

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1505

Appropriations Committee Substitute with Amendments A,B,C,D,E,F,G,H Adopted 6/2/94

Third Edition Engrossed 6/2/94

House Committee Substitute Favorable 6/17/94 Amendments Engrossed Fifth Edition Engrossed 6/21/94

Short Title: Budget Modification 1.

(Public)

Sponsors:

Referred to:

May 25, 1994

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 1993, TO MAKE APPROPRIATIONS FOR CAPITAL IMPROVEMENTS FOR THE 1994-95 FISCAL YEAR, AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

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.

TITLE OF ACT

1 Sec. 2. This act shall be known as "The Current Operations and Capital
2 Improvements Appropriations Act of 1994."

3
4 **TITLE I. CURRENT OPERATIONS**

5
6 **PART 1. GENERAL FUND APPROPRIATIONS**

7
8 **CURRENT OPERATIONS/STATE GOVERNMENT**

9 Sec. 3. Appropriations from the General Fund of the State for the
10 maintenance of the State departments, institutions, and agencies, and for other purposes
11 as enumerated, are made for the fiscal year ending June 30, 1995, according to the
12 schedule that follows. The amounts set out in the schedule are in addition to other
13 appropriations from the General Fund for these purposes for the 1994-95 fiscal year.
14 Amounts set out in brackets are reductions from General Fund appropriations for the
15 1994-95 fiscal year.

	GENERAL FUND		
	OPERATING		
	RECURRING	NONRECURRING	
20 Judicial			\$
21 5,786,524			\$
22 5,287,990			
23			
24 General Assembly		3,131,250	
25		3,985,000	
26			
27 Office of the Governor			
28 01. Office of the Governor	75,978	-	
29 02. Office of State Budget and Management		37,089	-
30 03. Office of State Planning	184,536	-	
31 04. Special Appropriations	-	960,000	
32 05. Housing Finance Authority	-	6,150,000	
33			
34 Department of Secretary of State		197,446	
35 -			
36 Department of State Auditor		701,766	
37		380,730	
38 Department of State Treasurer		2,795,173	
39 -			
40			
41 Public Education			
42 01. Department of Public Instruction	4,000,000	1,762,000	
43 02. State Aid to Local School			
44 Administrative Units	(22,520,514)	129,057,854	

1		
2	Total Public Education	(18,520,514)
3	130,819,854	
4		
5	Department of Justice	538,959
6		754,565
7		
8	Department of Administration	235,417
9		62,545
10		
11	Department of Agriculture	1,749,488
12		1,375,000
13		
14	Department of Labor	799,641
15		761,050
16		
17	Department of Insurance	987,190
18	-	
19		
20	Department of Environment, Health, and	
21	Natural Resources	5,911,475
22	2,788,546	
23		
24	University of North Carolina - Board	
25	of Governors	
26	01. University of North Carolina	
27	a. General Administration	(72,774)
28	b. Lump sum - Institutional	
29	Programs	10,403,848 11,839,869
30	c. Related Educational Programs	4,540,000
31		
32	02. University of North Carolina at Chapel Hill	
33	a. Academic Affairs	(780,867) (161,642)
34	b. Health Affairs	(357,047)
35	c. Area Health Education Centers	(18,236)
36		
37	03. North Carolina State University at Raleigh	
38	a. Academic	(675,486)
39	b. Agricultural Research Service	1,353,910 200,000
40	c. Agricultural Extension Services	(90,442) 25,000
41		
42	University of North Carolina at Greensboro	(178,462)
43	University of North Carolina at Charlotte	(128,039)
44	University of North Carolina at Asheville	428,557

1	University of North Carolina at Wilmington			(109,269)
2	East Carolina University			
3	a. Academic	(261,212)		
4	b. Health Affairs	(300,443)		
5	North Carolina Agricultural and Technical State			
6	University	(172,122)		
7	Western Carolina University			(118,031)
8	Appalachian State University			(171,442)
9	Pembroke State University			(13,610)
10	Winston-Salem State University			(53,810)
11	Elizabeth City State University			(57,330)
12	Fayetteville State University			35,403
13	North Carolina Central University			(90,992)
14	North Carolina School of the Arts			(25,823)
15	North Carolina School of Science			
16	and Mathematics			327,472
17	University of North Carolina			
18	Hospitals at Chapel Hill			(201,782)
19				
20		13,211,971	11,903,227	
21	Department of Human Resources			
22	01. Secretary's Office	1,597,409	4,000,000	
23	02. Division of Aging	485,182	600,000	
24	03. Services for the Deaf and Hard of Hearing		2,967,055	
25	04. Social Services	9,500,532	1,415,167	
26	05. Medical Assistance	(69,564,355)	50,000	
27	06. Services for the Blind	348,593	-	
28	07. Division of Mental Health, Developmental			
29	Disabilities, and Substance			
30	Abuse Services	21,297,843	8,000,000	
31	08. Division of Facility Services	768,092	-	
32	09. Division of Vocational Rehabilitation			
33	Services	1,305,481	-	
34	10. Division of Youth Services	427,696	100,000	
35	11. Division of Child Development		<u>23,364,513</u>	<u>1,300,000</u>
36	Total Human Resources	(7,501,959)	15,465,167	
37				
38	Department of Correction			(4,731,970)
39				(1,760,361)
40				
41	Department of Commerce			
42	01. Commerce	5,108,186	15,660,509	
43	02. Microelectronics Center	3,900,000	-	
44	03. Rural Economic Development Center	3,300,000	4,775,000	

1	04. Biotechnology Center	1,000,000	1,000,000	
2				
3	Department of Revenue			5,108,963
4				5,180,776
5				
6	Department of Cultural Resources			218,075
7				1,500,000
8				
9	Department of Crime Control and			
10	Public Safety			1,124,740
11	465,062			
12				
13	Office of State Controller			2,252,138
14				12,000,000
15				
16	Department of Community Colleges			9,627,824
17				13,183,500
18				
19	State Board of Elections			296,141
20				1,657,500
21				
22	Office of State Budget and Management			
23	01. Reserve for Salary Increases			
24	a. 4% Salary Increase	306,268,928	-	
25	b. Reduction in Balance of			
26	2% Salary Increase	(1,757,024)	-	
27	c. Compensation/Performance Bonus		-	64,372,259
28	02. Reserve for Salary Adjustment	500,000	-	
29	03. Reserve for Retiree 30% Reduction	(16,318)	-	
30	04. Reserve for Restoring Pay Date		-	120,000,000
31	05. Reserve for OSHA - Bloodborne			
32	Pathogens Standards	-	1,000,000	
33	07. Reserve to Match Federal/Other Resources		-	3,000,000
34	08. Reserve for Voter Registration		-	3,000,000
35	09. Savings in State Health Plan	(38,000,000)	-	
36	10. Reserve for Subsistence Increase	1,600,000	-	
37	11. Reserve for Tort Claims	400,000	-	
38	12. Vacant Positions Deletion	(10,000,000)	-	
39	13. Retirement Rate Reduction	(10,300,000)	-	
40				
41	Debt Service			25,723,695
42				
43	Grand Total Current Operations/General Fund			\$311,944,808
44				\$425,727,919

1			
2			
3	<u>Current</u>	<u>Operations/Highway</u>	<u>Fund</u>
4			<u>19</u>
5	<u>94-95</u>		
6			
7	Department of Transportation		
8	01. Administration	\$ (531,000)	
9	02. Division of Highways		
10	a. Ferry Operations	1,300,000	
11	b. Construction - Federal Aid Match	(8,406,415)	
12	03. Division of Motor Vehicles	769,107	
13	04. Reserve for Salary Increases	14,400,000	
14	05. Debt Service	(33,255)	
15	06. Retirement Rate Adjustment	(912,410)	
16			
17	Crime Control and Public Safety		
18	<u>3,077,775</u>		
19			
20	GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND		\$
21	9,663,802		

PART 4. HIGHWAY FUND APPROPRIATIONS - NONRECURRING

CURRENT OPERATIONS/HIGHWAY FUND - NONRECURRING APPROPRIATIONS/HIGHWAY FUND

Sec. 6. Appropriations are made from the Highway Fund of the 1994-95 fiscal year for use by the Department of Transportation, and for other purposes to provide for one-time expenditures according to the following schedule:

30			
31	<u>Current Operations/Highway Fund - Nonrecurring</u>		<u>1994-95</u>
32			
33	Department of Transportation		
34	01. Administration	\$ 332,000	
35	02. Division of Highways		
36	a. State Construction		
37	(01) Secondary Construction	4,300,000	
38	b. State Maintenance		
39	(01) Primary	3,027,294	
40	(02) Secondary	5,305,273	
41	(03) Urban	3,875,220	
42	(04) Resurfacing	1,627,392	
43	c. Ferry Operations	841,000	
44	03. Division of Motor Vehicles	2,562,069	

1	04.	State Aid to Municipalities	4,300,000
2	05.	State Aid for Public Transportation	5,800,000
3	06.	State Aid for Railroads	400,000
4	07.	Reserve for Salary Increases (Compensation/ Performance Bonus)	8,750,000
5			
6	08.	Battery Dump Site Cleanup	115,000
7			
8		Appropriations for Other State Agencies	
9	01.	Crime Control and Public Safety	1,480,950
10	02.	Revenue	71,968
11	03.	Environment, Health, and Natural Resources	928,032
12	04.	Global TransPark Authority	<u>2,120,000</u>

13

14 GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND -
15 NONRECURRING \$ 45,834,738

16

17 PART 4.1. HIGHWAY TRUST FUND

18

19 Sec. 6.1. In addition to the appropriations made by Section 5 of Chapter 321
20 of the 1993 Session Laws, appropriations from the Highway Trust Fund are made for
21 the 1994-95 fiscal year as follows:

22

23	01.	Intrastate System	\$ 42,564,140
24	02.	Secondary Roads Construction	4,815,971
25	03.	Urban Loops	17,211,167
26	04.	State Aid - Municipalities	4,465,972
27	05.	Program Administration	2,742,750
28	06.	Transfer to General Fund	<u> -</u>

29

30 GRAND TOTAL/HIGHWAY TRUST FUND \$ 71,800,000

31

32 PART 4.2. BLOCK GRANT APPROPRIATIONS

33

34 Requested by: Representatives Easterling, Nye

35 DHR BLOCK GRANT PROVISIONS

36 Sec. 6.2. (a) Appropriations from federal block grant funds are made for the
37 fiscal year ending June 30, 1995, according to the following schedule:

38

39 COMMUNITY SERVICES BLOCK GRANT

40

41	01.	Community Action Agencies	\$ 9,455,796
42	02.	Limited Purpose Agencies	525,322
43			
44	03.	Department of Human Resources	

1	to administer and monitor		
2	the activities of the		
3	Community Services Block Grant	525,322	
4			
5	TOTAL COMMUNITY SERVICES BLOCK GRANT		\$ 10,506,440
6			
7	SOCIAL SERVICES BLOCK GRANT		
8			
9	01. County Departments of Social Services	\$ 42,253,005	
10			
11	02. Allocation for In-Home Services provided		
12	by County Departments of		
13	Social Services	458,722	
14			
15	03. Division of Mental Health, Developmental		
16	Disabilities, and Substance Abuse Services	5,524,186	
17			
18	04. Division of Services for the Blind	3,205,711	
19			
20	05. Division of Youth Services	1,052,674	
21			
22	06. Division of Facility Services	343,341	
23			
24	07. Division of Aging	336,157	
25			
26	08. Day Care Services	12,158,899	
27			
28	09. Office of Citizen Affairs	55,458	
29			
30	10. State Administration and State Level		
31	Contracts	3,473,524	
32			
33	11. Voluntary Sterilization Funds	98,710	
34			
35	12. Transfer to Maternal and Child		
36	Health Block Grant	1,585,833	
37			
38	13. Adult Day Care Services	599,551	
39			
40	14. County Departments of Social Services for		
41	Child Abuse/Prevention and		
42	Permanency Planning	394,841	
43			
44	15. Allocation to Division of Maternal and		

1	Child Health for Grants-in-Aid to Prevention	
2	Programs 439,261	
3		
4	16. Transfer to Preventive Health	
5	Block Grant for Emergency Medical Services	
6	and Basic Public Health Services 633,128	
7		
8	17. Allocation to Preventive Health Block	
9	Grant for AIDS Education 81,001	
10		
11	18. Allocation to Department of Administration	
12	for North Carolina Fund for Children 45,270	
13		
14	19. Allocation to Home and Community Care	
15	Block Grant for Persons Age 60	
16	and Older 1,649,077	
17		
18	20. Allocation to the Office of Economic	
19	Opportunity for Elderly and	
20	Handicapped Services 49,954	
21		
22	21. Division of Services for the Deaf	
23	and the Hard of Hearing 31,611	
24		
25	22. Division of Child Development for	
26	Head Start 147,467	
27		
28	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 74,617,381
29		
30	LOW INCOME ENERGY BLOCK GRANT	
31		
32	01. Energy Assistance Programs \$ 17,934,847	
33		
34	02. Crisis Intervention 5,411,563	
35		
36	03. Administration 2,413,779	
37		
38	04. Weatherization Program 2,100,000	
39		
40	05. Indian Affairs 33,022	
41		
42	TOTAL LOW INCOME ENERGY BLOCK GRANT	\$ 27,893,211
43		
44	MENTAL HEALTH SERVICES BLOCK GRANT	

1			
2	01.	Provision of Community-Based	
3		Services in accordance with the	
4		Mental Health Study Commission's	
5		Adult Severe and Persistently	
6		Mentally Ill Plan \$ 3,794,179	
7			
8	02.	Provision of Community-Based	
9		Services in accordance with the	
10		Mental Health Study Commission's	
11		Child Mental Health Plan	1,802,819
12			
13	03.	Administration	514,037
14			
15		TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 6,111,035
16			
17		BLOCK GRANT FOR THE PREVENTION AND	
18		TREATMENT OF SUBSTANCE ABUSE	
19			
20	01.	Provision of Community-Based	
21		Alcohol and Drug Abuse Services,	
22		Tuberculosis Services, and Services	
23		provided by the Alcohol, Drug Abuse	
24		Treatment Centers	\$ 10,935,939
25			
26	02.	Continuation and Expansion of	
27		Services for Pregnant Women and	
28		Women with Dependent Children	5,057,281
29			
30	03.	Continuation and Expansion of	
31		Services to IV Drug Abusers and others	
32		at risk for HIV diseases	4,560,670
33			
34	04.	Provision of services in accordance with	
35		the Mental Health Study Commission's	
36		Child and Adolescent Alcohol and other	
37		Drug Abuse Plan	4,816,501
38			
39	05.	Administration	1,749,371
40			
41		TOTAL BLOCK GRANT FOR PREVENTION	
42		AND TREATMENT OF SUBSTANCE ABUSE	\$ 27,119,762
43			
44		CHILD CARE AND DEVELOPMENT BLOCK GRANT	

1			
2	01.	Child Day Care Services	\$ 16,544,305
3			
4	02.	Administrative Expenses and Quality	
5		and Availability Initiatives	1,832,456
6			
7	03.	Before and After School Child Care Programs	
8		and Early Childhood Development Programs	4,686,840
9			
10	04.	Quality Improvement Activities	1,511,106
11			
12	TOTAL CHILD CARE AND DEVELOPMENT		
13	BLOCK GRANT		
14			\$ 24,574,707

15 (b) Decreases in Federal Fund Availability

16 If federal funds are reduced below the amounts specified above after the
 17 effective date of this act, then every program except for the Weatherization and the
 18 Indian Affairs Programs in the Low Income Energy Block Grant, in each of the federal
 19 block grants listed above, shall be reduced equally to total the reduction in federal
 20 funds.

21 (c) Increases in Federal Fund Availability

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

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

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

35
 36 Requested by: Representative Bowman

37 **NER BLOCK GRANT PROVISIONS**

38 Sec. 7. (a) Appropriations from federal block grant funds are made for the
 39 fiscal year ending June 30, 1995, according to the following schedule:

40
 41 TOTAL JOB TRAINING PARTNERSHIP ACT \$ 53,841,243

42
 43 COMMUNITY DEVELOPMENT BLOCK GRANT

1	01.	State Administration	\$ 1,097,380	
2				
3	02.	Urgent Needs and Contingency		2,413,646
4				
5	03.	Housing Development	-0-	
6				
7	04.	Economic Development	9,654,586	
8				
9	05.	Community Revitalization	30,404,698	
10				
11	06.	State Technical Assistance	498,690	
12				
13	07.	Entrepreneurial Empowerment	4,800,000	
14				
15	08.	Microenterprise	1,000,000	
16				
17	TOTAL COMMUNITY DEVELOPMENT			
18	BLOCK GRANT			\$ 49,869,000
19				
20	MATERNAL AND CHILD HEALTH SERVICES			
21				
22	01.	Healthy Mother/Healthy Children		
23		Block Grants to Local Health		
24		Departments	\$ 11,600,877	
25				
26	02.	High Risk Maternity Clinic Services,		
27		Perinatal Education, and Consultation		
28		to Local Health Departments		
29		and Other Health Care Providers	1,565,313	
30				
31	03.	Services to Children with Disabilities	5,065,331	
32				
33	04.	Reimbursements for Local Health		
34		Departments for Contracted		
35		Nutritional Services	120,530	
36				
37	TOTAL MATERNAL AND CHILD			
38	HEALTH SERVICES			\$ 18,352,051
39				
40	PREVENTIVE HEALTH BLOCK GRANT			
41				
42	01.	Emergency Medical Services	\$ 452,375	
43				
44	02.	Basic Public Health Services	180,753	

1			
2	03.	Hypertension Programs	773,203
3			
4	04.	Statewide Health Promotion Programs	2,985,265
5			
6	05.	Fluoridation of Water Supplies	228,404
7			
8	06.	Rape Prevention and Rape	
9		Crisis Programs	183,632
10			
11	07.	AIDS/HIV Education, Counseling,	
12		and Testing	81,001
13			
14	08.	Office of Minority Health and	
15		Minority Health Council	190,000
16			
17	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 5,074,633
18			

19 (b) Decreases in Federal Fund Availability

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

23 (c) Increases in Federal Fund Availability

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

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

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

34 (3) For the Preventive Health Block Grants – these additional funds may
 35 be budgeted by the appropriate department, with the approval of the
 36 Office of State Budget and Management, provided the resultant
 37 increases are in accordance with federal block grant requirements and
 38 are within the scope of the block grant plan approved by the General
 39 Assembly. All these budgeted increases shall be reported to the Joint
 40 Legislative Commission on Governmental Operations and to the
 41 Director of the Fiscal Research Division.

42 (d) Education Setaside of JTPA Funds

43 The Department of Commerce shall certify to the Joint Legislative
 44 Commission on Governmental Operations and to the Fiscal Research Division of the

1 Legislative Services Office when Job Training Partnership Act funds have been
 2 distributed to each agency, the total amount distributed to each agency, and the total
 3 amount of eight percent (8%) Education Setaside funds received.

4 (e) Limitations on Community Development Block Grant Funds

5 Of the funds appropriated in this section for the Community Development
 6 Block Grant, not more than one million ninety-seven thousand three hundred eighty
 7 dollars (\$1,097,380) may be used for State administration; up to two million four
 8 hundred thirteen thousand six hundred forty-six dollars (\$2,413,646) may be used for
 9 Urgent Needs and Contingency; up to nine million six hundred fifty-four thousand five
 10 hundred eighty-six dollars (\$9,654,586) may be used for Economic Development; not
 11 less than thirty million four hundred four thousand six hundred ninety-eight dollars
 12 (\$30,404,698) shall be used for Community Revitalization; up to four hundred ninety-
 13 eight thousand six hundred ninety dollars (\$498,690) may be used for State Technical
 14 Assistance; up to four million eight hundred thousand dollars (\$4,800,000) may be used
 15 for Entrepreneurial Empowerment projects; and up to one million dollars (\$1,000,000)
 16 may be used for Microenterprise projects. Housing Development projects will be
 17 funded in 1994 from available Program Income. If federal block grant funds are
 18 reduced or increased by the United States Congress after the effective date of this act,
 19 then these reductions or increases shall be allocated in accordance with subsection (b) or
 20 (c) of this section, as applicable.

21
 22 **PART 5. GENERAL PROVISIONS**

23
 24 Requested by: Representatives McAllister, McLaughlin

25 **HIGHWAY FUND AVAILABILITY INCREASE**

26 Sec. 9. Section 18 of Chapter 321 of the 1993 Session Laws, as amended by
 27 Section 7 of Chapter 561 of the 1993 Session Laws, reads as rewritten:

28 "Sec. 18. The Highway Fund appropriations availability used in developing the
 29 1993-95 Highway Fund budget is shown below:

	(\$Million)	(\$Million)		
	<u>1993-94</u>	<u>1994-95</u>		
32 Beginning Credit Balance	\$ 9.03	<u>21.03</u>	-	<u>40.5</u>
34 Estimated Revenues:		944.6	\$ 961.3	<u>979.3</u>
35 Transfer from Equipment Fund		10.0		-
36 Transfer to Highway Trust Fund		-		(9.6)
38 Total Highway Fund Availability	\$ 963.63	<u>975.63</u>	\$ 951.7	<u>1,010.2</u>

39
 40 Requested by: Representatives Nesbitt, Diamont

41 **CLARIFY "UNRESERVED CREDIT BALANCE"**

42 Sec. 10. (a) G.S. 143-15.2 reads as rewritten:

43 **"§ 143-15.2. Use of General Fund credit balance.**

1 The State Controller shall reserve up to one-fourth of any unreserved credit balance,
2 as determined on a cash basis, remaining in the General Fund at the end of each fiscal
3 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would
4 result in the Savings Reserve Account having funds in excess of five percent (5%) of
5 the amount appropriated the preceding year for the General Fund operating budget,
6 including local government tax-sharing funds; in that case, only funds sufficient to
7 reach the five percent (5%) level shall be reserved. The State Controller shall also
8 reserve the lesser of (i) one-fourth of any unreserved credit balance, as determined on a
9 cash basis, remaining in the General Fund and (ii) one and one-half percent (1.5%) of
10 the replacement value of all State buildings supported from the General Fund, at the end
11 of each fiscal year to the Repairs and Renovations Reserve Account as provided in G.S.
12 143-15.3A. The General Assembly may appropriate that part of the anticipated General
13 Fund credit balance not expected to be reserved to the Savings Reserve Account or the
14 Repairs and Renovations Reserve Account only for capital improvements or other one-
15 time expenditures. As used in this section, the term 'unreserved credit balance' means
16 the credit balance amount, as determined on a cash basis, before funds are reserved by
17 the Controller to the Savings Reserve Account or the Repairs and Renovations Reserve
18 Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A."

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

20 "(a) There is established a Savings Reserve Account as a restricted reserve in the
21 General Fund. The State Controller shall reserve to the Savings Reserve Account one-
22 fourth of any unreserved credit balance remaining in the General Fund at the end of
23 each fiscal year until the account contains funds equal to five percent (5%) of the
24 amount appropriated the preceding year for the General Fund operating budget,
25 including local government tax-sharing funds. If the balance in the Savings Reserve
26 Account falls below this level during a fiscal year, the State Controller shall reserve to
27 the Savings Reserve Account for the following fiscal years up to one-fourth of any
28 unreserved credit balance remaining in the General Fund at the end of each fiscal year
29 until the account again equals five percent (5%) of the amount appropriated the
30 preceding year for the General Fund operating budget, including local government tax-
31 sharing funds. As used in this section, the term 'unreserved credit balance' means
32 that part of the credit balance, balance amount, as determined on a cash basis, not already
33 reserved to before funds are reserved by the Controller to the Savings Reserve Account
34 or the Repairs and Renovations Reserve Account. Account pursuant to this section and
35 G.S. 143-15.3A."

36 (c) G.S. 143-15.3A(a) reads as rewritten:

37 "(a) There is established a Repairs and Renovations Reserve Account as a
38 restricted reserve in the General Fund. The State Controller shall reserve to the Repairs
39 and Renovations Reserve Account one-fourth of any unreserved credit balance
40 remaining in the General Fund at the end of each fiscal year. As used in this section, the
41 term 'unreserved credit balance' means that part of the credit balance, balance amount,
42 as determined on a cash basis, not already reserved to before funds are reserved by the
43 Controller to the Savings Reserve Account or the Repairs and Renovations Reserve
44 Account. Account pursuant to this section and G.S. 143-15.3."

1
2 Requested by: Representative Nesbitt

3 **ELIMINATE VACANT POSITIONS**

4 Sec. 10.1. By September 1, 1994, the Director of the Budget shall identify
5 and eliminate permanently from the continuation budget vacant positions in the 1994-95
6 General Fund budget from within State departments and institutions in the amount of
7 ten million dollars (\$10,000,000). The Director shall consider in the identification and
8 elimination of vacant positions the number of months positions have been vacant, the
9 critical and noncritical nature of the positions, the appropriation reductions in
10 departments' and institutions' general fund budgets made by the 1993 General Assembly
11 and this act, and the effect an elimination of vacant positions will have on the delivery
12 of program services. The Director shall report to the Joint Commission on
13 Governmental Operations and to the Division of Fiscal Research by September 1, 1994,
14 on the identification and elimination of positions required by this section.

15

16 **PART 6. SALARIES AND BENEFITS**

17

18 Requested by: Representatives Nesbitt, Diamont

19 **APPROPRIATIONS**

20 Sec. 11. (a) Of the funds appropriated in Sections 3 and 4 of this act from
21 the General Fund to the Reserves for Salary Increases, the sum of two hundred six
22 million three hundred forty-eight thousand one hundred sixty-one dollars
23 (\$206,348,161) for the 1994-95 fiscal year shall be used to provide a four percent (4%)
24 permanent salary increase and a four hundred eighty dollar (\$480.00) compensation
25 bonus for State employees, community college employees, and certain public school
26 personnel.

27 (b) Of the funds appropriated in Sections 5 and 6 of this act from the
28 Highway Fund to the Reserve for Salary Increases, the sum of twenty-three million one
29 hundred fifty thousand dollars (\$23,150,000) for the 1994-95 fiscal year shall be used to
30 provide a four percent (4%) permanent salary increase and a four hundred eighty dollar
31 (\$480.00) compensation bonus for employees paid from that fund.

32

33 Requested by: Representatives Nesbitt, Diamont

34 **GOVERNOR'S SALARY INCREASE**

35 Sec. 11.1. G.S. 147-11(a) reads as rewritten:

36 "(a) The salary of the Governor shall be ~~ninety three thousand seven hundred~~
37 ~~seventy seven dollars (\$93,777)~~ ninety-seven thousand five hundred twenty-eight
38 dollars (\$97,528) annually, payable monthly."

39

40 Requested by: Representatives Nesbitt, Diamont

41 **COUNCIL OF STATE/SALARY INCREASE**

42 Sec. 11.2. Section 49 of Chapter 321 of the 1993 Session Laws reads as
43 rewritten:

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

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$77,289-87,000
Attorney General	77,289-87,000
Secretary of State	77,289-87,000
State Treasurer	77,289-87,000
State Auditor	77,289-87,000
Superintendent of Public Instruction	77,289-87,000
Agriculture Commissioner	77,289-87,000
Insurance Commissioner	77,289-87,000
Labor Commissioner	77,289-87,000. "

Requested by: Representatives Nesbitt, Diamont

NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 11.3. Section 50 of Chapter 321 of the 1993 Session Laws reads as rewritten:

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

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$77,289-80,381
Secretary of Correction	77,289-80,381
Secretary of Crime Control and Public Safety	77,289-80,381
Secretary of Cultural Resources	77,289-80,381
Secretary of Commerce	77,289-80,381
Secretary of Environment, Health, and Natural Resources	77,289-80,381
Secretary of Human Resources	77,289-80,381
Secretary of Revenue	77,289-80,381
Secretary of Transportation	77,289-80,381. "

Requested by: Representatives Nesbitt, Diamont

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Sec. 11.4. (a) Section 51(a) of Chapter 321 of the 1993 Session Laws reads as rewritten:

"(a) The annual salaries, payable monthly, for the ~~1993-94 and 1994-95~~ fiscal ~~years-year~~ for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$74,389-77,365

1	State Controller	120,301 <u>108,271</u>
2	Commissioner of Motor Vehicles	74,389 <u>77,365</u>
3	Commissioner of Banks	74,389 <u>77,365</u>
4	Chairman, Employment Security	
5	Commission	74,389 <u>77,365</u>
6	State Personnel Director	77,289 <u>80,381</u>
7	Chairman, Parole Commission	67,926 <u>70,643</u>
8	Members of the Parole Commission	62,712 <u>65,220</u>
9	Chairman, Industrial Commission	66,837 <u>69,510</u>
10	Members of the Industrial Commission	65,209 <u>67,817</u>
11	<u>Chairman of the Utilities</u>	
12	<u>Commission</u>	<u>81,381</u>
13	<u>Commissioner of the Utilities</u>	
14	<u>Commission</u>	<u>80,381</u>
15	Executive Director, Agency for Public	
16	Telecommunications	62,712 <u>65,220</u>
17	General Manager, Ports Railway	
18	Commission	56,628 <u>58,893</u>
19	Director, Museum of Art	76,225 <u>79,274</u>
20	Executive Director, Wildlife Resources	
21	Commission	64,205 <u>66,773</u>
22	Executive Director, North Carolina	
23	Housing Finance Agency	92,063 <u>95,746</u>
24	Executive Director, North Carolina	
25	Agricultural Finance Authority	72,406 <u>75,302</u>
26	Director, Office of Administrative	
27	Hearings 65,674 <u>76,500.</u> "	

28 (b) G.S. 62-10(h) reads as rewritten:

29 "(h) The salary of each commissioner and that of the commissioner designated as
30 chairman shall be the same as that fixed from time to time for judges of the superior
31 court except that the commissioner designated as chairman shall receive one thousand
32 dollars (\$1,000) additional per annum set by the General Assembly in the Current
33 Operations Appropriations Act. In lieu of merit and other increment raises paid to
34 regular State employees, each commissioner, including the commissioner designated as
35 chairman, shall receive as longevity pay an amount equal to four and eight-tenths
36 percent (4.8%) of the annual salary set forth in the Current Operations Appropriations
37 Act payable monthly after five years of service, and nine and six-tenths percent (9.6%)
38 after 10 years of service. 'Service' means service as a member of the Utilities
39 Commission."

40

41 Requested by: Representatives Nesbitt, Diamont

42 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

43 Sec. 11.5. Effective upon convening of the 1995 Regular Session of the
44 General Assembly, G.S. 120-3 reads as rewritten:

1 **"§ 120-3. Pay of members and officers of the General Assembly.**

2 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-six~~
 3 ~~thousand three hundred thirty-four dollars (\$36,334),~~ thirty-eight thousand five hundred
 4 fourteen dollars (\$38,514) payable monthly, and an expense allowance of ~~one thousand~~
 5 ~~three hundred forty-six dollars (\$1,346)~~ one thousand four hundred twenty-seven dollars
 6 (\$1,427) per month. The President Pro Tempore of the Senate shall be paid an annual
 7 salary of ~~thirty-six thousand three hundred thirty-four dollars (\$36,334),~~ thirty-eight
 8 thousand five hundred fourteen dollars (\$38,514) payable monthly, and an expense
 9 allowance of ~~one thousand three hundred forty-six dollars (\$1,346)~~ one thousand four
 10 hundred twenty-seven dollars (1,427) per month. The Speaker Pro Tempore of the
 11 House shall be paid an annual salary of ~~twenty thousand seven hundred four dollars~~
 12 ~~(\$20,704)~~ twenty-one thousand nine hundred forty-six dollars (\$21,946) payable
 13 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~ eight
 14 hundred forty-four dollars (844.00) per month. The Deputy President Pro Tempore of
 15 the Senate shall be paid an annual salary of ~~twenty thousand seven hundred four~~
 16 ~~(\$20,704)~~ twenty-one thousand nine hundred forty-six dollars (\$21,946) payable
 17 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~ eight
 18 hundred forty-four dollars (\$844.00) per month. The majority and minority leaders in
 19 the House and the majority and minority leaders in the Senate shall be paid an annual
 20 salary of ~~sixteen thousand two hundred thirty-six dollars (\$16,236)~~ seventeen thousand
 21 two hundred ten dollars (\$17,210) payable monthly, and an expense allowance of ~~six~~
 22 ~~hundred thirty-four dollars (\$634.00)~~ six hundred seventy-two dollars (\$672.00) per
 23 month.

24 (b) Every other member of the General Assembly shall receive increases in
 25 annual salary only to the extent of and in the amounts equal to the average increases
 26 received by employees of the State, effective upon convening of the next Regular
 27 Session of the General Assembly after enactment of these increased amounts.
 28 Accordingly, upon convening of the 1995 Regular Session of the General Assembly,
 29 every other member of the General Assembly shall be paid an annual salary of ~~thirteen~~
 30 ~~thousand two hundred eighty-seven dollars (\$13,287)~~ fourteen thousand eighty-four
 31 dollars (\$14,084) payable monthly, and an expense allowance of ~~five hundred thirty-two~~
 32 ~~dollars (\$532.00)~~ five hundred sixty-four dollars (\$564.00) per month.

33 (c) The salary and expense allowances provided in this section are in addition to
 34 any per diem compensation and any subsistence and travel allowance authorized by any
 35 other law with respect to any regular or extra session of the General Assembly, and
 36 service on any State board, agency, commission, standing committee and study
 37 commission."
 38

39 Requested by: Representatives Nesbitt, Diamont

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

41 Sec. 11.6. G.S. 120-37(c) reads as rewritten:

42 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
 43 entitled to other benefits available to permanent legislative employees and shall be paid
 44 an annual salary of ~~forty-seven thousand six hundred twenty dollars (\$47,620)~~ fifty-four

1 thousand dollars (\$54,000) payable monthly. The Legislative Services Commission
 2 shall review the salary of the principal clerks prior to submission of the proposed
 3 operating budget of the General Assembly to the Governor and Advisory Budget
 4 Commission and shall make appropriate recommendations for changes in those salaries.
 5 Any changes enacted by the General Assembly shall be by amendment to this
 6 paragraph."

