SESSION 1999

H 1 **HOUSE BILL 1839** Short Title: 2000 Appropriations Act.-2 (Public) Sponsors: Representatives Easterling and Redwine (Primary Sponsors). Referred to: Appropriations. May 30, 2000 A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1999 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE. The General Assembly of North Carolina enacts: PART I. INTRODUCTION AND TITLE OF ACT

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

TITLE OF ACT

INTRODUCTION

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

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PART II. CURRENT OPERATIONS/GENERAL FUND 1 2 3 Section 2. Appropriations from the General Fund of the State for the 4 maintenance of the State departments, institutions, and agencies, and for other purposes 5 as enumerated are made for the fiscal year ending June 30, 2001, according to the 6 schedule that follows. Amounts set out in brackets are reductions from General Fund 7 appropriations for the 2000-2001 fiscal year. 8 9 **Current Operations-General Fund** 2000-2001 10 Department of Administration 11 (714,893)12 13 Office of Administrative Hearings (45,780)14 15 Department of Cultural Resources **Cultural Resources** 16 2,260,000 17 18 Department of Revenue (610,805)19 20 Department of Correction (13.654.377)21 22 Department of Health and Human Services 23 01. Division of Child Development 18,054,056 24 02. Division of Social Services 250,000 25 03. Division of Medical Assistance (114,535,129)26 04. Division of Mental Health, Developmental Disabilities, and Substance 27 Abuse Services 2,858,474 28 29 05. Division of Facility Services 1,149,000 Division of Vocational Rehabilitation 30 06. Services (956,328) 31 07. Division of Public Health 32 (3,434,871)33 08. North Carolina Health Choice 1,413,226 34 35 Department of Public Education 89,083,352 36 37 Community Colleges System Office 19,496,417 38 39 University of North Carolina 40 **Board of Governors** 25,224,554 41 42 Department of Agriculture and Consumer Services 1,200,000

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GENERAL ASSEMBLY OF NORTH CAROLINA	1999
Department of Labor	(400,000)
Department of Environment and Natural Resources	(1,531,337)
Department of Commerce 01. Commerce 3,005,480 02. State Aid to Non-State Entities2,000,000 03. ITS (9,000,000)	
Reserve for Compensation Increase	414,628,515
Debt Service	(45,612,595)
Capital Improvements	14,974,172
Disaster Relief	(15,000,000)
PART III. CURRENT OPERATIONS AND EXPANSION/H	IIGHWAY FUND
maintenance and operation of the Department of Transportation as enumerated, are made for the fiscal year ending June 30, schedule that follows. Amounts set out in brackets are reduction appropriations for the 2000-2001 fiscal year.	2001, according to the
Current Operations - Highway Fund Department of Transportation 01. Administration 1,276,914 02. Construction and Maintenance	2000-2001
 a. Construction (00) Secondary Construction b. State Maintenance 23,500,000 c. State Aid to Municipalities 192,000 g. State Aid for Public 	192,000
g. State Aid for Public Transportation and Railroads 03. Division of Motor Vehicles 809,284	5,200,000
GRAND TOTAL CURRENT OPERATIONS AND EXPANSION	31,170,198
PART IV. HIGHWAY TRUST FUND	

