings of these Local Teams to each Local
25 Team that reviews the records of additional child fatalities and to the
26 State Team.
- 27 (8) Evaluate the impact of local efforts to identify problems and make
28 changes.

29 **"§ 143-576.4. Community Child Protection Teams; duties of the director of the**
30 **county department of social services.**

31 In addition to any other duties as a member of the Community Child Protection
32 Team, and in connection with the reviews under G.S. 143-576.1(a)(1), the director of
33 the county department of social services shall:

- 34 (1) Assure the development of written operating procedures in connection
35 with these reviews, including frequency of meetings, confidentiality
36 policies, training of members, and duties and responsibilities of
37 members;
- 38 (2) Assure that the Team defines the categories of cases that are subject to
39 its review;
- 40 (3) Determine and initiate the cases for review;
- 41 (4) Bring for review any case requested by a Team member;
- 42 (5) Provide staff support for these reviews;
- 43 (6) Maintain records, including minutes of all official meetings, lists of
44 participants for each meeting of the Team, and signed confidentiality

1 statements required under G.S. 143-578, in compliance with applicable
2 rules and law; and

- 3 (7) Report quarterly to the county board of social services, or as required
4 by the board, on the activities of the Team.

5 **"§ 143-576.5. Local Teams; duties of the director of the county department of**
6 **health.**

7 In addition to any other duties as a member of the Local Team, and in connection
8 with reviews of additional child fatalities, the director of the county department of
9 health shall:

- 10 (1) Distribute copies of the written procedures developed by the Team
11 Coordinator under G.S. 143-576.3 to the administrators of all agencies
12 represented on the Local Team and to all members of the Local Team;
13 (2) Maintain records, including minutes of all official meetings, lists of
14 participants for each meeting of the Local Team, and signed
15 confidentiality statements required under G.S. 143-578, in compliance
16 with applicable rules and law;
17 (3) Provide staff support for these reviews; and
18 (4) Report quarterly to the county board of health, or as required by the
19 board, on the activities of the Local Team.

20 **"§ 143-576.6. Community Child Protection Teams; responsibility for training of**
21 **team members.**

22 The Division of Social Services, Department of Human Resources, shall develop and
23 make available, on an ongoing basis, for the members of Local Teams that review active
24 cases in which children are being served by child protective services, training materials
25 that address the role and function of the Local Team, confidentiality requirements, an
26 overview of child protective services law and policy, and Team record keeping.

27 **"§ 143-577. Task Force – reports.**

28 (a) The Task Force shall provide a preliminary report to the Governor and
29 General Assembly, within the first week of the convening of the 1992 Session of the
30 1991 General Assembly. This preliminary report shall contain at least a summary of
31 preliminary conclusions and recommendations for each of the Task Force's duties, as
32 well as any other recommendations for changes to any law, rule, and policy that it has
33 determined will promote the safety and well-being of children. Any recommendations
34 of changes to law, rule, or policy shall be accompanied by specific legislative or policy
35 proposals and detailed fiscal notes setting forth the costs to the State.

36 (b) The Task Force shall provide updated reports to the Governor and General
37 Assembly within the first week of the convening of the 1993 General Assembly and
38 within the first week of the convening of the 1994 Session of the 1993 General
39 Assembly. The Task Force shall provide a final report to the Governor and General
40 Assembly within the first week of the convening of the 1995 General Assembly. The
41 final report shall include final conclusions and recommendations for each of the Task
42 Force's duties, as well as any other recommendations for changes to any law, rule, and
43 policy that it has determined will promote the safety and well-being of children. Any
44 recommendations of changes to law, rule, or policy shall be accompanied by specific

1 legislative or policy proposals and detailed fiscal notes setting forth the costs to the
2 State.

3 (c) After the Task Force provides its final report to the Governor and General
4 Assembly, the Task Force shall cease to be in existence.

5 **"§ 143-578. Access to records.**

6 ~~The Task Force and State Team~~ (a) The State Team, the Local Teams, and the
7 Task Force during its existence, shall have access to all medical records, hospital
8 records, and records maintained by this State, any county, or any local agency as
9 necessary to carry out the purposes of this Article, including police investigations data,
10 medical examiner investigative data, health records, mental health records, and social
11 services records. The State Team, the Task Force, and the Local Teams shall not, as
12 part of the reviews authorized under this Article, contact, question, or interview the
13 child, the parent of the child, or any other family member of the child whose record is
14 being reviewed. Any member of a Local Team may share, only in an official meeting
15 of that Local Team, any information available to that member that the Local Team
16 needs to carry out its duties.

17 ~~Task Force and State Team meetings~~ (b) Meetings of the State Team and the
18 Local Teams are not subject to the provisions of Article 33C of Chapter 143 of the
19 General Statutes. However, the Local Teams may hold periodic public meetings to
20 discuss, in a general manner not revealing confidential information about children and
21 families, the findings of their reviews and their recommendations for preventive actions.
22 Minutes of all public meetings, excluding those of executive sessions, shall be kept in
23 compliance with Article 33C of Chapter 143 of the General Statutes. Any minutes or
24 any other information generated during any executive session shall be sealed from
25 public inspection.

26 (c) All otherwise confidential information and records acquired by the ~~Task~~
27 ~~Force or State Team~~ State Team, the Local Teams, and the Task Force during its
28 existence, in the exercise of their duties are confidential; are not subject to discovery or
29 introduction into evidence in any proceedings; and may only be disclosed as necessary
30 to carry out the purposes of the State Team, the Local Teams, and the Task Force. In
31 addition, all otherwise confidential information and records created by a Local Team in
32 the exercise of its duties are confidential; are not subject to discovery or introduction
33 into evidence in any proceedings; and may only be disclosed as necessary to carry out
34 the purposes of the Local Team. No member of the ~~Task Force, State Team, or person~~
35 ~~who attends such a meeting~~ State Team, a Local Team, nor any person who attends a
36 meeting of the State Team or a Local Team, may testify in any proceeding about what
37 transpired at the meeting, about information presented at the meeting, or about opinions
38 formed by the person as a result of the meetings. ~~This section does subsection~~ shall not,
39 however, prohibit a person from testifying in a civil or criminal action about matters
40 within that person's independent knowledge.

41 (d) Each member of a Local Team and invited participant shall sign a statement
42 indicating an understanding of and adherence to confidentiality requirements, including
43 the possible civil or criminal consequences of any breach of confidentiality.

1 (e) Cases receiving child protective services at the time of review by a Local
2 Team shall have an entry in the child's protective services record to indicate that the
3 case was received by that Team. Additional entry into the record shall be at the
4 discretion of the director of the county department of social services.

5 (f) The Social Services Commission shall adopt rules to implement this section
6 in connection with reviews conducted by Community Child Protection Teams. The
7 Health Services Commission shall adopt rules to implement this section in connection
8 with Local Teams that review additional child fatalities. In particular, these rules shall
9 allow information generated by an executive session of a Local Team to be accessible
10 for administrative or research purposes only.

11 **"§ 143-579. Administration; funding.**

12 (a) To the extent of funds available, the Chairs of the Task Force and State Team
13 may hire staff or consultants to assist the Task Force and the State Team in completing
14 their duties.

15 (b) Members, staff, and consultants of the Task Force or State Team shall receive
16 travel and subsistence expenses in accordance with the provisions of G.S. 138-5 or G.S.
17 138-6, as the case may be, paid from funds appropriated to implement this Article and
18 within the limits of those funds.

19 (c) With the approval of the Legislative Services Commission, legislative staff
20 and space in the Legislative Building and the Legislative Office Building may be made
21 available to the Task Force."

22 (b) The State Center for Health Statistics, Department of Environment,
23 Health, and Natural Resources, shall:

- 24 (1) Determine the availability of databases maintained by State agencies
25 that indicate governmental agency involvement with the family of a
26 child before the child's death;
- 27 (2) Determine the feasibility of linking service delivery databases
28 maintained by State agencies;
- 29 (3) Link State agency databases annually in order to examine agency
30 involvement with children who subsequently died;
- 31 (4) Evaluate periodically the completeness of the computer match of
32 records kept by State agencies;
- 33 (5) Use information provided by the data linkage to examine the
34 relationship between delivery of services by State agencies and child
35 death; and
- 36 (6) Provide ongoing statistical support to the State Fatality Prevention
37 Team and, where feasible, to the Community Child Protection Teams
38 established in Section 1 of this act. Statistical support shall include,
39 but is not limited to, statistical consultation and preparation of lists of
40 child deaths for review by the Teams.