7
 8 Requested by: Representatives Nesbitt, Diamont

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

10 Sec. 11.7. G.S. 120-37(b) reads as rewritten:

11 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
 12 salary of ~~two hundred twenty-three dollars (\$223.00)~~ two hundred thirty-two dollars
 13 (\$232.00) per week, plus subsistence at the same daily rate provided for members of the
 14 General Assembly, plus mileage at the rate provided for members of the General
 15 Assembly for one round trip only from their homes to Raleigh and return. The
 16 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
 17 prior to the convening of, and subsequent to adjournment or recess of, sessions as may
 18 be authorized by the Legislative Services Commission. The reading clerks shall serve
 19 during sessions only."

20
 21 Requested by: Representatives Nesbitt, Diamont

22 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

23 Sec. 11.8. The Legislative Administrative Officer shall increase the salaries
 24 of nonelected employees of the General Assembly in effect for fiscal year 1993-94 by
 25 four percent (4%). Nothing in this act limits any of the provisions of G.S. 120-32.

26
 27 Requested by: Representatives Hensley, Nesbitt, Diamont

28 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

29 Sec. 11.9. (a) Section 56(a) of Chapter 321 of the Session Laws of 1993
 30 reads as rewritten:

31 "(a) The annual salaries, payable monthly, for specified judicial branch officials
 32 for ~~fiscal year 1993-94 and fiscal year 1994-95~~ are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>	
34 Chief Justice, Supreme Court	\$93,777	<u>97,600</u>
35 Associate Justice, Supreme Court	91,855	<u>96,000</u>
36 Chief Judge, Court of Appeals	88,930	<u>93,600</u>
37 Judge, Court of Appeals	86,996	<u>92,000</u>
38 Judge, Senior Regular Resident		
39 Superior Court	79,823	<u>89,500</u>
40 Judge, Superior Court	77,289	<u>87,000</u>
41 Chief Judge, District Court	68,256	<u>79,000</u>
42 Judge, District Court	65,674	<u>76,500</u>
43 District Attorney	71,965	<u>74,844</u>
44 Assistant District Attorney—an		

1	average of	46,738	
2	Administrative Officer of the Courts	79,823	<u>89,500</u>
3	Assistant Administrative Officer		
4	of the Courts	65,160	<u>75,160</u>
5	Public Defender	71,965	<u>74,844.</u>
6	Assistant Public Defender—an		
7	average of	46,738.	

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

12 ~~The district attorney or public defender of a judicial district, with the approval of the~~
13 ~~Administrative Officer of the Courts, shall set the salaries of assistant district attorneys~~
14 ~~or assistant public defenders, respectively, in that district such that the average salaries~~
15 ~~of assistant district attorneys or assistant public defenders in that district do not exceed~~
16 ~~forty six thousand seven hundred thirty eight dollars (\$46,738), and the minimum salary~~
17 ~~of any assistant district attorney or assistant public defender is at least twenty three~~
18 ~~thousand eight hundred sixty two dollars (\$23,862) effective July 1, 1993."~~

19 (b) The district attorney or public defender of a judicial district, with the
20 approval of the Administrative Officer of the Courts, shall set the salaries of assistant
21 district attorneys or assistant public defenders, respectively, in that district such that the
22 average salaries of assistant district attorneys or assistant public defenders in that district
23 do not exceed forty-eight thousand six hundred eight dollars (\$48,608), and the
24 minimum salary of any assistant district attorney or assistant public defender is at least
25 twenty-four thousand eight hundred sixteen dollars (\$24,816) effective July 1, 1994."

26 (c) The salaries in effect for fiscal year 1993-94 for permanent, full-time
27 employees of the Judicial Department, except for those whose salaries are itemized in
28 this Part, shall be increased by four percent (4%), commencing July 1, 1994.

29 (d) The salaries in effect for fiscal year 1993-94 for all permanent, part-time
30 employees of the Judicial Department shall be increased on and after July 1, 1994, by
31 pro rata amounts of the four percent (4%).

32

33 Requested by: Representatives Nesbitt, Diamont

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

35 Sec. 11.10. (a) G.S. 7A-101(a) reads as rewritten:

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

40	Population		Annual Salary
41	Less than 100,000	\$48,391	<u>57,670</u>
42	100,000 to 149,999	54,621	<u>64,780</u>
43	150,000 to 249,999	62,247	<u>71,890</u>
44	250,000 and above	68,256.	<u>79,000.</u>

The salary schedule in this subsection is intended to represent the following percentage of the salary of a chief district court judge:

<u>Less than 100,000</u>	<u>73%</u>
<u>100,000 to 149,999</u>	<u>82%</u>
<u>150,000 to 249,999</u>	<u>91%</u>
<u>250,000 and above</u>	<u>100%.</u>

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

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

Requested by: Representatives Nesbitt, Diamont

ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

Sec. 11.11. G.S. 7A-102(c) reads as rewritten:

"(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of the Courts shall establish an incremental salary plan for assistant clerks and for deputy clerks based on a series of salary steps corresponding to the steps contained in the Salary Plan for State Employees adopted by the Office of State Personnel, subject to a minimum and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan based on satisfactory job performance as determined by each clerk. Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the office of superior court clerk would warrant an annual salary greater than the salary first established under this section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan, and shall remain eligible for a two-step increase each year as recommended by each clerk until that assistant or deputy clerk's annual salary corresponds to his number of years of service. Any person covered by this subsection who would not receive a step increase in fiscal year ~~1993-94~~ ~~1994-95~~ because that person is at the top of the salary range as it existed for fiscal year ~~1992-93~~ ~~1993-94~~ shall receive a salary increase to the maximum annual salary provided by subsection (c1) of this section."

Sec. 11.12. G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy ~~clerk-clerk, and up to one full-time deputy clerk serving as head bookkeeper per county,~~ shall be paid an annual salary subject to the following minimum and maximum rates:

<u>Assistant Clerks and Head Bookkeeper</u>	<u>Annual Salary</u>
---	----------------------

1	Minimum	\$20,712	<u>21,126</u>	
2	Maximum	35,967	<u>37,406</u>	
3				
4	Deputy Clerks			Annual Salary
5	Minimum	\$16,560	<u>16,891</u>	
6	Maximum	27,705.	<u>28,813.</u> "	

7
8 Requested by: Representatives Nesbitt, Diamont

9 **MAGISTRATES/SALARY INCREASE**

10 Sec. 11.13. G.S. 7A-171.1(a)(1) reads as rewritten:

11 "(1) A full-time magistrate, so designated by the Administrative Officer of
12 the Courts, shall be paid the annual salary indicated in the table below
13 according to the number of years he has served as a magistrate. The
14 salary steps shall take effect on the anniversary of the date the
15 magistrate was originally appointed:
16

17 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

19	Number of Prior Years of Service	Annual Salary
20	Less than 1	\$17,399 <u>19,139</u>
21	1 or more but less than 3	18,293 <u>20,122</u>
22	3 or more but less than 5	20,092 <u>22,101</u>
23	5 or more but less than 7	22,075 <u>24,283</u>
24	7 or more but less than 9	24,290 <u>26,719</u>
25	9 or more but less than 11	26,702 <u>29,372</u>
26	11 or more	29,333 <u>32,266.</u>

27
28 A 'Full-time magistrate' is a magistrate who is assigned to work an
29 average of not less than 40 hours a week during his term of office.

30 Notwithstanding any other provision of this subdivision, a full-time
31 magistrate, who was serving as a magistrate on December 31, 1978,
32 and who was receiving an annual salary in excess of that which would
33 ordinarily be allowed under the provisions of this subdivision, shall
34 not have the salary, which he was receiving reduced during any
35 subsequent term as a full-time magistrate. That magistrate's salary
36 shall be fixed at the salary level from the table above which is nearest
37 and higher than the latest annual salary he was receiving on December
38 31, 1978, and, thereafter, shall advance in accordance with the
39 schedule in the table above."
40

41 Requested by: Representatives Nesbitt, Diamont

42 **AUTHORIZED TRANSFERS/SALARY ADJUSTMENT FUNDS**

43 Sec. 11.14. The Director of the Budget may transfer to General Fund budget
44 codes from the General Fund salary adjustment appropriation, and may transfer to

1 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
2 amounts required to support approved salary adjustments made necessary by difficulties
3 in recruiting and holding qualified employees in State government. The funds may be
4 transferred only when the use of salary reserve funds in individual operating budgets is
5 not feasible.

6

7 Requested by: Representatives Nesbitt, Diamont

8 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

9 Sec. 11.15. The Director of the Budget shall transfer from the Reserve for
10 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 funds to
11 the Department of Community Colleges necessary to provide an average annual salary
12 increase of four percent (4%), including funds for the employer's retirement and social
13 security contributions, commencing July 1, 1994, for all permanent full-time
14 community college institutional personnel supported by State funds. The State Board of
15 Community Colleges shall establish guidelines for providing their salary increases to
16 community college institutional personnel. Salary funds shall be used to provide an
17 average annual salary increase of four percent (4%) to all full-time employees and part-
18 time employees on a pro rata basis.

19

20 Requested by: Representatives Nesbitt, Diamont, Michaux

21 **UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES**

22 Sec. 11.17. (a) The Director of the Budget shall transfer to the Board of
23 Governors of The University of North Carolina sufficient funds from the Reserve for
24 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 to provide
25 a salary increase of one percent (1%), including funds for the employer's retirement and
26 social security contributions, commencing July 1, 1994, for all employees of The
27 University of North Carolina, as well as employees of the North Carolina School of
28 Science and Mathematics, supported by State funds and whose salaries are exempt from
29 the State Personnel Act (EPA).

30 (b) The Director of the Budget shall transfer to the Board of Governors of
31 The University of North Carolina sufficient funds from the Reserve for Salary Increases
32 created in Sections 3 and 4 of this act for fiscal year 1994-95 to provide an annual
33 average salary increase of three percent (3%), including funds for the employer's
34 retirement and social security contributions, commencing July 1, 1994, for all
35 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 (EPA). These funds shall be allocated
38 to 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, Diamont, Barnes

1 **UNIVERSITY OF NORTH CAROLINA COMPETITIVE FACULTY SALARY**
2 **LEVELS**

3 Sec. 11.18. Of the funds appropriated in Section 3 of this act to the Board of
4 Governors of The University of North Carolina for University Institutional Programs,
5 the sum of twelve million thirty-seven thousand seven hundred seventy-one dollars
6 (\$12,037,771) for the 1994-95 fiscal year shall be allocated by the Board of Governors
7 to improve competitive peer rankings and to enhance teaching faculty salaries, including
8 those of the Institute of Government. These funds represent approximately two and
9 one-quarter percent (2.25%) of salary funds for those teaching faculty whose salaries
10 are exempt from the State Personnel Act (EPA), including funds for employer
11 retirement and social security contributions, and are in addition to the seven million one
12 hundred thousand dollars (\$7,100,000) appropriated in Section 3 of Chapter 321 of the
13 1993 Session Laws (also see Section 101.1 of that Chapter).

14
15 Requested by: Representatives Nesbitt, Diamont

16 **MOST STATE EMPLOYEES/SALARY INCREASES/1994-95**

17 Sec. 11.19. (a) The salaries in effect June 30, 1994, of all permanent full-
18 time State employees whose salaries are set in accordance with the State Personnel Act,
19 and who are paid from the General Fund or the Highway Fund shall be increased, on or
20 after July 1, 1994, unless otherwise provided by this act, by four percent (4%).

21 (b) Except as otherwise provided in this act, salaries in effect June 30, 1994,
22 for permanent full-time State officials and persons in exempt positions that are
23 recommended by the Governor or the Governor and the Advisory Budget Commission
24 and set by the General Assembly shall be increased by four percent (4%), commencing
25 July 1, 1994.

26 (c) The salaries in effect June 30, 1994, for all permanent part-time State
27 employees shall be increased on and after July 1, 1994, by pro rata amounts of the
28 salary increases provided for permanent full-time employees covered under subsection
29 (a) of this section.

30 (d) The Director of the Budget may allocate out of special operating funds or
31 from other sources of the employing agency, except tax revenues, sufficient funds to
32 allow a salary increase on and after July 1, 1994, in accordance with subsections (a),
33 (b), or (c) of this section, including funds for the employer's retirement and social
34 security contributions, of the permanent full-time and part-time employees of the
35 agency.

36 (e) Within regular Executive Budget Act procedures as limited by this act, all
37 State agencies and departments may increase on an equitable basis the rate of pay of
38 temporary and permanent hourly State employees, subject to availability of funds in the
39 particular agency or department, by pro rata amounts salary increase provided for
40 permanent full-time employees covered by the provisions of subsection (a) of this
41 section, commencing July 1, 1994.

42 (f) The provisions of this section shall be applied to employees whose
43 salaries are determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a) at two
44 percent (2%) rather than four percent (4%), except that employees who would not

1 receive a salary increment for the 1994-95 fiscal year under G.S. 7A-102 or G.S. 20-
2 187.3(a) because they are at the top of their salary range will be moved to the new top
3 of their salary range, which is increased by four percent (4%). The salary ranges for
4 employees covered by G.S. 7A-102 set out in Section 11.12 of this act reflect this
5 action.

6 (g) No person may receive a salary increase under G.S. 126-7 during the
7 1994-95 fiscal year.

8
9 Requested by: Representatives Nesbitt, Diamont, Barnes

10 **COMPENSATION BONUS**

11 Sec. 11.20. (a) Any person:

12 (1) Whose salary is set by or under this Part, other than Sections 11.2,
13 11.5, 11.9(a), 11.10, or 11.13;

14 (2) Who was, on July 1, 1994:

15 a. A permanent officer or permanent employee whose salary is set
16 by or under this Part; or

17 b. A public school bus driver, covered by Section 11.24 of this act;
18 and

19 (3) Who was not on July 1, 1994 a 10-month public school employee
20 shall receive in July of 1994 a compensation bonus of four hundred eighty dollars
21 (\$480.00), except that the compensation bonus for persons subject to Section 11.15 of
22 this act shall be an average of four hundred eighty dollars (\$480.00) per year and shall
23 be allocated in accordance with guidelines adopted by the State Board of Community
24 Colleges, except that the compensation bonus for persons subject to Sections 11.17 of
25 this act shall be an average of four hundred eighty dollars (\$480.00) per year and shall
26 be allocated to individuals according to the rules adopted by the Board of Governors, or
27 the Board of Trustees of the North Carolina School of Science and Mathematics, as
28 appropriate, and except that the guidelines and rules may cover employees of those
29 institutions whose first day of employment for the 1994-95 academic year came after
30 July 1, 1994.

31 (a1) Any person:

32 (1) Who did not receive a compensation bonus under subsection (a) of this
33 section; and

34 (2) Who was, during the third payroll period of the 1994-95 school year
35 either a 10-month:

36 a. Permanent public school employee whose salary is set by or
37 under this Part; or

38 b. Public school bus driver, covered by Section 11.24 of this act;
39 and

40 shall receive in the third payroll period of the 1994-95 school year a compensation
41 bonus of four hundred eighty dollars (\$480.00).

42 (b) Individuals whose work is less than full-time and who are entitled to
43 receive the compensation bonus under this section and who are either:

1 (1) Permanent part-time employees, other than those covered by Sections
2 11.15 or 11.17 of this act; or

3 (2) part-time bus drivers

4 shall receive a pro rata amount of the four hundred eighty dollars (\$480.00).

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

7

8 Requested by: Representatives Nesbitt, Diamont

9 **CERTAIN PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE**

10 Sec. 11.24. (a) Superintendents, Assistant Superintendents, Associate
11 Superintendents, Supervisors, Directors, Coordinators, Evaluators, and Program
12 Administrators. – The Director of the Budget may transfer from the Reserve for Salary
13 Increases created in this act for fiscal year 1994-95 funds necessary to provide a salary
14 increase of four percent (4%), including funds for the employer's retirement and social
15 security contributions, commencing July 1, 1994, for all superintendents, assistant
16 superintendents, associate superintendents, supervisors, directors, coordinators,
17 evaluators, and program administrators whose salaries are supported from the State's
18 General Fund. These funds may not be used for any purpose other than for the salary
19 increase and necessary employer contributions provided by this subsection.

20 (b) Noncertified Employees. – The Director of the Budget may transfer from
21 the Reserve for Salary Increases created in this act for fiscal year 1994-95 funds
22 necessary to provide a salary increase of four percent (4%), including funds for the
23 employer's retirement and social security contributions, commencing July 1, 1994, for
24 all noncertified public school employees, except school bus drivers, whose salaries are
25 supported from the State's General Fund. These funds may not be used for any purpose
26 other than for the salary increases and necessary employer contributions provided by
27 this subsection.

28 (c) The fiscal year 1993-94 pay rates adopted by local boards of education for
29 school bus drivers shall be increased by at least four percent (4%) on and after July 1,
30 1994, to the extent that such rates of pay are supported by the allocation of State funds
31 from the State Board of Education. Local boards of education shall increase the rates of
32 pay for all school bus drivers who were employed during fiscal year 1993-94 and who
33 continue their employment for fiscal year 1994-95 by at least four percent (4%) on and
34 after July 1, 1994. The Director of the Budget may transfer from the salary increase
35 reserve fund created in this act for fiscal year 1994-95 funds necessary to provide the
36 salary increases for school bus drivers whose salaries are supported from the State's
37 General Fund in accordance with the provisions of this subsection.

38

39 Requested by: Representatives Nesbitt, Diamont

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

41 Sec. 11.25. (a) Salaries and related benefits for positions that are funded
42 partially from the General Fund or Highway Fund and partially from sources other than
43 the General Fund or Highway Fund shall be increased from the General Fund or

1 Highway Fund appropriation only to the extent of the proportionate part of the salaries
2 paid from the General Fund or Highway Fund.

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

6 (c) The salary increases provided in this Part are to be effective July 1, 1994,
7 do not apply to persons separated from State service due to resignation, dismissal,
8 reduction in force, death, or retirement, whose last workday is prior to July 1, 1994, or
9 to employees involved in final written disciplinary procedures. The employee shall
10 receive the increase on a current basis when the final written disciplinary procedure is
11 resolved.

12 Payroll checks issued to employees after July 1, 1994, which represent
13 payment of services provided prior to July 1, 1994, shall not be eligible for salary
14 increases provided for in this act. This subsection shall apply to all employees, subject
15 to or exempt from the State Personnel Act, paid from State funds, including public
16 schools, community colleges, and The University of North Carolina.

17 (d) The Director of the Budget shall transfer from the Reserve for Salary
18 Increases in Sections 3 and 4 of this act for fiscal year 1994-95 all funds necessary for
19 the salary increases provided by this act, including funds for the employer's retirement
20 and social security contributions.

21 (e) Nothing in this act authorizes the transfer of funds between the General
22 Fund and the Highway Fund for salary increases.

23

24 Requested by: Representatives Nesbitt, Diamont

25 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

26 Sec. 11.26. (a) Required employer salary-related contributions for employees
27 whose salaries are paid from department, office, institution, or agency receipts shall be
28 paid from the same source as the source of the employees' salary. If an employee's
29 salary is paid in part from the General Fund or Highway Fund and in part from
30 department, office, institution, or agency receipts, required employer salary-related
31 contributions may be paid from the General Fund or Highway Fund only to the extent of
32 the proportionate part paid from the General Fund or Highway Fund in support of the
33 salary of the employee, and the remainder of the employer's requirements shall be paid
34 from the source that supplies the remainder of the employee's salary. The requirements
35 of this section as to source of payment are also applicable to payments on behalf of the
36 employee for hospital-medical benefits, longevity pay, unemployment compensation,
37 accumulated leave, workers' compensation, severance pay, separation allowances, and
38 applicable disability income and disability salary continuation benefits.

39 (b) Effective July 1, 1994, the State's employer contribution rates budgeted
40 for retirement and related benefits as a percentage of covered salaries for the 1994-95
41 fiscal year are (i) ten and seventy-three hundredths percent (10.73%) - Teachers and
42 State Employees; (ii) fifteen and seventy-three hundredths percent (15.73%) - State Law
43 Enforcement Officers; (iii) nine percent (9.00%) - University Employees' Optional
44 Retirement Program; (iv) twenty-two and sixty-five hundredths percent (22.65%) -

1 Consolidated Judicial Retirement System; and (v) thirty-six and seven hundredths
2 percent (36.07%) - Legislative Retirement System. Each of the foregoing contribution
3 rates includes two percent (2%) for hospital and medical benefits. The rate for State
4 Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement
5 Income Plan. The rates for Teachers and State Employees, State Law Enforcement
6 Officers, and for the University Employees' Optional Retirement Program includes
7 forty-two hundredths percent (0.42%) for the Disability Income Plan.

8 (b1) Effective August 1, 1994, the State's employer contribution rates
9 budgeted for retirement and related benefits as a percentage of covered salaries for the
10 1994-95 fiscal year are (i) ten and fifty-three hundredths percent (10.53%) - Teachers
11 and State Employees; (ii) fifteen and fifty-three hundredths percent (15.53%) - State
12 Law Enforcement Officers; (iii) eight and eighty hundredths percent (8.80%) -
13 University Employees' Optional Retirement Program; (iv) twenty-two and forty-five
14 hundredths percent (22.45%) - Consolidated Judicial Retirement System; and (v) thirty-
15 five and eighty-seven hundredths percent (35.87%) - Legislative Retirement System.
16 Each of the foregoing contribution rates includes one and eighty-hundredths percent
17 (1.80%) for hospital and medical benefits. The rate for State Law Enforcement Officers
18 includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for
19 Teachers and State Employees, State Law Enforcement Officers, and for the University
20 Employees' Optional Retirement Program includes forty-two hundredths percent
21 (0.42%) for the Disability Income Plan.

22 (c) The General Assembly authorizes the Board of Trustees of the Teachers'
23 and State Employees' Retirement System to adopt a fixed amortization period of nine
24 years for purposes of the unfunded accrued liability for the Retirement System.

25 (d) The maximum annual employer contributions, payable monthly, by the
26 State for each covered employee or retiree for the 1994-95 fiscal year to the Teachers'
27 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare-eligible
28 employees and retirees - one thousand two hundred dollars (\$1,200); and (ii) Non-
29 Medicare-eligible employees and retirees - one thousand five hundred seventy-seven
30 dollars (\$1,577).

31
32 Requested by: Representatives Nesbitt, Diamont

33 **RESTORATION OF THE TWELFTH MONTH TEACHER PAYROLL**

34 Sec. 11.27. (a) The funds appropriated in Section 4 of this act to the Office of
35 State Budget and Management for a Reserve for Paydate Restoration in the amount of
36 one hundred twenty million dollars (\$120,000,000) shall be used to restore the twelfth
37 month of teacher payroll for school teachers paid from the General Fund.

38 In no event shall any allotments made pursuant to this section exceed the
39 actual General Fund requirements.

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

41 "(b) The Director may not use funds in the Savings Reserve Account unless the
42 use has been approved by an act of the General Assembly. ~~It is the intent of the General~~
43 ~~Assembly that effective as of the 1994-95 fiscal year the State's liability for the deferral~~
44 ~~of the twelfth month of teacher payroll shall be eliminated. Funds may be used from the~~

1 ~~Savings Reserve Account and, to the extent necessary, may be combined with other~~
2 ~~available funds to eliminate this liability and thus bring the State into conformity with~~
3 ~~the GAAP."~~

4
5 Requested by: Representatives Nesbitt, Diamont

6 **STATE EMPLOYEE SUBSISTENCE ALLOWANCE**

7 Sec. 11.27A. G.S. 138-6(a)(3) reads as rewritten:

8 "(3) For expenses incurred for subsistence, payment of ~~fifty-five dollars~~
9 ~~(\$55.00) seventy-one dollars (\$71.00)~~ per day when traveling in-state
10 or ~~sixty-seven dollars (\$67.00) eighty-three dollars (\$83.00)~~ per day
11 when traveling out-of-state. When travel involves less than a full day
12 (24-hour period), a reasonable prorated amount shall be paid in
13 accordance with regulations and criteria which shall be promulgated
14 and published by the Director of the Budget. Reimbursement to State
15 employees for lunches eaten while on official business may be made
16 only in the following circumstances:

- 17 a. When an overnight stay is required reimbursement is allowed
18 while an employee is in travel status;
19 b. When the cost of the lunch is included as part of a registration
20 fee for a formal congress, conference, assembly, or
21 convocation, by whatever name called. Such assembly must
22 involve the active participation of persons other than the
23 employees of a single State department, institution, or agency
24 and must be necessary for conducting official State business; or
25 c. When the State employee is a member of a State board,
26 commission, committee, or council which operates from funds
27 deposited with the State Treasurer, and the lunch is preplanned
28 as part of the meeting for the entire board, commission,
29 committee, or council."
30

31 Requested by: Representatives Nesbitt, Diamont

32 **PER DIEM/MILEAGE CONFORM TO FEDERAL CHANGES**

33 Sec. 11.28. Effective upon convening of the 1995 Regular Session of the
34 General Assembly, G.S. 120-3.1(a) reads as rewritten:

35 "(a) In addition to compensation for their services, members of the General
36 Assembly shall be paid the following allowances:

- 37 (1) A weekly travel allowance for each week or fraction thereof that the
38 General Assembly is in regular or extra session. The amount of the
39 weekly travel allowance shall be calculated for each member by
40 multiplying the actual round-trip mileage from that member's home to
41 the City of Raleigh by the rate per mile which is the business standard
42 mileage rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~
43 ~~December 28, 1992.~~ Rev. Proc. 93-51, December 27, 1993.

- 1 (2) A travel allowance at the rate which is the business standard mileage
 2 rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~
 3 ~~December 28, 1992,~~ Rev. Proc. 93-51, December 27, 1993, whenever
 4 the member travels, whether in or out of session, as a representative of
 5 the General Assembly or of its committees or commissions, with the
 6 approval of the Legislative Services Commission.
- 7 (3) A subsistence allowance for meals and lodging at a daily rate equal to
 8 the maximum per diem rate for federal employees traveling to Raleigh,
 9 North Carolina, as set out at ~~57 Federal Register 6684 (February 27,~~
 10 ~~1992),~~ 58 Federal Register 67959 (December 22, 1993), while the
 11 General Assembly is in session and, except as otherwise provided in
 12 this subdivision, while the General Assembly is not in session when,
 13 with the approval of the Speaker of the House in the case of
 14 Representatives Nesbitt, Diamont or the President Pro Tempore of the
 15 Senate in case of Senators, the member is:
- 16 a. Traveling as a representative of the General Assembly or of its
 17 committees or commissions, or
 18 b. Otherwise in the service of the State.
- 19 A member who is authorized to travel, whether in or out of session,
 20 within the United States outside North Carolina, may elect to receive,
 21 in lieu of the amount provided in the preceding paragraph, a
 22 subsistence allowance of twenty-six dollars (\$26.00) a day for meals,
 23 plus actual expenses for lodging when evidenced by a receipt
 24 satisfactory to the Legislative Administrative Officer, the latter not to
 25 exceed the maximum per diem rate for federal employees traveling to
 26 the same place, as set out at ~~57 Federal Register 6678-6687 (February~~
 27 ~~27, 1992) and at 57 Federal Register 24474-24477 (June 9, 1992).~~ 58
 28 Federal Register 67950-67964 (December 22, 1993) and at 59 Federal
 29 Register 23702-23709 (May 6, 1994).
- 30 (4) A member may be reimbursed for registration fees as permitted by the
 31 Legislative Services Commission."
 32

33 Requested by: Representatives Nesbitt, Diamont

34 **FLEXIBLE COMPENSATION - MAKE PERMANENT A PROVISION**
 35 **ALLOWING SAVINGS IN EMPLOYER FICA CONTRIBUTIONS TO BE**
 36 **USED TO PAY FOR ADMINISTRATIVE EXPENSES OF FLEXIBLE**
 37 **COMPENSATION PROGRAMS FOR STATE EMPLOYEES AND**
 38 **EMPLOYEES OF EDUCATIONAL INSTITUTIONS SUPPORTED BY THE**
 39 **STATE.**

40 Sec. 11.28A. Section 14(i) of Chapter 1044 of the 1991 Session Laws, as
 41 amended by Section 42 of Chapter 561 of the 1993 Session Laws reads as rewritten:

42 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
 43 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections
 44 (a) through (h) of this section shall expire December 31, ~~1994.~~ 1997."

1

2 Requested by: Representatives Nesbitt, Diamont, Hensley, Lee

3 **TO CHANGE THE METHOD FOR CALCULATING THE REDUCTION FOR**
4 **EARLY RETIREMENT IN THE TEACHERS' AND STATE EMPLOYEES'**
5 **RETIREMENT SYSTEM; TO INCREASE THE RETIREMENT FORMULA**
6 **WITH AN ADJUSTING INCREASE TO RETIREES OF THE TEACHERS' AND**
7 **STATE EMPLOYEES' RETIREMENT SYSTEM AND OF THE LOCAL**
8 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM; TO PROVIDE**
9 **AN INCREASE TO RETIREES OF THE TEACHERS' AND STATE**
10 **EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL**
11 **EMPLOYEES' RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT**
12 **SYSTEM AND THE JUDICIAL RETIREMENT SYSTEM; TO MAKE**
13 **CHANGES IN THE LEGISLATIVE RETIREMENT SYSTEM AND TO**
14 **ALLOW RECIPROCITY BETWEEN THE DISABILITY INCOME PLAN OF**
15 **NORTH CAROLINA AND THE DEATH BENEFIT PLAN FOR MEMBERS OF**
16 **THE LEGISLATIVE RETIREMENT SYSTEM AND THE CONSOLIDATED**
17 **JUDICIAL RETIREMENT SYSTEM; AND TO REMOVE THE EXCLUSION**
18 **FOR WAR-RELATED DISABILITIES FROM THE DISABILITY INCOME**
19 **PLAN.**

20

Sec. 11.30. (a) G.S. 128-24(5)a. reads as rewritten:

21

"a. Notwithstanding any other provision of this Chapter, any member who separates from service prior to the attainment of the age of 60 years for any reason other than death or retirement for disability as provided in G.S. 128-27(c), after completing 15 or more years of creditable service, and who leaves his total accumulated contributions in said System shall have the right to retire on a deferred retirement allowance upon attaining the age of 60 years; provided that such member may retire only upon written application to the Board of Trustees setting forth at what time, not less than one day nor more than 90 days subsequent to the execution and filing thereof, he desires to be retired; and further provided that in the case of a member who so separates from service on or after July 1, 1967, the aforestated requirement of 15 or more years of creditable service shall be reduced to 12 or more years of creditable service; and further provided that in the case of a member who so separates from service on or after July 1, 1971, or whose account is active on July 1, 1971, the aforestated requirement of 12 or more years of creditable service shall be reduced to five or more years of creditable service. ~~Such deferred retirement allowance shall be computed in accordance with the provisions of G.S. 128-27(b1), provided that such benefits will be computed in accordance with subsection (b2) on or after July 1, 1967, but prior to July 1, 1969; and provided further that such benefits will be computed~~

40

41

42

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44

1 ~~in accordance with subsection (b3) on or after July 1, 1969.~~
2 Such deferred retirement allowance shall be computed in
3 accordance with the service retirement provisions of this Article
4 pertaining to a member who is not a law enforcement officer or
5 eligible former law enforcement officer."

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

7 "(a1) Early Service Retirement Benefits. – Any member may retire and receive a
8 reduced retirement allowance upon written application to the Board of Trustees setting
9 forth at what time, as of the first day of a calendar month, not less than one day nor
10 more than 90 days subsequent to the execution and filing thereof, he desires to be
11 retired: Provided, that the said member at the time so specified for his retirement shall
12 have attained the age of 50 years and have at least 20 years of creditable service."

13 (c) G.S. 128-27(b13) reads as rewritten:

14 " (b13) Service Retirement Allowance of Members Retiring on or after July 1, 1992-
15 1992, but before July 1, 1994. – Upon retirement from service in accordance with
16 subsection (a) above, on or after July 1, 1992, but before July 1, 1994, a member shall
17 receive the following service retirement allowance:

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

- 21 a. If the member's service retirement date occurs on or after his
22 55th birthday, and completion of five years of creditable service
23 as a law enforcement officer, or after the completion of 30 years
24 of creditable service, the allowance shall be equal to one and
25 seventy hundredths percent (1.70%) of his average final
26 compensation, multiplied by the number of years of his
27 creditable service.
- 28 b. This allowance shall also be governed by the provisions of G.S.
29 128-27(b8)(2).

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

- 33 a. If the member's service retirement date occurs on or after his
34 65th birthday upon the completion of five years of creditable
35 service or after the completion of 30 years of creditable service
36 or on or after his 60th birthday upon the completion of 25 years
37 of creditable service, the allowance shall be equal to one and
38 seventy hundredths percent (1.70%) of his average final
39 compensation, multiplied by the number of years of creditable
40 service.
- 41 b. This allowance shall also be governed by the provisions of G.S.
42 128-27(b7)(2a), (2b), and (3)."

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

1 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
2 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,
3 on or after July 1, 1994, a member shall receive the following service retirement
4 allowance:

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

8 a. If the member's service retirement date occurs on or after his
9 55th birthday, and completion of five years of creditable service
10 as a law enforcement officer, or after the completion of 30 years
11 of creditable service, the allowance shall be equal to one and
12 seventy-one hundredths percent (1.71%) of his average final
13 compensation, multiplied by the number of years of his
14 creditable service.