1 2 3		Section 4. Appropriations from the Highway Trust Fund are made for the ar ending June 30, 2001, according to the schedule that follows. Amounts set out ets are reductions from Highway Trust Fund appropriations for the 2000-2001
4	fiscal ye	ar.
5		
6		<u>y Trust Fund</u> <u>2000-2001</u>
7	01.	Intrastate System48,538,626
8	02.	Secondary Roads Construction 6,102,120
9	03.	1 / /
10	04.	1 / /
11	05.	Program Administration 4,119,422
12 13	GR A NIT	O TOTAL - HIGHWAY TRUST FUND 83,480,000
14	OKANL	7101AL - IIIGIIWAT 1ROST 1 0 ND 05,400,000
15	PART V	V. BLOCK GRANT FUNDS
16		
17	Request	ed by: Representatives Easterling, Redwine
18		BLOCK GRANT PROVISIONS
19	Secti	on 5.(a) Appropriations from federal block grant funds are made for the
20	fiscal ye	ar ending June 30, 2001.
21		
22	COMM	UNITY SERVICES BLOCK GRANT
23	0.1	
24	01.	Community Action Agencies
25	02.	Limited Durness Agencies
2627	02.	Limited Purpose Agencies
28	03.	Department of Health and Human Services
29	03.	to administer and monitor
30		the activities of the
31		Community Services Block Grant
32		
33	TOTAL	COMMUNITY SERVICES BLOCK GRANT
34		
35	SOCIAI	L SERVICES BLOCK GRANT
36		
37	01.	County departments of social services
38		(Transfer from TANF - \$4,500,000)
39	02	A11 .: C : 1 . : : : 1 1
40	02.	Allocation for in-home services provided
41 42		by county departments of social services
42		SOCIAL SCIVICES
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1 2 3	03.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
4	04.	Division of Services for the Blind
5 6	05.	Office of Juvenile Justice
7 8 9	06.	Division of Facility Services
10 11	07.	Division of Aging - Home and Community Care Block Grant
12 13 14	08.	Transfer from TANF Block Grant for Child Care Subsidies
15 16 17	09.	Division of Vocational Rehabilitation - United Cerebral Palsy
18 19	10.	State administration
20 21	11.	Child Medical Evaluation Program
22 23	12.	Adult day care services
24 25 26 27	13.	County departments of social services for child abuse prevention and permanency planning
28 29 30	14.	Transfer to Preventive Health Services Block Grant for emergency medical services
31 32 33 34	15.	Transfer to Preventive Health Services Block Grant for AIDS education, counseling, and testing
35 36 37 38	16.	Department of Administration for the N.C. Commission of Indian Affairs In-Home Services Program for the elderly
39 40 41	17.	Division of Vocational Rehabilitation - Easter Seals Society
42 43	18	UNC-CH CARES Program for training and

1		consultation services
2 3 4 5	19.	Transfer from TANF Block Grant for Allocation to the Adolescent Pregnancy Prevention Program
6 7 8 9	20.	Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons
10 11 12 13	21.	County departments of social services for child welfare improvements (Transfer from TANF - \$300,000)
14 15 16 17 18	22.	Transfer from TANF Block Grant for Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for juvenile offenders
20 21 22	23.	Transfer from TANF Block Grant for Enhanced Employee Assistance Program
23 24 25 26	24.	Transfer from TANF Block Grant for Division of Social Services - Child Caring Agencies
27 28 29 30 31	25.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services - Developmentally Disabled Waiting List for services
32 33 34	26.	Transfer from TANF Block Grant to Enhance Special Children Adoption Fund
35 36 37	27.	Transfer from TANF Block Grant for Local County Child Welfare Workers
38 39	TOTAL S	SOCIAL SERVICES BLOCK GRANT
40 41	LOW-IN	COME ENERGY BLOCK GRANT
41 42 43	01.	Energy Assistance Programs

1	02.	Crisis Intervention
2 3	03.	Administration
4 5 6	04.	Department of Commerce - Weatherization Program
7 8 9	05.	Department of Administration - N.C. Commission of Indian Affairs
10 11	TOTAL	LOW-INCOME ENERGY BLOCK GRANT
12 13 14	MENTA	L HEALTH SERVICES BLOCK GRANT
15 16 17 18 19 20	01.	Provision of community-based services in accordance with the Mental Health Study Commission's Adult Severe and Persistently Mentally III Plan
21 22 23 24 25	02.	Provision of community-based services in accordance with the Mental Health Study Commission's Child Mental Health Plan
26 27	03.	Administration
28 29	TOTAL	MENTAL HEALTH SERVICES BLOCK GRANT
30 31 32		ANCE ABUSE PREVENTION EATMENT BLOCK GRANT
33 34 35 36 37 38	01.	Provision of community-based alcohol and drug abuse services, tuberculosis services, and services provided by the Alcohol, Drug Abuse Treatment Centers
39 40 41 42	02.	Continuation of services for pregnant women and women with dependent children
43	03.	Continuation and expansion of