41 The State Center for Health Statistics, Department of Environment, Health,
42 and Natural Resources, shall report to the Joint Legislative Commission on
43 Governmental Operations and the Fiscal Research Division of the Legislative Services

1 Office not later than March 1, 1994, on its progress in providing the data and support
2 required under this section.

3 (c) G.S. 143-573 is repealed.

4 (d) G.S. 143-574 is repealed.

5 (e) G.S. 143-577 is repealed.

6 (f) Subsections (c), (d), and (e) of this section become effective February 1,
7 1995. The remaining subsections of this section are effective upon ratification of this
8 act.

9

10 Requested by: Representatives Bowman, DeVane, Wainwright

11 **ON-SITE WASTEWATER SYSTEMS**

12 Sec. 286. Of the funds appropriated in this act to the Department of
13 Environment, Health, and Natural Resources, the sum of twenty-five thousand dollars
14 (\$25,000) for the 1993-94 fiscal year and the sum of twenty-five thousand dollars
15 (\$25,000) for the 1994-95 fiscal year shall be used to support county alternative on-site
16 sewage system demonstration projects in Eastern North Carolina established prior to
17 1990. Such projects shall have a technical advisory committee and shall develop and
18 monitor innovative and alternative on-site sewage treatment systems and proper
19 management operating schemes. In addition, such projects shall provide the
20 Department with interim reports on program data collected and information on the use
21 of the funds appropriated pursuant to this section.

22

23 Requested by: Representatives Bowman and DeVane

24 **IMMUNIZATION PLAN**

25 Sec. 287. The Department of Environment, Health, and Natural Resources
26 shall prepare an eight-year plan for implementation of the statewide immunization
27 program. The plan shall identify:

28 (1) Major program goals,

29 (2) Major implementation actions to be completed each year,

30 (3) Annual cost of program implementation by vaccine type, personnel
31 and support, and other costs,

32 (4) Funding sources, and

33 (5) Population to be served each year.

34 The plan shall be provided to the Joint Legislative Commission on Governmental
35 Operations not later than November 1, 1993.

36

37 Requested by: Representatives Bowman and DeVane

38 **CANCER COORDINATION AND CONTROL**

39 Sec. 288. Article 1B of Chapter 130A of the General Statutes is amended by
40 adding a new Part to read:

41 **"PART 4. ADVISORY COMMITTEE ON CANCER**
42 **COORDINATION AND CONTROL.**

43

1 "§ 130A-33.50. Advisory Committee on Cancer Coordination and Control
2 established; membership, compensation.

3 (a) The Advisory Committee on Cancer Coordination and Control is created in
4 the Department of Environment, Health, and Natural Resources.

5 (b) The Committee shall have 24 members, including the Secretary of the
6 Department of Environment, Health, and Natural Resources, who shall chair the
7 Committee. The members of the Committee shall elect a vice-chair from among the
8 Committee membership. The Committee shall meet at the call of the chair. Six of the
9 members shall be legislators, three of whom shall be appointed by the Speaker of the
10 House of Representatives, and three of whom shall be appointed by the President Pro
11 Tempore of the Senate. Two of the members shall be cancer survivors, one of whom
12 shall be appointed by the Speaker of the House of Representatives, and one of whom
13 shall be appointed by the President Pro Tempore of the Senate. The remainder of the
14 members shall be appointed by the Governor as follows:

- 15 (1) One member from the Department of Environment, Health, and
16 Natural Resources;
- 17 (2) Three members, one from each of the following: the Department of
18 Human Resources, the Department of Public Instruction, and the North
19 Carolina Community College System;
- 20 (3) Four members representing the cancer control programs at North
21 Carolina medical schools, one from each of the following: the
22 University of North Carolina at Chapel Hill School of Medicine, the
23 Bowman Gray School of Medicine, the Duke University School of
24 Medicine, and the East Carolina University School of Medicine;
- 25 (4) One member who is an oncology nurse representing the North
26 Carolina Nurses Association;
- 27 (5) One member representing the Cancer Committee of the North Carolina
28 Medical Society;
- 29 (6) One member representing the Old North State Medical Society;
- 30 (7) One member representing the American Cancer Society, North
31 Carolina Division, Inc.;
- 32 (8) One member representing the North Carolina Hospital Association;
- 33 (9) One member representing the North Carolina Association of Local
34 Health Directors;
- 35 (10) One member who is a primary care physician licensed to practice
36 medicine in North Carolina.

37 Except for the Secretary of the Department of Environment, Health, and Natural
38 Resources, the members shall be appointed for staggered four-year terms and until their
39 successors are appointed and qualify. However, the following appointees shall serve
40 initial two-year terms: two of the legislators appointed by the Speaker of the House of
41 Representatives; one of the legislators appointed by the President Pro Tempore of the
42 Senate; the cancer survivor appointed by the President Pro Tempore of the Senate; and
43 the members representing the Department of Human Resources, the Department of
44 Public Instruction, the University of North Carolina at Chapel Hill School of Medicine,

1 the Bowman Gray School of Medicine, the Cancer Committee of the North Carolina
2 Medical Society, the Old North State Medical Society, the North Carolina Hospital
3 Association, and the North Carolina Association of Local Health Directors. The
4 Governor may remove any member of the Committee from office in accordance with
5 the provisions of G.S. 143B-13. Members may succeed themselves for one term and
6 may be appointed again after being off the Committee for one term.

7 (c) The Speaker of the House of Representatives, the President Pro Tempore of
8 the Senate, and the Governor shall make their appointments to the Committee not later
9 than 30 days after the adjournment of the 1993 Regular Session of the General
10 Assembly. A vacancy on the Committee shall be filled by the original appointing
11 authority, using the criteria set out in this section for the original appointment.

12 (d) To the extent that funds are made available, members of the Committee shall
13 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
14 138-5.

15 (e) A majority of the Committee shall constitute a quorum for the transaction of
16 its business.

17 (f) The Committee may use funds allocated to it to employ an administrative
18 staff person to assist the Committee in carrying out its duties. The Secretary of
19 Environment, Health, and Natural Resources shall provide clerical and other support
20 staff services needed by the Committee.

21 **"§ 130A-33.51. Advisory Committee on Cancer Coordination and Control;**
22 **responsibilities.**

23 (a) The Advisory Committee on Cancer Coordination and Control has the
24 following responsibilities:

- 25 (1) To recommend to the Secretary a plan for the statewide
26 implementation of an interagency comprehensive coordinated cancer
27 control program;
- 28 (2) To identify and examine the limitations and problems associated with
29 existing laws, regulations, programs, and services related to cancer
30 control;
- 31 (3) To examine the financing and access to cancer control services for
32 North Carolina's citizens, and advise the Secretary on a coordinated
33 and efficient use of resources;
- 34 (4) To identify and review health promotion and disease prevention
35 strategies relating to the leading causes of cancer mortality and
36 morbidity;
- 37 (5) To recommend standards for:
 - 38 a. Oversight and development of cancer control services;
 - 39 b. Development and maintenance of interagency training and
40 technical assistance in the provision of cancer control services;
 - 41 c. Program monitoring and data collection;
 - 42 d. Statewide evaluation of locally based cancer control programs;
 - 43 e. Coordination of funding sources for cancer control programs;
44 and

1 f. Procedures for awarding grants to local agencies providing
2 cancer control services.

3 (b) The Committee shall submit a written report not later than May 1, 1994, and
4 not later than October 1 of each subsequent year, to the Governor and to the Joint
5 Legislative Commission on Governmental Operations. The report shall address the
6 progress in implementation of a cancer control program. The report shall include an
7 accounting of funds expended and anticipated funding needs for full implementation of
8 recommended programs."