15 b. This allowance shall also be governed by the provisions of G.S.
16 128-27(b8)(2).

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

20 a. If the member's service retirement date occurs on or after his
21 65th birthday upon the completion of five years of creditable
22 service or after the completion of 30 years of creditable service
23 or on or after his 60th birthday upon the completion of 25 years
24 of creditable service, the allowance shall be equal to one and
25 seventy-one hundredths percent (1.71%) of his average final
26 compensation, multiplied by the number of years of creditable
27 service.

28 b. This allowance shall also be governed by the provisions of G.S.
29 128-27(b7)(2a), (2b), and (3)."

30 (e) G.S. 135-3(8) reads as rewritten:

31 "(8) The provisions of this subsection (8) shall apply to any member whose
32 membership is terminated on or after July 1, 1963 and who becomes
33 entitled to benefits hereunder in accordance with the provisions hereof.

34 a. Notwithstanding any other provision of this Chapter, any
35 member who separates from service prior to the attainment of
36 the age of 60 years for any reason other than death or retirement
37 for disability as provided in G.S. 135-5(c), after completing 15
38 or more years of creditable service, and who leaves his total
39 accumulated contributions in said System shall have the right to
40 retire on a deferred retirement allowance upon attaining the age
41 of 60 years; provided that such member may retire only upon
42 written application to the Board of Trustees setting forth at what
43 time, not less than one day nor more than 90 days subsequent to
44 the execution and filing thereof, he desires to be retired; and

1 further provided that in the case of a member who so separates
2 from service on or after July 1, 1967, or whose account is active
3 on July 1, 1967, or has not withdrawn his contributions, the
4 aforesaid requirement of 15 or more years of creditable
5 service shall be reduced to 12 or more years of creditable
6 service; and further provided that in the case of a member who
7 so separates from service on or after July 1, 1971, or whose
8 account is active on July 1, 1971, the aforesaid requirement of
9 12 or more years of creditable service shall be reduced to five
10 or more years of creditable service. ~~Such deferred retirement~~
11 ~~allowance shall be computed in accordance with the provisions~~
12 ~~of G.S. 135-5(b1); provided that such benefits will be computed~~
13 ~~in accordance with (b2) on or after July 1, 1967, but prior to~~
14 ~~July 1, 1969; and provided further that such benefits will be~~
15 ~~computed in accordance with (b3) on or after July 1, 1969.~~
16 Such deferred retirement allowance shall be computed in
17 accordance with the service retirement provisions of this Article
18 pertaining to a member who is not a law enforcement officer or
19 an eligible former law enforcement officer. Notwithstanding
20 the foregoing, any member whose services as a teacher or
21 employee are terminated for any reason other than retirement,
22 who becomes employed by a nonprofit, nonsectarian private
23 school in North Carolina below the college level within one
24 year after such teacher or employee has ceased to be a teacher
25 or employee, may elect to leave his total accumulated
26 contributions in the Teachers' and State Employees' Retirement
27 System during the period he is in the employment of such
28 employer; provided that he files notice thereof in writing with
29 the Board of Trustees of the Retirement System within five
30 years after separation from service as a public school teacher or
31 State employee; such member shall be deemed to have met the
32 requirements of the above provisions of this subdivision upon
33 attainment of age 60 while in such employment provided that
34 he is otherwise vested.

- 35 b. In lieu of the benefits provided in paragraph a of this
36 subdivision (8), any member who separates from service prior
37 to the attainment of the age of 60 years, for any reason other
38 than death or retirement for disability as provided in G.S. 135-
39 5(c), after completing 20 or more years of creditable service,
40 and who leaves his total accumulated contributions in said
41 System, may elect to retire on an early retirement allowance
42 upon attaining the age of 50 years or at any time thereafter;
43 provided that such member may so retire only upon written
44 application to the Board of Trustees setting forth at what time,

not less than one day nor more than 90 days subsequent to the execution and filing thereof, he desires to be retired. Such early retirement allowance so elected shall be equal to the deferred retirement allowance otherwise payable at the attainment of the age of 60 years reduced by the percentage thereof indicated below.

Age at	Percentage Retirement Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50

b1. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law-enforcement officer at the time of separation from service prior to the attainment of the age of 50 years, for any reason other than death or disability as provided in this Article, after completing 15 or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 50 years or at any time thereafter; provided, that the member may commence retirement only upon written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 90 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law-enforcement officers.

b2. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law-enforcement officer at the time of separation from service prior to the attainment of the age of 55 years, for any reason other than death or disability as provided in this Article, after completing five or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated

1 contributions in this System may elect to retire on a deferred
2 early retirement allowance upon attaining the age of 55 years or
3 at any time thereafter; provided, that the member may
4 commence retirement only upon written application to the
5 Board of Trustees setting forth at what time, as of the first day
6 of a calendar month not less than one day nor more than 90
7 days subsequent to the execution and filing thereof, he desires
8 to commence retirement. The deferred early retirement
9 allowance shall be computed in accordance with the service
10 retirement provisions of this Article pertaining to law-
11 enforcement officers.

12 b3. Vested deferred retirement allowance of members retiring on or
13 after July 1, 1994. – In lieu of the benefits provided in
14 paragraphs a. and b. of this subdivision, any member who
15 separates from service prior to attainment of age 60 years, after
16 completing 20 or more years of creditable service, and who
17 leaves his total accumulated contributions in said System, may
18 elect to retire on a deferred retirement allowance upon attaining
19 the age of 50 years or any time thereafter; provided that such
20 member may so retire only upon written application to the
21 Board of Trustees setting forth at what time, not less than one
22 day nor more than 90 days subsequent to the execution and
23 filing thereof, he desires to be retired. Such deferred retirement
24 allowance shall be computed in accordance with the service
25 retirement provisions of this Article pertaining to a member
26 who is not a law enforcement officer or an eligible former law
27 enforcement officer.

28 c. Should a beneficiary who retired on an early or service
29 retirement allowance be reemployed by an employer
30 participating in the Retirement System on a permanent full-
31 time, part-time, temporary, or on fee-for-service basis, whether
32 contractual or otherwise, the retirement allowance shall be
33 suspended if the beneficiary receives or earns any of the
34 following:

- 35 1. Salary or fees or both in excess of one thousand five
36 hundred dollars (\$1,500) per month;
- 37 2. Salary or fees or both in excess of thirteen thousand five
38 hundred (\$13,500) during any consecutive 12 calendar
39 months;
- 40 3. Salary or fees or both during any consecutive 12
41 calendar months, which is greater than fifty percent
42 (50%) of the reported compensation during the 12
43 months of service preceding the effective date of
44 retirement; or

1 4. Salary or fees or both during any month, which when
2 added to the retirement allowance at retirement exceeds
3 the monthly compensation earned immediately prior to
4 retirement, if reemployed by the same employer within
5 90 days of the effective date of retirement.

6 The suspension of the retirement allowance shall be
7 effective as of the first day of the month in which the
8 beneficiary meets the conditions set forth in conditions 1 or 4 of
9 this paragraph and effective as of the first day of the next
10 succeeding month following the month in which the beneficiary
11 meets the conditions set forth in conditions 2 or 3 of this
12 paragraph. The retirement allowance shall be reinstated the
13 month following termination of reemployment or the month
14 following the month in which the conditions set forth in this
15 paragraph are no longer met. The Board of Trustees may adjust
16 the monetary limits in this paragraph by an amount equivalent
17 to any across-the-board salary increase granted to employees of
18 the State by the General Assembly. Each employer shall report
19 information monthly to the Board of Trustees on forms
20 provided by the Board on each reemployed beneficiary
21 sufficient for the effective enforcement of this paragraph.
22 Notwithstanding the foregoing, any beneficiary may irrevocable
23 elect to recommence membership in the Retirement System
24 immediately upon being restored to service, whereupon the
25 retirement allowance shall cease.

26 d. A beneficiary whose retirement allowance is suspended in
27 accordance with the provisions of paragraph c and who is
28 restored to service shall become a member of the Retirement
29 System and shall contribute thereafter as allowed by law at the
30 uniform contribution payable by all members.

31 Upon his subsequent retirement, he shall be paid a
32 retirement allowance determined as follows:

33 1. For a member who earns at least three years' membership
34 service after restoration to service, the retirement
35 allowance shall be computed on the basis of his
36 compensation and service before and after the period of
37 prior retirement without restrictions; provided, that if the
38 prior allowance was based on a social security leveling
39 payment option, the allowance shall be adjusted
40 actuarially for the difference between the amount
41 received under the optional payment and what would
42 have been paid if the retirement allowance had been paid
43 without optional modification.

1 2. For a member who does not earn three years'
2 membership service after restoration to service, the
3 retirement allowance shall be equal to the sum of the
4 retirement allowance to which he would have been
5 entitled had he not been restored to service, without
6 modification of the election of an optional allowance
7 previously made, and the retirement allowance that
8 results from service earned since being restored to
9 service; provided, that if the prior retirement allowance
10 was based on a social security leveling payment option,
11 the prior allowance shall be adjusted actuarially for the
12 difference between the amount that would have been
13 paid for each month had the payment not been suspended
14 and what would have been paid if the retirement
15 allowance had been paid without optional modification.

16 e. Any beneficiary who retired on an early or service retirement
17 allowance as an employee of any State department, agency or
18 institution under the Law Enforcement Officers' Retirement
19 System and becomes employed as an employee by a State
20 department, agency, or institution as an employer participating
21 in the Retirement System shall become subject to the provisions
22 of G.S. 135-3(8)c and G.S. 135-3(8)d on and after January 1,
23 1989."

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

25 "(a1) Early Service Retirement Benefits. – Any member may retire and receive a
26 reduced retirement allowance upon written application to the Board of Trustees setting
27 forth at what time, as of the first day of a calendar month, not less than one day nor
28 more than 90 days subsequent to the execution of and filing thereof, he desires to be
29 retired: Provided, that the said member at the time so specified for his retirement shall
30 have attained the age of 50 years and have at least 20 years of creditable service."

31 (g) G.S. 135-5(b14) reads as rewritten:

32 "(b14) Service Retirement Allowance of Members Retiring on or after July 1, 1993-
33 1993, but before July 1, 1994. – Upon retirement from service in accordance with
34 subsection (a) above, on or after July 1, 1993, but before July 1, 1994, a member shall
35 receive the following service retirement allowance:

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

39 a. If the member's service retirement date occurs on or after his
40 55th birthday, and completion of five years of creditable service
41 as a law enforcement officer, or after the completion of 30 years
42 of creditable service, the allowance shall be equal to one and
43 seventy-one hundredths percent (1.71%) of his average final

- 1 compensation, multiplied by the number of years of his
2 creditable service.
- 3 b. If the member's service retirement date occurs after his 50th and
4 before his 55th birthday with 15 or more years of creditable
5 service as a law enforcement officer and prior to the completion
6 of 30 years of creditable service, the allowance shall be
7 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by
8 one-third of one percent (1/3 of 1%) thereof for each month by
9 which the retirement date precedes the first day of the month
10 coincident with or next following his 55th birthday.
- 11 (2) A member who is not a law enforcement officer or an eligible former
12 law enforcement officer shall receive a service retirement allowance
13 computed as follows:
- 14 a. If the member's service retirement date occurs on or after his
15 65th birthday upon the completion of five years of creditable
16 service or after the completion of 30 years of creditable service
17 or on or after his 60th birthday upon the completion of 25 years
18 of creditable service, the allowance shall be equal to one and
19 seventy-one hundredths percent (1.71%) of his average final
20 compensation, multiplied by the number of years of creditable
21 service.
- 22 b. If the member's service retirement date occurs after his 60th
23 birthday and before his 65th birthday and prior to the
24 completion of 25 years or more of creditable service, the
25 retirement allowance shall be computed as in G.S. 135-
26 5(b14)(2)a. but shall be reduced by one-quarter of one percent
27 (1/4 of 1%) thereof for each month by which his retirement date
28 precedes the first day of the month coincident with or next
29 following his 65th birthday.
- 30 c. If the member's service retirement date occurs before his 60th
31 birthday and prior to the completion of 30 or more years of
32 creditable service, the service retirement allowance shall be the
33 actuarial equivalent of the allowance payable at the age of 60
34 years as computed in G.S. 135(b14)(2)b [G.S. 135-5(b14)(2)b.].
- 35 d. Notwithstanding the foregoing provisions, any member whose
36 creditable service commenced prior to July 1, 1963, shall
37 receive not less than the benefit provided by ~~G.S.~~ G.S. 135-
38 5(b)."
- 39 (h) G.S. 135-5 is amended by adding a new subsection to read:
40 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
41 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,
42 on or after July 1, 1994, a member shall receive the following service retirement
43 allowance:

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday, and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 30 years
7 of creditable service, the allowance shall be equal to one and
8 seventy-three hundredths percent (1.73%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more
13 years of creditable service as a law enforcement officer and
14 prior to the completion of 30 years of creditable service, his
15 retirement allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S.
17 135-5(b15)(1)a. reduced by one-third of one percent (1/3
18 of 1%) thereof for each month by which his retirement
19 date precedes the first day of the month coincident with
20 or next following the month the member would have
21 attained his 55th birthday; or
- 22 2. The service retirement allowance as computed under
23 G.S. 135-5(b15)(1)a. reduced by five percent (5%) times
24 the difference between 30 years and his creditable
25 service at retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former
27 law enforcement officer shall receive a service retirement allowance
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his
30 65th birthday upon the completion of five years of creditable
31 service or after the completion of 30 years of creditable service
32 or on or after his 60th birthday upon the completion of 25 years
33 of creditable service, the allowance shall be equal to one and
34 seventy-three hundredths percent (1.73%) of his average final
35 compensation, multiplied by the number of years of creditable
36 service.
- 37 b. If the member's service retirement date occurs after his 60th and
38 before his 65th birthday and prior to his completion of 25 years
39 or more of creditable service, his retirement allowance shall be
40 computed as in G.S. 135-5(b15)(2)a. but shall be reduced by
41 one-quarter of one percent (1/4 of 1%) thereof for each month
42 by which his retirement date precedes the first day of the month
43 coincident with or next following his 65th birthday.

- 1 c. If the member's early service retirement date occurs on or after
2 his 50th birthday and before his 60th birthday and after
3 completion of 20 years of creditable service but prior to the
4 completion of 30 years of creditable service, his early service
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance as computed under
7 G.S. 135-5(b15)(2)a. but reduced by the sum of five-
8 twelfths of one percent (5/12 of 1%) thereof for each
9 month by which his retirement date precedes the first day
10 of the month coincident with or next following the
11 month the member would have attained his 60th
12 birthday, plus one-quarter of one percent (1/4 of 1%)
13 thereof for each month by which his 60th birthday
14 precedes the first day of the month coincident with or
15 next following his 65th birthday; or
- 16 2. The service retirement allowance as computed under
17 G.S. 135-5(b15)(2)a. reduced by five percent (5%) times
18 the difference between 30 years and his creditable
19 service at retirement; or
- 20 3. If the member's creditable service commenced prior to
21 July 1, 1994, the service retirement allowance provided
22 by G.S. 135-5(b14)(2)c.
- 23 d. Notwithstanding the foregoing provisions, any member whose
24 creditable service commenced prior to July 1, 1963, shall not
25 receive less than the benefit provided by G.S. 135-5(b)."

26 (i) G.S. 135-5(m) reads as rewritten:

27 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
28 principal beneficiary designated to receive a return of accumulated contributions shall
29 have the right to elect to receive in lieu thereof the reduced retirement allowance
30 provided by Option 2 of subsection (g) above computed by assuming that the member
31 had retired on the first day of the month following the date of his death, provided that ~~all~~
32 ~~three~~ of the following conditions apply:

- 33 ~~(1) The member had attained such age and/or creditable service to be~~
34 ~~eligible to commence retirement with an early or service retirement~~
35 ~~allowance or had attained 20 years of creditable service.~~
- 36 (1) a. The member had attained such age and/or creditable service to be
37 eligible to commence retirement with an early or service retirement
38 allowance, or
- 39 b. The member had obtained 20 years of creditable service in
40 which case the retirement allowance shall be computed in
41 accordance with G.S. 135-5(b15)(1)b. or G.S. 135-5(b15)(2)c.,
42 notwithstanding the requirement of obtaining age 50.

- 1 (2) The member had designated as the principal beneficiary to receive a
2 return of his accumulated contributions one and only one person who
3 was living at the time of his death.
4 (3) The member had not instructed the Board of Trustees in writing that he
5 did not wish the provisions of this subsection to apply.

6 For the purpose of this benefit, a member is considered to be in service at the date of
7 his death if his death occurs within 180 days from the last day of his actual service. The
8 last day of actual service shall be determined as provided in subsection (l) of this
9 section. Upon the death of a member in service, the surviving spouse may make all
10 purchases for creditable service as provided for under this Chapter for which the
11 member had made application in writing prior to the date of death, provided that the
12 date of death occurred prior to or within 60 days after notification of the cost to make
13 the purchase. The term 'in service' as used in this subsection includes a member in
14 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
15 Chapter."

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

17 "(i) In accordance with subsection (a) of this section, from and after July 1, 1994,
18 the retirement allowance to or on account of beneficiaries whose retirement commenced
19 on or before January 1, 1994, shall be increased by three and one-half percent (3.5%) of
20 the allowance payable on January 1, 1994. Furthermore, from and after July 1, 1994,
21 the retirement allowance to or on account of beneficiaries whose retirement commenced
22 after January 1, 1994, but before June 30, 1994, shall be increased by a prorated amount
23 of three and one-half percent (3.5%) of the allowance payable as determined by the
24 Board of Trustees based upon the number of months that a retirement allowance was
25 paid between January 1, 1994, and June 30, 1994."

26 (k) G.S. 128-27 is amended by adding two new subsections to read:

27 "(mm) Increase in Allowance as to Persons on Retirement Rolls as of June 1,
28 1994. – From and after July 1, 1994, the retirement allowance to or on account of
29 beneficiaries on the retirement rolls as of June 1, 1994, shall be increased by six-tenths
30 of one percent (.6%) of the allowance payable on June 1, 1994. This allowance shall be
31 calculated on the allowance payable and in effect on June 30, 1994, so as not to be
32 compounded on any other increase payable under subsection (k) of this section or
33 otherwise granted by act of the 1993 General Assembly, 1994 Regular Session.

34 "(nn) From and after July 1, 1994, the retirement allowance to or on account of
35 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
36 by two and eight-tenths percent (2.8%) of the allowance payable on July 1, 1993, in
37 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1994, the
38 retirement allowance to or on account of beneficiaries whose retirement commenced
39 after July 1, 1993, but before June 30, 1994, shall be increased by a prorated amount of
40 two and eight-tenths percent (2.8%) of the allowance payable as determined by the
41 Board of Trustees based upon the number of months that a retirement allowance was
42 paid between July 1, 1993, and June 30, 1994."

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

1 "(xx) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1994. –
2 From and after July 1, 1994, the retirement allowance to or on account of beneficiaries
3 on the retirement rolls as of June 1, 1994, shall be increased by one and two-tenths of
4 one percent (1.2%) of the allowance payable on June 1, 1994. This allowance shall be
5 calculated on the allowance payable and in effect on June 30, 1994, so as not to be
6 compounded on any other increase granted by act of the 1993 General Assembly, 1994
7 Regular Session.

8 (yy) From and after July 1, 1994, the retirement allowance to or on account of
9 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
10 by three and one-half percent (3.5%) of the allowance payable on July 1, 1993, in
11 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1994, the
12 retirement allowance to or on account of beneficiaries whose retirement commenced
13 after July 1, 1993, but before June 30, 1994, shall be increased by a prorated amount of
14 three and one-half percent (3.5%) of the allowance payable as determined by the Board
15 of Trustees based upon the number of months that a retirement allowance was paid
16 between July 1, 1993, and June 30, 1994."

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

18 "(o) From and after July 1, 1994, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
20 by three and one-half percent (3.5%) of the allowance payable on July 1, 1993.
21 Furthermore, from and after July 1, 1994, the retirement allowance to or on account of
22 beneficiaries whose retirement commenced after July 1, 1993, but before June 30, 1994,
23 shall be increased by a prorated amount of three and one-half percent (3.5%) of the
24 allowance payable as determined by the Board of Trustees based upon the number of
25 months that a retirement allowance was paid between July 1, 1993, and June 30, 1994."

26 (n) Effective upon the convening of the 1995 Regular Session of the General
27 Assembly, G.S. 120-4.8(5) reads as rewritten:

28 "(5) 'Compensation' means salary and expense allowance paid for service
29 as a legislator ~~for service~~ in the North Carolina General Assembly,
30 exclusive of ~~travel, per diem and expense allowances.~~ travel and per
31 diem."

32 This subsection applies to expense allowance paid on or after January 1,
33 1994. Effective August 1, 1994, payroll deductions of compensation, as redefined by
34 this section, shall be made. Payroll deductions for expense allowance to cover the
35 period from January 1, 1994, through July 31, 1994, shall be made prior to December
36 31, 1994.

37 (o) Effective January 1, 1995, through December 31, 1996, any current
38 member or former member of the General Assembly may purchase any legislative
39 service for which the member does not have credit in the Legislative Retirement System
40 by paying an amount equal to seven percent (7%) of the compensation on the last date
41 of eligibility as provided for in G.S. 120-4.16, plus interest compounded annually equal
42 to the average yield on the pension accumulation fund since that date.

43 (p) Effective February 1, 1995, G.S. 120-4.21 reads as rewritten:

44 "**§ 120-4.21. Service retirement benefits.**

1 (a) Eligibility; Application. – Any member ~~in service~~ may retire with full
2 benefits who has reached 65 years of age with five years of creditable service. Any
3 member ~~in service~~ may retire with reduced benefits who has reached the age of 50 years
4 with 20 years of creditable service or 60 years with five years of creditable service. The
5 member shall make written application to the Board of Trustees to retire on a service
6 retirement allowance on the first day of the particular calendar month he designates. The
7 designated date shall be no less than one day nor more than 90 days from the filing of
8 the application. During this period of notification, a member may separate from service
9 without forfeiting his retirement benefits.

10 (b) Computation. – Upon retirement from service in accordance with subsection
11 (a) of this section before July 1, 1990, a member shall receive a service retirement
12 allowance computed as follows:

13 (1) For a member whose retirement date occurs on or after his 65th
14 birthday and upon completion of five years of creditable service, four
15 percent (4%) of his 'highest annual salary,' multiplied by the number of
16 years of creditable service.

17 (2) For a member whose retirement date occurs on or after his 60th and
18 before his 65th birthday and upon completion of five years of
19 creditable service, computation as in subdivision (1) of this subsection,
20 reduced by one-fourth of one percent (1/4 of 1%) for each month his
21 retirement date precedes his 65th birthday.

22 (b1) Computation. – Upon retirement from service in accordance with subsection
23 (a) of this section on or after July 1, 1990, but before February 1, 1995, a member shall
24 receive a service retirement allowance computed as follows:

25 (1) For a member whose retirement date occurs on or after his 65th
26 birthday and upon completion of five years of creditable service, four
27 and two-hundredths percent (4.02%) of his 'highest annual salary,'
28 multiplied by the number of years of creditable service.

29 (2) For a member whose retirement date occurs on or after his 60th and
30 before his 65th birthday and upon completion of five years of
31 creditable service, computation as in subdivision (1) of this subsection,
32 reduced by one-fourth of one percent (1/4 of 1%) for each month his
33 retirement date precedes his 65th birthday.

34 (b2) Computation. – Upon retirement from service in accordance with subsection
35 (a) of this section on or after February 1, 1995, a member shall receive a service
36 retirement allowance computed as follows:

37 (1) For a member whose retirement date occurs on or after his 65th
38 birthday and upon completion of five years of creditable service, four
39 and two-hundredths percent (4.02%) of his 'highest annual salary',
40 multiplied by the number of years of creditable service.

41 (2) For a member whose retirement date occurs on or after his 60th and
42 before his 65th birthday and upon completion of five years of
43 creditable service, computation as in subdivision (1) of this subsection.

1 reduced by one-fourth of one percent (1/4 of 1%) for each month his
2 retirement date precedes his 65th birthday.

3 (3) For a member whose retirement date occurs on or after his 50th
4 birthday and before his 60th birthday and upon completion of 20 years
5 of creditable service, computation as in subdivision (2) of this
6 subsection, reduced by the same percentage as provided for in Article
7 1 of Chapter 135 of the General Statutes.

8 (c) Limitations. – In no event shall any member receive a service retirement
9 allowance greater than seventy-five percent (75%) of his 'highest annual salary' nor
10 shall he receive any service retirement allowance whatever while employed in a position
11 that makes him a contributing member of any of the following retirement systems: The
12 Teachers' and State Employees' Retirement System, the North Carolina Local
13 Governmental Employees' Retirement System, ~~the Law Enforcement Officers'~~
14 ~~Retirement System, the Uniform Judicial Retirement System of North Carolina, the~~
15 ~~Uniform Solicitorial Retirement System of North Carolina or the Uniform Clerks of~~
16 ~~Courts Retirement System.~~ or the Consolidated Judicial Retirement System. If he
17 should become a member of any of these systems, payment of his service retirement
18 allowance shall be suspended until he withdraws from membership in that system."

19 (q) Effective July 1, 1994, Article 6 of Chapter 135 of the General Statutes is
20 amended by adding a new section to read:

21 **"§ 135-114. Reciprocity of membership service with the Legislative Retirement**
22 **System and the Consolidated Judicial Retirement System.**

23 Only for the purpose of determining eligibility for benefits accruing under this
24 Article, membership service standing to the credit of a member of the Legislative
25 Retirement System or the Consolidated Judicial Retirement System shall be added to the
26 membership service standing to the credit of a member of the Teachers' and State
27 Employees' Retirement System. However, in the event that a participant or beneficiary
28 is a retired member of the Legislative Retirement System or the Consolidated Judicial
29 Retirement System whose retirement benefit was suspended upon entrance into
30 membership in the Teachers' and State Employees' Retirement System, such
31 membership service standing to the credit of the retired member prior to retirement shall
32 be likewise counted. Membership service under this section shall not be counted twice
33 for the same period of time."

34 (r) Effective July 1, 1994, G.S. 135-5 is amended by adding a new subsection
35 to read:

36 "(11) Reciprocity of Death Benefit Plan. – Only for the purpose of determining
37 eligibility for the death benefit provided for in subsection (1) of this section, membership
38 service standing to the credit of a member of the Legislative Retirement System or the
39 Consolidated Judicial Retirement System shall be added to the membership service
40 standing to the credit of a member of the Teachers' and State Employees' Retirement
41 System. However, in the event that a participant or beneficiary is a retired member of
42 the Legislative Retirement System or the Consolidated Judicial Retirement System
43 whose retirement benefit was suspended upon entrance into membership in the
44 Teachers' and State Employees' Retirement System, such membership service standing

1 to the credit of the retired member prior to retirement shall be likewise counted.
2 Membership service under this section shall not be counted twice for the same period of
3 time. In no event shall a death benefit provided for in G.S. 135-5(l) be paid if a death
4 benefit is paid under G.S. 135-63."

5 (s) G.S. 135-101(6) reads as rewritten:

6 "(6) 'Disability' or 'Disabled' shall mean the mental or physical
7 incapacity for the further performance of duty of a participant or
8 beneficiary; provided that such incapacity was not the result of ~~war,~~
9 ~~whether declared or not, armed or unarmed military or paramilitary~~
10 ~~conflict,~~ terrorist activity, active participation in a riot, committing
11 or attempting to commit a felony, or intentionally self-inflicted
12 injury."

13 (t) G.S. 135-105(c) reads as rewritten:

14 "(c) The monthly benefit as provided in subsection (a) of this section shall be
15 equal to fifty percent (50%) of 1/12th of the annual base rate of compensation last
16 payable to the participant prior to the beginning of the short-term benefit period as may
17 be adjusted for percentage increases as provided under G.S. 135-108 plus fifty percent
18 (50%) of 1/12th of the annual longevity payment to which the participant would be
19 eligible, to a maximum of three thousand dollars (\$3,000) per month reduced by
20 monthly payments for Workers' Compensation to which the participant may be entitled.
21 The monthly benefit shall be further reduced by the amount of any payments from the
22 federal Veterans Administration, any other federal agency, or any payments made under
23 the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled
24 on account of the same disability. Provided, that should a participant have earnings in
25 an amount greater than the short-term benefit, the amount of the short-term benefit shall
26 be reduced on a dollar-for-dollar basis by the amount that exceeds the short-term
27 benefit."

28 (u) G.S. 135-106(b) reads as rewritten:

29 "(b) After the commencement of benefits under this section, the benefits payable
30 under the terms of this section shall be equal to sixty-five percent (65%) of 1/12th of the
31 annual base rate of compensation last payable to the participant or beneficiary prior to
32 the beginning of the short-term disability period as may be adjusted for percentage
33 increases as provided under G.S. 135-108, plus sixty-five percent (65%) of 1/12th of the
34 annual longevity payment to which the participant or beneficiary would be eligible, to a
35 maximum of three thousand nine hundred dollars (\$3,900) per month reduced by any
36 primary Social Security disability benefits and by monthly payments for Workers'
37 Compensation to which the participant or beneficiary may be entitled, ~~but the benefits~~
38 ~~payable shall be no less than ten dollars (\$10.00) a month.~~ entitled. The monthly benefit
39 shall be further reduced by the amount of any monthly payments from the federal
40 Veterans Administration, any other federal agency or any payments made under the
41 provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on
42 account of the same disability. Provided, in any event, the benefit payable shall be no
43 less than ten dollars (\$10.00) a month. However, a disabled participant may elect to
44 receive any salary continuation as provided in G.S. 135-104 in lieu of long-term

1 disability benefits; provided such election shall not extend the first 36 consecutive
 2 calendar months of the long-term disability period. An election to receive any salary
 3 continuation for any part of any given day shall be in lieu of any long-term benefit
 4 payable for that day, provided further, any lump-sum payout for vacation leave shall be
 5 treated as if the beneficiary or participant had exhausted the leave and shall be in lieu of
 6 any long-term benefit otherwise payable. Notwithstanding the foregoing, upon the
 7 completion of four years from the conclusion of the waiting period as provided in G.S.
 8 135-104, the beneficiary's benefit shall be reduced by an amount, as determined by the
 9 Board of Trustees, equal to a primary Social Security disability benefit to which the
 10 beneficiary might be entitled had the beneficiary been awarded Social Security
 11 disability benefits. Provided that, in any event, a beneficiary's benefit shall be reduced
 12 by an amount, as determined by the Board of Trustees, equal to a primary Social
 13 Security retirement benefit to which the beneficiary might be entitled.

14 Notwithstanding the foregoing, the long-term disability benefit is payable so long as
 15 the beneficiary is disabled until the earliest date at which the beneficiary is eligible for
 16 an unreduced service retirement allowance from the Retirement System, at which time
 17 the beneficiary would receive a retirement allowance calculated on the basis of the
 18 beneficiary's average final compensation at the time of disability as adjusted to reflect
 19 compensation increases subsequent to the time of disability and the creditable service
 20 accumulated by the beneficiary, including creditable service while in receipt of benefits
 21 under the Plan."

22 (v) Subsections (s) through (u) of this section are effective January 1, 1988,
 23 provided, however, that in applying the provisions of G.S. 135-101, 135-105, and 135-
 24 106, as amended by this section to any person who was denied disability benefits, such
 25 person shall have 180 days after ratification of this act in which to make a timely
 26 application for such benefits.

27 (w) Except as otherwise provided, this section becomes effective July 1,
 28 1994.

29
 30 **PART 7. OFFICE OF STATE BUDGET AND MANAGEMENT**

31
 32 Requested by: Representatives Nesbitt, Diamont

33 **BUDGET REFORM STATEMENTS/APPROPRIATIONS ADJUSTMENTS**

34 Sec. 12. The General Fund and availability used in developing the 1993-95
 35 budget is as shown below:

	<u>1993-94</u>	<u>1994-95</u>	
		<u>Recurring</u>	<u>Nonrecurring</u>
36			
37			
38			
39			
40	AVAILABILITY:		
41	Estimated Remaining		
42	Balance from 1993-94	\$ -	\$ 519.2
43	Unappropriated Balance		
44	from the 1993 Session	4.7	209.6 -

1	Revenue Forecast Increase	294.7	294.7	-
2				
3	Additional Increases:			
4	Insurance Proceeds	-	-	1.7
5	Insurance Fund	-	1.0	-
6	Non-Tax Revenue	-	<u>2.7</u>	<u>-</u>
7	Total Availability	\$299.4	\$508.0	\$520.9
8				
9	1994 Crime Session			
10	Appropriations	\$ 26.9	\$168.3	\$ 61.5
11				
12	Unobligated Availability	272.5		
13	1993-94 Estimated Reversions	<u>233.2</u>		
14	Total Credit Balance	\$505.7		
15				
16	Earmarking:			
17	Savings Reserve	126.4		
18	Repairs and Renovations			
19	Reserve <u>60.0</u>			
20	Total Earmarking	\$ 186.4		
21				
22	Balance	\$ 319.3	\$339.7	\$459.4
23				
24	Additional Availability:			
25	Disproportionate Share			
26	Funds (Earmarked)	114.2	-	-
27	Disproportionate Share			
28	Funds - Additional	<u>85.7</u>	-	<u>94.0</u>
29	Total Additional Availability	\$199.9	-	\$94.0
30				
31	Budget Reductions	-	291.7	3.7
32				
33	TOTAL BALANCE	\$519.2	\$631.4	\$557.1
34				

35 Requested by: Representatives Nesbitt, Diamont

36 **APPROPRIATIONS OF REMAINING AVAILABILITY TO RESERVES**

37 Sec. 13. Any availability in the General Fund at the beginning of the 1994-95
38 fiscal year that is not required to balance the 1994-95 adopted budget is hereby
39 appropriated as follows: (i) twenty-five percent (25%) to the Savings Reserve Account;
40 (ii) twenty-five percent to the Repairs and Renovations Reserve Account; and (iii) fifty
41 percent (50%) to a Reserve for School Technology.