1 2 3		services to IV drug abusers and others at risk for HIV diseases
4 5 6 7	04.	Provision of services in accordance with the Mental Health Study Commission's Child and Adolescent Alcohol and Other Drug Abuse Plan
8 9 10	05.	Juvenile Services - Family Focus
10 11 12 13	06.	Juvenile offender services and substance abuse pilot
14 15	07.	Administration
16 17 18		SUBSTANCE ABUSE PREVENTION EATMENT BLOCK GRANT
19 20	CHILD C	CARE AND DEVELOPMENT FUND BLOCK GRANT
21 22	01.	Child care subsidies
23 24	02.	Quality and availability initiatives
25 26	03.	Administrative expenses
27 28 29	04.	Transfer from TANF Block Grant for child care subsidies
30 31 32 33	05.	Transfer from TANF Block Grant for child care rate increases and quality initiatives
34 35 36	TOTAL O	CHILD CARE AND DEVELOPMENT FUND GRANT
37 38 39		RARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT
40 41 42 43	01.	Work First Cash Assistance Standard Counties Electing Counties

1	02.	Work First County Block Grants
2 3 4 5	03.	Transfer to the Child Care and Development Fund Block Grant for child care subsidies
6 7 8 9 10 11	04.	Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Work First substance abuse screening, diagnostic, and support treatment services and drug testing
13 14 15	05.	Allocation to the Division of Social Services for Work First Evaluation
16 17 18	06.	Allocation to the Division of Social Services for staff development
19 20	07.	Reduction of out-of-wedlock births
21 22 23	08.	Transfer to the Social Services Block Grant for substance abuse services for juveniles
24 25	09.	Transfer to the Social Services Block Grant for the Special Children Adoption Fund
26 27 28 29	10.	Employment Security Commission - First Stop Employment Assistance
30 31 32	11.	Transfer to Social Services Block Grant - Enhanced Employee Assistance Program
33 34 35	12.	Work First Job Retention and Follow-Up Initiatives
36 37 38	13.	Allocation to the Division of Public Health for teen pregnancy prevention
39 40 41	14.	Transfer to Social Services Block Grant for Child Caring Agencies
41 42 43	15.	Child Care Subsidies for TANF Recipients

1	16.	Work First Business Council
2 3	17.	Work First Housing Initiative
4 5 6	18.	Transfer to Child Care and Development Fund Block Grant for Child Care Rate Increases
7 8 9	19.	Allocation to the Division of Social Services for Domestic Violence
10 11 12	20.	Implementation of HB 1159 - Protection from Violent Caregivers
13 14 15 16	21.	Transfer to Social Services Block Grant for Additional County Foster Care and Adoption Workers
17 18 19	22.	Intensive Family Preservation Program Expansion
20 21 22	23.	Contract for MOE Analysis and Assistance
23 24	24.	Work First/Boys and Girls Clubs
25 26	25.	Community Colleges - Enhanced Pathways
27 28	26.	Transfer to Social Services Block Grant for Child Care Subsidies
29 30 31 32	27.	Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services
33 34 35 36	28.	Transfer to Social Services Block Grant for Adolescent Pregnancy Prevention Program
37 38 39		TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT
40	MATER	NAL AND CHILD HEALTH BLOCK GRANT
41 42 43	01.	Healthy Mothers/Healthy Children Block Grants to Local Health