9

10 Requested by: Representatives DeVane and Bowman

11 **SOIL AND WATER CONSERVATION DISTRICT SUPERVISORS' EXPENSES**

12 Sec. 289. Of the funds appropriated in this act to the Division of Soil and
13 Water Conservation, Department of Environment, Health, and Natural Resources, two
14 hundred sixty-four thousand five hundred ninety-four dollars (\$264,594) for the 1993-
15 94 fiscal year and two hundred sixty-four thousand five hundred ninety-four dollars
16 (\$264,594) for the 1994-95 fiscal year shall be used for the per diem and travel expenses
17 of the Soil and Water Conservation District Supervisors.

18

19 Requested by: Representatives DeVane and Bowman

20 **SALES TAX TRANSFER TO WILDLIFE RESOURCES FUND**

21 Sec. 290. (a) G.S. 105-164.44B reads as rewritten:

22 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
23 **fishing supplies and equipment.**

24 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
25 from the State sales and use tax net collections received by the Department of Revenue
26 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
27 Wildlife Resources Fund, one fourth of ~~two million eight hundred thirty four thousand~~
28 ~~six hundred seventy five dollars (\$2,834,675)~~ three million seven hundred thirty-one
29 thousand one hundred sixteen dollars (\$3,731,116) plus or minus the percentage of that
30 amount by which the total collection of State sales and use taxes increased or decreased
31 during the preceding fiscal year-year plus the cost of any legislative salary increase for
32 employees of the Wildlife Resources Commission."

33 (b) G.S. 105-164.44B, as amended by subsection (a) of this section, reads as
34 rewritten:

35 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
36 **fishing supplies and equipment.**

37 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
38 from the State sales and use tax net collections received by the Department of Revenue
39 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
40 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty one thousand~~
41 ~~one hundred sixteen dollars (\$3,731,116)~~ the amount transferred the preceding fiscal
42 year plus or minus the percentage of that amount by which the total collection of State
43 sales and use taxes increased or decreased during the preceding fiscal year plus the cost

1 of any legislative salary increase for employees of the Wildlife Resources Commission.
2 year."

3 (c) Subsection (a) of this section expires June 30, 1994.

4 (d) Subsection (b) of this section becomes effective July 1, 1994.

5
6 Requested by: Representatives DeVane and Bowman

7 **COASTAL BOATING GUIDE**

8 Sec. 291. The Wildlife Resources Commission shall use funds available to it
9 for the 1993-94 fiscal year to publish and distribute the North Carolina Coastal Boating
10 Guide.

11
12 Requested by: Representatives Bowman, DeVane, James

13 **DISMAL SWAMP STATE PARK**

14 Sec. 292. (a) During the 1994-95 fiscal year, the Division of Parks and
15 Recreation, Department of Environment, Health, and Natural Resources shall update the
16 master plan for the Dismal Swamp State Park. This update shall be conducted with
17 public participation, including a public hearing.

18 (b) The Division of Parks and Recreation shall ensure that the fire lines in the
19 Dismal Swamp State Park are adequately maintained for fire suppression purposes.

20
21 Requested by: Representatives Bowman and DeVane

22 **B.R.I.D.G.E. YOUTHFUL OFFENDERS/PARK MAINTENANCE**

23 Sec. 293. Of the funds appropriated in this act to the Department of
24 Environment, Health, and Natural Resources, Division of Parks and Recreation, for the
25 pilot program to supervise county jail inmates working in State parks, one hundred
26 thousand dollars (\$100,000) for the 1993-94 fiscal year and one hundred thousand
27 dollars (\$100,000) for the 1994-95 fiscal year shall be allocated to the Division of
28 Forest Resources to establish and support two positions for the B.R.I.D.G.E. Youthful
29 Offenders Program (the Building, Rehabilitating, Instructing, Developing, Growing, and
30 Employing Youthful Offenders Program) and for Program operating expenses. The
31 Division of Forest Resources shall enter into an agreement with the Division of Parks
32 and Recreation whereby the Division of Forest Resources shall use B.R.I.D.G.E.
33 youthful offenders to perform maintenance and repairs in State parks.

34
35 Requested by: Representatives Bowman and DeVane

36 **PARKS RECEIPTS**

37 Sec. 294. The Department of Environment, Health, and Natural Resources
38 shall use any overrealized receipts from the Division of Parks and Recreation's sale of
39 pine straw, timber, or any other forest products for the maintenance of State parks and
40 State reservoirs.

41
42 **PART 26. DEPARTMENT OF COMMERCE**

43
44 Requested by: Representatives Bowman and DeVane

1 **MCNC**

2 Sec. 295. (a) MCNC shall provide quarterly reports on all of its programs to
 3 the Joint Legislative Commission on Governmental Operations and the Fiscal Research
 4 Division. These reports shall include information on the activities and accomplishments
 5 during the past fiscal year, itemized expenditures during the past fiscal year with
 6 sources of funding, planned activities, and accomplishments for at least the next 12
 7 months, and itemized anticipated expenditures with sources of funding for the next 12
 8 months. The quarterly report on the activities of the Supercomputer program shall
 9 identify the users of the Supercomputer, the major projects conducted by the users, and
 10 the potential benefits of the projects.

11 (b) MCNC shall provide a report containing detailed budget information to
 12 the Office of State Budget and Management in the same manner as State departments
 13 and agencies in preparation for biennium budget requests. Specific salary information
 14 will be provided upon written request by the Chairmen of the Joint Legislative
 15 Commission on Governmental Operations or the Chairmen of the House Appropriations
 16 Subcommittee on Natural and Economic Resources and the Chairman of the Senate
 17 Appropriations Committee on Natural and Economic Resources.

18 (c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1993-94</u>	<u>FY 1994-95</u>
19 Microelectronics Program	\$4,768,966	
20 \$4,768,966		
21 Grants Program	-0-	-
22 0-		
23 Administration & Support	2,000,000	
24 2,000,000		
25 Supercomputer	5,224,705	
26 5,224,705		
27 Telecommunications	4,006,329	
28 4,006,329		

30 (d) Of the funds appropriated to MCNC for the Microelectronics Program,
 31 four million seven hundred sixty-eight thousand nine hundred sixty-six dollars
 32 (\$4,768,966) in each fiscal year is contingent upon a dollar-for-dollar match in non-
 33 State funds.

34 (e) MCNC shall reduce the amounts appropriated to it by three hundred
 35 twenty thousand dollars (\$320,000) in each fiscal year. The reductions may be taken in
 36 any of the programs listed in subsection (c) of this section.

37 (f) If MCNC finds it necessary to make changes in the program allocations
 38 specified in subsection (a) of this section, MCNC shall report such changes to the Joint
 39 Legislative Commission on Governmental Operations 30 days before the reallocation.

40
 41 Requested by: Representatives Bowman and DeVane

42 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

43 Sec. 296. Local governments requesting financial assistance from the
 44 Industrial Development Fund shall demonstrate to the satisfaction of the Department of

1 Commerce that it would be an economic hardship for the local government to match
2 State assistance from the Fund with local funds.

3
4 Requested by: Representatives Bowman and DeVane

5 **NC MANUFACTURING DIRECTORY PROCEEDS**

6 Sec. 297. (a) The Department of Commerce may expend for industrial
7 promotional advertising any amount collected from the sales of the North Carolina
8 Manufacturing Directory above the sum of one hundred fifty-five thousand dollars
9 (\$155,000) already budgeted for the 1993-94 and 1994-95 fiscal years.

10 (b) The Department shall submit quarterly reports to the Joint Legislative
11 Commission on Governmental Operations and the Fiscal Research Division. These
12 reports shall include the amount of proceeds collected from the sales of the Directory
13 and the amount spent on advertising pursuant to the provisions of this section.

14
15 Requested by: Representatives Bowman and DeVane

16 **HOME PROGRAM MATCHING FUNDS**

17 Sec. 298. (a) Funds appropriated in this act to the Department of Commerce
18 for the federal HOME Program shall be transferred to the Housing Finance Agency in
19 the Office of the Governor and shall be used by the Agency to match federal funds
20 appropriated for the HOME Program. In allocating State funds appropriated to match
21 federal HOME Program funds, the Agency shall give priority to HOME Program
22 projects, as follows:

- 23 (1) First priority to projects that are located in counties designated as
24 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
25 151.17(c); and
26 (2) Second priority to projects that benefit persons and families whose
27 incomes are fifty percent (50%) or less of the median family income
28 for the local area, with adjustments for family size, according to the
29 latest figures available from the U.S. Department of Housing and
30 Urban Development.