42
43 Requested by: Representatives Nesbitt, Diamont

1 **RESERVE FOR IMPLEMENTATION OF FEDERAL OSHA REGULATIONS**
2 **REGARDING BLOODBORNE PATHOGENS/USE OF FUNDS; LONG-RANGE**
3 **PLAN**

4 Sec. 14. Funds appropriated in this act to the Office of State Budget and
5 Management for the implementation of the federal OSHA regulations regarding
6 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
7 personal protective equipment, and required cleanup equipment and supplies for
8 employees who are subject to these regulations and only if adequate funds are not
9 available for these purposes. They shall not be used as planning money or for salaries
10 for any new positions or for any other purpose than specifically authorized by this
11 section.

12
13 Requested by: Representative Holt

14 **CRIMINAL JUSTICE INFORMATION NETWORK FUNDS**

15 Sec. 15. (a) The Office of State Budget and Management may use the sum of
16 nine hundred thirty thousand dollars (\$930,000) placed in a reserve in Section 13 of
17 Chapter 24 of the Session Laws of the 1994 Extra Session to continue studying the
18 development of the Criminal Justice Information Network according to the criteria
19 enumerated in Section 13 of Chapter 24 of the Session Laws of the 1994 Extra Session.

20 (b) Subsection (b) of Section 13 of Chapter 24 of the Session Laws of the
21 1994 Extra Session reads as rewritten:

22 "(b) There is created within the Office of State Budget and Management a
23 Criminal Justice Information Network study committee to conduct the study required
24 under this section. The study committee shall be appointed by the Governor in
25 consultation with the Lieutenant Governor, the Attorney General, and the Chief Justice
26 of the North Carolina Supreme Court. The Governor shall appoint no more than nine
27 members to the study committee, and shall make the appointments based upon the
28 appointees' knowledge, expertise, and responsibility within the criminal justice system,
29 the juvenile justice system, and related areas. All State and local government agencies
30 shall cooperate fully with the study committee. Prior to expenditure of funds for a
31 consultant to assist in the study, the study committee shall report to the Joint Legislative
32 Commission on Governmental Operations on the consultant selected, the work products
33 to be provided by the consultant, and the cost of the contract, including an itemization
34 of the cost components. The request for proposals shall notify potential bidders that the
35 committee will report this information to the Joint Legislative Commission on
36 Governmental Operations. The request for proposals shall also contain a provision that
37 reads as follows:

38 'Eligibility for Future Requirements: The successful
39 bidder on this project shall not be considered for an
40 award on subsequent hardware, software, and software
41 support and related procurements which are based on
42 specifications or recommendations resulting from this
43 procurement.'

1 The Division of Purchase and Contract and the Office of State Budget and Management
2 may delete this provision in the request for proposals by jointly (i) filing a written
3 request with the Director of the Budget for authorization to delete this provision from
4 the request for proposals; (ii) sending a copy of this written request for authorization to
5 the Director of the Fiscal Research Division at the time the request is made; (iii)
6 receiving written authorization to delete the provision from the Director of the Budget;
7 and (iv) reporting the authorization, if granted, to the next meeting of the Joint
8 Legislative Commission on Governmental Operations and to the Director of the Fiscal
9 Research Division.

10 The study committee shall provide a monthly report on its progress (i) to the
11 Chairs of the Senate and House Appropriations Committees, (ii) to the Chairs of the
12 Senate and House Justice and Public Safety Appropriations Subcommittees, and (iii) to
13 the Information Resources Management Commission established by G.S. 143B-426.21
14 at the regularly scheduled meetings of the Commission. The study committee shall
15 report its final findings and recommendations to the General Assembly on or before
16 ~~February 1, 1995~~, April 1, 1995, and shall make an interim report by May 15, 1994."

17
18 Requested by: Representatives Crawford, Wainwright

19 **STATE GRANT-IN-AID CATALOG**

20 Sec. 16. The Office of State Budget and Management,
21 in cooperation with the Office of State Planning, shall compile
22 and publish annually a catalog of grant-in-aid programs
23 administered by State agencies. The grant-in-aid catalog shall
24 be organized similarly to the Catalog of Domestic Federal
25 Assistance. The grant-in-aid catalog shall assign a unique
26 alphanumeric identifier to each grant-in-aid program and the
27 identifier shall be included in the accounting key of the State
28 Accounting System so that expenditure information can be
29 readily retrieved and analyzed. Further, the grant-in-aid
30 catalog shall contain the following information:

- 31 (1) The name of each grant-in-aid program.
- 32 (2) The name and business address of the administering agency, together
33 with the telephone number of a contact person in the agency who is
34 familiar with the grant-in-aid program.
- 35 (3) A brief description of the purposes of the grant-in-aid program, along
36 with a citation of the State or federal law authorizing the program.
- 37 (4) A brief description of eligibility criteria, typical levels of grant award,
38 number of grants awarded during the previous fiscal year, and funds
39 available during the current and upcoming fiscal year.
- 40 (5) Any other information that would serve to explain program features to
41 the public and to interested applicants.

42 The Office of State Budget and Management and the Office of State Planning shall
43 report to the General Assembly by February 1, 1995, regarding the progress in
44 compiling and publishing a catalog of State grant-in-aid programs.

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PART 8. GENERAL ASSEMBLY

Requested by: Representatives Crawford, Wainwright

FINANCIAL AUDIT OF THE DEPARTMENT OF INSURANCE

Sec. 17. Of the funds appropriated in this act to the General Assembly, Legislative Services Commission, the sum of seventy-five thousand dollars (\$75,000) for the 1994-95 fiscal year shall be used to contract for an independent financial audit of the Department of Insurance in accordance with the auditing standards set forth in Government Auditing Standards. The audit shall be completed on or before January 15, 1995.

Requested by: Representatives Crawford, Wainwright

JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE STEERING COMMITTEE

Sec. 18. Of the funds appropriated in this act to the General Assembly, the sum of twenty-five thousand dollars (\$25,000) in the 1994-95 fiscal year may be used to support the official activities of the Joint Legislative Commission on Seafood and Aquaculture Steering Committee. The Legislative Research Commission may allocate these funds for the purposes stated in this section only if Senate Bill 1436 is enacted by the 1993 General Assembly.

Requested by: Representatives Wilkins, Mercer

LRC STUDY CORPORATE ANNUAL REPORT FILING REQUIREMENT AND THE BUSINESS LICENSE INFORMATION OFFICE

Sec. 19. (a) The Legislative Research Commission may study whether the requirement under G.S. 55-16-22 that a corporation file an annual report with the Secretary of State should be modified. The Commission may consider in its study the benefits and detriments of the filing requirement, the financial burden placed on the Secretary of State's Office and on corporations by the filing requirement, and any other issues relevant to the filing requirement. The Commission may also study the Business License Information Office's master application system, the costs of the system to the State, the benefits of the system to the business community, and any other issues related to the master application system or the Business License Information Office. The Legislative Research Commission may make its recommendations and submit an interim report to the 1995 General Assembly, Regular Session 1996, and may make a final report to the 1997 General Assembly.

(b) Of the funds appropriated in this act to the General Assembly for the 1994-95 fiscal year the sum of twenty-five thousand dollars (\$25,000) is allocated to the Legislative Research Commission to conduct this study.

Requested by: Representative Mercer

STUDY ALTERNATIVE METHODS TO FUND FIREMEN'S AND RESCUE SQUAD WORKER'S PENSION FUNDS.

1 Sec. 20. (a) There is established the Firefighter and Rescue Worker Pension
2 Fund Study Commission to be composed of 10 members: five members to be appointed
3 by the Speaker of the House of Representatives and five members to be appointed by
4 the President Pro Tempore of the Senate. The appointees shall serve until the
5 termination of the Commission. The Speaker of the House of Representatives and the
6 President Pro Tempore of the Senate shall each designate a cochair from their
7 appointees. Either Cochair may call the first meeting of the Commission. Vacancies
8 shall be filled in the same manner as the original appointments were made.

9 (b) The Commission shall study alternative methods to increase the funding
10 for the Firemen's Pension Fund and the Rescue Squad Worker's Pension Fund and any
11 other issues relevant to that topic.

12 (c) With the prior approval of the Legislative Services Commission, the
13 Legislative Administrative Officer shall assign professional and clerical staff to assist in
14 the work of the Commission. Clerical staff shall be furnished to the Commission
15 through the Offices of the House and Senate supervisors of Clerks. The expenses of
16 employment of the clerical staff shall be borne by the Commission. With the prior
17 approval of the Legislative Services Commission, the Commission may hold its
18 meetings in the State Legislative Building or the Legislative Office Building.

19 (d) The Study Commission shall submit a final written report of its findings
20 and recommendations, including legislation, on or before the convening of the 1995
21 Session of the General Assembly. All reports shall be filed with the Speaker of the
22 House of Representatives and the President Pro Tempore of the Senate. Upon filing its
23 final report, the Commission shall terminate.

24 (e) Members of the Commission shall be paid per diem, subsistence, and
25 travel allowances as follows:

- 26 (1) Commission members who are also members of the General
27 Assembly, at the rate established in G.S. 120-3.1.
- 28 (2) Commission members who are officials or employees of the State or
29 local government agencies, at the rate established in G.S. 138-6.
- 30 (3) All other Commission members at the rate established in G.S. 138-5.

31 (f) There is allocated from the funds appropriated to the General Assembly's
32 Legislative Services Commission's studies reserve to the Firefighter and Rescue Worker
33 Pension Fund Study Commission for its work the sum of twenty thousand dollars
34 (\$20,000) for the 1994-95 fiscal year.

36 **PART 9. GENERAL GOVERNMENT**

37
38 Requested by: Representatives Rogers, Black, Yongue, Crawford, Wainwright
39 **INFORMATION HIGHWAY FUNDS**

40 Sec. 21. (a) Funds in the amount of seven million dollars (\$7,000,000) in
41 nonrecurring funds are appropriated in this act for the North Carolina Information
42 Highway. These funds shall be used to provide one-time grants of up to fifty thousand
43 dollars (\$50,000) each to State and local governmental entities to establish Information
44 Highway sites. To qualify for a grant, a State or local governmental entity must (i) have

1 an authorized plan for the use of the grant funds and for the use of the Information
2 Highway site, and (ii) demonstrate the willingness and ability to pay all of the expenses
3 associated with the use and operations of the site.

4 (b) No one shall obligate the State to pay any nonrecurring or recurring costs
5 related to the North Carolina Information Highway except to the extent that funds are
6 appropriated by the General Assembly specifically for that purpose. No one shall
7 obligate the State to pay any recurring costs related to the North Carolina Information
8 Highway beyond the end of the fiscal period for which funds are appropriated for that
9 purpose.

10 In no event shall anyone obligate the State to pay recurring operating
11 expenses related to the North Carolina Information Highway for any non-State entity.

12 (c) Notwithstanding any other law, funds in the amount of four million one
13 hundred thousand dollars (\$4,100,000) appropriated to the Office of the State
14 Controller in Chapter 561 of the 1993 Session Laws for the 1993-94 fiscal year for the
15 State Telecommunications System shall revert to the General Fund.

16 (d) Those State and local entities that have expended monies prior to June 1,
17 1994, on information highway equipment shall receive preferential consideration in
18 expenditures pursuant to this section.

19 20 PART 10. DEPARTMENT OF ADMINISTRATION

21
22 Requested by: Representatives Crawford, Wainwright

23 GPAC/BUDGET REFORM: STRATEGIC PLANS, PERFORMANCE-BASED 24 BUDGETING, LONG-RANGE FINANCIAL MODEL

25 Sec. 22. State Strategic Planning and Outcome Measures:

26 (a) G.S. 143A-17 is repealed.

27 (b) G.S. 143-3.5 reads as rewritten:

28 "§ 143-3.5. Coordination of ~~statistics.~~ statistics; fiscal analysis required for any bill 29 proposed by a State agency that affects the budget.

30 (a) It shall be the duty of the ~~Director~~ Director, through the Office of State
31 Budget and Management and the Office of State Planning to coordinate the efforts of
32 governmental agencies in the collection, development, dissemination and analysis of
33 official economic, demographic and social statistics pertinent to State budgeting. The
34 ~~Office shall~~ Director shall:

- 35 (1) Prepare and release the official demographic and economic estimates
36 and projections for the State;
- 37 (2) Conduct special economic and demographic analyses and studies to
38 support statewide budgeting;
- 39 (3) Develop and coordinate cooperative arrangements with federal, State
40 and local governmental agencies to facilitate the exchange of data to
41 support State budgeting;
- 42 (4) Compile, maintain, and disseminate information about State programs
43 which involve the distribution of State aid funds to local governments
44 including those variables used in their allocation; ~~and,~~

1 (5) Develop and maintain in cooperation with other State and local
2 governmental agencies, an information system providing comparative
3 data on resources and expenditures of local ~~governments.~~
4 governments; and.

5 (6) Report major trends that influence revenues and expenditures in the
6 State budget in the current fiscal year and that may influence revenues
7 and expenditures over the next five fiscal years.

8 Every fiscal analysis prepared by the Director or the Office of State Budget and
9 Management addressing the State budget outlook shall encompass the upcoming five-
10 year period. Every fiscal analysis prepared by the Director or the Office of State Budget
11 and Management addressing the impact of proposed legislation on the State budget shall
12 estimate the impact for the first five fiscal years the legislation would be in effect. To
13 minimize duplication of effort in collecting or developing new statistical series pertinent
14 to State planning and budgeting, including contractual arrangements, State agencies
15 must submit to the Director proposed procedures and funding requirements.

16 (b) Any bill proposed by an executive or judicial department, agency, institution,
17 board, or commission that affects the State budget shall be accompanied by a fiscal
18 analysis. The fiscal analysis shall estimate the impact of the legislation on the State
19 budget for the first five fiscal years the legislation would be in effect.

20 (c) This section shall not apply to the General Assembly, any of its committees
21 and subcommittees, the Legislative Research Commission, the Legislative Services
22 Commission, or any other committee or commission in the legislative branch."

23 (c) Article 1 of Chapter 143 of the General Statutes is amended by adding the
24 following sections to read:

25 "**§ 143-10.3. Strategic planning process.**

26 (a) The Director, through the Office of State Budget and Management, shall
27 establish and implement a strategic planning process for State government. The
28 strategic planning process shall be designed to produce statewide goals, and State
29 agencies shall develop agency goals and objectives that are consistent with those
30 statewide goals. The Director, in conjunction with State agencies, shall prepare and
31 apply performance measures and indicators of program impact, and shall require agency
32 performance to be reviewed periodically to determine progress toward statewide goals
33 and agency goals. Results of the strategic planning process and agency performance
34 reviews shall be reflected in the budget document proposed by the Governor, as
35 provided in G.S. 143-10.4.

36 The performance measures and indicators of program impact for each agency shall
37 be based upon clear, unambiguous goals that are established by that agency. The
38 Director shall be responsible for developing and implementing statewide comprehensive
39 performance measures and indicators of program impact in a standardized format
40 applicable across agency lines.

41 (b) If a member of the Council of State does not agree with the performance
42 measures, departmental operations plans, and indicators of program impact developed in
43 accordance with this section, G.S. 143-10.4, and G.S. 143-10.5, that apply to the
44 member's department, the member of the Council of State shall submit to the Director of

1 the Budget a statement of specific objections to the program measures and indicators of
2 program impact. The Director of the Budget shall submit the statement to the General
3 Assembly in accordance with G.S. 143-11(5).

4 **"§ 143-10.4. Departmental operations plans.**

5 The Director, through the Office of State Budget and Management and in
6 conjunction with State agencies, shall have prepared biennially in the even-numbered
7 years, a comprehensive operations plan for each department, agency, and institution, for
8 which the Director may recommend an appropriation of State funds in the next biennial
9 period. The operations plans shall address the statewide and agency goals contained in
10 the strategic plans developed in accordance with G.S. 143-10.3. The operations plans
11 shall provide objectives, activities, and supporting statistics for the current biennium
12 and for the following three biennial periods. The operations plans shall also provide
13 clear, unambiguous performance measures and outcome indicators, which measures and
14 indicators shall be used for program evaluation and shall be reported in the Governor's
15 biennial budget submission.

16 The Director shall provide unified planning and budgeting instructions to the
17 departments, agencies, and institutions for use in developing operations plans and
18 biennial budgets.

19 **"§ 143-10.5. Development of performance measures for major programs.**

20 (a) The Director of the Budget, through the Office of State Budget and
21 Management and through State agencies, departments, and institutions, shall develop
22 performance measures for the major programs for each State agency, department, and
23 institution. These performance measures shall be developed as part of the biennial
24 comprehensive plan and shall serve as the basis for the development of the biennial
25 budget, beginning with the 1995-97 fiscal biennium.

26 (b) The Director shall institute a standard process for developing program
27 performance measures and for evaluating performance results, uniform performance
28 measurement terms, and a standardized format for presentation.

29 (c) The program performance measurement system shall include:

- 30 (1) A description of the key performance measures for the program. The
31 performance measures should include: program efficiency or unit cost,
32 outputs or program activity, and outcomes or performance results, with
33 emphasis on the use of program outcome measures.
- 34 (2) Identification and description of the current level of performance.
- 35 (3) Targets for the desired level of performance.
- 36 (4) Identification of future performance measures that should be
37 developed and a time frame for development.
- 38 (5) A methodology for regular monitoring of departmental, agency, and
39 institutional performance in relation to the measure.
- 40 (6) A methodology for assessing programs that have achieved the desired
41 performance targets through innovative management actions.

42 (d) The Director of the Budget shall prepare a comprehensive plan for the
43 implementation of a performance measurement system and shall present the plan to the
44 General Assembly at the same time the 1995-97 fiscal biennium budget is submitted to

1 the General Assembly. With regard to programs for which it is anticipated that
2 performance measures will not be fully developed by that date, the Director of the
3 Budget shall submit to the General Assembly at that time, a plan and timetable for the
4 development and implementation of performance measures. In developing the plan,
5 consideration shall be given to any recommendations and reports of the Governmental
6 Accounting Standards Board. In the event the Director shall conclude that it is not
7 feasible to develop performance measures for particular programs, the Director shall set
8 forth detailed reasons for the conclusion in the report.

9 (e) Beginning in 1996, the Director of the Budget shall report to the General
10 Assembly no later than February 1 in odd-numbered years and no later than April 1 in
11 even-numbered years on:

12 (1) The status of the development of the program performance
13 measurement system.

14 (2) The programs that have not achieved the desired level of performance
15 and the reasons performance targets were not achieved.

16 (3) The programs that have achieved performance targets through
17 management innovation.

18 **"§ 143-10.6. Responsibilities of other State agencies.**

19 All State agencies, departments, and institutions shall cooperate with the Director of
20 the Budget to assist in the implementation of strategic planning, departmental planning,
21 and performance budgeting. The Director of the Budget may assign any responsibility
22 to any State agency, department, or institution as appropriate or needed to implement
23 strategic planning, departmental planning, and performance budgeting."

24 (d) G.S. 143-11 reads as rewritten:

25 **"§ 143-11. Survey of departments.**

26 On or before the fifteenth day of December, biennially in the even-numbered years,
27 the Director shall make a complete, careful survey of the operation and management of
28 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
29 agencies and undertakings of the State and all persons or corporations who use or
30 expend State funds, in the interest of economy and efficiency, and of obtaining a
31 working knowledge upon which to base recommendations to the General Assembly as
32 to appropriations for maintenance and special funds and capital expenditures for the
33 succeeding biennium. If the Director and the Commission shall agree in their
34 recommendations for the budget for the next biennial period, he shall prepare their
35 report in the form of a proposed budget, together with such comment and
36 recommendations as they may deem proper to make. If the Director and Commission
37 shall not agree in substantial particulars, the Director shall prepare the proposed budget
38 based on his own conclusions and judgment, and the Commission or any of its members
39 retain the right to submit separately to the General Assembly such statement of
40 disagreement and the particulars thereof as representing their views. The budget report
41 shall contain a complete and itemized plan in accordance with G.S. 143-10.3, 143-10.4,
42 and 143-10.5 of all proposed expenditures for each State department, bureau, board,
43 division, institution, commission, State agency or undertaking, person or corporation
44 who receives or may receive for use and expenditure any State funds, in accordance

1 with the classification of funds and accounts adopted by the State Controller, and of the
2 estimated revenues and borrowings for each year in the ensuing biennial period
3 beginning with the first day of July thereafter. Opposite each item of the proposed
4 expenditures, the budget shall show in separate parallel columns the amount expended
5 for the last preceding ~~appropriation~~-fiscal year, for the current ~~appropriation~~-fiscal year,
6 and the increase or decrease. The budget shall clearly differentiate between general
7 fund expenditures for operating and maintenance, special fund expenditures for any
8 purpose, and proposed capital ~~outlays~~-improvements.

9 The Director shall accompany the budget with:

- 10 (1) A budget message supporting his recommendations and outlining a
11 financial policy and program for the ensuing biennium. The message
12 will include an explanation of increase or decrease over past
13 expenditures, a discussion of proposed changes in existing revenue
14 laws and proposed bond issues, their purpose, the amount, rate of
15 interest, term, the requirements to be attached to their issuance and the
16 effect such issues will have upon the redemption and annual interest
17 charges of the State debt.
- 18 (2) State Controller reports including:
 - 19 a. An itemized and complete financial statement for the State at
20 the close of the last preceding fiscal year ending June 30.
 - 21 b. A statement of special funds.
- 22 (2a) A statement showing the itemized estimates of the condition of the
23 State treasury as of the beginning and end of each of the next two
24 ~~appropriation~~-fiscal years.
- 25 (3) A report on the fees charged by each State department, bureau,
26 division, board, commission, institution, and agency during the
27 previous fiscal year, the statutory or regulatory authority for each fee,
28 the amount of the fee, when the amount of the fee was last changed,
29 the number of times the fee was collected during the prior fiscal year,
30 and the total receipts from the fee during the prior fiscal year.
- 31 (4) A statement showing the State Board of Education's request, in
32 accordance with G.S. 115C-96, for sufficient funds to provide
33 textbooks to public school students.
- 34 (5) Statements of the objections of members of the Council of State
35 received pursuant to G.S. 143-10.3(b) to the performance measures,
36 departmental operations plans, and indicators of program impact
37 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.
- 38 (6) A list of the budget requests of members of the Council of State that
39 are not included in the proposed budget.

40 It shall be a compliance with this section by each incoming Governor, at the first
41 session of the General Assembly in his term, to submit the budget report with the
42 message of the outgoing Governor, if he shall deem it proper to prepare such message,
43 together with any comments or recommendations thereon that he may see fit to make,

1 either at the time of the submission of the said report to the General Assembly, or at
2 such other time, or times, as he may elect and fix.

3 The function of the Advisory Budget Commission under this section applies only if
4 the Director of the Budget consults with the Commission in preparation of the budget."

5 **Sec. 23. Implement Performance Budgeting:** The Director of the Budget
6 shall develop a plan for preparing the 1995-97 fiscal biennium budget in a performance
7 budget format. In developing the plan, consideration shall be given to the program
8 areas of health and safety, environment, correction, justice, social and economic well-
9 being, and economic development and commerce, for which funding shall be provided.
10 The performance budget format shall include the following:

- 11 (1) A description of the resources previously expended and proposed for
12 each major program, including expenditures and numbers of
13 employees.
- 14 (2) A description of the goals, objectives, and need for programs,
15 including statutory requirements.
- 16 (3) A description of the principal program services and activities
17 performed in order to meet program goals and the resources allocated
18 to the major program services.
- 19 (4) A description of the efficiency, or unit cost, of providing program
20 services and activities.
- 21 (5) A presentation of information on program performance and
22 accomplishments in relation to performance measures established by
23 the Director of the Budget in the department plan, as prescribed in G.S.
24 143-10.4 and G.S. 143-10.5.
- 25 (6) Line item detail on expenditure data shall be provided at the single
26 digit level consistent with the State Accounting System (SAS) chart of
27 accounts as prescribed by the State Controller. The source and
28 amounts of funding for each program shall be identified.
- 29 (7) Any changes in the proposed scope of any budget elements, other than
30 to provide for increases in costs due to inflation, shall include
31 explanations as to the impact of the expected changes upon the outputs
32 and performance outcomes of that element subprogram or program.

33 **Sec. 24. Annual Financial Model Required:**

34 G.S. 143-15.1 reads as rewritten:

35 "**§ 143-15.1. Current Operations Appropriations Act. Act; General Fund**
36 **Financial Model.**

37 (a) The General Assembly shall enact the Current Operations Appropriations Act
38 by June 15 of odd-numbered years and by June 30 of even-numbered years in which a
39 Current Operations Appropriations Act is enacted. The Current Operations
40 Appropriations Act shall state the amount of General Fund appropriations availability
41 upon which the General Fund budget is based. The statement of availability shall list
42 separately the beginning General Fund credit balance, General Fund revenues, and any
43 other components of the availability amount.

1 The General Fund operating budget appropriations, including appropriations for
 2 local tax reimbursements and local tax sharing, for the second year in a Current
 3 Operations Appropriations Act that contains a biennial budget shall not be more than
 4 two percent (2%) greater than the General Fund operating budget appropriations for the
 5 first year of the biennial budget.

6 (b) The General Assembly shall review the results of the General Fund Financial
 7 model, a computer- based financial model used to project long-term expenditure and
 8 revenue trends under various simulations, in its budget deliberations. The model shall
 9 be maintained and, from time to time, updated by the Fiscal Research Division of the
 10 General Assembly."

11
 12 Requested by: Representatives Crawford, Wainwright

13 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED**
 14 **MOTOR VEHICLES**

15 Sec. 25. Section 21(a) of Chapter 321 of the 1993 Session Laws reads as
 16 rewritten:

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

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
20 Motor Vehicles	License and Theft	97
21 Justice	SBI Agents	277
22 Correction	Probation/Parole Surveillance	
23	Officers (intensive	
24	probation)	
25	ALE Officers	25
26 Crime Control and		
27 Public Safety		92
28 <u>Revenue</u>	<u>Criminal Investigations</u>	<u>2</u>
29 <u>Administration</u>	<u>State Capitol Police</u>	<u>3"</u>

30
 31 Requested by: Representatives Crawford, Wainwright, Richardson

32 **STATE VETERANS HOME**

33 Sec. 26. Subsection (a) of Section 31 of Chapter 561 of the 1993 Session
 34 Laws reads as rewritten:

35 "Sec. 31. (a) It is the intent of the General Assembly that ~~no State funds shall~~
 36 ~~be appropriated in future years to support operational costs of the State Veterans Home~~
 37 in Fayetteville. Fayetteville receive its primary income from fees, charges, and
 38 reimbursements, and that State appropriated funds be made available only in the event
 39 that other sources are insufficient to cover essential operating costs."

40
 41 Requested by: Representative Michaux

42 **RENOVATIONS OF THE OLD REVENUE AND OLD EDUCATION**
 43 **BUILDINGS**

1 Sec. 26.1. The Office of State Construction of the Department of
2 Administration shall schedule the renovations of the Old Revenue and Old Education
3 Buildings so that the agencies who have been designated as the primary tenants for
4 those buildings may move into them as soon as possible. To the extent practical, the
5 Office of State Construction shall conduct the renovations in phases so as to expedite
6 the occupancy of the Old Revenue and Old Education Buildings.

7
8 Requested by: Representatives Colton, Diamont, Easterling, Holt

9 **DAY-CARE FACILITY TASK FORCE**

10 Sec. 26.1. (a) Of the funds appropriated in this act or otherwise available to
11 the Department of Administration for the 1994-95 fiscal year, the Department of
12 Administration shall develop an innovative, state-of-the art day-care facility in the
13 central government complex in compliance with Article 7, Chapter 110 of the General
14 Statutes and upon the advice and recommendation of the North Carolina Day-Care
15 Facility Task Force. The facility shall serve as a highly visible project demonstrating
16 the State's commitment to early childhood developmental care.

17 (b) There is created the North Carolina Day-Care Facility Task Force within
18 the Department of Administration for organizational, budgetary, and administrative
19 purposes only. The Task Force shall be composed of nine members of whom three
20 members are ex officio and six are appointed. The ex officio members may designate a
21 representative from their departments, divisions, or offices to represent them on the
22 Task Force.

- 23 (1) The Director of the Division of Social Services, Department of Human
24 Resources;
- 25 (2) The Director of the Division of Maternal and Child Health of the
26 Department of Environment, Health, and Natural Resources;
- 27 (3) The Superintendent of Public Instruction;
- 28 (4) Two members of the Child Day-Care Commission, one appointed by
29 the President Pro Tempore of the Senate and one appointed by the
30 Speaker of the House of Representatives;
- 31 (5) Two members of the public, appointed by the Governor;
- 32 (6) A member of the Senate appointed by the President Pro Tempore of
33 the Senate; and
- 34 (7) A member of the House of Representatives appointed by the Speaker
35 of the House of Representatives.

36 (c) All members of the Task Force are voting members. All appointments
37 shall be made by and terms commence on August 1, 1994. Vacancies in the appointed
38 membership shall be filled by the appointing officer who made the initial appointment.
39 The Governor shall appoint a chair of the Task Force biennially from the membership of
40 the Task Force.

41 (d) The Task Force shall:

- 42 (1) Identify and select a site for the State day-care facility;

- 1 (2) Advise the Department of Administration on matters related to
2 developing the site into a safe, well-equipped, educational day-care
3 facility;
- 4 (3) Advise the Department of Administration on matters related to hiring
5 and firing of day-care personnel and standards of performance of day-
6 care personnel;
- 7 (4) Advise the Department of Administration on developing guidelines for
8 selecting children who shall be eligible for admission into the day-care
9 facility, including children of State employees, inner-city residents of
10 the City of Raleigh, and private citizens and disabled children and
11 other children who qualify for federal assistance;
- 12 (5) Advise the Department of Administration on setting payment rates of
13 persons who use the day-care facility, taking into account ability to
14 pay, State and federal subsidies, and access to federal and other
15 funding;
- 16 (6) Periodically assess the operations of the State day-care facility;
- 17 (7) Conduct a feasibility study of developing a day-care facility at Dorthea
18 Dix Hospital; and
- 19 (8) Report to the 1995 General Assembly on the progress of developing
20 the day-care facility, including progress in selecting a site for the day-
21 care facility, renovating the site to house the day-care facility, and
22 hiring staff for the day-care facility.

24 PART 11. DEPARTMENT OF CULTURAL RESOURCES

25
26 Requested by: Representatives Crawford, Wainwright, Colton

27 ART IN STATE BUILDINGS/ADMINISTRATIVE COSTS

28 Sec. 27.(a) G.S. 143-408.3 reads as rewritten:

29 "§ 143-408.3. Definitions.

30 In this Article, unless the context otherwise requires, the following definitions shall
31 apply:

- 32 (1) 'Construction' means construction, reconstruction, remodeling, or
33 renovation.
- 34 (2) 'Contracting officer' means the public officer or body responsible for
35 securing the preparation of plans and specifications for the purpose of
36 negotiating or advertising for bids for the construction of a State
37 building.
- 38 (3) 'Designer' means an architect or engineer licensed in North Carolina.
- 39 (4) 'Principal user' means the State agency which will be the principal
40 occupant of the proposed State building. However, in cases where
41 more than one agency will occupy a building, 'principal user' means
42 the Secretary of the Department of Administration.
- 43 (5) 'State building' means any permanent structure together with all
44 grounds and appurtenant structures which are intended as offices;

1 laboratories; workshops; courtrooms; hearing or meeting rooms;
2 medical, dental, library, or museum space for use by the general
3 public; or other space for carrying on the functions of a State agency
4 which is to be constructed, reconstructed, remodeled, or renovated
5 using an appropriation of State funds when the amount appropriated
6 for that purpose exceeds ~~five hundred thousand dollars (\$500,000)~~. one
7 million dollars (\$1,000,000).

8 (6) 'Works of art' or 'art works' includes, but is not limited to, paintings,
9 sculptures, fountain sculptures, frescoes, mobiles, murals, collages,
10 mosaics, bas-reliefs, tapestries, photographs, drawings, silk screens,
11 etchings, and lithographs. The term 'works of art' or 'art works' shall
12 not include any reproductions of original art by mechanical means."

13 (b) G.S. 143-408.4 reads as rewritten:

14 **"§ 143-408.4. Appropriations and procedure for inclusion of art works.**

15 (a) One-half of one percent (0.5%) of the amount ~~spent~~ appropriated for the
16 construction of each State building, not including the amount of funds used for land
17 acquisition, shall be used for the acquisition of works of art for that building.

18 (b) The amount to be expended for the acquisition of art works for the building
19 shall be included in the stated limit of the design contract and the amount shall also be
20 incorporated by the designer in his total cost estimate for construction.

21 (c) If the contracting officer, the principal user and the Secretary of
22 Administration jointly determine and certify in writing that, due to the use of the
23 building or other reasons, a particular construction project is not appropriate for the
24 placement of art works the provisions of this Article shall not apply, or, if not
25 appropriate for the expenditure of a full one-half percent (0.5%) of the amount ~~spent~~
26 appropriated for construction as defined in G.S. 143-408.3, then in some percentage up
27 to one-half percent.