1		Departments
2 3 4 5 6 7 8	02.	High Risk Maternity Clinic Services, Perinatal Education and Training, Childhood Injury Prevention, Public Information and Education, and Technical Assistance to Local Health Departments
9 10 11	03.	Services to Children With Special Health Care Needs
12 13 14		MATERNAL AND CHILD I BLOCK GRANT
15 16 17	PREVEN	TIVE HEALTH SERVICES BLOCK GRANT
18 19 20 21	01.	Transfer from Social Services Block Grant - Emergency Medical Services
22 23	02.	Hypertension and Statewide Health Promotion Programs
24252627	03.	Dental Health for Fluoridation of Water Supplies
28 29 30	04.	Rape Prevention and Rape Crisis Programs
31 32	05.	Rape Prevention and Rape Education
33 34 35 36 37	06.	Transfer from Social Services Block Grant - AIDS/HIV Education, Counseling, and Testing
38 39 40	07.	Office of Minority Health and Minority Health Council
41 42	08.	Administrative and Indirect Cost
43	TOTAL I	PREVENTIVE HEALTH SERVICES BLOCK GRANT

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Requested by: Representatives Easterling, Redwine 41 NER BLOCK GRANT FUNDS

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Section 5.1.(a) Appropriations from federal block grant funds shall be made for the fiscal year ending June 30, 2001.

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

If the United States Congress reduces the amount of TANF funds below the amounts appropriated in this section after the effective date of this act, then the Department shall allocate the decrease in funds after considering any underutilization of the budget and the effectiveness of the current level of services. Any TANF Block Grant fund changes shall be reported to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

The Department of Health and Human Services shall make a report in collaboration with all other State and local agencies and public and private entities (i) that are impacted by the Social Services or TANF Block Grants and (ii) that will be affected by future reductions in either of these block grants detailing plans for dealing with future reductions or adjustments in either of these block grants, including plans for programs funded wholly or in part with transfers from the TANF Block Grant.

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

Section 5.(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 Health and Human Services, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

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

1	WELFARETC	A WORK DI OCK OR ANT		
2 3	WELFARE TO WORK BLOCK GRANT			
4	COMMUNITY DEVELOPMENT BLOCK GRANT			
5				
6	01.	State Administration		
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8	02.	Urgent Needs and Contingency		
9 10	03.	Community Empowerment		
11	03.	Community Empowerment		
12	04.	Economic Development		
13	· · ·			
14	05.	Community Revitalization		
15				
16	06.	State Technical Assistance		
17				
18	07.	Housing Development		
19 20	08.	Infrastructure		
21	08.	mnasuucture		
22	TOTAL COMMUNITY DEVELOPMENT			
23	BLOCK GRANT - 2001 Program Year			
24				
25	Section 5.1.	(b) Decreases in Federal Fund Availability. –		
26	Decr	eases in federal fund availability for the Community Development Block		
27		ederal funds are reduced below the amounts specified above after the		
28		of this act, then every program in each of these federal block grants shall be		
29	•	same percentage as the reduction in federal funds.		
30		(c) Increases in Federal Fund Availability for Community Development		
31 32	Block Grants	block grant funds appropriated by the Congress of the United States in		
33	•	funds specified in this section shall be expended as follows: – Each		
34		ory under the Community Development Block Grant shall be increased by		
35		ntage as the increase in federal funds.		
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37	PART VI.	GENERAL FUND AND HIGHWAY FUND AVAILABILITY		
38	STATEMENT	'S		

Y STATEMENTS

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Requested by: Representatives Easterling, Redwine

41 GENERAL FUND AVAILABILITY STATEMENT

Section 6. The General Fund availability used to adjust 2000-2001 budget is 42 43 shown below:

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3	2000-2001		
4			(\$ Millions)
5	Budget Reform Statement		
6	Beginning Unrestricted Fund Balance		0
7	Tax Revenues		13,191.8
8	Nontax Revenues		
9	Invest Income 218.0		
10	Judicial Fees 104.6		
11	Disproportionate Share Receipts	105.0	
12	Subtotal		
13	Other Nontax Revenue 137.5		
14	Highway Trust Fund Transfer		170.0
15	Highway Fund Transfer		13.8
16			
17	Total Availability		13,940.7
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19	PART VII. GENERAL PROVISIONS		