31 The Housing Finance Agency shall report to the General Assembly by April 1
32 of each year concerning the status of the HOME Program and shall include in the report
33 information on priorities met, types of activities funded, and types of activities not
34 funded.

35 (b) If the United States Congress changes the HOME Program such that
36 matching funds are not required for a given program year, then the Agency may not
37 spend the matching funds appropriated under this act for that program year.

38 (c) Funds appropriated in this act to match federal HOME Program funds
39 shall not revert to the General Fund on June 30, 1994, and on June 30, 1995.

40
41 Requested by: Representatives Bowman and DeVane

42 **COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS**

43 Sec. 299. The Department of Commerce shall report on a quarterly basis to
44 the House Appropriations Subcommittee on Natural and Economic Resources and the

1 Senate Appropriations Committee on Natural and Economic Resources on the
2 Community Development Block Grant. Each report shall include a listing and
3 description of the most recent grant awards, the status of the administration of each
4 component of the block grant, the current status of next year's program design, and a
5 description of any proposed or necessary changes to the program design.

6
7 Requested by: Representatives Bowman and DeVane

8 **TOURISM PROMOTION FUNDS**

9 Sec. 300. Funds appropriated in this act to the Department of Commerce for
10 tourism promotion grants shall be allocated according to per capita income,
11 unemployment, and population growth in an effort to direct funds to counties most in
12 need in terms of lowest per capita income, highest unemployment, and slowest
13 population growth, in the following manner:

- 14 (1) Counties 1 through 20 are each eligible to receive a maximum grant of
15 \$7,500 for each fiscal year, provided these funds are matched on the
16 basis of one non-State dollar for every four State dollars.
- 17 (2) Counties 21 through 50 are each eligible to receive a maximum grant
18 of \$3,500 for two of the next three fiscal years, provided these funds
19 are matched on the basis of one non-State dollar for every three State
20 dollars.
- 21 (3) Counties 51 through 100 are each eligible to receive a maximum grant
22 of \$3,500 for alternating fiscal years, beginning with the 1991-92
23 fiscal year, provided these funds are matched on the basis of four non-
24 State dollars for every State dollar.

25
26 Requested by: Representatives Bowman and DeVane

27 **PETROLEUM OVERCHARGE ATTORNEYS' FEES**

28 Sec. 301. (a) Unless prohibited by federal law, rule, or regulation or preexisting
29 settlement agreement, no later than October 1, 1989, the North Carolina Attorney
30 General shall direct the withdrawal of all funds received in the cases of United States v.
31 Exxon and Stripper Well that are held in accounts or reserves located out-of-State for
32 payment of attorneys' fees and reasonable expenses incurred in connection with oil
33 overcharge litigation authorized by the Attorney General. The Attorney General shall
34 deposit these funds, and all funds to be received from petroleum overcharge funds in the
35 future for attorneys' fees and reasonable expenses, into the Special Reserve for Oil
36 Overcharge Funds.

37 (b) All attorneys' fees and reasonable expenses incurred in connection with oil
38 overcharge litigation shall be paid by the State Treasurer from petroleum overcharge
39 funds that have been received by this State and deposited into the Special Reserve for
40 Oil Overcharge Funds.

41 (c) Notwithstanding any other provision of law, the Attorney General may
42 authorize the payment of attorneys' fees and reasonable expenses from the Special
43 Reserve for Oil Overcharge Funds without further action of the General Assembly, and

1 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for
2 the 1993-94 fiscal year and for the 1994-95 fiscal year for that purpose.

3
4 Requested by: Representatives Bowman and DeVane

5 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

6 Sec. 302. (a) The funds and interest thereon received from the case of United
7 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
8 is appropriated from the Special Reserve for Oil Overcharge Funds to the Department of
9 Commerce the sum of three million two hundred sixty-two thousand eight hundred
10 thirteen dollars (\$3,262,813) for the 1993-94 fiscal year and the sum of two million
11 dollars (\$2,000,000) for the 1994-95 fiscal year to be allocated as follows:

12 (1) \$2,000,000 for the 1993-94 fiscal year and \$2,000,000 for the 1994-95
13 fiscal year shall be used for projects under the State Energy
14 Conservation Plan and Energy Extension Service Program;

15 (2) \$1,262,813 for the 1993-94 fiscal year shall be used for the Low
16 Income Home Energy Assistance Program (LIHEAP).

17 (b) There is appropriated from funds and interest thereon received from the
18 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
19 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
20 sum of three million two hundred thousand dollars (\$3,200,000) for the 1993-94 fiscal
21 year and three million dollars (\$3,000,000) for the 1994-95 fiscal year for the Low
22 Income Weatherization Program.

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

28 (d) The funds and interest thereon received from the Diamond Shamrock
29 Settlement which remain in a reserve in the Office of State Budget and Management for
30 the Division of Energy to administer the petroleum overcharge funds pursuant to
31 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
32 the Division of Energy in the Department of Commerce on an as-needed basis.

33 (e) The Department of Commerce shall submit comprehensive annual reports
34 to the Office of State Budget and Management and the General Assembly by May 15,
35 1994, and January 31, 1995, which detail the use of all petroleum overcharge funds.
36 Any State department or agency that has received petroleum overcharge funds shall
37 provide all information requested by the Department of Commerce for the purpose of
38 preparing these reports.

39
40 Requested by: Representatives Bowman and DeVane

41 **BIOTECHNOLOGY CENTER**

42 Sec. 303. (a) The North Carolina Biotechnology Center shall recapture funds
43 spent in support of successful research efforts in the nonacademic private sector.

1 (b) The North Carolina Biotechnology Center shall provide funding for
2 biotechnology and related bioscience applications under its Economic and Corporate
3 Development Program.

4 (c) The North Carolina Biotechnology Center shall provide quarterly reports
5 on all of the Center's programs to the Joint Legislative Commission on Governmental
6 Operations. The initial report shall include information on the activities and
7 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
8 year with sources of funding, planned activities and accomplishments for at least the
9 next 12 months, and itemized anticipated expenditures with sources of funding for the
10 next 12 months. Subsequent reports shall include quarterly updates of the initial report.

11 (d) The North Carolina Biotechnology Center shall provide a report
12 containing detailed budget, personnel, and salary information to the Office of State
13 Budget and Management and to the Fiscal Research Division in the same manner as
14 State departments and agencies in preparation for biennium budget requests.

15
16 Requested by: Representatives Bowman and DeVane

17 **RURAL ECONOMIC DEVELOPMENT CENTER**

18 Sec. 304. (a) Of the funds appropriated in this act to the Rural Economic
19 Development Center the sum of one million four hundred seventy thousand dollars
20 (\$1,470,000) for the 1993-94 fiscal year and the sum of one million four hundred
21 seventy thousand dollars (\$1,470,000) for the 1994-95 fiscal year shall be used for the
22 administrative costs of the Center and for its pilot projects and research. No more than
23 four hundred thousand dollars (\$400,000) of the funds appropriated for each fiscal year
24 may be used for the administrative costs of the Rural Economic Development Center,
25 Inc.

26 (b) The Rural Economic Development Center, Inc., shall provide quarterly
27 reports on the Center's programs to the Joint Legislative Commission on Governmental
28 Operations. The initial report shall include information on the activities and
29 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
30 year with sources of funding, planned activities and accomplishments for at least the
31 next 12 months, and itemized anticipated expenditures with sources of funding for the
32 next 12 months. Subsequent reports shall include quarterly updates of the information
33 in the initial report.

34 (c) The Rural Economic Development Center, Inc., shall provide a report
35 containing detailed budget, personnel, and salary information to the Office of State
36 Budget and Management in the same manner as State departments and agencies in
37 preparation for biennium budget requests.