28 (d) The selection and commissioning of artists and the acquisition and execution of
29 works of art for State buildings undertaken pursuant to this Article shall be exempt from
30 the provisions of all State bidding requirements. Expenditures for works of art as
31 provided in this Article shall be contracted for separately from all other items in the
32 construction project.

33 (e) Of the one-half of one percent (0.5%) of the amount ~~appropriated~~
34 appropriated, or, in cases when an appropriation has been made for planning or design
35 only, the amount approved by the Office of State Construction for the construction cost
36 of a State building ~~which that~~ is dedicated to the acquisition of works of art pursuant to
37 subsection (a) of this section, no more than ~~eight percent (8%)~~ twenty percent (20%) of
38 those funds may be used for the administrative costs of acquiring the art works. Funds
39 for the administrative costs for acquisition of the art works shall be disbursed to the
40 Department of Cultural Resources at the time the design contract is signed.

41 (e1) Of the one-half of one percent (0.5%) of the amount estimated for the
42 construction cost of a State building that is dedicated to the acquisition of works of art
43 pursuant to subsection (a) of this section, up to ten percent (10%) of the funds reserved
44 for the artist's fee may be used as advanced planning funds to enable the artist, upon

1 selection, to develop working drawings and to incorporate plans for the art work in the
2 construction documents for the State building. Funds for advanced planning shall be
3 disbursed at the time the artist's contract is approved.

4 (e2) Of the one-half of one percent (0.5%) of the amount appropriated for the
5 construction cost of a State building that is dedicated to the acquisition of works of art
6 pursuant to subsection (a) of this section, two percent (2%) shall be placed in a
7 nonreverting fund for the repair and conservation of the works of art in the Art Works
8 for State Buildings Collection in the Department of Cultural Resources.

9 (f) The Department of Cultural Resources may issue any rules necessary for the
10 implementation of this ~~act~~ Article and shall administer the program created by this ~~act~~
11 Article through the North Carolina Arts Council."

12 (c) G.S. 143-408.5(a) reads as rewritten:

13 "(a) Whenever a new State building is to be constructed, the contracting officer,
14 together with the designer who has been engaged to prepare the plans for the project,
15 shall consult with the principal user and the Public Arts Administrator of the North
16 Carolina Arts ~~Council~~ Council, prior to the schematic phase of the building, regarding
17 the works of art to be included in the design of the building and the artist or craftsman to
18 be commissioned for the project."

19 (d) This section applies to State buildings authorized after September 1, 1992.
20

21 Requested by: Representatives Crawford, Wainwright

22 TRYON'S PALACE ARTIFACTS

23 Sec. 28. G.S. 121-20 reads as rewritten:

24 "**§ 121-20. Commission to receive and expend funds donated or made available for**
25 **restoration of Tryon's ~~Palace.~~ Palace; Commission to acquire and sell**
26 **artifacts for Tryon's Palace.**

27 (a) In addition to exercising the powers and duties imposed upon the Tryon Palace
28 Commission by Chapter 791 of the Session Laws of 1945 and Chapter 233 of the
29 Session Laws of 1949, the Tryon Palace Commission is hereby fully authorized and
30 empowered to receive and expend and disburse, for the restoration of the said Tryon's
31 Palace, all such funds and property which were provided for said purpose by the last
32 will and testament of Maude Moore Latham, deceased, and the said Commission shall
33 likewise have the power and authority to receive and expend all such other funds as may
34 be donated or made available for the purpose of restoring the said Palace or for the
35 purpose of furnishing and equipping same and the grounds on which the same is located
36 at New Bern, North Carolina.

37 The Tryon Palace Commission is hereby authorized, empowered and directed to
38 designate some person as financial officer and treasurer, to disburse the funds and
39 property devised by Maude Moore Latham to the said Tryon Palace Commission for the
40 aforesaid purpose and all such other funds as may be donated or made available to the
41 said Commission for expenditure for the aforesaid purposes. The said financial officer
42 and treasurer shall be made the custodian of all stocks, bonds and securities and funds
43 hereinbefore referred to and shall be authorized and empowered to sell, convert and
44 transfer any stocks, bonds and securities held for such purpose, subject to and with the

1 advice and approval of a finance committee to be appointed by the Tryon Palace
2 Commission for such purpose. The sale and conversion and transfer of said securities
3 shall be made when necessary to provide funds required for the said restoration and at
4 such time as, in the opinion of the finance officer and treasurer, when approved by the
5 finance committee, will be to the interests and advantage of the Tryon Palace
6 Commission and the purposes for which said funds and securities were provided.

7 The finance officer and treasurer aforesaid shall be required to give such bond as, in
8 the opinion of the Tryon Palace Commission, is proper for the faithful performance as
9 finance officer and treasurer, and shall render to the Tryon Palace Finance Committee,
10 with copies to the Department of Cultural Resources and the State Treasurer, annual or
11 ad interim detailed reports of moneys and/or securities received, exchanged or
12 converted into cash. Checks issued against such funds shall be countersigned by the
13 chairman of Tryon Palace Commission, or by one duly authorized by the said
14 Commission.

15 The finance officer and treasurer shall serve without compensation; however, any
16 expenses incurred for the faithful performance of said duties, including the cost of the
17 bond, shall be borne by the Tryon Palace Commission, from the proceeds of the funds
18 thus handled.

19 The Tryon Palace Commission shall have the power and authority in its discretion to
20 call upon the Treasurer of the State of North Carolina to act as treasurer of the said
21 funds and properties and, if so designated, said treasurer shall exercise all the powers
22 and duties herein imposed upon the financial officer and treasurer hereinbefore referred
23 to.

24 The Tryon Palace Commission is hereby authorized and empowered to expend the
25 funds hereinbefore referred to and it may disburse said funds through the Department of
26 Cultural Resources in the event it is found more practical to do so, and said Commission
27 shall cooperate with the Department of Cultural Resources of the State of North
28 Carolina in the expenditure of the funds for the restoration of said Tryon's Palace
29 provided by two trust funds created by Maude Moore Latham in her lifetime, which
30 funds shall be expended in accordance with the terms and provisions of said trusts for
31 the purposes therein set out.

32 (b) The Tryon Palace Commission may solicit, accept, and hold artifacts and
33 furnishings, and may acquire them by purchase or gift for the interpretive needs and
34 development of Tryon Palace Historic Sites and Gardens. The Commission may
35 dispose of by trade, sale, or transfer, in accordance with accepted museum practices,
36 any accessioned or unaccessioned artifacts and furnishings in the custody of the
37 Commission, or its appointed officers, that are determined to have no further value for
38 official or administrative purposes or for research, reference, or interpretation. Any
39 proceeds realized through the deaccession and sale of artifacts and furnishings shall be
40 placed in a collections fund administered by the Tryon Palace Commission. Monies
41 received by the Commission, after deduction of the expenses attributable to that sale,
42 shall be used for the acquisition of artifacts and furnishings necessary or desirable for
43 research, reference, and interpretation at Tryon Palace Historic Sites and Gardens."
44

1 Requested by: Representatives Crawford, Wainwright

2 **CULTURAL RESOURCES MAY SELL ARTIFACTS**

3 Sec. 29. G.S. 121-7(a) reads as rewritten:

4 "(a) The Department of Cultural Resources shall maintain and administer the North
5 Carolina Museum of History for the collection, preservation, study, and exhibition of
6 authentic artifacts and other historical materials relating to the history and heritage of
7 North Carolina. The Department, with the approval of the Historical Commission, may
8 acquire, either by purchase, gift, or loan such artifacts and materials, and, having
9 acquired them, shall according to accepted museum practices classify, accession,
10 preserve, and where feasible exhibit such materials and make them available for study.
11 Within available funds, one or more branch museums of history may be established and
12 administered by the Department. The Department of Cultural Resources, subject to the
13 availability of staff and funds, may give financial, technical, and professional assistance
14 to nonstate historical museums sponsored by governmental agencies and nonprofit
15 organizations according to regulations adopted by the North Carolina Historical
16 Commission.

17 The Department of Cultural Resources may, with the explicit approval of the North
18 Carolina Historical Commission sell, trade, or place on permanent loan any artifact
19 owned by the State of North Carolina and in the custody of and curated by the Division
20 of Archives and History, unless the sale, trade, or loan would be contrary to the terms of
21 acquisition. The net proceeds of any sale, after deduction of the expenses attributable to
22 that sale, shall be deposited to the State treasury to the credit of the Division of Archives
23 and History Artifact Fund, and shall be used only for the purchase of other artifacts. No
24 artifact curated by any agency of the Department of Cultural Resources may be pledged
25 or mortgaged."

26

27 Requested by: Representatives Crawford, Wainwright, Hensley

28 **CULTURAL RESOURCES SECURITY OFFICERS**

29 Sec. 30. Section 34 of Chapter 321 of the 1993 Session Laws reads as
30 rewritten:

31 "Sec. 34. (a) On July 1, 1994, the Department of Cultural Resources shall
32 redefine the job responsibilities of its security ~~positions~~ positions, with the exception of
33 the security positions for the North Carolina Museum of Art, so that the services of a
34 certified law enforcement officer are no longer required, and shall accordingly
35 discontinue payments to the Law Enforcement Officers' Retirement System.

36 (b) The Department of Cultural Resources in cooperation with the Department of
37 Administration shall develop a plan to transfer by July 1, 1995, the security positions
38 now under the North Carolina Museum of Art, Department of Cultural Resources, to the
39 State Capitol Police, Department of Administration. The Department of Cultural
40 Resources and the Department of Administration shall submit the plan to the General
41 Assembly by March 1, 1995. The plan shall include all of the following:

42 (1) An evaluation of the security technology currently installed in the
43 North Carolina Museum of Art and recommendations regarding any

- 1 additional equipment that may be needed to ensure adequate security
 2 for the Museum.
 3 (2) The establishment of a State Capitol Police substation or its equivalent
 4 in close proximity to State facilities located on Reedy Creek Road or
 5 Blue Ridge Road so that adequate security shall be provided to State
 6 property in that vicinity.
 7 (3) An agreement from the North Carolina Museum of Art to make
 8 available to the State Capitol Police any special training needed by
 9 officers deployed to provide security at the Museum.
 10 (4) A detailed cost proposal for the plan."

11
 12 **PART 12. OFFICE OF THE GOVERNOR**

13
 14 Requested by: Representatives Crawford, Wainwright

15 **REPORT TO AUDITOR ON TRANSFERS BETWEEN OBJECTS AND ITEMS**

16 Sec. 32. G.S. 143-23(a1) reads as rewritten:

17 "(a1) No transfers may be made between objects or line items in the budget of any
 18 department, institution, or other spending agency; however, with the approval of the
 19 Director of the Budget, a department, institution, or other spending agency may spend
 20 more than was appropriated for an object or line item if the overexpenditure is:

- 21 (1) In a purpose or program for which funds were appropriated for that
 22 fiscal period and the total amount spent for the purpose or program is
 23 no more than was appropriated for the purpose or program for the
 24 fiscal period;
 25 (2) Required to continue a purpose or program because of unforeseen
 26 events, so long as the scope of the purpose or program is not increased;
 27 (3) Required by a court, Industrial Commission, or administrative hearing
 28 officer's order or award or to match unanticipated federal funds;
 29 (4) Required to respond to an unanticipated disaster such as a fire,
 30 hurricane, or tornado; or
 31 (5) Required to call out the National Guard.

32 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
 33 Commission on Governmental ~~Operations and to Operations,~~ the Fiscal Research
 34 Division of the Legislative Services ~~Office-Office,~~ and the State Auditor the reason if
 35 the amount expended for a purpose or program is more than the amount appropriated for
 36 it from all sources. If the overexpenditure was authorized under subdivision (2) of
 37 this subsection, the Director of the Budget shall identify in the report the unforeseen
 38 event that required the overexpenditure.

39 Funds appropriated for salaries and wages are also subject to the limitation that they
 40 may only be used for (i) salaries and wages or for premium pay, overtime pay,
 41 longevity, unemployment compensation, workers' compensation, temporary wages,
 42 contracted personal services, moving expenses, payment of accumulated annual leave,
 43 certain awards to employees, tort claims, and employer's social security, retirement, and
 44 hospitalization payments; or (ii) uses for which over expenditures are permitted by

1 subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall
 2 include such use and the reason for it in his quarterly report to the Joint Legislative
 3 Commission on Governmental ~~Operations and to Operations,~~ the Fiscal Research
 4 Division of the Legislative Services ~~Office.~~ Office, and the State Auditor.

5 Lapsed salary funds that become available from vacant positions are also subject to
 6 the limitation that they may not be used for new permanent employee positions or to
 7 raise the salary of existing employees.

8 The requirements in this section that the Director of the Budget report to the Joint
 9 Legislative Commission on Governmental Operations and the State Auditor shall not
 10 apply to expenditures of receipts by entities that are wholly receipt supported, except for
 11 entities supported by the Wildlife Resources Fund.

12 The State Auditor shall review the report received from the Director of the Budget to
 13 ensure that the transfer complied with the intent and the provisions of this Article and
 14 shall report the Auditor's findings to the Joint Legislative Commission on Governmental
 15 Operations and to the Fiscal Research Division."

16
 17 **PART 13. DEPARTMENT OF INSURANCE**

18
 19 Requested by: Representatives Crawford, Wainwright

20 **CONTROLLER'S RECOMMENDATIONS/INSURANCE DEPARTMENT'S**
 21 **CHART OF ACCOUNTS**

22 Sec. 33. The Office of the State Controller performed a review of the
 23 Department of Insurance's chart of accounts in accordance with Section 42 of Chapter
 24 321 of the 1993 Session Laws and reported its findings and recommendations in a letter
 25 dated March 1, 1994, to the President Pro Tempore of the Senate and the Speaker of the
 26 House of Representatives. The Office of the State Controller made several
 27 recommendations to bring the Department's accounting practices in compliance with
 28 standards promulgated by the Governmental Accounting Standards Board (GASB) and
 29 to be consistent with the accounting principles and guidelines prescribed for use within
 30 the State's accounting system. The Department of Insurance and the Office of State
 31 Budget and Management under the supervision of the Office of the State Controller
 32 shall implement the first three recommendations of the Office of the State Controller
 33 with regard to the following:

- 34 (1) Governmental Accounting Standards Board Classifications. – The
 35 Office of State Budget and Management and the Department of
 36 Insurance shall establish two special revenue budget codes, interest
 37 bearing and noninterest bearing, to be on deposit with the State
 38 Treasurer. The following list of funds within budget code number
 39 63900 shall be recorded in an interest bearing special revenue budget
 40 code:

<u>Fund</u>	<u>Title</u>	<u>GASB</u>	<u>Reassigned</u>
		<u>No.</u>	<u>GASB No.</u>
6112	Safety Grants Program	3100	1319
6123	Volunteer Rescue/EMS	3100	1319

1	6133	Volunteer Fire Dept.	3100	1319
2	6134	Special Training Schools	3900	1300
3	6135	Fire and Rescue Journals	3900	1319
4	6140	Fire Prevention Week	3900	1319
5	6501	Qualification Board Fund	3900	1319

6 The following list of funds within budget code number 63901 shall be
7 recorded in a noninterest bearing special revenue fund:

8	<u>Fund</u>	<u>Title</u>	<u>GASB</u>	<u>Reassigned</u>
9			<u>No.</u>	<u>GASB No.</u>
10	6121	NC Firemen's Assoc. Grant	3100	1319
11	6122	Res. Squad Workers Relief	3100	1319

12
13 (2) Incorrect Budget Code. – The Department of Insurance Fund (DAS
14 Fund 6000) and the Consumer Protection Fund (DAS Fund 6001) shall
15 be accounted for in an interest bearing special revenue budget code.
16 The Continuing Education Program (DAS Fund 6231) shall be
17 accounted for in a noninterest bearing special revenue budget code.
18 The funds are being recorded as a special revenue fund for financial
19 reporting purposes.

20 (3) Classification of Divisions Currently Accounted for in Trust Funds. –
21 The revenue for the field audit division (DAS fund 6222), market
22 conduct division (DAS fund 6223), and regulatory actions division
23 (DAS fund 6226) of the Department of Insurance shall be recorded in
24 the General Fund as receipts of the Department rather than in trust
25 funds from which transfers are periodically made to the General Fund.
26

27 Requested by: Representatives Crawford, Nesbitt

28 CONSUMER PROTECTION FUND

29 Sec. 34. G.S. 58-2-215(d) reads as rewritten:

30 "(d) In no event shall more than ~~fifty percent (50%)~~ seventy percent (70%) of the
31 amount in the Fund be allocated or spent for any one purpose specified in subsection (b)
32 of this section in any fiscal year."
33

34 PART 14. DEPARTMENT OF REVENUE

35
36 Requested by: Representatives Crawford, Wainwright

37 REIMBURSEMENT FOR COST OF COLLECTING WHITE GOODS TAX

38 Sec. 35. (a) Section 10 of Chapter 471 of the 1993 Session Laws is repealed.

39 (b) Section 11 of Chapter 471 of the 1993 Session Laws reads as rewritten:

40 "Sec. 11. Sections 1 through 5 of this act and this section become effective January
41 1, 1994. Section 3 of this act expires July 1, 1998. Section 6 of this act becomes
42 effective July 1, 1998. Sections 7, 8, and 9 of this act become effective July 1, 1999.
43 ~~Section 10 of this act becomes effective January 1, 1995.~~

1 The repeal of the tax imposed by Section 3 of this act does not affect the rights or
2 liabilities of the State, a taxpayer, or another person that arose during the time the tax
3 was in effect. The first report submitted by the Department to the Environmental
4 Review Commission under G.S. 130A-309.85, as enacted by this act, shall cover the
5 period from January 1, 1994, to June 30, 1994."
6

7 **PART 15. STATE BOARD OF ELECTIONS**

8

9 Requested by: Representatives Crawford, Wainwright

10 **STATE BOARD OF ELECTIONS NEEDS ASSESSMENT**

11 Sec. 36. (a) The State Board of Elections shall conduct a needs assessment
12 and requirements analysis for computerized voter registration. The needs assessment
13 shall determine whether there is a need for additional computerization of voter
14 registration on a statewide basis, on the county level, or both. The requirements
15 analysis shall prepare specifications for the additional computerization, if any, that the
16 needs assessment determines is needed. Those specifications shall include, but not
17 necessarily be limited to, functional requirements, performance requirements, interface
18 requirements with other computer applications, data communications requirements,
19 computer application design requirements, and project development standards.

20 The State Board of Elections shall use an outside consultant, procured
21 through the Department of Administration, Division of Purchase and Contract, to
22 conduct the needs assessment and requirements analysis. In requests for bids, requests
23 for quotes, requests for proposals, or other procurement actions issued through the
24 Department of Administration, Division of Purchase and Contract, or through any other
25 State agency, for a consultant to write these specifications there shall be a provision that
26 reads as follows:

27 "Eligibility for Future Requirements: The successful offeror on this
28 project will not be considered for an award on subsequent hardware,
29 software, software support, and related procurements which are based on
30 specifications or recommendations resulting from this procurement."

31 The Division of Purchase and Contract and the State agency or agencies
32 involved in the procurement may delete this provision in a procurement request by
33 jointly:

- 34 (1) Filing a written request with the Director of the Budget for
35 authorization to delete this provision from the procurement effort,
- 36 (2) Sending a copy of this written request for authorization to the Director
37 of the Fiscal Research Division at the time it is filed with the Office of
38 State Budget and Management,
- 39 (3) Receiving written authorization to delete the provision from the
40 Director of the Budget, and
- 41 (4) Reporting the authorization, if it is granted, to the Director of the
42 Fiscal Research Division and to the next meeting of the Joint
43 Legislative Commission on Governmental Operations.

1 (b) Of the funds appropriated in this act to the State Board of Elections the
2 sum of one million five hundred thousand dollars (\$1,500,000) for fiscal year 1994-95
3 shall be deposited into a reserve fund for computerized voter registration. The State
4 Board of Elections may spend money from the reserve fund only after the following
5 conditions have been met:

- 6 (1) A needs assessment and requirements analysis has been conducted in
7 accordance with subsection (a) of this section and has recommended
8 that investments be made in computerized voter registration, and that
9 the State Board of Elections has developed a specific proposal for
10 computerization in accordance with the recommendations of that needs
11 assessment and requirements analysis.
- 12 (2) The specific proposal developed with the State Board of Elections in
13 accordance with subdivision (1) of this subsection has been approved
14 by the Information Resource Management Commission.
- 15 (3) After the conditions of subdivisions (1) and (2) of this subsection have
16 been met, the State Board of Elections has reported its specific plans
17 for computerized voter registration to the Joint Legislative
18 Commission on Governmental Operations.

19 After the conditions in subdivisions (1) through (3) of this subsection have been met,
20 the State Board of Elections may spend money from the fund created by this subsection,
21 but only for a computerization plan that has met those three conditions.

22 (c) To the extent that this section conflicts with G.S. 163-82.11, G.S. 163-
23 82.12, or G.S. 163-82.13, if enacted, this section prevails to the extent of the conflict.

24

25 **PART 16. COLLEGES AND UNIVERSITIES**

26

27 Requested by: Representatives Black, Rogers

28 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES/ PROCEDURE**

29 Sec. 37. Subsections (a) and (b) of Section 80 of Chapter 321 of the 1993
30 Session Laws read as rewritten:

31 "Sec. 80. (a) Funds appropriated in Section 3 of this act to the Board of
32 Governors of The University of North Carolina for aid to private colleges shall be
33 disbursed in accordance with the provisions of G.S. 116-19, 116-21, 116-22. These
34 funds shall provide up to ~~four hundred fifty dollars (\$450.00)~~ five hundred fifty dollars
35 (\$550.00) per full-time equivalent North Carolina undergraduate student enrolled at a
36 private institution as of October 1 of each fiscal year.

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

1 (b) In addition to any funds appropriated pursuant to G.S. 116-19, and in addition
2 to all other financial assistance made available to private educational institutions located
3 within the State, or to students attending these institutions, there is granted to each full-
4 time North Carolina undergraduate student attending an approved institution as defined
5 in G.S. 116-22, a sum not to exceed ~~one thousand one hundred fifty dollars (\$1,150)~~ one
6 thousand two hundred fifty dollars (\$1,250) per academic year, which shall be
7 distributed to the student as hereinafter provided.

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

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

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

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

33 Any remaining funds shall revert to the General Fund."
34

35 Requested by: Representatives Black, Rogers, Sutton

36 **INCENTIVE SCHOLARSHIP PROGRAM FOR NATIVE AMERICANS**

37 Sec. 38. (a) The Board of Governors of The University of North Carolina
38 shall establish the Incentive Scholarship Program for Native Americans to provide
39 opportunities for Native Americans who are residents of North Carolina to attend
40 constituent institutions of The University of North Carolina under rules adopted by the
41 Board of Governors. Scholarships awarded under the program shall carry a maximum
42 value of three thousand dollars (\$3,000) per recipient per academic year, reduced by any
43 amount of need-based aid that the recipient may receive from Pell Grants, North
44 Carolina Student Incentive Grants, Supplemental Educational Opportunity Grants, or

1 the American Indian Student Legislative Grant Program. To be eligible for such a
2 scholarship, a student shall be a Native American, defined as an individual who
3 maintains cultural identification as a Native American through membership in an Indian
4 tribe recognized by the United States or by the State of North Carolina or through other
5 tribal affiliation or community recognition.

6 (b) The Board of Governors of The University of North Carolina shall
7 provide for the orderly transition of the American Indian Legislative Scholarship
8 Program into the Incentive Scholarship Program for Native Americans, incorporating
9 the purposes of both programs into a single administrative entity.

10 (c) Of the funds appropriated to the Board of Governors of The University of
11 North Carolina for the 1994-95 fiscal year in this act, three hundred thirty-three
12 thousand dollars (\$333,000) shall be used to underwrite the cost of awarding
13 scholarships, under the provisions of subsection (a) of this section, for the benefit of
14 students enrolled in the 1994-95 academic year. It is the intent of this section that the
15 funds required to fund fully the program shall be included in the continuation budget in
16 subsequent fiscal years.

17
18 Requested by: Representatives Black, Rogers

19 **AGRICULTURAL PROGRAMS**

20 Sec. 39. Of the funds appropriated in this act to the Board of Governors of
21 The University of North Carolina, four hundred fifty thousand dollars (\$450,000) shall
22 be allocated for matching federal funds and enhancement of the agricultural research
23 and extension programs at North Carolina Agricultural and Technical State University.

24 North Carolina Agricultural and Technical State University and North
25 Carolina State University shall establish a joint committee to coordinate the efforts of
26 the two campuses in agricultural research and extension and to avoid duplication of
27 efforts.

28
29 Requested by: Representative Barnes

30 **UNIVERSITY OF NORTH CAROLINA MANAGEMENT FLEXIBILITY**

31 Sec. 40. (a) Subsection (f) of Section 206.2 of Chapter 689 of the 1991
32 Session Laws reads as rewritten:

33 "(f) This section is effective upon ratification. ~~This section expires~~ Subsection (c)
34 of this section expires June 30, 1994."

35 (b) Part 2A of Chapter 116 of the General Statutes is amended by adding a
36 new section to read:

37 **"§ 116-30.6. Reports of results.**

38 The Board of Governors shall report annually by March 31 of each year on its
39 decisions and directives implementing this Part to the Joint Legislative Education
40 Oversight Committee. In particular, the Board shall report on the impact on
41 undergraduate student learning and development as demonstrated by the standard
42 assessment measures established in the institutional effectiveness plans, fiscal savings,
43 management initiatives, increased efficiency and effectiveness, and other outcomes
44 made possible by the flexibility provided by this Part to the special responsibility

1 constituent institutions. These reports shall include documentation of any reallocation
2 of resources, the use of nonreverted appropriations, and any additional costs incurred."

3 (c) G.S. 116-30.2 reads as rewritten:

4 **"§ 116-30.2. Appropriations to special responsibility constituent institutions.**

5 All General Fund appropriations made by the General Assembly for continuing
6 operations of a special responsibility constituent institution of The University of North
7 Carolina shall be made in the form of a single sum to each budget code of the institution
8 for each year of the fiscal period for which the appropriations are being made.
9 Notwithstanding G.S. 143-23(a1), G.S. 143-23(a2), and G.S. 143-23(a3), each special
10 responsibility constituent institution may expend the General Fund monies so
11 appropriated to it in the manner deemed by the Chancellor to be calculated to maintain
12 and advance the programs and services of the institutions, consistent with the directives
13 and policies of the Board of Governors. The preparation, presentation, and review of
14 General Fund budget requests of special responsibility constituent institutions shall be
15 conducted in the same manner as are requests of other constituent institutions. The
16 quarterly allotment procedure established pursuant to G.S.143-17 shall apply to the
17 General Fund appropriations made for the current operations of each special
18 responsibility constituent institution. All General Fund monies so appropriated to each
19 special responsibility constituent institution shall be recorded, reported, and audited in
20 the same manner as are General Fund appropriations to other constituent institutions."

21 (d) This subsection and subsection (c) of this section are effective upon
22 ratification. Subsection (a) of this section becomes effective June 30, 1994. Subsection
23 (b) of this section become effective July 1, 1994.

24
25 Requested by: Representatives Black, Rogers, Nesbitt

26 **NCSU COMPETITIVE INDUSTRIES/FUNDS**

27 Sec. 41. (a) Of the funds appropriated to the Board of Governors of The
28 University of North Carolina in Section 3 of this act, the sum of one million three
29 hundred sixty thousand dollars (\$1,360,000) shall be allocated to North Carolina State
30 University at Raleigh to enhance efforts to assure the competitiveness of several
31 traditional industries. The funds shall be allocated to provide:

- 32 (1) \$200,000 to transfer the Agricultural Education Program to the
33 College of Agriculture and Life Sciences;
34 (2) \$500,000 for extension, research, and support of the furniture industry;
35 (3) \$360,000 for enhancement of pulp and paper technology efforts; and
36 (4) \$300,000 for the Nonwovens Cooperative Research Center.

37 (b) Effective July 1, 1994, Section 81 of Chapter 321 of the 1993 Session
38 Laws is repealed.

39
40 Requested by: Representatives Black, Rogers, Fussell

41 **NURSE ANESTHETIST TRAINING FUNDS**

42 Sec. 42. Section 98 of Chapter 321 of the 1993 Session Laws reads as
43 rewritten:

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

7 Requested by: Representatives Black, Rogers

8 **TEACHING IMPROVEMENT FUNDS**

9 Sec. 43. (a) Of the funds appropriated to the Board of Governors of The
10 University of North Carolina in this act for the schedule of priorities, three million six
11 hundred sixty thousand seven hundred dollars (\$3,660,700) shall be used for the 1994-
12 95 fiscal year to reduce the average student-faculty ratio at all constituent institutions of
13 The University of North Carolina to no more than 16 to 1 beginning with the 1994-95
14 academic year.

15 (b) The Board of Governors of The University of North Carolina shall adopt
16 the rules necessary to implement this section.
17

18 Requested by: Representatives Black, Rogers, Oldham

19 **UNC TUITION SURCHARGE EXCEPTION**

20 Sec. 44. Subsection (b) of Section 89 of Chapter 321 of the 1993 Session
21 Laws reads as rewritten:

22 "(b) The Board of Governors of The University of North Carolina shall ensure that
23 procedures are established that are necessary to impose a twenty-five percent (25%)
24 tuition surcharge on students who take more than 140 degree credit hours to complete a
25 baccalaureate degree in a four-year program or more than one hundred ten percent
26 (110%) of the credit hours necessary to complete a baccalaureate degree in any program
27 officially designated by the Board of Governors as a five-year program. The calculation
28 of these credit hours taken at a constituent institution or accepted for transfer shall
29 exclude hours earned through the College Board's Advanced Placement or CLEP
30 examinations, through institutional advanced placement or course validation, or through
31 summer term or extension programs. No surcharge shall be imposed on any student
32 who exceeds the degree credit hour limits within the equivalent of four academic years
33 of regular term enrollment, or within five academic years of regular term enrollment in
34 a degree program officially designated by the Board of Governors as a five-year
35 program. The Board shall report to the Joint Legislative Education Oversight
36 Committee by April 1, 1994, on its recommendations for implementing this surcharge."
37

38 Requested by: Representatives Black, Rogers, Nesbitt

39 **NURSING SCHOLARS PROGRAM**

40 Sec. 45. (a) G.S. 90-171.61(b) reads as rewritten:

41 " (b) The Nursing Scholars Program shall be used to provide the following:

- 42 (1) A four-year scholarship loan in the amount of five thousand dollars
43 (\$5,000) per year, per recipient, to North Carolina high school seniors

1 or other persons interested in preparing to become a registered nurse
2 through a baccalaureate degree program.

3 (2) A two-year scholarship loan in the amount of three thousand dollars
4 (\$3,000) per year, per recipient, to persons interested in preparing to be
5 a registered nurse through an associate degree nursing program or a
6 diploma nursing program.

7 (3) A two-year scholarship loan in the amount of three thousand dollars
8 (\$3,000) per year, per recipient, for two years of baccalaureate nursing
9 study for college juniors or community college graduates interested in
10 preparing to be a registered nurse.

11 (4) A two-year scholarship loan of three thousand dollars (\$3,000) per
12 year, per recipient, for two years of baccalaureate study in nursing for
13 registered nurses who do not hold a baccalaureate degree in nursing.

14 (5) A two-year scholarship loan of six thousand dollars (\$6,000) per year,
15 per recipient, for two years of study leading to a master of science in
16 nursing degree for people already holding a baccalaureate degree in
17 nursing.

18 In addition to the scholarship loans awarded pursuant to subdivisions (1) through (5)
19 of this subsection, the Commission may award pro rata scholarship loans to recipients
20 enrolled at least half-time in study leading to a master of science in nursing degree who
21 already hold a baccalaureate degree in nursing. In awarding all scholarship loans, the
22 Commission shall give priority to full-time students over part-time students. The State
23 Education Assistance Authority shall adopt specific rules to regulate scholarship loans
24 to part-time master of science in nursing students.

25 Within current funds available or with any additional funds provided by the General
26 Assembly for this purpose, the Commission may set aside slots for scholarship loans
27 prescribed by subdivisions (1) and (2) of this subsection to enable licensed practical
28 nurses to become registered nurses. The State Education Assistance Authority shall
29 adopt specific rules to regulate these scholarship loans."

30 (b) G.S. 90-171.62(b) reads as rewritten:

31 "(b) The State Education Assistance Authority shall forgive the loan if, within
32 seven years after graduation from a nursing education program, the recipient practices
33 nursing in North Carolina for one year for every year a scholarship loan was provided.
34 If the recipient repays the scholarship loan by cash payments, all indebtedness shall be
35 repaid within ten years. The Authority may provide for accelerated repayment and for
36 less than full-time employment options to encourage the practice of nursing in either
37 geographic or nursing specialty shortage areas. The Authority shall adopt specific rules
38 to designate these geographic areas and these nursing specialty shortage areas, upon
39 recommendations of the North Carolina Center for Nursing. The North Carolina Center
40 for Nursing shall base its recommendations on objective information provided by
41 interested groups or agencies and upon objective information collected by the Center.
42 The Authority may forgive the scholarship loan if it determines that it is impossible for
43 the recipient to practice nursing in North Carolina for a sufficient time to repay the loan

1 because of the death or permanent disability of the recipient within ten years following
2 graduation or termination of enrollment in a nursing education program."