Requested by: Representatives Easterling, Redwine

SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL RECEIPTS/AUTHORIZATION FOR EXPENDITURES

Section 7.(a) There is appropriated out of the cash balances, federal receipts, and departmental receipts available to each department, sufficient amounts to carry on authorized activities included under each department's operations. All these cash balances, federal receipts, and departmental receipts shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by statute, and shall be expended at the level of service authorized by the General Assembly. If the receipts, other than gifts and grants that are unanticipated and are for a specific purpose only, collected in a fiscal year by an institution, department, or agency exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, then the Director of the Budget shall decrease the amount he allots to that institution, department, or agency from appropriations from that Fund by the amount of the excess, unless the Director of the Budget finds that the appropriations from the Fund are necessary to maintain the function that generated the receipts at the level anticipated in the certified Budget Codes for that Fund.

Funds that become available from overrealized receipts in General Fund Codes and Highway Fund Codes may be used for new permanent employee positions or to raise the salary of existing employees only as follows:

- (1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4; or
- (2) If the Director of the Budget finds that the new permanent employee positions are necessary to maintain the function that generated the

receipts at the level anticipated in the certified budget codes for that Fund. The Director of the Budget shall notify the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the chairmen of the appropriations committees of the Senate and the House of Representatives, and the Fiscal Research Division of the Legislative Services Office that he intends to make such a finding at least 10 days before he makes the finding. The notification shall set out the reason the positions are necessary to maintain the function.

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

Section 7.(b) The Director of the Budget shall develop necessary budget controls, regulations, and systems to ensure that these funds and other State funds subject to the Executive Budget Act, are not spent in a manner which would cause a deficit in expenditures.

Requested by: Representatives Easterling, Redwine

EXPENDITURES OF FUNDS IN RESERVES LIMITED

Section 7.1. All funds appropriated by this act into reserves may be expended only for the purposes for which the reserves were established.

Requested by: Representatives Easterling, Redwine

STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY

Section 7.2. Each private, nonprofit entity eligible to receive State funds, either by General Assembly appropriation, or by grant, loan, or other allocation from a State agency, before funds may be disbursed to the entity, shall file with the disbursing agency a notarized copy of that entity's policy addressing conflicts of interest that may arise involving the entity's management employees and the members of its board of directors or other governing body. The policy shall address situations where any of these individuals may directly or indirectly benefit, except as the entity's employees or members of the board or other governing body, from the entity's disbursing of State funds, and shall include actions to be taken by the entity or the individual, or both, to avoid conflicts of interest and the appearance of impropriety.

Requested by: Representatives Easterling, Redwine

BUDGETING OF PILOT PROGRAMS

Section 7.3.(a) Any program designated by the General Assembly as experimental, model, or pilot shall be shown as a separate budget item and shall be considered as an expansion item until a succeeding General Assembly reapproves it.

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

Section 7.3.(b) The Governor shall submit to the General Assembly with his proposed budget a report of which items in the proposed budget are subject to the provisions of this section.

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PART VIII. MISCELLANEOUS PROVISIONS

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Requested by: Representatives Easterling, Redwine

EXECUTIVE BUDGET ACT APPLIES

Section 8. 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.

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Requested by: Representatives Easterling, Redwine

MOST TEXT APPLIES ONLY TO 2000-2001

Section 8.1. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2000-2001 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2000-2001 fiscal year.

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Requested by: Representatives Easterling, Redwine

EFFECT OF HEADINGS

Section 8.2. 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, except for effective dates referring to a Part.

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Requested by: Representatives Easterling, Redwine

SEVERABILITY CLAUSE

Section 8.3. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

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- Requested by: Representatives Easterling, Redwine
- 34 **EFFECTIVE DATE**
- Section 8.4. Except as otherwise provided, this act becomes effective July 1, 2000.