38 (d) Not more than fifty percent (50%) of the interest earned on State funds
39 appropriated to the Rural Economic Development Center, Inc., may be used by the
40 Rural Economic Development Center, Inc., for administrative purposes, including
41 salaries and fringe benefits.

42
43 Requested by: Representatives Bowman and DeVane

44 **HOUSING PROGRAMS TRANSFER**

1 Sec. 305. (a) The statutory authority, powers, duties, and functions, records,
2 personnel, property, and unexpended balances of appropriations, allocations, or other
3 funds of the Housing Coordination and Policy Council, the HOME Program, the
4 Permanent Housing for the Handicapped Homeless Program, and the Comprehensive
5 Housing Affordability Strategy, are transferred from the Division of Community
6 Assistance, Department of Commerce, to the Housing Finance Agency.

7 (b) G.S. 122A-5 is amended by adding the following new subdivisions to
8 read:

9 "(24) To advise the Governor regarding the coordination of public and
10 private low- and moderate-income housing programs;

11 (25) To participate in and administer federal housing programs, including
12 housing rehabilitation, construction of new housing, assistance to the
13 homeless, and home ownership assistance;".

14 (c) Part 1A of Article 10 of Chapter 143B of the General Statutes is repealed.

15 (d) Chapter 122A of the General Statutes is amended by adding the following
16 sections to read:

17 **"§ 122A-5.10. Housing Coordination and Policy Council; creation; duties.**

18 (a) There is created the Housing Coordination and Policy Council in the Office
19 of the Governor. The Housing Coordination and Policy Council shall have the following
20 functions and duties:

21 (1) To advise the Governor regarding the coordination of various public
22 and private low- and moderate-income housing programs;

23 (2) To advise the Governor in the preparation of an overall,
24 comprehensive State housing plan with specific recommendations to
25 address identified areas of need, which report shall be presented to the
26 General Assembly;

27 (3) To advise the Governor with respect to the best use of housing
28 resources; and

29 (4) To advise the Governor regarding any other matter relating to housing
30 the Governor may refer to it.

31 (b) Nothing herein shall abrogate the existing statutory responsibility of any other
32 agency to develop housing plans and policies relating to specific housing programs.

33 **"§ 122A-5.11. Council membership; compensation; procedures.**

34 (a) The Housing Coordination and Policy Council shall consist of 15
35 representatives, as follows:

36 (1) Two members of the N.C. Housing Partnership who are experienced
37 with housing programs for low-income persons, as designated by the
38 chair.

39 (2) Two members of the Community Development Council who are
40 experienced with federal, State, and local housing programs, as
41 designated by the chair.

42 (3) Two members of the N.C. Housing Finance Agency Board of
43 Directors who are experienced with real estate finance and
44 development, as designated by the chair.

- 1 (4) One member of the Weatherization Policy Advisory Council who is
2 experienced with community weatherization programs, as designated
3 by the chair.
- 4 (5) One member of the Governor's Advocacy Council for Persons with
5 Disabilities who is familiar with the housing needs of the disabled.
- 6 (6) The executive director of the Commission of Indian Affairs, or a
7 designee familiar with Indian housing programs.
- 8 (7) The Deputy Secretary or Assistant Secretary of Community
9 Development and Housing, or a designee familiar with housing
10 programs related to community development and housing functions.
- 11 (8) The assistant secretary of the Division of Aging, or a designee familiar
12 with the housing programs of the Division.
- 13 (9) The executive director of the N.C. Housing Finance Agency, or a
14 designee familiar with the housing programs of the Agency.
- 15 (10) The director of the Division of Mental Health, or a designee familiar
16 with housing for those with mental disabilities.
- 17 (11) The executive director of the N.C. Human Relations Commission, or a
18 designee familiar with federal and State fair housing laws.
- 19 (12) A chair designated by the Governor.
- 20 (b) All members except those serving ex officio shall be appointed by the
21 Governor. The Governor shall designate one member of the Council to serve as Chair.
- 22 (c) The initial members of the Council other than those serving ex officio shall
23 be appointed to serve for terms of four years and until their successors are appointed
24 and qualified. Any appointment to fill a vacancy created by resignation, dismissal,
25 death, or disability of a member shall be for the balance of the term.
- 26 (d) Members of the Council may receive per diem and necessary travel and
27 subsistence expenses in accordance with the provisions of G.S. 138-5.
- 28 (e) A majority of the Council shall constitute a quorum for the transaction of
29 business.
- 30 (f) All clerical and other services required by the Council shall be supplied by
31 the Housing Finance Agency.
- 32 **"§ 122A-5.12. Council meetings; report.**
- 33 (a) The Housing Coordination and Policy Council shall meet at least quarterly
34 and may hold special meetings at any time and place within the State at the call of the
35 Chair or upon written request of a majority of the members.
- 36 (b) The Council shall assist in the preparation and filing of an annual written
37 report which contains a review of work completed, a review of ongoing activities, and
38 housing policy recommendations. This report shall be filed with the General Assembly
39 and the Governor by May 1."

40
41 Requested by: Representatives Bowman and DeVane

42 **WORKER TRAINING TRUST FUND**

43 Sec. 306. (a) There is appropriated from the Worker Training Trust Fund to the
44 Employment Security Commission of North Carolina the sum of five million six

1 hundred eighty-nine thousand nine hundred sixty-four dollars (\$5,689,964) for the
2 1993-94 fiscal year and the sum of five million six hundred eighty-nine thousand nine
3 hundred sixty-four dollars (\$5,689,964) for the 1994-95 fiscal year for the operation of
4 local offices.

5 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
6 Employment Security Administration Fund to the Employment Security Commission of
7 North Carolina, the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year
8 and the sum of two million dollars (\$2,000,000) for the 1994-95 fiscal year for
9 administration of the Veterans Employment Program, Employment Services Program,
10 and Unemployment Insurance Program.

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

14 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
15 Worker Training Trust Fund to the following agencies the following sums for the 1993-
16 94 and the 1994-95 fiscal years for the following purposes:

- 17 (1) \$2,400,000 for the 1993-94 fiscal year and \$2,400,000 for the 1994-95
18 fiscal year to the Department of Commerce, Division of Employment
19 and Training, for the Employment and Training Grant Program;
- 20 (2) \$1,000,000 for the 1993-94 fiscal year and \$1,000,000 for the 1994-95
21 fiscal year to the North Carolina Department of Labor for customized
22 training of the unemployed and the working poor for specific jobs
23 needed by employers through the Department's Pre-Apprenticeship
24 Division;
- 25 (3) \$2,826,658 for the 1993-94 fiscal year and \$1,528,067 for the 1994-95
26 fiscal year to the North Carolina Department of Human Resources to
27 assist welfare recipients in gaining employment through the federally
28 funded Job Opportunities and Basic Skills Program in such a way as to
29 gain the maximum match of federal funds for the State dollars
30 appropriated;
- 31 (4) \$1,746,000 for the 1993-94 fiscal year and \$1,746,000 for the 1994-95
32 fiscal year to the North Carolina Department of Community Colleges
33 to continue the Focused Industrial Training Program;
- 34 (5) \$225,000 for the 1993-94 fiscal year to the Employment Security
35 Commission for the North Carolina Occupational Information
36 Coordinating Committee to develop and operate an interagency system
37 to track former participants in State education and training programs;
38 and
- 39 (6) \$150,000 for the 1993-94 fiscal year and \$150,000 for the 1994-95
40 fiscal year to the Office of the Governor for the Workforce
41 Preparedness Commission.

42
43 Requested by: Representatives Gottovi, Bowman, DeVane

44 **TOURISM ADVERTISING PROGRAM**

1 Sec. 307. The Department of Commerce shall review its tourism advertising
2 program and shall ensure that the program addresses the promotion of tourism in rural
3 areas of the State.