3 (c) Of the funds appropriated to the Board of Governors of The University of
4 North Carolina for the 1994-95 fiscal year in this act, twenty-four thousand dollars
5 (\$24,000) shall be used to fund a secretary position to administer the selection and
6 origination functions for the Nursing Scholars Program and the Nurse Education
7 Scholarship Loan Program.

8

9 Requested by: Representatives Black, Rogers, James

10 **SOIL SCIENCE FACULTY POSITION**

11 Sec. 46. Of the funds appropriated to the Board of Governors of The
12 University of North Carolina for agricultural programs for the 1994-95 fiscal year in
13 this act, one hundred thousand dollars (\$100,000) shall be allocated to fund a new
14 faculty position in soil science for the College of Agriculture and Life Sciences at North
15 Carolina State University. The position shall be located at the Tidewater Research and
16 Extension Center at Plymouth, North Carolina.

17

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

19 **MOUNTAIN CONIFER FUNDS**

20 Sec. 47. (a) The General Assembly finds that the growth of conifers for the
21 Christmas tree industry is a major industry in Western North Carolina and that the sale
22 of Christmas trees grown in Western North Carolina contributes seventy million dollars
23 (\$70,000,000) annually to the region's economy.

24 (b) Of the funds appropriated in this act to the Board of Governors of The
25 University of North Carolina for the 1994-95 fiscal year, the sum of seventy thousand
26 dollars (\$70,000) shall be used for the Cooperative Extension Service at North Carolina
27 State University to establish an area extension specialist position located at the
28 Mountain Horticultural Crops Research Station at Fletcher. This position shall provide
29 support to North Carolina's mountain conifer and Christmas tree industries. The
30 Cooperative Extension Service at North Carolina State University shall consult with
31 representative groups of Christmas tree growers in this region in developing guidelines
32 for this position and in filling the position.

33

34 Requested by: Representatives Warner, Black, Rogers, Diamont, Nesbitt

35 **UNC/LEGISLATIVE COLLEGE OPPORTUNITY ACT PILOT PROGRAM**

36 Sec. 48. Of the funds appropriated to the Board of Governors of The
37 University of North Carolina in this act, one million six hundred thousand dollars
38 (\$1,600,000) shall be allocated equally among the 16 constituent institutions. The funds
39 shall not revert and shall be placed in trust fund accounts, with the investment earnings
40 to be used for this program as well.

41 The funds shall be used to establish a pilot Legislative College Opportunity
42 Program to recruit new students to enroll in college in future years who might not be
43 able to attend college without incentives. The program shall be based on guidelines and
44 rules established by the Board of Governors. The Board shall consider the needs of

1 socially and economically disadvantaged youth in developing the pilot program with a
2 primary goal of improving the academic performance, high school graduation rates,
3 college going rates, and college graduation rates of youth currently underperforming in
4 these measures. The Board shall develop the pilot program so that it provides
5 incentives for and removes financial barriers to college attendance. The Board shall
6 consider various academic standards and financial need in establishing the program, and
7 the funds shall be used to pay for some portion of college attendance costs.

8 The Board shall establish the program guidelines and charge the campuses
9 with implementing the pilot program by January 31, 1995. The Board shall report on
10 the guidelines, program design and progress in implementation to the Joint Legislative
11 Oversight Committee by May 15, 1995, with copies to members of the House and
12 Senate Appropriations Subcommittees on Education. The Board shall monitor the
13 success of the pilot program in attracting students who otherwise might not have
14 enrolled in higher education, and shall monitor the progress of these students, with
15 annual reports to the Joint Legislative Education Oversight Committee by May 15, 1996
16 and each succeeding year through 2001.

17
18 Requested by: Representatives Black, Rogers, Nesbitt, Diamont

19 **ECU MEDICAL SCHOOL FUNDS**

20 Sec. 49. There is appropriated to the Board of Governors of The University
21 of North Carolina from Medicare reimbursements being held in the special fund account
22 on deposit with the State Treasurer created pursuant to Section 87(a)(3) of Chapter 321
23 of the 1993 Session Laws the sum of five million fifty-four thousand six hundred sixty-
24 five dollars (\$5,054,665) for the 1994-95 fiscal year which shall be allocated by the
25 Board of Governors for the East Carolina School of Medicine as follows:

- 26 (1) \$2,300,000 for construction of a medical waste incinerator;
27 (2) \$1,574,000 for a linear accelerator; and
28 (3) \$1,180,665 for clinic renovations.
29

30 Requested by: Representatives Nesbitt, Diamont

31 **CAMPUS STORES OPEN TO STUDENTS AT ALL CAMPUSES**

32 Sec. 50. G.S. 66-58(c)(3) reads as rewritten:

- 33 "(3) The business operation of endowment funds established for the
34 purpose of producing income for educational purposes; for purposes of
35 this section, the phrase "operation of endowment funds" shall include
36 the operation by public postsecondary educational institutions of
37 campus stores, the profits from which are used exclusively for
38 awarding scholarships to defray the expenses of students attending the
39 institution; provided, that the operation of such stores must be
40 approved by the board of trustees of the institution, and the
41 merchandise sold shall be limited to educational materials and
42 supplies, gift items and miscellaneous personal-use articles. Provided
43 further that sales at campus stores are limited to employees of the
44 institution and members of their immediate families, to duly enrolled

1 students of the campus at which a campus store is located and their
2 immediate families, to duly enrolled students of other campuses of The
3 University of North Carolina other than the campus at which the
4 campus store is located, to other campus stores and to other persons
5 who are on campus other than for the purpose of purchasing
6 merchandise from campus stores. It is the intent of this subdivision
7 that campus stores be established and operated for the purpose of
8 assuring the availability of merchandise described in this Article for
9 sale to persons enumerated herein and not for the purpose of
10 competing with stores operated in the communities surrounding the
11 campuses of the University of North Carolina."
12

13 Requested by: Representative Baddour

14 **SOCIAL WORKERS' EDUCATION LOAN FUND**

15 Sec. 50.1. Effective July 1, 1994, Article 23 of Chapter 116 of the General
16 Statutes is amended by adding a new section to read:

17 **"§ 116-209.30. Social Workers' Education Loan Fund.**

18 (a) There is established the Social Workers' Education Loan Fund to be
19 administered by the State Education Assistance Authority, in consultation with the
20 Department of Human Resources, to attract trained social workers into public child
21 welfare positions in all county departments of social services in the State. The Fund
22 shall provide 25 four-year undergraduate and 10 two-year graduate scholarship loans
23 per year.

24 (b) The Authority, in consultation with the Department of Human Resources,
25 shall develop the following criteria to administer the Fund:

- 26 (1) All students shall be enrolled in an institution of higher education in
27 North Carolina in an accredited bachelors of social work or masters of
28 social work program;
29 (2) All students shall be residents of North Carolina. For purposes of this
30 section, residency shall be determined by the same standard as
31 residency for tuition purposes pursuant to G.S. 116-143.1;
32 (3) All students shall enter into a legal agreement and promissory note
33 with the Authority to accept employment in public child welfare in
34 exchange for receiving any funds, which agreement shall include
35 stipulation that the student agrees to accept employment in rural or
36 other need-based counties; and
37 (4) Any additional criteria that the Authority considers necessary to
38 administer the program effectively, including:
39 a. Consideration of the appropriate numbers of minority students
40 and students from diverse socio-economic backgrounds to
41 receive funds pursuant to this section;
42 b. Consideration of what rural or other need-based areas of the
43 State shall be considered appropriate for work after graduation
44 pursuant to subdivision (3) of this subsection;

- 1 c. Consideration of the academic qualifications of the individuals
2 applying to receive funds; and
- 3 d. Consideration of the commitment the individuals applying to
4 receive funds demonstrate to the profession of social work.
- 5 (c) The Authority shall ensure that the loan amounts are limited as follows:
- 6 (1) For a student pursuing a bachelors of social work degree, four
7 thousand dollars (\$4,000) per year for a maximum of four years; and
- 8 (2) For a student pursuing a masters of social work degree, five thousand
9 dollars (\$5,000) per year for a maximum of two years.
- 10 (d) The Authority shall ensure that the following loan cancellations and
11 repayment schedules apply to all funds distributed pursuant to this section:
- 12 (1) The individual who graduates with a bachelors of social work degree
13 or a masters of social work degree and who works for a public child
14 welfare agency in a rural or other need-based area of North Carolina
15 shall have that amount of the loan cancelled that is based on the
16 amount of time employed and the number of academic years funds
17 were received. One full year of employment shall cancel one
18 academic year's loan, whether four thousand dollars (\$4,000) or five
19 thousand dollars (\$5,000);
- 20 (2) The individual who graduates with a bachelors of social work degree
21 or a masters of social work degree and who works in public child
22 welfare in a rural or other need-based area of North Carolina for the
23 equivalent of the total number of academic years funds were received
24 shall have the entire loan cancelled;
- 25 (3) The individual who graduates with a bachelors of social work degree
26 or a masters of social work degree and who does not work in public
27 child welfare in a rural or other need-based area of North Carolina for
28 any or all of the equivalent of the number of years funds were received
29 shall repay the loan to the Authority according to a schedule prescribed
30 in the promissory note, plus ten percent (10%) annual interest; and
- 31 (4) The individual who does not graduate with a bachelors of social work
32 degree or a masters of social work degree shall repay the loan
33 according to a schedule prescribed by the Authority, not to exceed
34 fifteen percent (15%) annual interest. In establishing a schedule and
35 interest rate, the Authority shall take into consideration the reasons the
36 individual did not graduate with a bachelors of social work degree or a
37 masters of social work degree.
- 38 The Authority shall ensure that all repayments, including accrued interest, shall be
39 placed in the Fund.
- 40 The Authority may forgive or reduce any loan repayment if the Authority considers
41 that extenuating circumstances exist that would make repayment impossible.
- 42 (e) The State Education Assistance Authority, in consultation with the
43 Department of Human Resources, shall adopt rules to implement the Social Workers'
44 Education Loan Fund as described in this section."

1
2 **PART 17. DEPARTMENT OF COMMUNITY COLLEGES**

3
4 Requested by: Representatives Black, Rogers

5 **PROGRAM REGIONALISM**

6 Sec. 51. The State Board of Community Colleges shall require that all new
7 programs it approves be developed using a regional approach unless there are extreme
8 extenuating circumstances documented by the college detailing reasons a regional
9 program is not feasible. The college shall demonstrate that it has attempted to develop a
10 regional program and explain what barriers were in existence.

11 It is the intent of the General Assembly to increase the number of regional
12 program offerings in community colleges and to eliminate as much duplication of
13 programs by colleges that are within reasonably close proximity to each other. The
14 General Assembly urges the State Board's Government Performance Audit Committee
15 (GPAC) Task Force on Regionalism to provide more substantive recommendations on
16 how existing as well as new programs can be offered regionally as recommended by the
17 GPAC in its next report due in January 1995.

18 The Department of Community Colleges shall report quarterly to the Joint
19 Legislative Education Oversight Committee on the progress made on regional
20 programs. The report shall list all programs approved by the State Board that are not
21 regional and the reasons for their approval.

22
23 Requested by: Representatives Black, Rogers

24 **CONTINUING BUDGET CONCEPT**

25 Sec. 52. The State Board of Community Colleges shall implement the new
26 continuing budget concept presented to the House and Senate Appropriations
27 Subcommittees during the 1994 Regular Session of the 1993 General Assembly for the
28 1995-97 biennium and in subsequent years. In order to ensure more stability in funding,
29 community colleges that experience a decline in enrollment shall not receive a decrease
30 in full-time equivalent student (FTE) enrollment funds until their enrollment declines
31 more than four percent (4%). At that time, they shall experience a decline of only the
32 amount over four percent (4%). Community colleges that experience an increase in
33 enrollment shall not experience an increase in full-time equivalent student (FTE)
34 enrollment funds until their enrollment increases more than four percent (4%). At that
35 time, they shall experience an increase of only the amount over four percent (4%).

36 It is the intent of this section to implement the recommendation of the
37 Government Performance Audit Committee regarding changing the community college
38 funding formula to one that is a combination of a base funding source with an FTE
39 component.

40 In addition, the State Board of Community Colleges shall develop a program-
41 based FTE cost model that will fund future FTEs in excess of the four percent (4%)
42 growth on the basis of actual program cost as opposed to an overall average FTE cost.
43 This plan shall be reported to the 1995 General Assembly.

44

1 Requested by: Representatives Black, Rogers

2 **STATE BOARD RESERVE FUNDS**

3 Sec. 53. Of the funds appropriated to the Department of Community
4 Colleges in Chapter 321 of the 1993 Session Laws for the State Board Reserve, forty-
5 six thousand dollars (\$46,000) shall be allocated to fund the additional costs associated
6 with the automated central cataloging of library books.

7 Notwithstanding G.S. 143-16.3, the State Board may use up to three hundred
8 thousand dollars (\$300,000) from the State Board Reserve to fund the community
9 colleges leadership development programs that were a part of the State Board's budget
10 request to the 1994 Regular Session of the 1993 General Assembly.

11

12 Requested by: Representatives Black, Rogers

13 **PRISON CLASSES**

14 Sec. 54. G.S. 115D-5 is amended by adding a new subsection to read:

15 "(c1) Community colleges shall report full-time equivalent (FTE) student hours for
16 correction education programs on the basis of contact hours rather than student
17 membership hours. No community college shall operate a multi-entry/multi-exit class
18 or program in a prison facility, except for literacy classes.

19 The State Board shall work with the Department of Correction on offering classes
20 and programs that match the average length of stay of an inmate in a prison facility."

21

22 Requested by: Representatives Black, Rogers

23 **1993 PROFESSIONAL COUNSELOR LICENSING ACT EXEMPTION**

24 Sec. 55. G.S. 90-332.1(a) is amended by inserting two new subdivisions to
25 read:

26 "(4.1) Any person counseling within the scope of employment at a local
27 community college.

28 "(4.2) Any person counseling within the scope of employment at a private
29 higher education institution as defined in G.S. 116-22(1)."

30

31 Requested by: Representative Diamont

32 **COMMUNITY COLLEGES BEHIND WALLS**

33 Sec. 56. The State Board of Community Colleges shall develop a plan to
34 establish "Community Colleges Behind Walls" to train and educate prison inmates
35 better. The State Board shall present the plan to the 1995 General Assembly prior to
36 February 1, 1995.

37

38 Requested by: Representative Nesbitt

39 **COMPETITIVE SALARY LEVELS FOR CURRICULUM FACULTY**

40 Sec. 57. (a) Funds appropriated in this act for competitive salary levels for
41 community college curriculum faculty shall be used to provide an average additional
42 salary increase to full-time curriculum faculty to enable the community colleges to
43 retain a core of outstanding faculty at competitive salary levels. The State Board of
44 Community Colleges shall not use these funds to decrease the faculty/student ratio at

1 community colleges. The State Board shall use these funds, along with the funds
2 appropriated in this act for a 4% salary increase for all community college employees,
3 only to increase the unit value in the community college allotment formula for
4 curriculum faculty by 8%.

5 The State Board of Community Colleges shall ensure that these funds are
6 used to provide for a community college system-wide full-time curriculum faculty
7 salary of at least 102% of the curriculum faculty salary unit value in the allotment
8 formula.

9 Each community college shall increase the salaries of its full-time curriculum
10 faculty members by at least 8% for the 1994-95 fiscal year unless the average salary for
11 full-time curriculum faculty at the college is already at or above the community college
12 system-wide average salary for full-time curriculum faculty members. A community
13 college shall not use faculty salary funds for administrative costs unless the average
14 full-time curriculum faculty salary at the college is already at or above the community
15 college system-wide average salary for full-time curriculum faculty members.

16 (b) The State Board of Community Colleges shall develop a salary schedule
17 for all community college faculty and shall report that salary schedule to the 1995
18 General Assembly.

19
20 Requested by: Representative Baddour

21 **ESTABLISH GRANTS FOR VISITING ARTISTS' PROGRAM**

22 Sec. 57.1. (a) Of the funds appropriated in Chapter 321 of the 1993 Session
23 Laws to the Department of Community Colleges for the Community Services Block
24 Grant Program for the 1994-95 fiscal year, five percent of those funds, which is the sum
25 of ninety-five thousand eight hundred twenty dollars (\$95,820), shall be allocated to the
26 Visiting Artists' Program. These funds shall be used as grants-in-aid to community
27 colleges on a competitive basis in accordance with administrative guidelines approved
28 by the State Board of Community Colleges. The purpose of the grants shall be to
29 support and promote through the use of grants-in-aid, the Visiting Artists' Program,
30 which is administered by the State Board of Community Colleges in cooperation with
31 the North Carolina Arts Council. In addition the Department of Community Colleges
32 may use their Community Services Block Grant funds to supplement the Visiting
33 Artists' Program or other arts programs at the discretion of their Local Boards of
34 Community Colleges.

35 (b) It is the intent of the General Assembly to preserve the Visiting Artists'
36 Program in the Department of Community Colleges. The Department of Community
37 Colleges shall report to the Joint Legislative Commission on Governmental Operations
38 and to the Fiscal Research Division regarding its progress in making grants to
39 community colleges for the Visiting Artists' Program.

40 41 **PART 18. PUBLIC SCHOOLS**

42
43 Requested by: Representatives Gray, Rogers, Black

44 **NONCERTIFIED SCHOOL EMPLOYEE SALARIES**

1 Sec. 58. (a) G.S. 115C-12(16) reads as rewritten:

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

3 a. Support personnel refers to all public school employees who are
4 not required by statute or regulation to be certified in order to
5 be employed. The State Board of Education is authorized and
6 empowered to adopt all necessary rules for full implementation
7 of all schedules to the extent that State funds are made available
8 for support personnel.

9 b. Salary schedules for the following public school support
10 personnel shall be adopted by the State Board of Education:
11 school finance officer, office support personnel, ~~property and~~
12 ~~east clerks,~~ teacher assistants, maintenance supervisors,
13 custodial personnel, and transportation personnel. The Board
14 shall classify these support positions in terms of uniform pay
15 grades included in the salary schedule of the State Personnel
16 Commission.

17 ~~Prior to~~ By the end of the third payroll period of the 1995-96
18 ~~school fiscal year,~~ local boards of education shall place State-
19 allotted office support personnel, teacher assistants, and
20 custodial personnel on the salary schedule adopted by the State
21 Board of Education so that the average salary paid is the State-
22 allotted amount for the category. In placing employees on the
23 salary schedule, the local board shall consider the education,
24 training, and experience of each employee. It is the intent of
25 the General Assembly that a local school administrative unit not
26 fail to employ an employee who was employed for the prior
27 school year in order to implement the provisions of this sub-
28 subdivision. A local board of education is in compliance with
29 this sub-subdivision if the average salary paid is at least ninety-
30 five percent (95%) of the State-allotted amount for the category
31 at the end of the third payroll period of the 1995-96 fiscal year,
32 and at least ninety-eight percent (98%) of the State-allotted
33 amount for the category at the end of the third payroll period of
34 each subsequent fiscal year. The Department of Public
35 Instruction shall provide technical assistance to local school
36 administrative units regarding the implementation of this sub-
37 subdivision.

38 ~~The average salary paid to employees in each category from~~
39 ~~State-allotted funds for the 1993-94 school year shall be at least~~
40 ~~two percent (2%) higher than the average salary paid to~~
41 ~~employees in that category from State-allotted funds for the~~
42 ~~1992-93 school year.~~

The State Board of Education shall report to the General Assembly, prior to ~~March 31, 1994~~, and March 31, 1995, and March 31, 1996, on the implementation of this sub-subdivision.

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

(b) Beginning with the 1994-95 fiscal year, the State Board of Education shall allot salary funds for State-allotted school custodian positions on the basis of one thousand two hundred nine dollars (\$1,209) a month for each position plus any salary increment authorized for school custodians by the General Assembly.

Requested by: Representatives Rogers, Black

TRANSPORTATION INFORMATION MANAGEMENT SYSTEM FUNDS

Sec. 59. Of the funds appropriated to Aid to Local School Administrative Units for school transportation in this act, the sum of five hundred ten thousand dollars (\$510,000) for the 1994-95 fiscal year shall be used for the continuation of the Transportation Information Management System. These funds shall be used for equipment, equipment maintenance, and contractual services to operate the program.

It is the intent of the General Assembly to include these funds in the continuation budget for the 1995-97 fiscal biennium.

Requested by: Representatives Rogers, Black

OUTCOME-BASED EDUCATION FUNDS

Sec. 60. Of the funds appropriated for the Outcome-Based Education Program in this act, the sum of one hundred thousand dollars (\$100,000) shall be used by the Department of Public Instruction to provide technical assistance, evaluate programs, refine proficiencies and outcomes, and otherwise implement the program.

Requested by: Representatives Black, Rogers

DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID

Sec. 61. Section 216 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 216. Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two million three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95 fiscal year are transferred to the Department of Public Instruction for handicapped children aged 3 through 4 years who have been identified through Division of Mental

1 Health, Developmental Disabilities, and Substance Abuse Services statewide services
2 and who are served in developmental day centers. These funds shall be used to contract
3 with area mental health, developmental disabilities, and substance abuse authorities or
4 with public or private nonprofit developmental day centers to continue to serve
5 handicapped children aged 3 through 4 years who are identified as needing
6 developmental day services.

7 It is the intent of the General Assembly to appropriate funds for this purpose to the
8 continuation budget of the Department of Public Instruction for the 1995-97 fiscal
9 biennium.

10 The Department of Public Instruction shall report to the General Assembly and to
11 the Fiscal Research Division by May 1, 1994, and May 1, 1995, regarding the use of the
12 funds transferred to it by this section."

13

14 Requested by: Representatives Rogers, Black

15 **ADMINISTRATION OF THE INTERVENTION/PREVENTION GRANT**
16 **PROGRAM**

17 Sec. 62. Of the funds allocated under Section 42 of Chapter 24 of the 1994
18 Session Laws for the Intervention/Prevention Grant Program, up to two hundred
19 thousand dollars (\$200,000) may be used by the Department of Public Instruction to
20 implement that section.

21

22 Requested by: Representatives Rogers, Black

23 **LIMITED ENGLISH PROFICIENCY (LEP) STUDENTS**

24 Sec. 63. (a) G.S. 115C-81(c) reads as rewritten:

25 "(c) Local boards of education shall provide for the efficient teaching at
26 appropriate grade levels of all materials set forth in the standard course of study,
27 including integrated instruction in the areas of citizenship in the United States of
28 America, government of the State of North Carolina, government of the United States,
29 fire prevention, the free enterprise system, the dangers of harmful or illegal drugs,
30 including alcohol, and cardio-pulmonary resuscitation (CPR) and the Heimlich
31 maneuver.

32 ~~Local~~ Except when a board authorizes teaching in a foreign language in order to
33 comply with federal law, local boards of education shall require all teachers and
34 principals to conduct classes except foreign language classes in English. Any teacher or
35 principal who refuses to do so may be dismissed."

36 (b) The State Board of Education shall study issues concerning Limited
37 English Proficiency (LEP) students and shall develop a resource guide for local school
38 administrative units that illustrates how to implement quality programs for LEP
39 students. The study shall review:

- 40 (1) Federal requirements for LEP students;
41 (2) The number of LEP students in the State and their geographic
42 distribution across the State;
43 (3) Methods for identifying LEP students;

- 1 (4) Methods for assessing the abilities of LEP students in their home
 2 language;
 3 (5) Criteria for entrance into and exit from LEP programs;
 4 (6) Technical assistance needs of local school administrative units and the
 5 Department of Public Instruction;
 6 (7) Teacher training needs for regular classroom teachers and teachers in
 7 LEP programs;
 8 (8) Projections of the number of English as a Second Language or other
 9 LEP teachers needed in the future and the role of The University of
 10 North Carolina in meeting that need;
 11 (9) Certification criteria for teachers of LEP students;
 12 (10) Methods for assessing LEP children's needs for special education,
 13 including programs for academically gifted students;
 14 (11) Methods of instruction for LEP students including English as a Second
 15 Language Programs and transitional bilingual education;
 16 (12) Funding options for serving LEP students, including use of federal
 17 Migrant Education funds and other federal, State, and local funds for
 18 LEP students; and
 19 (13) Programs in the State that currently serve LEP students.

20 The resource guide shall identify State and local funding sources for these programs,
 21 how to obtain these funds, and methods for program evaluation. The State Board shall
 22 provide a copy of the resource guide, the results of its study, and its recommendations
 23 regarding issues concerning LEP students, to the Joint Legislative Education Oversight
 24 Committee no later than December 1, 1994.

25 (c) If a local school administrative unit demonstrates that it has LEP students
 26 that it is unable to serve within the regular school allotments due to extraordinary
 27 circumstances, the State Board of Education may allocate funds from State Aid to Local
 28 School Administrative Units for the 1994-95 fiscal year to provide services to those
 29 students. No more than one million dollars (\$1,000,000) shall be allocated pursuant to
 30 this subsection for the 1994-95 fiscal year.
 31

32 Requested by: Representatives Rogers, Black

33 **EXCEPTIONAL CHILDREN FUNDS**

34 Sec. 64. (a) Section 134(a) of Chapter 321 of the 1993 Session Laws reads as
 35 rewritten:

36 "(a) The funds appropriated for exceptional children in this act shall be allocated
 37 as follows:

- 38 (1) Each local school administrative unit shall receive for academically
 39 gifted children the sum of ~~\$641.26~~ \$652.17 per child for three and
 40 nine-tenths percent (3.9%) of the ~~1992-93~~ 1993-94 actual average
 41 daily membership in the local school administrative unit, regardless of
 42 the number of children identified as academically gifted in the local
 43 school administrative unit. The total number of children for which

1 funds shall be allocated pursuant to this subdivision is ~~43,114~~ 43,739
2 for the ~~1993-94~~ 1994-95 school year.

3 (2) Each local school administrative unit shall receive for exceptional
4 children other than academically gifted children the sum of ~~\$1,923.79~~
5 \$1,956.52 per child for the lesser of (i) all children who are identified
6 as exceptional children other than academically gifted children or (ii)
7 twelve and five-tenths percent (12.5)% of the ~~1992-93~~ 1993-94 actual
8 average daily membership in the local school administrative unit. The
9 maximum number of children for which funds shall be allocated
10 pursuant to this subdivision is ~~125,316~~ 127,668 for the ~~1993-94~~ 1994-
11 95 school year.

12 (3) Each local school administrative unit in which more than twelve and
13 five-tenths percent (12.5%) of the ~~1992-93~~ 1993-94 actual average
14 daily membership are identified as exceptional children other than
15 academically gifted children shall receive \$418.76 per child in excess
16 of the twelve and five-tenths percent (12.5%). These funds shall be
17 used only for nonrecurring expenditures and other expenditures for
18 exceptional children other than academically gifted children that do
19 not impose future obligations on the State or local governments.

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

23 (b) Section 134(d) of Chapter 321 of the 1993 Session Laws reads as
24 rewritten:

25 "(d) The State Board of Education shall report its preliminary recommendations,
26 including any proposals for modified laws, rules, or policies and findings under
27 subsections (b) and (c) of this section to the Commission on Children with Special
28 Needs and to the chairs of the appropriations committees and the appropriations
29 subcommittees on education of the Senate and the House of Representatives by March
30 15, ~~1994~~ 1994, and its final recommendations by January 1, 1995."

31 (c) Of the funds appropriated for increases in average daily membership for
32 the 1994-95 fiscal year, the sum of one million two hundred twenty-nine thousand four
33 hundred seventy-two dollars (\$1,229,472) shall be used for the recurring costs of
34 implementing subsection (a) of this section.

35
36 Requested by: Representatives Rogers, Black

37 **REPORT ON TEACHERS LEAVING THE TEACHING PROFESSION**

38 Sec. 65. G.S. 115C-12 is amended by adding a new subdivision to read:

39 "(22) Duty to Monitor the Decisions of Teachers to Leave the Teaching
40 Profession. – The State Board of Education shall monitor and compile
41 an annual report on the decisions of teachers to leave the teaching
42 profession. The State Board shall adopt standard procedures for each
43 local board of education to use in requesting the information from
44 teachers who are not continuing to work as teachers in the local school

1 administrative unit and shall require each local boards of education to
2 report the information to the State Board in a standard format adopted
3 by the State Board."
4

5 Requested by: Representative Barnes

6 **TASK FORCE ON VOCATIONAL AND TECHNICAL EDUCATION**

7 Sec. 66. (a) Task Force on Vocational and Technical Education created
8 membership. – There is created the Task Force on Vocational and Technical Education.
9 The Task Force shall be located administratively in the Department of Public Instruction
10 but shall exercise all its prescribed statutory powers independently of the Department of
11 Public Instruction.

12 (b) The Task Force shall consist of the following 16 members:

13 (1) The State Superintendent of Public Instruction or a designee;

14 (2) The State Auditor or a designee;

15 (3) The Commissioner of Labor or a designee;

16 (4) One representative of The University of North Carolina, appointed by
17 the President of The University of North Carolina;

18 (5) One representative of the North Carolina Community College System,
19 appointed by the President of the North Carolina Community College
20 System;

21 (6) Two members appointed by the Governor;

22 (7) Two members of the Senate appointed by the President Pro Tempore
23 of the Senate;

24 (8) One businessperson involved in vocational and technical education
25 and one director of vocational and technical education for a local
26 school administrative unit, appointed by the President Pro Tempore of
27 the Senate;

28 (9) Two members of the House of Representatives appointed by the
29 Speaker of the House of Representatives;

30 (10) One businessperson involved in vocational and technical education
31 and one vocational and technical education teacher appointed by the
32 Speaker of the House of Representatives; and

33 (11) The chair of the Governor's Commission on WorkForce Preparedness.

34 The Governor and the Superintendent of Public Instruction shall each appoint a cochair
35 from the membership of the Task Force.

36 Vacancies in terms of members shall be filled by the appointing officers.

37 (c) The Task Force, in collaboration with the Department of Community
38 Colleges, the Department of Public Instruction, and the Governor's Commission on
39 WorkForce Preparedness shall study the following issues related to vocational and
40 technical education:

41 (1) The quality, focus, standards, and future goals of vocational and
42 technical education programs in the public schools, including the
43 current status of local TechPrep, apprenticeship, and other school-to-
44 work programs in North Carolina;

- 1 (2) Funding issues including funding levels of programs, funding sources,
2 distribution of funds, students served, and cost-per-student
3 comparisons;
- 4 (3) Technological and educational quality of equipment and instructional
5 materials, and projected equipment and technology needs for
6 vocational and technical education;
- 7 (4) Current accountability efforts, including program standards and
8 performance measures such as academic and employment outcomes,
9 and review of program evaluation and improvement methods;
- 10 (5) Relevance of vocational and technical education to the workforce and
11 subsequent employment, including the relationship of program focus
12 to current and future labor market;
- 13 (6) Articulation issues, including the linkage of programs to higher
14 education, other governmental workforce programs, and the business
15 community;
- 16 (7) The efficiency and effectiveness of organizational and delivery aspects
17 of existing vocational and technical and school-to-work programs
18 including cooperative education, internships, youth apprenticeships,
19 career academics, school-based enterprises, supervised occupational
20 experiences, vocational student organizations, Tech Prep, and Job
21 Training Partnership Act (JTPA) whether there is unnecessary
22 duplication and overlap, and the appropriate role for each agency
23 involved;
- 24 (8) The efficiency and effectiveness of State and local administration of
25 programs;
- 26 (9) Curriculum and instructional delivery issues, including curriculum
27 review and development and the extent and success of linkage and
28 integration of vocational and technical education to core academic
29 education;
- 30 (10) Career guidance and career counseling in the public schools; and
- 31 (11) Training and retraining of educators involved in vocational and
32 technical education, including the effectiveness of preservice training
33 for teachers, teacher qualification requirements, teacher supply and
34 demand trends, plans for ongoing staff development for teachers, local
35 and State leadership including Department of Public Instruction staff,
36 administrators, principals and superintendents, and necessary changes
37 in staff development.

38 The Task Force shall make an interim report of the results of its study and its
39 recommendations for modifications in vocational and technical education and school-to-
40 work transition programs to the Joint Education Oversight Committee, the Governor's
41 Commission on WorkForce Preparedness, and the State Board of Education prior to
42 January 15, 1995, and a final report prior to March 1, 1996.

- 43 (d) Members of the Task Force who are also members of the General
44 Assembly shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-

1 3.1. Members of the Task Force who are officials or employees of the State shall
2 receive travel allowances at the rate set forth in G.S. 138-6. All other members of the
3 Task Force shall be paid the per diem and allowances set forth in G.S. 138-5.

4 (e) The Department of Public Instruction shall provide requested professional
5 and clerical staff to the Task Force. The Task Force may also employ professional and
6 clerical staff and shall hire outside consultants to assist it in its work.

7 (f) The Department of Public Instruction shall use up to one hundred
8 thousand dollars (\$100,000) within its budget for the 1994-95 fiscal year for the work of
9 the Task Force on Vocational and Technical Education.

10
11 Requested by: Representative Barnes, Rogers, Black

12 **TEACHER ACADEMY FUNDS**

13 Sec. 67. (a) Funds appropriated in this act for the operation of the Teacher
14 Academy for the 1994-95 fiscal year shall be used for Teacher Academy training
15 sessions offered for the summer of 1994 and for sessions offered for the summer of
16 1995 prior to July 1, 1995. These funds include the sum of seven hundred fifty
17 thousand dollars (\$750,000) in nonrecurring funds for training sessions for additional
18 teachers during the first fiscal year of program implementation.

19 (b) The Task Force on Teacher Staff Development shall evaluate the Teacher
20 Academy Plan it developed in accordance with Section 141 of Chapter 321 of the 1993
21 Session Laws and shall consider how it might fit into a comprehensive approach to staff
22 development. The State Board of Education shall conduct an evaluation of the quality
23 of the 1994-95 Teacher Academy sessions. The Task Force shall address more
24 completely the factors it was directed to address by Section 141 and shall develop a
25 more comprehensive approach for teacher professional development. The Task Force
26 shall place special emphasis on the following:

- 27 (1) Efficient and effective use of existing State, federal, and local
28 resources through an integrated, nonduplicative delivery of
29 professional development to teachers.
- 30 (2) Short-range and long-range plans for school-based staff development
31 that address the professional development needs of teachers in site-
32 based decision making, core content areas, instruction, use of modern
33 technology, and other appropriate subjects.
- 34 (3) More effective use of the North Carolina Center for Advancement of
35 Teaching facility and staff in the delivery of teacher professional
36 development.
- 37 (4) Training schedules and opportunities that minimize the time teachers
38 are away from classroom instruction.
- 39 (5) Development of organizational arrangements and technologies that
40 encourage teacher networking and collaboration.
- 41 (6) Effective use of the facilities and faculties of The University of North
42 Carolina campuses in the delivery of professional development to
43 teachers.

- 1 (7) Effective use of existing and planned telecommunications and long-
2 distance learning systems for teacher professional development to limit
3 expenditures for travel and associated costs.
- 4 (8) Professional development that meets the unique needs of individual
5 schools and a plan to ensure quality in the various staff development
6 offerings.
- 7 (9) A proposal for the ongoing coordination of teacher professional
8 development activities among local school administrative units, the
9 Department of Public Instruction, the Technical Assistance Centers,
10 The University of North Carolina, NCCAT, private colleges and
11 universities, and any other providers of teacher professional
12 development.

13 The Task Force on Teacher Staff Development shall also review the work of the
14 Teacher Training Task Force and consider incorporating elements of the findings and
15 recommendations of the Teacher Training Task Force in the Plan.

16 The Task Force shall make an interim report on (i) its progress on the Plan,
17 (ii) expenditures on and evaluation of the Teacher Academy programs during the
18 summer of 1994, and (iii) projected expenditures for the summer of 1995 to the Joint
19 Legislative Education Oversight Committee and the State Board of Education no later
20 than October 1, 1995. The final Plan shall be submitted to the State Board of Education
21 for adoption no later than December 1, 1994. Any legislative action required to
22 implement the Plan shall be submitted to the Joint Legislative Education Oversight
23 Committee and the General Assembly no later than January 15, 1995.

24
25 Requested by: Representatives Rogers, Black

26 **STATISTICS ON STUDENTS ELIGIBLE FOR FREE AND REDUCED PRICE**
27 **LUNCHESES**

28 Sec. 68. Of the funds appropriated to the Department of Public Instruction in
29 this act, the Department of Public Instruction shall use fifty thousand dollars (\$50,000)
30 to compile and analyze data on the number of students eligible for free and reduced
31 price lunches. The analysis shall include consideration of whether this data is a valid
32 measure of income at the local school administrative unit level and at the school
33 building.

34
35 Requested by: Representatives Jeffus, Rogers, Black

36 **SUBSTITUTE TEACHER PAY**

37 Sec. 69. Substitute teachers who hold teacher certificates shall be paid at a
38 rate of sixty-two dollars (\$62.00) per day. Substitute teachers who do not hold teacher
39 certificates but have completed effective teacher training shall be paid at a rate of fifty-
40 five dollars (\$55.00) per day. Substitute teachers who neither hold teacher certificates
41 nor have completed effective teacher training shall be paid at a rate of forty-five dollars
42 (\$45.00) per day.

43
44 Requested by: Representatives Nesbitt, Rogers, Black

1 BASIC EDUCATION PROGRAM FUNDS

2 Sec. 70. Of the funds appropriated in this act to State Aid to Local School
3 Administrative Units, the sum of fifty-five million eight hundred twenty-four thousand
4 one hundred thirty-six dollars (\$55,824,136) shall be used to implement the Basic
5 Education Program. These funds shall be allocated as follows:

- 6 (1) \$10,000,000 shall be allocated for school psychologists, social
7 workers, and guidance counselors for kindergarten through the eighth
8 grade in accordance with the Basic Education Program. Each local
9 school administrative unit shall comply with the staffing requirements
10 of the Basic Education Program regarding school psychologists, social
11 workers, and guidance counselors for kindergarten through the eighth
12 grade.
13 (2) \$26,320,319 shall be used to implement fully the class size reduction
14 at the kindergarten level in accordance with the Basic Education
15 Program.
16 (3) \$9,217,698 shall be used to implement fully the class size reduction at
17 the tenth grade level in accordance with the Basic Education Program.
18 (4) \$9,536,119 shall be used to implement fully textbook funding in
19 accordance with the Basic Education Program by restoring textbook
20 purchasing power to the 1985 level.

21 The General Assembly urges the State Board of Education to carry
22 out its duties under G.S. 115C-96 by requesting sufficient
23 appropriations from the General Assembly to provide the children of
24 the public elementary and secondary schools with free basic textbooks.
25 The General Assembly also urges the Governor to include that amount
26 in the proposed budget and to carry out the Governor's duties under
27 G.S. 143-11 by accompanying the proposed budget with the State
28 Board of Education's request for appropriations for textbooks.
29

30 Requested by: Representative Culpepper

31 DARE SCHOOL PAY DATE

32 Sec. 71. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
33 316(a), or any other provision of law, all 10-month employees of the Dare County
34 Board of Education shall be paid on the twelfth day of each month. Nothing in this
35 section shall have the effect of changing the rate of pay for any employee of the Dare
36 County Board of Education.

37 This section shall not be construed to authorize prepayment of any employees
38 by the Dare County Board of Education.
39

40 Requested by: Representatives Yongue, Cummings, Lee

41 SCOTLAND SCHOOL PAY DATE

42 Sec. 72. Section 143.1 of Chapter 321 of the 1993 Session Laws reads as
43 rewritten:

1 "Sec. 143.1. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
2 316(a), or any other provision of law, all 10-month employees of the Scotland County
3 Schools except for school bus drivers, who are paid on a monthly basis, shall be paid on
4 the ~~fifteenth~~tenth day of each month. Nothing in this section shall have the effect of
5 changing the rate of pay for any employee of Scotland County Schools."

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

8
9 Requested by: Representatives Lutz, Hunt, Weatherly

10
11 **REPEAL CLEVELAND SCHOOL PAY DATE**

12 Sec. 73. Section 2 of Chapter 311 of the 1991 Session Laws is repealed.

13
14 Requested by: Representatives Wilmoth, Cromer

15 **WATAUGA SCHOOL PAY DATE**

16 Sec. 74. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115-
17 316(a), or any other provision of law, all 10-month employees of the Watauga County
18 Board of Education shall be paid on the tenth day of each month, and all other
19 employees of the Watauga County Board of Education shall be paid on the last day of
20 each month. If the pay date so established falls on a weekend or holiday, the employee
21 shall be paid on the last workday before the established pay date. Nothing in this
22 section shall have the effect of changing the rate of pay for any employee of the
23 Watauga County Board of Education.

24
25 Requested by: Representative Flaherty

26 **CALDWELL SCHOOL PAY DATE**

27 Sec. 75. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
28 316(a), or any other provision of law, all 10-month employees of the Caldwell County
29 Board of Education who are paid on a monthly basis shall be paid on the fifteenth day
30 of each month. Nothing in this section shall have the effect of changing the rate of pay
31 for any employee of Caldwell County Board of Education.

32 This section shall not be construed to authorize prepayment of any employees
33 by the Caldwell County Board of Education.

34
35 Requested by: Representatives Kuczmariski, Rogers, Black

36 **CUED SPEECH FUNDS**

37 Sec. 76. Of the funds appropriated in this act to the Department of Public
38 Instruction, the sum of ninety-five thousand dollars (\$95,000) shall be used as a grant-
39 in-aid for the Cued Speech Center of Wake County. The Center shall use these funds to
40 provide transition services.

41
42 Requested by: Representatives Rogers, Black, Diamont

43 **ALLOCATIONS OF BASIC EDUCATION PROGRAM FUNDS FOR SMALL**
44 **CITY SCHOOL SYSTEMS**

1 Sec. 77. The State Board of Education shall modify the position allocation
2 formulas under the Basic Education Program by rounding all fractions of positions to
3 the next whole position for each city school administrative unit with an average daily
4 membership of less than 3,000 students.

5
6 Requested by: Representatives Rogers, Black, Diamont

7 **SCHOOL ADMINISTRATOR ALLOTMENT FORMULAS**

8 Sec. 78. The State Board of Education shall modify the allotment formula for
9 school administrators so that (i) the base allotment under the formula is the same for all
10 local school administrative units, regardless of the average daily membership of the
11 units and (ii) the remainder of the funds is allotted on the basis of average daily
12 membership.

13
14 Requested by: Representatives Diamont, Barnes, Rogers, Black

15 **SCHOOL TECHNOLOGY PLANS/RESERVE**

16 Sec. 79. (a) G.S. 115C-102.5(c) reads as rewritten:

17 "(c) Notwithstanding G.S. 120-123 and subsection (b) of this section, ~~for the~~
18 ~~1993-94 fiscal year only~~, the Commission shall also include one member of the Senate
19 appointed by the President Pro Tempore of the Senate and one member of the House of
20 Representatives appointed by the Speaker of the House of Representatives. These
21 members shall be voting members. The term of office of these members shall end
22 November 1, 1994."

23 (b) G.S. 115C-102.6 reads as rewritten:

24 **"§ 115C-102.6. Duties. Duty to prepare a requirements analysis and propose a**
25 **State school technology plan.**

26 The Commission shall prepare a requirements analysis and propose a State school
27 technology plan to the Joint Legislative Commission on Governmental Operations and
28 the Joint Legislative Education Oversight Committee for improving student
29 performance in the public schools through the use of learning and instructional
30 management technologies.

31 In developing this plan, the Commission shall:

32 (1) Assess factors related to the current use of learning and instructional
33 management technologies in the schools, including what is currently
34 being used, how the current use of technology relates to the standard
35 course of study, how the effectiveness of learning and instructional
36 management technologies is being evaluated, how schools are paying
37 for learning and instructional management technologies, and what
38 training school employees have received in the use of learning and
39 instructional management technology and networks.

40 (2) Identify the instructional goals that can be met through the use of
41 learning and instructional management technologies. The goals may
42 include teaching the standard course of study, reaching students with a
43 broad range of abilities, and ensuring that all students have access to a

- 1 complete curriculum regardless of the geographical location or the
2 financial resources of the school.
- 3 (3) Examine the types of learning and instructional management
4 technologies available to meet the identified instructional goals,
5 including computers, audiovisual aids, science laboratory equipment,
6 vocational education equipment, and distance learning networks. The
7 Commission shall consider the compatibility and accessibility of
8 different types of learning and instructional management technologies,
9 including compatibility with the planned statewide broadband ISDN
10 network, and whether they may be easily communicated from one site
11 to another. The Commission shall also consider linkages between
12 learning and instructional management technologies and existing State
13 and local administrative systems.
- 14 (4) Develop a basic level of learning and instructional management
15 technology for every school in the State. The basic level may include:
- 16 a. A computer lab with student stations or a specified number of
17 student computer stations in each classroom for the use of
18 instructional software such as computer-assisted instruction,
19 integrated learning systems, instructional management systems,
20 and applications software such as word processing, database,
21 spreadsheet, and desktop publishing.
- 22 b. A computer workstation in every classroom for teachers to use
23 in preparation and delivery of instruction and for administrative
24 record keeping.
- 25 c. A television monitor and video cassette-recorder in every
26 classroom to take advantage of open-air broadcast programs,
27 satellite programs, and instructional video tapes available from
28 the library/media center.
- 29 d. Computer workstations at each elementary and secondary
30 school, housed in the library/media center, for individual
31 students to use for basic skills instructional software.
- 32 e. A telecommunications line, modem, and software in each
33 school's library/media center that will allow students and
34 teachers access to external databases and resources for research
35 purposes.
- 36 f. The availability of telephones for teachers.
- 37 g. Initial training for the principal and teachers from each school
38 in the use of the new technology.
- 39 (5) Consider staffing required to operate the learning and instructional
40 management technologies and options for maintaining the equipment.
- 41 (6) Consider the types of staff development necessary to maximize the
42 benefits of learning and instructional management technologies and
43 determine the appropriate ways to provide the necessary staff
44 development.

1 (7) Develop a cost analysis of any plans and proposals that it develops."

2 (c) Part 3A of Article 8 of Chapter 115C of the General Statutes is amended
3 by adding four new sections to read:

4 "**§ 115C-102.6A. Elements of the State school technology plan.**

5 (a) The State school technology plan shall be a long-term State implementation
6 plan for using funds from the State School Technology Fund and other sources to
7 improve student performance in the public schools through the use of learning and
8 instructional management technologies. The purpose of the plan shall be to provide a
9 cost-effective foundation of flexible and long-lasting technology to promote substantial
10 gains in student achievement.

11 (a1) In developing the plan the Commission shall consider and plan for the
12 relationship of the North Carolina Information Highway to the plan. In particular the
13 plan shall establish priorities for the acquisition of school technologies including how
14 the Information Highway fits into those priorities.

15 (b) Components of the State school technology plan shall include:

16 (1) Common technical standards and uniform practices and procedures
17 that provide statewide economies of scale in procurements, training,
18 support, planning, and operations.

19 (2) Conceptual technical architecture that includes:

20 a. Principles. – Statements of direction, goals, and concepts to
21 guide the development of technical architecture;

22 b. Standards. – Detailed specifications to ensure hardware,
23 software, databases, and other products that may have been
24 developed independently or purchased from different vendors
25 will work together; and

26 c. Implementation strategies. – Approaches or guidelines for
27 developing and installing the components of the technical
28 infrastructure.

29 (3) A quality assurance policy for all school technology projects, training
30 programs, systems documentation, and maintenance plans.

31 (4) Policies and procedures for the fair and competitive procurement of
32 school technology that provide local school administrative units with a
33 vendor-neutral operating environment in which different school
34 technology hardware, software, and networks operate together easily
35 and reliably, to the extent feasible consistent with meeting
36 instructional goals.

37 (5) A comprehensive policy for inventory control.

38 (6) Parameters for continuous, ongoing training for all personnel involved
39 in the use of school technology. Training shall focus on the integration
40 of technology and instruction and on the use of particular applications.

41 (7) Recommendations to the State Board of Education of requirements for
42 preservice teacher training on the integration of teaching and school
43 technology.

- 1 (8) Proposals for leadership training on the use of school technology to
2 improve instruction and as a management tool.
- 3 (9) Development of expertise at the State and regional levels on school
4 technology.
- 5 (10) Flexibility to enable local school administrative units and individual
6 schools to meet individual school unit and building needs.
- 7 (11) Flexibility to meet the needs of all students, allow support to students
8 with a wide range of abilities, and ensure access to challenging
9 curricula and instruction for children at risk of school failure.
- 10 (12) Use of technologies to support challenging State and local educational
11 performance goals.
- 12 (13) Effective and integrated use of technologies compatible with (i) the
13 standard course of study, (ii) the State assessment program, and (iii)
14 related student data management.
- 15 (14) Use of technologies as a communication, instructional, and
16 management tool and for problem-solving, exploration, and advanced
17 skills.
- 18 (15) Proposals for addressing equipment needs for vocational education,
19 Tech Prep, and science instruction.

20 **"§ 115C-102.6B. Approval of State school technology plan.**

21 (a) The Commission shall submit the State school technology plan it develops to
22 the Joint Legislative Commission on Governmental Operations and the Joint Legislative
23 Education Oversight Committee prior to January 1, 1995. At least every two years
24 thereafter, the Commission shall develop any necessary modifications to the State
25 school technology plan and submit them to the Joint Legislative Commission on
26 Governmental Operations and the Joint Legislative Education Oversight Committee.

27 (b) After submitting the plan or any proposed modifications to the plan to the
28 Joint Legislative Commission on Governmental Operations and the Joint Legislative
29 Education Oversight Committee, the Commission shall submit the plan or any proposed
30 modifications to (i) the Information Resources Management Commission for its review
31 and comment on the technical components of the plan set out in G.S. 115C-102.6A(1)
32 through (4), and (ii) the State Board of Education for its approval of the entire plan. The
33 plan or the proposed modifications shall take effect upon approval by the State Board of
34 Education.

35 **"§ 115C-102.6C. Approval of local school technology plans.**

36 (a) Each local board of education shall develop a local school technology plan
37 that meets the requirements of the State school technology plan and shall submit the
38 local plan to the State Board of Education for its approval. The Department of Public
39 Instruction shall evaluate the local plans and advise the State Board as to whether the
40 local plans comply with the requirements of the State school technology plan.

41 (b) After a local school technology plan is approved by the State Board of
42 Education, the local board of education may use funds in the State School Technology
43 Fund that are allocated to the local school administrative unit to implement the plan.

1 **"§ 115C-102.6D. Establishment of the State School Technology Fund; allocation**
2 **and use of funds.**

3 (a) There is established under the control and direction of the State Board of
4 Education the State School Technology Fund. This fund shall be a nonreverting special
5 revenue fund consisting of any monies appropriated to it by the General Assembly.

6 (b) Funds in the State School Technology Fund shall be allocated to local school
7 administrative units as directed by the General Assembly. Funds allocated to each local
8 school administrative unit shall be credited with interest by the State Treasurer pursuant
9 to G.S. 147-69.2 and G.S. 147-69.3.

10 (c) Each local school administrative unit with a local school technology plan
11 approved by the State Board of Education may use funds allocated to it to implement its
12 local plan or as otherwise specified by the General Assembly."

13 (d) G.S. 115C-102.7 reads as rewritten:

14 **"§ 115C-102.7. Reports. Monitoring and evaluation of State and local school**
15 **technology plans; reports.**

16 (a) The Commission shall monitor and evaluate the development and
17 implementation of the State and local school technology plans. The evaluation shall
18 consider the effects of technology on student learning, the effects of technology on
19 students' workforce readiness, the effects of technology on teacher productivity, and the
20 cost-effectiveness of the technology. ~~The Commission shall make a progress report~~
21 ~~prior to March 15, 1994, and a final report prior to May 15, 1994, on the plan it~~
22 ~~develops to~~ The Commission shall report in October of each year to the State Board of
23 Education, the Joint Legislative Commission on Governmental ~~Operations~~ Operations,
24 and the Joint Legislative Education Oversight ~~Committee~~ Committee on the
25 development and the implementation of State and local school technology plans.

26 (a1) The Joint Legislative Commission on Governmental Operations and the Joint
27 Legislative Education Oversight Committee may meet jointly to consider ~~the~~ reports
28 from the Commission on School Technology and they may appoint subcommittees to
29 jointly consider the reports.

30 (b) The Commission shall provide notice of meetings, copies of minutes, and
31 periodic briefings to the chair of the Information Resources Management Commission
32 and the chair of the Technical Committee of the Information Resources Management
33 Commission."

34 (e) Funds in the amount of twenty million (\$20,000,000) are appropriated in
35 this act to the School Technology Reserve. These funds and any other funds that may
36 be provided by the General Assembly for the 1994-95 fiscal year for learning and
37 instructional management technology shall be spent only in accordance with subsequent
38 legislation enacted by the General Assembly. It is the intent of the General Assembly to
39 enact such legislation after consideration of the January 15, 1995, report of the
40 Commission on School Technology.

41 (f) Subsection (a) of this section becomes effective June 30, 1994. G.S.
42 115C-102.6B, which is enacted in subsection (c) of this section, becomes effective
43 November 1, 1994. The remainder of this section becomes effective July 1, 1994.

44

1 Requested by: Representative Rogers

2 **CAREER DEVELOPMENT PILOT UNITS**

3 Sec. 80. (a) Section 126 of Chapter 321 of the 1993 Session Laws reads as
4 rewritten:

5 "Sec. 126. The State Board of Education shall require the local school
6 administrative units receiving career development funds to modify their differentiated
7 pay plans for the 1994-95 fiscal year so that the cost of the differentiated pay plan
8 equals (i) five percent (5%) of teacher and administrator salaries and of the employer's
9 contributions for social security and retirement, for the prior fiscal year, and (ii) the
10 amount of local funds available for differentiated pay. The State Board of Education
11 shall require the local school administrative units receiving career development funds to
12 modify their differentiated pay plans for the 1995-96 fiscal year so that the cost of the
13 differentiated pay plan equals (i) three percent (3%) of teacher and administrator
14 salaries and of the employer's contributions for social security and retirement for the
15 prior fiscal year, and (ii) the amount of local funds available for differentiated pay.

16 It is the intent of the General Assembly that this reduction in appropriations not
17 result in employees receiving less on a monthly basis in salary and State-funded
18 bonuses during the 1994-95 fiscal year or the 1995-96 fiscal year than they received on
19 a monthly basis during the 1993-94 fiscal year so long as the employees qualify for
20 bonuses under the local differentiated pay plan."

21

22 Requested by: Representatives Rogers, Black

23 **FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING**
24 **STANDARDS**

25 Sec. 81. The National Board for Professional Teaching Standards (NBPTS)
26 was established in 1987 as an independent, nonprofit organization to establish high
27 standards for teachers' knowledge and performance and for development and operation
28 of a national voluntary system to assess and certify teachers who meet those standards.
29 In order to apply for the NBPTS certification process, teachers must have three years or
30 more of teaching experience, be currently teaching, have graduated from an accredited
31 college or university, and hold a valid State teaching license. Upon successful
32 completion of a year-long process of developing a portfolio of student work and
33 videotapes of teaching/learning activities for NBPTS review and then participating in
34 NBPTS assessment center simulation exercises, including performance-based activities
35 and a content knowledge examination, teachers may become NBPTS-certified.

36 Of the funds appropriated to the Department of Public Instruction in this act,
37 the sum of five hundred thousand dollars (\$500,000) for the 1994-95 fiscal year shall be
38 used to pay for:

39 (1) The National Board for Professional Teaching Standards (NBPTS)
40 participation fee and for up to three days of approved paid leave for
41 teachers participating in the NBPTS program during the 1994-95
42 school year for State-paid teachers who (i) have completed three years
43 of teaching in North Carolina schools operated by local boards of
44 education, the Department of Human Resources, the Department of

1 Correction, or The University of North Carolina prior to application
2 for NBPTS certification, and (ii) who have not previously received
3 State funds for participating in any certification area in the NBPTS
4 program. Teachers participating in the program shall take paid leave
5 only with the approval of their supervisors.

6 A teacher for whom the State pays the participation fee (i) who
7 does not complete the process or (ii) who completes the process but
8 does not teach in a North Carolina public school for at least one year
9 after completing the process, shall repay the certification fee to the
10 State. Repayment is not required if the process is not completed or
11 the teacher fails to teach for one year due to the death or disability of
12 the teacher or other extenuating circumstances as may be recognized
13 by the State Board.

- 14 (2) An annual bonus of four percent (4%) of the teacher's State-paid salary
15 for the 10-month school year for State-paid teachers who (i) completed
16 three years of teaching in North Carolina schools operated by local
17 boards of education, the Department of Human Resources, the
18 Department of Correction, or The University of North Carolina prior to
19 application for NBPTS certification and (ii) complete the certification
20 process in 1993-94 and receive NBPTS certification in 1994-95. The
21 bonus for the 1994-95 fiscal year shall be paid immediately upon
22 certification. The bonus for each subsequent fiscal year shall be paid
23 at the end of each full school year that the teacher teaches full-time in
24 a North Carolina school.

25 The State Board of Education shall study incentive options for teachers who
26 obtain NBPTS certification and the cost of those incentives. The State Board shall also
27 study the impact of NBPTS certification on student performance. The State Board shall
28 report the preliminary results of this study to the Joint Legislative Education Oversight
29 Committee in December of 1994. The State Board shall make a final report on the
30 impact of NBPTS certification on student performance to the Joint Legislative
31 Education Oversight Committee in January of 1997.

32
33 Requested by: Representatives Rogers, Black

34 **ACADEMIC AND SUPPORT PROGRAM FOR COURT-INVOLVED YOUTH**

35 Sec. 82. Of the funds appropriated to the Department of Public Instruction in
36 this act, the sum of one hundred seventeen thousand dollars (\$117,000) shall be used to
37 support the two-year comprehensive academic and support program operated by Duke
38 University, in collaboration with North Carolina Central University, the Durham Public
39 Schools, the Durham Companions, and the Durham Educational Network, for court-
40 involved middle school and high school students.

41
42 Requested by: Representatives Rogers, Black

43 **TEACHER SALARY SCHEDULES**

1 Sec. 83. (a) The Director of the Budget may transfer from the Reserve for
 2 Salary Increases for the 1994-95 fiscal year funds necessary to implement the teacher
 3 salary schedule set out in subsection (b) of this section, including funds for the
 4 employer's retirement and social security contributions and funds for annual longevity
 5 payments as provided in Section 127 of Chapter 321 of the 1993 Session Laws,
 6 commencing July 1, 1994, for all teachers whose salaries are supported from the State's
 7 General Fund. These funds shall be allocated to individuals according to rules adopted
 8 by the State Board of Education and the Superintendent of Public Instruction. The
 9 longevity payment shall be paid in a lump sum once a year.

10 (b)(1) Beginning July 1, 1994, the following monthly salary schedule shall
 11 apply to certified personnel of the public schools who are classified as
 12 "A" teachers. The schedule contains 30 steps with each step
 13 corresponding to one year of teaching experience.

<u>Years of</u> <u>Experience</u>	<u>1994-95</u> <u>Salary</u>
00	\$2,062
01	2,103
02	2,145
03	2,252
04	2,297
05	2,343
06	2,390
07	2,438
08	2,487
09	2,537
10	2,588
11	2,640
12	2,693
13	2,747
14	2,802
15	2,858
16	2,915
17	2,973
18	3,032
19	3,093
20	3,155
21	3,218
22	3,282
23	3,348
24	3,415
25	3,483
26	3,553
27	3,624
28	3,696

1 29+ 3,770
 2 (2) Beginning July 1, 1994, the following monthly salary schedule shall
 3 apply to certified personnel of the public schools who are classified as
 4 "G" teachers. The schedule contains 30 steps with each step
 5 corresponding to one year of teaching experience.

	<u>Years of Experience</u>	<u>1994-95 Salary</u>
6	00	\$2,191
7	01	2,235
8	02	2,280
9	03	2,394
10	04	2,442
11	05	2,491
12	06	2,541
13	07	2,592
14	08	2,644
15	09	2,697
16	10	2,751
17	11	2,806
18	12	2,862
19	13	2,919
20	14	2,977
21	15	3,037
22	16	3,098
23	17	3,160
24	18	3,223
25	19	3,287
26	20	3,353
27	21	3,420
28	22	3,488
29	23	3,558
30	24	3,629
31	25	3,702
32	26	3,776
33	27	3,852
34	28	3,929
35	29+	4,008

36
 37
 38 (3) Certified public school teachers with certification based on academic
 39 preparation at the six-year degree level and at the doctoral degree level
 40 shall receive a salary supplement as provided in Section 127 of
 41 Chapter 321 of the 1993 Session Laws.

42 (c) The first step of the salary schedule for school psychologists shall be
 43 equivalent to Step 5, corresponding to five years of experience, on the salary schedule
 44 established in this section for certified personnel of the public schools who are classified

1 as "G" teachers. Certified psychologists shall be placed on the salary schedule at an
 2 appropriate step based on their years of experience. Certified psychologists shall
 3 receive longevity payments based on years of State service in the same manner as
 4 teachers.

5 Certified psychologists with certification based on academic preparation at
 6 the six-year degree level shall receive a salary supplement of one hundred twenty-six
 7 dollars (\$126.00) per month in addition to the compensation provided for certified
 8 psychologists. Certified psychologists with certification based on academic preparation
 9 at the doctoral degree level shall receive a salary supplement of two hundred fifty-three
 10 dollars (\$253.00) per month in addition to the compensation provided for certified
 11 psychologists.

12

13 Requested by: Representatives Rogers, Black

14 **SCHOOL-BASED ADMINISTRATOR SALARIES**

15 Sec. 84. (a) Funds appropriated to the Reserve for Salary Increases shall be
 16 used to complete the implementation of a new salary schedule for school-based
 17 administrators as provided in this act. These funds shall be used for State-paid
 18 employees only.

19 (b) The salary schedule for school-based administrators shall apply only to
 20 principals and assistant principals. The salary schedule for the 1994-95 fiscal year is as
 21 follows:

22

23

24

25

Step	Asst.	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV	Prin.V	Prin.VI	Prin.VII
26									
27									
28	0	—	—	—	—	—	—	—	—
29	1	—	—	—	—	—	—	—	—
30	2	—	—	—	—	—	—	—	—
31	3	—	—	—	—	—	—	—	—
32	4	\$2,515	—	—	—	—	—	—	—
33	5	2,565	—	—	—	—	—	—	—
34	6	2,616	—	—	—	—	—	—	—
35	7	2,668	—	—	—	—	—	—	—
36	8	2,721	\$2,721	—	—	—	—	—	—
37	9	2,775	2,775	—	—	—	—	—	—
38	10	2,831	2,831	\$2,888	—	—	—	—	—
39	11	2,888	2,888	2,946	—	—	—	—	—
40	12	2,946	2,946	3,005	\$3,065	—	—	—	—
41	13	3,005	3,005	3,065	3,126	\$3,189	—	—	—
42	14	3,065	3,065	3,126	3,189	3,253	\$3,318	—	—
43	15	3,126	3,126	3,189	3,253	3,318	3,384	—	—
44	16	3,189	3,189	3,253	3,318	3,384	3,452	\$3,521	—

1	17	3,253	3,253	3,318	3,384	3,452	3,521	3,591	\$3,663
2	18	3,318	3,318	3,384	3,452	3,521	3,591	3,663	3,736
3	19	3,384	3,384	3,452	3,521	3,591	3,663	3,736	3,811
4	20	3,452	3,452	3,521	3,591	3,663	3,736	3,811	3,887
5	21	3,521	3,521	3,591	3,663	3,736	3,811	3,887	3,965
6	22	3,591	3,591	3,663	3,736	3,811	3,887	3,965	4,044
7	23	3,663	3,663	3,736	3,811	3,887	3,965	4,044	4,125
8	24	3,736	3,736	3,811	3,887	3,965	4,044	4,125	4,208
9	25	3,811	3,811	3,887	3,965	4,044	4,125	4,208	4,292
10	26	3,887	3,887	3,965	4,044	4,125	4,208	4,292	4,378
11	27	3,965	3,965	4,044	4,125	4,208	4,292	4,378	4,466
12	28	4,044	4,044	4,125	4,208	4,292	4,378	4,466	4,555
13	29	4,125	4,125	4,208	4,292	4,378	4,466	4,555	4,646
14	30	4,208	4,208	4,292	4,378	4,466	4,555	4,646	4,739
15	31	4,292	4,292	4,378	4,466	4,555	4,646	4,739	4,834
16	32	—	4,378	4,466	4,555	4,646	4,739	4,834	4,931
17	33	—	—	4,555	4,646	4,739	4,834	4,931	5,030
18	34	—	—	4,646	4,739	4,834	4,931	5,030	5,131
19	35	—	—	—	4,834	4,931	5,030	5,131	5,234
20	36	—	—	—	4,931	5,030	5,131	5,234	5,339
21	37	—	—	—	—	5,131	5,234	5,339	5,446
22	38	—	—	—	—	—	5,339	5,446	5,555
23	39	—	—	—	—	—	—	5,555	5,666
24	40	—	—	—	—	—	—	5,666	5,779
25	41	—	—	—	—	—	—	—	5,895.

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

	Classification	Number of Teachers Supervised
30	Assistant Principal	
31	Principal I	Less than 11 Teachers
32	Principal II	11-21 Teachers
33	Principal III	22-32 Teachers
34	Principal IV	33-43 Teachers
35	Principal V	44-54 Teachers
36	Principal VI	55-65 Teachers
37	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.

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

4 (e) Principals and assistant principals with certification based on academic
5 preparation at the six-year degree level and at the doctoral degree level shall be paid a
6 salary increment as provided in Section 132 of Chapter 321 of the 1993 Session Laws.

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

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

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

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

29 This subdivision applies to all transfers on or after the ratification
30 date of this act, except transfers in school systems that have been
31 created, or will be created, by merging two or more school systems.
32 Transfers in these merged systems are exempt from the provisions of
33 this subdivision for one calendar year following the date of the merger.

34 (i) Except as provided in subsection (h) of this section, the salary of a
35 principal or assistant principal shall not be less for the 1994-95 fiscal year than it was
36 for the 1993-94 fiscal year solely as a result of placement on the salary schedule
37 established in this section.

38
39 Requested by: Representatives Rogers, Black, Michaux

40 **SCHOOL BUS DRIVER/SALARY RANGE**

41 Sec. 85. (a) The salary range for school bus drivers shall be at grade 51 as
42 established by the State Board of Education, as adjusted by legislative across-the-board
43 salary increases, for 10 months of employment. Local boards of education shall pay all
44 school bus drivers within this range.

1 (b) Of the funds appropriated to State Aid to Local School Administrative
2 Units in this act, the sum of three million five hundred thousand dollars (\$3,500,000)
3 shall be used to increase the pay of all school bus drivers an average of four and six-
4 tenths percent (4.6%) within the salary range established in subsection (a) of this
5 section. This increase is in addition to any legislative across-the-board increase granted
6 by the General Assembly for the 1994-95 fiscal year.

7 (c) The average salary of a State-paid school bus driver for the 1994-95
8 school year within each local school administrative unit, computed on an hourly basis,
9 shall be at least eight dollars (\$8.00) per hour.