4
5 Requested by: Representatives Bowman and DeVane

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

7 Sec. 308. (a) Of the funds appropriated in this act to the Department of
8 Commerce, the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year shall
9 be allocated to the Center for Community Self-Help to further a statewide program of
10 lending to small businesses and other economic development projects in rural and other
11 depressed or disadvantaged communities throughout North Carolina, provided these
12 funds are matched on the basis of one dollar (\$1.00) of funds from the Center for
13 Community Self-Help or its affiliates for every one dollar (\$1.00) of State funds. The
14 appropriation shall be equally allocated among the eastern, central, and western regions
15 of North Carolina. Loans or loan guarantees made under the program shall be
16 conditioned on the unavailability of loans for the same purposes from private lenders
17 upon reasonably equivalent terms and conditions. Payments of principal shall be
18 available for further loans.

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

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

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

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

38 (f) The Department of Commerce shall disburse this appropriation within 15
39 working days of the receipt of a request for the funds from the Center for Community
40 Self-Help. The request shall include a commitment of the matching funds by the Center
41 for Community Self-Help or its affiliates.

42
43 Requested by: Representatives Bowman, DeVane, Nesbitt

44 **WESTERN NORTH CAROLINA REGIONAL ECONOMIC DEVELOPMENT**

1 COMMISSION

2 Sec. 309. (a) Chapter 158 of the General Statutes is amended by adding a new
3 section to read:

4 **"§ 158-8.1. Creation of Western North Carolina Regional Economic Development**
5 **Commission.**

6 (a) There is created the Western North Carolina Regional Economic
7 Development Commission to serve Buncombe, Cherokee, Clay, Cleveland, Graham,
8 Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain,
9 Transylvania, and Yancey Counties. The Commission shall be located administratively
10 in the Department of Commerce but shall exercise its statutory powers and duties
11 independently of the Department of Commerce.

12 (b) The Commission shall consist of 15 members appointed as follows:

13 (1) Three members shall be appointed by the Governor;

14 (2) Two members appointed by the Lieutenant Governor;

15 (3) Five members shall be appointed by the General Assembly upon the
16 recommendation of the Speaker of the House of Representatives in
17 accordance with G.S. 120-121.

18 (4) Five members shall be appointed by the General Assembly upon the
19 recommendation of the President Pro Tempore of the Senate in
20 accordance with G.S. 120-121; and

21 (c) The appointing authority shall designate two of the initial appointees pursuant
22 to subsection (b)(1), one of the initial appointees pursuant to subsection (b)(2), two of
23 the initial appointees pursuant to subsection (b)(3), and two of the initial appointees
24 pursuant to subsection (b)(4) to serve for terms ending June 30, 1995; the remainder of
25 the initial appointees shall serve for terms ending June 30, 1997. Their successors shall
26 serve for four-year terms ending on June 30 quadrennially thereafter.

27 Any appointment to fill a vacancy on the Commission shall be for the balance of the
28 unexpired term. Vacancies in appointments made by the General Assembly shall be in
29 accordance with G.S. 120-122.

30 (d) Members of the Commission who are State employees shall receive travel
31 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
32 and travel expenses as provided in G.S. 138-5.

33 (e) In addition to the powers and duties granted to economic development
34 commissions in this Article, the Western North Carolina Regional Economic
35 Development Commission shall:

36 (1) Survey Western North Carolina and determine the assets, liabilities,
37 and resources that the region contribute to the economic development
38 process.

39 (2) Develop and evaluate alternatives for Western North Carolina
40 economic development.

41 (3) Develop a preferred economic development plan for the region and
42 establish strategies for implementing the plan.

1 (4) Coordinate activities with and enter into contracts with any nonprofit
2 corporation created to assist the Commission in carrying out its powers
3 and duties.

4 (5) Report to the General Assembly by March 31 each year on the work of
5 the Commission."

6 (b) Of the funds appropriated in this act from the General Fund to the
7 Department of Commerce, the sum of six hundred thousand dollars (\$600,000) for the
8 1993-94 fiscal year and the sum of one million two hundred fifty thousand dollars
9 (\$1,250,000) for the 1994-95 fiscal year shall be allocated to the Western North
10 Carolina Regional Economic Development Commission for the activities of the
11 Commission. These funds shall not revert at the end of each fiscal year.

12
13 Requested by: Representatives Bowman and DeVane

14 **ECONOMIC DEVELOPMENT FUNDS**

15 Sec. 310. (a) Of the funds appropriated in this act to the Department of
16 Commerce, three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year shall
17 be allocated for the Land Loss Prevention Project, Inc., to provide free legal
18 representation to low-income financially distressed small farmers. The Land Loss
19 Prevention Project, Inc., shall not use these funds to represent farmers who have income
20 and assets that would make them financially ineligible for legal services pursuant to
21 Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention
22 Project, Inc., shall report quarterly to the Joint Legislative Commission on
23 Governmental Operations on the use of these funds.

24 (b) Of the funds appropriated in this act to the Department of Commerce, two
25 hundred fifty thousand dollars (\$250,000) for the 1993-94 fiscal year shall be allocated
26 for the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm
27 Economic Development Project. These funds shall be used to foster economic
28 development within the State's rural farm communities by offering financial, marketing,
29 and technical assistance to small and limited resource farmers. The North Carolina
30 Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint Legislative
31 Commission on Governmental Operations on the use of these funds.

32 (c) Of the funds appropriated in this act to the Department of Commerce, two
33 hundred thousand dollars (\$200,000) for the 1993-94 fiscal year shall be allocated to the
34 North Carolina Institute for Minority Economic Development, Inc., to foster minority
35 economic development within the State through policy analysis, information and
36 technical assistance, and resource expansion. The North Carolina Institute for Minority
37 Economic Development, Inc., shall research and identify key issues affecting the
38 economic well-being of the State's ethnic minority community and issue annual reports
39 with appropriate recommendations; provide information and technical assistance to
40 organizations with minority economic development-based projects in common areas of
41 need and interests; develop a resource bank of data and information; facilitate training
42 in appropriate areas of need; and provide technical assistance to minority construction
43 contractors. The North Carolina Institute for Minority Economic Development, Inc.,

1 shall report quarterly to the Joint Legislative Commission on Governmental Operations
2 on the use of these funds.

3

4 Requested by: Representatives Bowman and DeVane

5 **TECHNOLOGY EXTENSION PROJECT DEVELOPMENT**

6 Sec. 311. In developing the Technology Extension Project for which funds
7 have been appropriated in this act to the Department of Commerce, the Department
8 shall seek input from and coordinate with existing small business assistance programs.
9 Small business assistance programs with whom the Department shall coordinate shall
10 include, but not be limited to, business assistance programs in the Department of
11 Community Colleges and the State University System, and business incubator
12 programs.

13

14 Requested by: Representatives Bowman and DeVane

15 **FURNITURE EXPORT PROGRAM**

16 Sec. 312. Notwithstanding G.S. 143-16.3, the Department of Commerce shall
17 establish a furniture export program using funds from its available resources.

18

19 Requested by: Representatives Bowman, DeVane, Barnes

20 **ECONOMIC DEVELOPMENT COUNCIL/PLAN**

21 Sec. 313. (a) G.S. 143B-434 reads as rewritten:

22 "**§ 143B-434. Economic Development ~~Board~~Council** – creation, duties,
23 **membership.**

24 (a) Creation and Duties. – There is created within the Department of
25 Commerce an Economic Development ~~Board~~. ~~The Board shall advise the Secretary of~~
26 ~~Commerce on:~~ Council. The Council shall have the following duties:

27 (1) To provide economic and community development planning for the
28 State.

29 (2) To recommend economic development policy to the Secretary of
30 Commerce, the General Assembly, and the Governor. The
31 recommendations may cover the following issues as well as any other
32 economic development policy issues:

33 a. Use of tax abatements and other incentives to motivate
34 economic development.

35 b. Definition of which specific activities and programs should be
36 considered economic development activities and programs for
37 the purpose of receiving State appropriations.

38 c. The role of institutions of higher education in economic
39 development.

40 d. The use of State funds to leverage private nonprofit economic
41 development initiatives.

42 (3) To recommend annually to the Governor biennial and annual
43 appropriations for economic development programs.

1 (4) To develop and update annually a statewide economic development
2 plan, as provided in G.S. 143B-434A.

3 (1) ~~The formulation of a program for the economic development of the~~
4 ~~State of North Carolina; and~~

5 (2) ~~The formulation of a budget and the hiring of the head of each division~~
6 ~~of the Department of Commerce concerned with the expansion of the~~
7 ~~travel and tourism industry.~~

8 ~~The Secretary shall prepare the budget of the Department and shall hire the heads of the~~
9 ~~above mentioned divisions who shall serve at his pleasure. The Board~~ The Council ~~shall~~
10 ~~meet at least quarterly at the call of its chairman~~ chair ~~or the Secretary. Each quarter the~~
11 ~~Secretary shall report to the Board~~ Council ~~on the program and progress of this State's~~
12 ~~economic development.~~

13 (b) Membership. ~~– The Economic Development Board~~ Council ~~shall consist of~~
14 ~~26-30 members. The Secretary of Commerce shall serve ex officio as a member and as~~
15 ~~the secretary of the Economic Development Council. Two members of the House of~~
16 ~~Representatives appointed by the General Assembly upon the recommendation of the~~
17 ~~Speaker of the House of Representatives, two members of the Senate appointed by the~~
18 ~~General Assembly upon the recommendation of the President of the Senate, the~~
19 ~~Secretary of State, the President of The University of North Carolina, and the President~~
20 ~~of the North Carolina System of Community Colleges shall serve as members of the~~
21 ~~Council. The Governor shall appoint the remaining 22 members of the Council,~~
22 ~~provided that one of those appointees shall be a representative of a nonprofit~~
23 ~~organization involved in economic development. The Governor shall designate a chair~~
24 ~~and a vice-chair from among the members of the Council.~~

25 ~~The Secretary of Commerce, the President of the Senate or his appointee, and the~~
26 ~~Speaker of the House of Representatives or his appointee, shall be members of the~~
27 ~~Board. The Governor shall appoint 23 members of the Board. Of his appointees, the~~
28 ~~Governor shall appoint at least one member residing in each congressional district of the~~
29 ~~State.~~

30 ~~The initial appointments by the Governor shall be made on or after the date of~~
31 ~~ratification, 11 terms to expire July 1, 1979, and 11 terms to expire on July 1, 1981.~~
32 ~~Thereafter, at the expiration of each stipulated term of office all appointments made by~~
33 ~~the Governor shall be for a term of four years. The initial term of the person appointed~~
34 ~~to represent the 12th Congressional District shall commence January 3, 1993, and expire~~
35 ~~June 30, 1995. Any vacancy occurring in the membership of the Economic~~
36 ~~Development Board appointed by the Governor shall be filled by the Governor for the~~
37 ~~unexpired term. The Governor shall have the authority to remove any member of the~~
38 ~~Economic Development Board appointed by the Governor.~~

39 ~~The Governor shall designate from among the members of the Economic~~
40 ~~Development Board a chairman and a vice chairman. The Secretary of Commerce or his~~
41 ~~designee shall serve as Secretary of the Economic Development Board. If a vacancy~~
42 ~~occurs in the office of the Lieutenant Governor, the President pro tempore shall fill the~~
43 ~~vacancy. If a vacancy occurs in the office of the Speaker of the House of~~
44 ~~Representatives, the Speaker pro tempore shall fill the vacancy.~~

1 The initial appointments to the Council shall be for terms beginning July 1, 1993.
2 Of the initial appointments made by the Governor, eight terms shall be designated to
3 expire July 1, 1995; the remaining terms shall expire July 1, 1997. Of the initial
4 appointments made by the General Assembly, one term made upon the recommendation
5 of the Speaker of the House of Representatives and one term made upon the
6 recommendation of the President of the Senate shall be designated to expire on July 1,
7 1995; the remaining terms shall expire July 1, 1997. Thereafter, all appointments shall
8 be for a term of four years.

9 The Governor shall make a replacement appointment to serve for the unexpired term
10 in the case of a vacancy, provided that a vacancy in a term appointed by the General
11 Assembly shall be filled in accordance with G.S. 120-122.

12 ~~The members of the Economic Development Board appointed by the Governor~~
13 ~~Council shall receive per diem and necessary travel and subsistence expenses payable to~~
14 ~~members of State Boards and agencies generally pursuant to G.S. 138-5 and 138-6, as~~
15 ~~the case may be; provided, however, that the chairman of the Economic Development~~
16 ~~Board and the Lieutenant Governor shall not be entitled to receive per diem in addition~~
17 ~~to salary. be.~~ The members of the Economic Development Board Council who are
18 members of the General Assembly shall not receive per diem but shall receive necessary
19 travel and subsistence expenses at rates prescribed by G.S. 120-3.1.

20 (c) Staff. – Clerical and professional staff support to the Economic Development
21 Council shall be provided by an Interagency Council composed of representatives of the
22 following State agencies:

- 23 (1) The Department of Administration.
- 24 (2) The Department of Agriculture.
- 25 (3) The Employment Security Commission.
- 26 (4) The Department of Labor.
- 27 (5) The Department of Transportation.

28 The Department of Commerce shall have the responsibility for coordinating the
29 activities and efforts of the Interagency Council.

30 ~~(b) All clerical and other services required by the Economic Development Board~~
31 ~~shall be supplied by the Secretary of Commerce.~~

32 ~~(c) It shall be the duty of the chairman of the Economic Development Board:~~

- 33 ~~(1) To organize the work of the Economic Development Board into~~
34 ~~committees with respect to the divisions of the Department of~~
35 ~~Commerce concerned with the expansion of existing industry, the~~
36 ~~recruitment of new industry and the expansion of the travel and~~
37 ~~tourism industries and~~
- 38 ~~(2) To assign responsibilities to each committee."~~

39 (b) G.S. 143B-433(a) reads as rewritten:

- 40 "(a) (1) The North Carolina Alcoholic Beverage Control
41 Commission,
42 (2) The North Carolina Utilities Commission,
43 (3) The Employment Security Commission,
44 (4) The North Carolina Industrial Commission,

- 1 (5) State Banking Commission,
- 2 (6) Savings and Loan Association Division,
- 3 (7) The State Savings Institutions Commission,
- 4 (8) Credit Union Commission,
- 5 (9) The North Carolina Milk Commission,
- 6 (10) The North Carolina Mutual Burial Association Commission,
- 7 (11) North Carolina Cemetery Commission,
- 8 (12) The North Carolina Rural Electrification Authority,
- 9 (13) Repealed by Session Laws 1985, c. 757, s. 179(d),
- 10 (14) North Carolina Science and Technology Research Center,
- 11 (15) The North Carolina State Ports Authority,
- 12 (16) North Carolina National Park, Parkway and Forests Development
- 13 Council,
- 14 (17) Economic Development ~~Board~~, Council,
- 15 (18) Labor Force Development Council,
- 16 (19) Energy Policy Council,
- 17 (20) Energy Division,
- 18 (21) Navigation and Pilotage Commissions established by Chapter 76 of
- 19 the General ~~Statutes~~, Statutes.
- 20 (22) ~~The North Carolina Technological Development Authority."~~

21 (c) Beginning July 1, 1993, the Department of Commerce shall reallocate to the
 22 Economic Development Council created in this section funds and resources previously
 23 allocated to the Economic Development Board.

24 (d) Part 2 of Article 10 of Chapter 143B of the General Statutes is amended by
 25 adding a new section to read:

26 "**§ 143B-434A. Statewide economic development plan.**

27 (a) Council to Prepare Plan. – The Economic Development Council shall prepare
 28 a statewide economic development plan by April 1, 1994. The Council shall review and
 29 update this plan by April 1 of each year. The original statewide economic development
 30 plan shall cover a period of several years and each annual update shall extend the time
 31 frame by one year so that a multiyear plan is always in effect. The Council shall
 32 provide copies of the plan and each annual update to the Governor and the Joint
 33 Legislative Commission on Governmental Operations. The statewide economic
 34 development plan shall encompass all of the components set out in this section.

35 (b) Public and Private Input. – At each stage as it develops and updates the plan,
 36 the Council shall solicit input from all parties involved in economic development in
 37 North Carolina, including:

- 38 (1) Each of the programs and organizations that, for State budget
 39 purposes, identify economic development as one of their global goals.
- 40 (2) Local economic development departments and regional economic
 41 development organizations.
- 42 (3) The Board of Governors of The University of North Carolina.

43 The Council shall also hold public hearings across the State to solicit public input on
 44 economic development before the initial statewide economic development plan is

1 completed. The Council shall hold additional public hearings from time to time to
2 solicit public input regarding economic development activities.

3 Each component of the plan shall be based on this broad input and, to the extent
4 possible, upon a consensus among all affected parties. The Council shall coordinate its
5 planning process with any State capital development planning efforts affecting State
6 infrastructure such as roads and water and sewer facilities.

7 (c) Needs Assessment. – The first step in developing the statewide economic
8 development plan shall be to develop a needs assessment based on the input from
9 economic development parties and the public and on information about the economic
10 environment in North Carolina. To prepare the assessment, the Council shall gather the
11 following information. Thereafter, the information shall be updated periodically.

12 (1) Economic and demographic data on North Carolina by State, region,
13 and county including population, population projections, employment
14 and employment projections, income, poverty migration patterns, and
15 other similar data.

16 (2) The cost of doing business in North Carolina and other competing
17 states, as it may affect decisions by firms to locate in this State.

18 (3) Competitive assets within the State and by region and county,
19 including infrastructure, tourist assets, natural resources, labor,
20 educational and research resources, and transportation.

21 (4) Economic and industrial changes in competitive states by region,
22 including new plant location information.

23 (5) Other information relating to economic development such as
24 regulatory or legal matters and social considerations.

25 (d) Vision and Mission Statements. – The Council shall develop a vision
26 statement for economic development that would describe the preferred future for North
27 Carolina and what North Carolina would be like if all economic development efforts
28 were successful. The Council shall then develop a mission statement that outlines the
29 basic purpose of each of North Carolina's economic development programs. Because
30 special purpose nonprofits are uniquely situated to conduct the entrepreneurial and high-
31 risk activity of investing in and supporting new business creation in the State, they
32 should be assigned a dominant role in this key component of economic development
33 activity.

34 (e) Goals and Objectives. – The Council shall next identify the five to seven most
35 important issues or problems that North Carolina must address regarding economic
36 development. For each issue, the Council shall develop specific goals and strategies or
37 approaches to achieving each goal. Goals shall be long-range and shall address both
38 economically depressed areas and more prosperous areas.

39 So that the progress of North Carolina's economic development efforts can be
40 monitored, the Council shall set objectives for each goal that allow measurement of
41 progress toward the goal. Objectives should be quantifiable and time-specific in order
42 to serve as performance indicators.

43 (f) Implementation Plan. – Based upon all of the foregoing steps, the Council
44 shall establish an implementation plan assigning to the appropriate parties specific

1 responsibilities for meeting measurable objectives. The implementation plan shall
2 contain all necessary elements so that it may be used as a means to monitor
3 performance, guide appropriations, and evaluate the outcomes of the parties involved in
4 economic development in the State."

5 (e) The Department of Commerce shall establish a planning unit within its
6 executive offices to support the Economic Development Council's ongoing role in
7 economic and community development planning. The unit should consist of two
8 professional staff plus necessary support staff. The planning unit shall assist the
9 Council in coordinating the planning process, monitoring and updating the plan, and
10 collecting and analyzing the data necessary for planning.

11 (f) This section becomes effective July 1, 1993. The terms of all current
12 members of the Economic Development Board shall expire July 1, 1993.

13
14 Requested by: Representatives Nesbitt, Bowman, DeVane

15 **FIVE-YEAR ECONOMIC DEVELOPMENT PLANS**

16 Sec. 314. The Department of Commerce shall develop five-year plans for the
17 economic development of the far-western, northwestern, northeastern, and southeastern
18 regions of the State and a five-year plan for the economic development of the various
19 minority communities across the State. The Department shall also develop plans for
20 each of these four regions of the State and a plan for the various minority communities
21 that assumes that twenty-five million dollars (\$25,000,000) is available for expenditure
22 over a five-year period for each of the four regions and for the various minority
23 communities.

24 The Department shall report to the Joint Legislative Commission on
25 Governmental Operations and the Fiscal Research Division prior to March 1, 1994, on
26 the plan it develops.

27 28 **PART 27. DEPARTMENT OF LABOR**

29
30 Requested by: Representatives Bowman and DeVane

31 **OSHA POSITIONS**

32 Sec. 315. (a) The Department of Labor may use funds appropriated to the
33 Department of Labor for the Occupational Safety and Health Act of North Carolina
34 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
35 the OSHANC program, provided the Department of Labor certifies to the Office of
36 State Budget and Management that no federal match is available for the 1993-94 fiscal
37 year and for the 1994-95 fiscal year.

38 (b) If federal Occupational Safety and Health Administration funds are
39 granted to match all or part of the funds for enforcement positions and support that are
40 one hundred percent (100%) State-funded, then State funds equivalent to the federal
41 match shall revert to the General Fund at the end of the fiscal year for which the federal
42 match was received.

PART 28. MISCELLANEOUS PROVISIONS

Requested by: Representatives Nesbitt and Diamont

EFFECT OF HEADINGS

Sec. 316. The headings to the Parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Representatives Nesbitt and Diamont

EXECUTIVE BUDGET ACT REFERENCE

Sec. 317. The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Representatives Nesbitt and Diamont

COMMITTEE REPORT

Sec. 318. (a) The House Appropriations Committee Report on Base Budget Reductions and Expansion Budget dated May 27, 1993, which was distributed in the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act.

(b) The budget enacted by the General Assembly for the maintenance of the various departments, institutions, and other spending agencies of the State for the 1993-95 fiscal biennium is a line item budget, in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller. This budget includes the appropriations made from all sources including the General Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental receipts.

The General Assembly amended the itemized budget requests submitted to the General Assembly by the Director of the Budget and the Advisory Budget Commission, in accordance with the steps that follow and the line item detail in the budget enacted by the General Assembly may be derived accordingly:

- (1) Negative reserves set out in the submitted budget were deleted and the totals were increased accordingly.
- (2) The base budget was adjusted in accordance with the base budget cuts and additions that were set out in The House Appropriations Committee Report on Base Budget Reductions and Expansion Budget dated May 27, 1993.
- (3) The expansion budget items were added in accordance with The House Appropriations Committee Report on Base Budget Reductions and Expansion Budget dated May 27, 1993, and the accompanying correction sheets. Some of those expansion budget items were in the

1 budget submitted to the General Assembly by the Director of the
2 Budget and the Advisory Budget Commission.

3 Expansion budget items that were funded from new receipts are
4 included in the budget enacted by the General Assembly with
5 program-level detail.

- 6 (4) Transfers of funds supporting programs were made in accordance with
7 The House Appropriations Committee Report on Base Budget
8 Reductions and Expansion Budget dated May 27, 1993, and the
9 accompanying correction sheets.

10 The budget enacted by the General Assembly shall also be interpreted in
11 accordance with the special provisions in this act and in accordance with other
12 appropriate legislation.

13 In the event that there is a conflict between the line item budget certified by
14 the Director of the Budget and the budget enacted by the General Assembly, the budget
15 enacted by the General Assembly shall prevail.

16
17 Requested by: Representatives Nesbitt and Diamont

18 **MOST TEXT APPLIES ONLY TO 1993-95**

19 Sec. 319. Except for statutory changes or other provisions that clearly
20 indicate an intention to have effects beyond the 1993-95 biennium, the textual
21 provisions of this act shall apply only to funds appropriated for and activities occurring
22 during the 1993-95 biennium.

23
24 Requested by: Representatives Nesbitt and Diamont

25 **SEVERABILITY CLAUSE**

26 Sec. 320. If any section or provision of this act is declared unconstitutional
27 or invalid by the courts, it does not affect the validity of the act as a whole or any part
28 other than the part so declared to be unconstitutional or invalid.

29
30 Requested by: Representatives Nesbitt and Diamont

31 **CONTINGENT EFFECTIVENESS**

32 Sec. 321. This act is effective only if House Bill 1355 is ratified.

33
34 Requested by: Representatives Nesbitt and Diamont

35 **EFFECTIVE DATE**

36 Sec. 322. Except as otherwise provided, this act becomes effective July 1,
37 1993.