10
11 Requested by: Representatives Rogers, Black

12 **SCHOOL LEADERSHIP TRAINING FUNDS**

13 Sec. 86. Of the funds appropriated for State Aid to Local School
14 Administrative Units in this act, the State Board of Education shall allocate the sum of
15 five hundred thousand dollars (\$500,000) to continue support for the school leadership
16 training program in the public schools that was authorized by the 1979 General
17 Assembly.

18
19 Requested by: Representatives Rogers, Black

20 **LOW-WEALTH AND SMALL SCHOOL SUPPLEMENTAL FUNDING**
21 **CHANGES**

22 Sec. 87. (a) Subsection (c) of Section 138 of Chapter 321 of the 1993
23 Session Laws reads as rewritten:

24 "(c) **Definitions.** – As used in this section:

- 25 (1) 'Anticipated county property tax revenue availability' means the county
26 adjusted property tax base multiplied by the effective State average tax
27 rate.
- 28 (2) 'Anticipated total county revenue availability' means the sum of the
29 a. Anticipated county property tax revenue availability,
30 b. Local sales and use taxes received by the county that are levied
31 under Chapter 1096 of the 1967 Session Laws or under
32 Subchapter VIII of Chapter 105 of the General Statutes,
33 c. Food stamp exemption reimbursement received by the county
34 under G.S. 105-164.44C,
35 d. Homestead exemption reimbursement received by the county
36 under G.S. 105-277.1A,
37 e. Inventory tax reimbursement received by the county under G.S.
38 105-275.1 and G.S. 105-277A,
39 f. Intangibles tax distribution and reimbursement received by the
40 county under G.S. 105-213 and G.S. 105-213.1, and
41 g. Fines and forfeitures deposited in the county school fund
42 for the most recent year for which data are available.

- 1 (3) 'Anticipated total county revenue availability per student' means the
2 anticipated total county revenue availability for the county divided by
3 the average daily membership of the county.
- 4 (4) 'Anticipated State average revenue availability per student' means the
5 sum of all anticipated total county revenue availability divided by the
6 average daily membership for the State.
- 7 (5) 'Average daily membership' means average daily membership as
8 defined in the North Carolina Public Schools Allotment Policy
9 Manual, adopted by the State Board of Education. If a county contains
10 only part of a local school administrative unit, the average daily
11 membership of that county includes all students who reside within the
12 county and attend that local school administrative unit.
- 13 (6) 'County adjusted property tax base' shall be computed as follows:
14 a. Subtract the present-use value of agricultural land, horticultural
15 land, and forestland in the county, as defined in G.S. 105-277.2,
16 from the total assessed real property valuation of the county,
17 b. Adjust the resulting amount by multiplying by a weighted
18 average of the three most recent annual sales assessment ratio
19 studies,
20 c. Add to the resulting amount the:
21 1. Present-use value of agricultural land, horticultural land, and
22 forestland, as defined in G.S. 105-277.2,
23 2. Value of property of public service companies, determined
24 in accordance with Article 23 of Chapter 105 of the General
25 Statutes, and
26 3. Personal property value
27 for the county.
- 28 (7) 'County adjusted property tax base per square mile' means the county
29 adjusted property tax base divided by the number of square miles of
30 land area in the county.
- 31 (8) 'County wealth as a percentage of State average wealth' shall be
32 computed as follows:
33 a. Compute the percentage that the county per capita income is of
34 the State per capita income and weight the resulting percentage
35 by a factor of five-tenths,
36 b. Compute the percentage that the anticipated total county
37 revenue availability per student is of the anticipated State
38 average revenue availability per student and weight the
39 resulting percentage by a factor of four-tenths,
40 c. Compute the percentage that the county adjusted property tax
41 base per square mile is of the State adjusted property tax base
42 per square mile and weight the resulting percentage by a factor
43 of one-tenth,

- 1 d. Add the three weighted percentages to derive the county wealth
 2 as a percentage of the State average wealth.
- 3 (9) 'Effective county tax rate' means the actual county tax rate multiplied
 4 by a weighted average of the three most recent annual sales assessment
 5 ratio studies.
- 6 (10) 'Effective State average tax rate' means the average of effective county
 7 tax rates for all counties.
- 8 (10a) 'Local current expense funds' means the most recent county current
 9 expense appropriations to public schools, as reported by counties in the
 10 annual county financial information report to the State Treasurer.
- 11 (11) 'Per capita income' means the average for the most recent three years
 12 for which data are available of the per capita income according to the
 13 most recent report of the United States Department of Commerce,
 14 Bureau of Economic Analysis, including any reported modifications
 15 for prior years as outlined in the most recent report.
- 16 (12) 'Sales assessment ratio studies' means sales assessment ratio studies
 17 performed by the Department of Revenue under G.S. 105-289(h).
- 18 (13) 'State average current expense appropriations per student' means the
 19 most recent State total of county current expense appropriations to
 20 public schools, as reported by counties in the annual county financial
 21 information report to the State Treasurer, divided by the total State
 22 average daily membership.
- 23 (14) 'State average adjusted property tax base per square mile' means the
 24 sum of the county adjusted property tax bases for all counties divided
 25 by the number of square miles of land area in the State.
- 26 (14a) 'Supplant' means to decrease local per student current expense
 27 appropriations from one fiscal year to the next fiscal year.
- 28 (15) 'Weighted average of the three most recent annual sales assessment
 29 ratio studies' means the weighted average of the three most recent
 30 annual sales assessment ratio studies in the most recent years for which
 31 county current expense appropriations and adjusted property tax
 32 valuations are available. If real property in a county has been revalued
 33 one year prior to the most recent sales assessment ratio study, a
 34 weighted average of the two most recent sales assessment ratios shall
 35 be used. If property has been revalued the year of the most recent
 36 sales assessment ratio study, the sales assessment ratio for the year of
 37 revaluation shall be used."
- 38 (b) Subsection (d) of Section 138 of Chapter 321 of the 1993 Session Laws
 39 reads as rewritten:
- 40 "(d) **Eligibility for funds.** – Except as provided in subsection (h) of this section,
 41 The—the State Board of Education shall allocate these funds to local school
 42 administrative units located in whole or in part in counties in which the county wealth
 43 as a percentage of the State average wealth is less than one hundred percent (100%)."

1 (c) Subsection (h) of Section 138 of Chapter 321 of the 1993 Session Laws
2 reads as rewritten:

3 "(h) **Nonsupplant requirement.** – A county in which a local school
4 administrative unit receives funds under this section shall use the funds to supplement
5 local current expense funds and shall not supplant existing State and local funding for
6 public schools—local current expense funds. After July 1, 1994, the State Board of
7 Education shall not allocate funds under this section to a county found to have used
8 these funds to supplant local per student current expense funds. Unless a county can
9 show either (i) that extraordinary circumstances caused the county to supplant local
10 current expense funds with funds allocated under this section; or (ii) that it has remedied
11 any deficiency, the State Board of Education shall make a finding that a county has used
12 these funds to supplant local current expense funds in the prior year, or the year for
13 which the most recent data are available, if the average of the local per student current
14 expense appropriation for the three most recent years is less than ninety-five percent
15 (95%) of the greater of either (i) the local per student current expense appropriation for
16 the 1991-92 fiscal year; or (ii) the average local per student current expense
17 appropriation of the county for the three fiscal years immediately prior to the current
18 year. The State Board of Education shall adopt rules to implement this section.

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

27 (d) Subsection (i) of Section 138 of Chapter 321 of the 1993 Session Laws
28 reads as rewritten:

29 "(i) **Reports.** – Counties that receive funds under this section shall report to the
30 State Board of Education before March 1 each year on how they are using the funds for
31 the fiscal year. The State Board of Education shall report to the Joint Legislative
32 Education Oversight Committee prior to May 1, 1994, and May 1, ~~1995,~~ 1995, and
33 annually thereafter on how the funds are being used. In its report the State Board shall
34 analyze local appropriations and identify counties that supplant funds.

35 The Local Government Commission shall report on March 1, 1995, and annually
36 thereafter on county appropriations to local school current expense funds to the State
37 Board of Education and to the Appropriations Committees of the Senate and House of
38 Representatives."

39 (e) Section 138.1 of Chapter 321 of the 1993 Session Laws reads as
40 rewritten:

41 "Sec. 138.1. (a) **Funds for Small School Systems.** – Except as provided in
42 subsection (b) of this section, The the State Board of Education shall allocate funds
43 appropriated for small school system supplemental funding (i) to each county school
44 administrative unit with an average daily membership of less than 3,000 students and

1 (ii) to each county school administrative unit with an average daily membership of from
2 3,000 to 4,000 students if the county in which the local school administrative unit is
3 located has a county adjusted property tax base per student that is below the State
4 adjusted property tax base per student and if the total average daily membership of all
5 local school administrative units located within the county is from 3,000 to 4,000
6 students. The allocation formula shall:

- 7 (1) Round all fractions of positions to the next whole position.
- 8 (2) Provide four additional regular classroom teachers in counties in which
9 the average daily membership per square mile is greater than four and
10 six additional regular classroom teachers in counties in which the
11 average daily membership per square mile is four or less.
- 12 (3) Provide additional program enhancement teachers adequate to offer
13 the standard course of study.
- 14 (4) Change the duty-free period allocation to one teacher assistant per 400
15 average daily membership.
- 16 (5) Provide a base for the consolidated funds allotment of at least one
17 hundred fifty thousand dollars (\$150,000), excluding textbooks.
- 18 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

19 If funds appropriated for each fiscal year for small school system supplemental funding
20 are not adequate to fund fully the program, the State Board of Education shall reduce
21 the amount allocated to each county school administrative unit on a pro rata basis. This
22 formula is solely a basis for distribution of supplemental funding for certain county
23 school administrative units and is not intended to reflect any measure of the adequacy of
24 the educational program or funding for public schools. The formula is also not intended
25 to reflect any commitment by the General Assembly to appropriate any additional
26 supplemental funds for such county administrative units.

27 (b) **Nonsupplant requirement.** – A county in which a local school
28 administrative unit receives funds under this section shall use the funds to supplement
29 local current expense funds and shall not supplant existing State and local funding for
30 public schools—local current expense funds. After July 1, 1994, the State Board of
31 Education shall not allocate funds under this section to a county found to have used
32 these funds to supplant local per student current expense funds. Unless a county can
33 show either (i) that extraordinary circumstances caused the county to supplant local
34 current expense funds with funds allocated under this section; or (ii) that it has remedied
35 any deficiency, the State Board of Education shall make a finding that a county has used
36 these funds to supplant local current expense funds in the prior year, or the year for
37 which the most recent data are available, if the average of the local per student current
38 expense appropriation for the three most recent years is less than ninety-five percent
39 (95%) of the greater of either (i) the local per student current expense appropriation for
40 the 1991-92 fiscal year; or (ii) the average local per student current expense
41 appropriation of the county for the three fiscal years immediately prior to the current
42 year. The State Board of Education shall adopt rules to implement this section.

43 ~~The Local Government Commission shall analyze the budgets and the expenditures~~
44 ~~of school administrative units that receive funds under this section in light of their~~

1 ~~budgets and expenditures for the previous year and shall determine whether those funds~~
2 ~~were used to supplement and not supplant State and local funding for public schools.~~
3 ~~The Local Government Commission shall report the results of its study to the State~~
4 ~~Board of Education, the Joint Legislative Oversight Committee, and the Appropriations~~
5 ~~Committees of the Senate and the House of Representatives, prior to May 1, 1994 and~~
6 ~~May 1, 1995.~~

7 (c) **Definitions.** – As used in this section:

8 (1) 'Average daily membership' means average daily membership as
9 defined in the North Carolina Public Schools Allotment Policy
10 Manual, adopted by the State Board of Education.

11 (2) 'County adjusted property tax base per student' means the total
12 assessed property valuation for each county, adjusted using a weighted
13 average of the three most recent annual sales assessment ratio studies,
14 divided by the total number of students in average daily membership
15 who reside within the county.

16 (2a) 'Local current expense funds' means the most recent county current
17 expense appropriation to public schools, as reported by counties in the
18 annual county financial information report to the State Treasurer.

19 (3) 'Sales assessment ratio studies' means sales assessment ratio studies
20 performed by the Department of Revenue under G.S. 105-289(h).

21 (4) 'State adjusted property tax base per student' means the sum of all
22 county adjusted property tax bases divided by the total number of
23 students in average daily membership who reside within the State.

24 (4a) 'Supplant' means to decrease local per student current expense
25 appropriation from one fiscal year to the next fiscal year.

26 (5) 'Weighted average of the three most recent annual sales assessment
27 ratio studies' means the weighted average of the three most recent
28 annual sales assessment ratio studies in the most recent years for which
29 county current expense appropriations and adjusted property tax
30 valuations are available. If real property in a county has been revalued
31 one year prior to the most recent sales assessment ratio study, a
32 weighted average of the two most recent sales assessment ratios shall
33 be used. If property has been revalued the year of the most recent
34 sales assessment ratio study, the sales assessment ratio for the year of
35 revaluation shall be used.

36 (d) **Reports.** – Counties that receive funds under this section shall report to the
37 State Board of Education before March 1 each year on how they are using the funds for
38 the fiscal year. The State Board of Education shall report to the Joint Legislative
39 Education Oversight Committee prior to May 1, 1994, and May 1, ~~1995, 1995,~~ and
40 annually thereafter on how the funds are being used. In its report the State Board shall
41 analyze local appropriations and identify counties that supplant funds.

42 The Local Government Commission shall report on March 1, 1995, and annually
43 thereafter on county appropriations to local school current expense funds to the State

1 Board of Education and to the Appropriations Committees of the Senate and House of
2 Representatives."

3 (f) This section becomes effective July 1, 1995, and applies to funds
4 allocated for low-wealth and small school supplemental funding for fiscal years
5 beginning with the 1995-96 fiscal year.

6

7 Requested by: Representative Diamont

8 **CLARIFICATION OF THE NORTH CAROLINA HIGH SCHOOL ATHLETIC**
9 **ASSOCIATION UNDER THE STATE TORT CLAIMS ACT**

10 Sec. 88. (a) G.S. 143-291 is amended by adding a new subsection to read:

11 "(c) The North Carolina High School Athletic Association, Inc., is a State agency
12 for purposes of this Article, and its liability in tort shall be only under this Article. This
13 subsection does not extend to any independent contractor of the Association. The
14 Association shall be obligated for payments under this Article, through the purchase of
15 commercial insurance or otherwise, in lieu of any responsibility of the State or The
16 University of North Carolina for this payment. The Association shall be similarly
17 obligated to reimburse or have reimbursed the Department of Justice for any expenses
18 in defending any claim against the Association under this Article."

19 (b) This section becomes effective with respect to causes of action arising on
20 or after the date of ratification of this act.

21

22 **PART 19. DEPARTMENT OF TRANSPORTATION**

23

24 Requested by: Representatives McAllister, McLaughlin

25 **AIRCRAFT AND FERRY ACQUISITIONS**

26 Sec. 89. Before approving the purchase of a new aircraft from the Equipment
27 Fund or a new ferry in a Transportation Improvement Program, the Board of
28 Transportation shall prepare an estimate of the operational costs and capital costs
29 associated with adding the new aircraft or ferry and shall report those additional costs to
30 the General Assembly pursuant to G.S. 136-12(b).

31

32 Requested by: Representatives McAllister, McLaughlin

33 **DIVISION OF MOTOR VEHICLES TO REPORT ON EMISSION**
34 **INSPECTION PROGRAM**

35 Sec. 90. The Division of Motor Vehicles shall report quarterly, beginning in
36 January 1995, to the Joint Legislative Transportation Oversight Committee and the
37 Fiscal Research Division, on the Emission Inspection Program's compliance with
38 regulations the Environmental Protection Agency adopted for the inspection and
39 maintenance activities required in the Clean Air Amendments of 1990. The report shall
40 include the receipts and expenditures from the Emissions Program Account.

41

42 Requested by: Representative Hall

43 **ADOPT-A-HIGHWAY STUDY**

1 Sec. 91. The Department of Transportation and the Department of Justice
2 shall study and report to the Joint Legislative Transportation Oversight Committee on
3 the effectiveness of and legal issues relating to the Adopt-A-Highway Program.
4 Included in the study and report shall be consideration of the legal issues relating to use
5 of contract services to clean the roadsides and any appropriate legislation, the passage of
6 which may be necessary to permit the use of these contractors. This report shall be
7 submitted to the Joint Legislative Transportation Oversight Committee no later than
8 December 31, 1994. Notwithstanding any other provision of law, pending further
9 action by the General Assembly, the use of contract services to meet the requirements of
10 the Adopt-A-Highway Program shall be permitted on State roads.

11
12 Requested by: Representatives McAllister, McLaughlin

13 **GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND**
14 **FROM FEDERAL SOURCES**

15 Sec. 92. When funds are provided from the Highway Fund to the Global
16 TransPark Authority for environmental impact statements or assessments and the Global
17 TransPark Authority applies for and receives reimbursement for those expenses from
18 federal sources up to one million eight hundred thousand dollars (\$1,800,000), the
19 federal reimbursements shall be paid over by the Global TransPark Authority into the
20 Highway Fund within 30 days of receipt. These funds shall be allocated to State-funded
21 maintenance appropriations in the manner approved by the Board of Transportation.

22
23 Requested by: Representative Holmes

24 **DRIVERS EDUCATION FUND TO PAY SALARY INCREASES**

25 Sec. 93. If the General Assembly authorizes a pay raise for teachers or State
26 employees, the Drivers Education Fund shall pay the salary increases of the teachers or
27 State employees whose positions are funded from the Drivers Education Fund.

28
29 Requested by: Representatives McAllister, McLaughlin

30 **RAILROAD REHABILITATION AND RAILROAD ACCESS FUNDS**

31 Sec. 94. If Senate Bill 62 is not enacted by the 1993 General Assembly, the
32 funds appropriated from the Highway Fund for the transfer of three positions from the
33 Utilities Commission to the Department of Transportation may be used for railroad
34 access and railroad rehabilitation purposes.

35
36 Requested by: Representative Redwine

37 **SOME TEMPORARY DRAW BRIDGE OPERATOR POSITIONS**
38 **CONVERTED TO PERMANENT FULL-TIME POSITIONS**

39 Sec. 95. Any temporary full-time draw bridge operator positions in the
40 Department of Transportation that are filled by personnel who have worked for 12 or
41 more months as of the effective date of this act, shall be converted to permanent full-
42 time positions, subject to the approval of the Secretary of Transportation.

43
44 Requested by: Representatives R. Hunter, McAllister, and McLaughlin

1 **DEPARTMENT OF TRANSPORTATION AND DEPARTMENT OF**
2 **CORRECTION TO REPORT ON IMPLEMENTATION OF**
3 **RECOMMENDATIONS OF JOINT LEGISLATIVE TRANSPORTATION**
4 **OVERSIGHT COMMITTEE**

5 Sec. 96. The Departments of Transportation and Correction shall report,
6 quarterly beginning October 1, 1994, to the Joint Legislative Transportation Oversight
7 Committee on the implementation of the recommendations of the Inmate Labor
8 Subcommittee.

9
10 Requested by: Representatives McAllister, McLaughlin

11 **DOT VEHICLES EXEMPTION EXTENDED**

12 Sec. 97. Subsection (b) of Section 70 of Chapter 561 of the 1993 Session
13 Laws reads as rewritten:

14 "(b) This section expires June 30, ~~1994~~, 1995."

15
16 Requested by: Representatives McAllister, McLaughlin

17 **RELOCATION OF CERTAIN SANITARY DISTRICT UTILITIES**

18 Sec. 97.1. The Department of Transportation shall pay the nonbetterment
19 cost for the relocation of water and sewer lines:

- 20 (1) that are located within the existing State highway right-of-way;
21 (2) that are necessary to be relocated for State highway improvement
22 projects let after July 1, 1993; and
23 (3) that are owned by a sanitary district organized pursuant to Part 2 of
24 Article 2 of Chapter 130A of the General Statutes.

25
26 **PART 20. DEPARTMENT OF CORRECTION**

27
28 Requested by: Representative Holt

29 **CORRECTION ENTERPRISES PREFERENCE**

30 Sec. 98. The Department of Administration, Division of Purchase and
31 Contracts, shall prepare a written explanation of the purchasing procedures that State
32 agencies and departments must follow in giving a preference to Correction Enterprises
33 products pursuant to G.S. 148-70. The explanation shall be for distribution to all State
34 agencies and departments.

35 The Department shall provide a report on the explanation prepared pursuant
36 to this section and on goods purchased from Correction Enterprises by State agencies
37 and departments to the Joint Legislative Commission on Governmental Operations and
38 to the Chairs of the Senate and House Appropriations Subcommittees on Justice and
39 Public Safety by August 1, 1994. The Department shall also provide a report on goods
40 purchased from Correction Enterprises by State agencies and departments to the Joint
41 Legislative Commission on Governmental Operations and to the Chairs of the Senate
42 and House Appropriations Subcommittees on Justice and Public Safety by January 1,
43 1995.

1 Requested by: Representative Holt

2 **USE OF OUT-OF-STATE HOUSING FUNDS**

3 Sec. 98.1. (a) In the event that the Small v. Martin
4 lawsuit is modified to allow less than 50 square feet per
5 inmate, 222.5 additional positions needed to supervise an
6 additional 2,074 inmates shall be provided from funds
7 appropriated to the Department of Correction for the out-of-
8 state housing of inmates in Chapter 24 of the Session Laws of
9 the 1994 Extra Session.

10 (b) The Department of Correction shall use funds appropriated to the
11 Department for the out-of-state housing of inmates in Chapter 24 of the Session Laws of
12 the 1994 Extra Session (i) to establish two positions for the supervision of inmate road
13 squads and work crews and to pay the per diem costs of inmates at prison units not
14 covered by the Small v. Martin lawsuit; and (ii) to establish 72 positions to achieve
15 staffing standards and operate new beds at Black Mountain, Caswell, and Sandhills
16 prison units and to provide for supervision of additional inmate road squads at Caswell
17 prison unit.

18

19 Requested by: Representative Holt

20 **PRISON PROFITS TO VICTIMS COMPENSATION FUND**

21 Sec. 100. (a) G.S. 148-2 reads as rewritten:

22 **"§ 148-2. Prison moneys and earnings.**

23 (a) Persons authorized to collect or receive the moneys and earnings of the State
24 prison system shall enter into bonds payable to the State of North Carolina in penal
25 sums and with security approved by the Department of Correction, conditioned upon the
26 faithful performance by these persons of their duties in collecting, receiving, and paying
27 over prison moneys and earnings to the State Treasurer. Only corporate security with
28 sureties licensed to do business in North Carolina shall be accepted.

29 (b) All revenues from the sale of articles and commodities manufactured or
30 produced by prison enterprises shall be deposited with the State Treasurer to be kept and
31 maintained as a special revolving working-capital fund designated 'Prison Enterprises
32 Fund.' The Revenue in the Prison Enterprises Fund shall be used for applied first to
33 capital and operating expenditures, including salaries and wages of supervisory
34 personnel, necessary to develop and operate prison industrial and forestry enterprises to
35 provide diversified employment for prisoners-prisoners, and incentive wages for non-
36 Prison Enterprises Inmates. Of the remaining revenue in the Fund, five percent (5%) of
37 the net profits, before expansion costs, shall be credited to the Crime Victims
38 Compensation Fund established in G.S. 15B-23 as soon as practicable after profits have
39 been determined for the previous year, and at the direction When, in the opinion of the
40 Governor, the Prison Enterprises Fund has reached a sum in excess of requirements for
41 these purposes, the excess the remainder shall be used for other purposes within the
42 State prison system or shall be transferred to the general fund as the Governor may
43 direct. General Fund. The provisions of this section shall not apply to revenues
44 generated from private prison enterprises conducted pursuant to G.S. 148-70 except for
45 lease and rental income.

1 (c) Notwithstanding G.S. 147-77, Article 6A of Chapter 147 of the General
2 Statutes, or any other provision of law, the Department of Correction may deposit
3 revenue from prison canteens in local banks. The profits from prison canteens shall be
4 deposited with the State Treasurer on a monthly ~~basis.~~ basis in a fund denominated as
5 the Correction Inmate Welfare Fund. Once the operating budget for the Correction
6 Inmate Welfare Fund has been met, an amount equal to the funds allocated to each
7 prison unit on a per inmate per year basis shall be credited to the Crime Victims
8 Compensation Fund established in G.S 15B-23 as soon as practicable after the total
9 amount paid to each unit per inmate per year has been determined."

10 (b) G.S. 15B-23 reads as rewritten:

11 **"§ 15B-23. Crime Victims Compensation Fund.**

12 There is established the Crime Victims Compensation Fund. Revenue in the Crime
13 Victims Compensation Fund includes amounts credited to the Fund under G.S. 148-2
14 and other funds. Any surplus in the Crime Victims Compensation Fund shall not revert.
15 The Crime Victims Compensation Fund shall be kept on deposit with the State
16 Treasurer, as in the case of other State funds, and may be invested by the State
17 Treasurer in any lawful security for the investment of State money. The Crime Victims
18 Compensation Fund is subject to the oversight of the State Auditor pursuant to Article
19 5A of Chapter 147 of the General Statutes."

20 (c) The funds transferred to the Crime Victims Compensation Fund pursuant
21 to this section shall not supplant current or future appropriations by the General
22 Assembly to the Crime Victims Compensation Fund.

23
24 Requested by: Representative Holt

25 **DEPARTMENT OF CORRECTION RESERVE FOR SUBSTANCE ABUSE**
26 **TREATMENT PILOT PROGRAM FOR PAROLEES AND PROBATIONERS**

27 Sec. 101. (a) Of the funds appropriated to the Department of Correction for
28 the 1994-95 fiscal year, the sum of five hundred eighty-three thousand dollars
29 (\$583,000) shall be used to establish two positions and to cover associated expenses,
30 including equipment. Of this amount, the sum of four hundred eighty-five thousand
31 eight hundred thirty-four dollars (\$485,834) shall be used to contract with providers of
32 services to parolees and probationers with serious substance abuse histories.

33 (b) The Department of Correction shall report on the implementation of this
34 pilot program and the expected cost for the 1995-96 fiscal year and future fiscal years to
35 the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate
36 and House Appropriations Committees, the Chairs of the Senate and House
37 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research
38 Division of the Legislative Services Office by January 15, 1995.

39
40 Requested by: Representative Holt

41 **HARRIET'S HOUSE FUNDS**

42 Sec. 102. (a) Of the funds appropriated from the General Fund to the
43 Department of Correction for the 1994-95 fiscal year, the sum of two hundred thousand
44 dollars (\$200,000) shall be used to support the programs at Harriet's House, a

1 transitional home for female ex-offenders and their children. Harriet's House shall
2 report quarterly to the Joint Legislative Commission on Governmental Operations on
3 the expenditure of State appropriations and on the effectiveness of the program,
4 including information on the number of clients served and the number of clients who
5 successfully complete the Harriet's House program.

6 (b) The balance of the two hundred thousand dollars (\$200,000) appropriated
7 in Chapter 321 of the 1993 Session Laws to the Department of Correction for the 1993-
8 94 fiscal year to support the programs of Harriet's House shall not revert at the end of
9 the fiscal year but shall remain in the Department during the 1994-95 fiscal year for that
10 purpose.

11
12 Requested by: Representative Holt

13 **DEPARTMENT OF CORRECTION PAY LOCAL CONFINEMENT COST OF**
14 **OFFENDER HELD IN CONTEMPT FOR PROBATION VIOLATION**

15 Sec. 103. (a) G.S. 15A-1344(e1), as enacted by Section 2 of Chapter 19 of
16 the Session Laws of the 1994 Extra Session, reads as rewritten:

17 "(e1) Criminal Contempt in Response to Violation. – If a defendant willfully
18 violates a condition of probation, the court may hold the defendant in criminal contempt
19 as provided in Article 1 of Chapter 5A of the General Statutes. A finding of criminal
20 contempt by the court shall not revoke the probation. If the offender serves a sentence
21 for contempt in a local confinement facility, the Department of Correction shall pay for
22 the confinement at the standard rate set by the General Assembly pursuant to G.S. 148-
23 32.1(a) regardless of whether the offender would be eligible under the terms of that
24 subsection."

25 (b) The Department of Correction shall comply with the provisions of this
26 section with funds appropriated to the Department for out-of-state housing of inmates in
27 Chapter 24 of the Session Laws of the 1994 Extra Session.

28
29 Requested by: Representative Holt

30 **USE OF OPERATIONAL FUNDS FOR SECURITY AND MEDICAL**
31 **POSITIONS**

32 Sec. 104. Section 171 of Chapter 321 of the 1993 Session Laws reads as
33 rewritten:

34 "Sec. 171. Funds appropriated in this act to the Department of Correction for
35 operational costs for additional facilities shall be used for personnel and operating
36 expenses set forth in the budget approved by the General Assembly in this ~~act~~ act and
37 set forth in this section. These funds may not be expended for any other purpose, and
38 may not be expended for additional prison personnel positions until the new facilities
39 are within 90 days of completion, except for certain management and support positions
40 necessary to prepare the facility for opening, as authorized in the budget approved by
41 the General ~~Assembly~~ Assembly, and except for medical positions at the North
42 Carolina Correctional Institution for Women and positions needed for security due to
43 construction at Wayne, Lumberton, Columbus, Piedmont, Brown Creek, Johnston, and
44 Franklin prison units."

1
2 **PART 21. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

3
4 Requested by: Representative Holt

5 **COMMUNITY POLICING PILOT PROGRAM**

6 Sec. 106. Of the funds appropriated to the Department of Crime Control and
7 Public Safety for the 1994-95 fiscal year, the sum of two hundred thirty thousand seven
8 hundred ninety dollars (\$230,790) shall be allocated to the Office of the Secretary of
9 Crime Control and Public Safety to implement a pilot program to provide technical
10 assistance to communities in the development of community policing programs in high
11 crime areas. The Secretary shall report by March 1, 1995, to the 1995 General
12 Assembly regarding implementation of the pilot program and on any preliminary
13 findings as to the benefits of the program.

14
15 Requested by: Representatives Holt, H. Hunter

16 **MULTIJURISDICTIONAL DRUG TASK FORCE FUNDS**

17 Sec. 107. Of the funds appropriated in this act to the Department of Crime
18 Control and Public Safety, the sum of two hundred fifty thousand dollars (\$250,000) for
19 the 1994-95 fiscal year shall be used as grants to the multijurisdictional drug task forces
20 operating in Beaufort, Bertie, Bladen, Chowan, Columbus, Craven, Cumberland,
21 Duplin, Edgecombe, Gates, Greene, Halifax, Hertford, Jones, Lenoir, Martin, Nash,
22 New Hanover, Northampton, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Vance,
23 Warren, Washington, Wayne, and Wilson Counties. Only local units of government
24 shall be eligible to receive grants which shall be awarded pursuant to guidelines adopted
25 by the Department of Crime Control and Public Safety. A minimum cash match of
26 twenty-five percent (25%) shall be required.

27
28 Requested by: Representatives Holt, Baddour

29 **NATIONAL GUARD EDUCATIONAL BENEFIT INCREASE**

30 Sec. 107.1. G.S. 127A-193 reads as rewritten:

31 **"§ 127A-193. Benefit.**

32 The benefit provided under this Article shall consist of a monetary educational
33 assistance grant not to exceed ~~five hundred dollars (\$500.00)~~ one thousand dollars
34 (\$1,000) per academic year to qualifying members of the North Carolina national guard.
35 Benefits shall be payable for a period of one academic year at a time, renewable at the
36 option of the Secretary for a maximum of ~~two thousand dollars (\$2,000)~~ four thousand
37 dollars (\$4,000)."

38
39 **PART 22. DEPARTMENT OF JUSTICE**

40
41 Requested by: Representative Holt

42 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
43 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

1 Sec. 108. Section 204 of Chapter 321 of the 1993 Session Laws reads as
2 rewritten:

3 "Sec. 204. (a) Assets transferred to the Department of Justice during the 1993-95
4 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
5 Department and shall result in an increase of law enforcement resources for the
6 Department. Assets transferred to the Department of Crime Control and Public Safety
7 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
8 budget of that Department and shall result in an increase of law enforcement resources
9 for the Department. The Departments shall report to the Joint Legislative Commission
10 on Governmental Operations upon the receipt of these assets and, before using these
11 assets, shall report the intended use of these assets and the departmental priorities on
12 which the assets may be expended.

13 The General Assembly finds that the use of these assets for new personnel positions,
14 new projects, the acquisition of real property, repair of buildings where such repair
15 includes structural change, and construction of or additions to buildings may result in
16 additional expenses for the State in future fiscal periods; therefore, the Department of
17 Justice and the Department of Crime Control and Public Safety are prohibited from
18 using these assets for such purposes without the prior approval of the General
19 Assembly. ~~Assembly,~~ except that during the 1993-95 biennium:

20 (1) The Department of Crime Control and Public Safety may use an
21 amount not to exceed one hundred seventeen thousand one hundred
22 dollars (\$117,100) of these assets for the purpose of building a
23 helicopter hangar; and

24 (2) The Department of Justice may use an amount not to exceed seventy-
25 five thousand dollars (\$75,000) of these assets for the purpose of
26 constructing a pistol range tower to house the computerized target
27 system located at the Justice Academy.

28 (b) This section does not apply to the extent that it prevents North Carolina law
29 enforcement agencies from receiving funds from the United States Department of
30 Justice pursuant to 19 U.S.C. § 1616a."

31
32 Requested by: Representative Holt

33 **CENTRALIZED UTILIZATION OF LEGAL PUBLICATIONS**

34 Sec. 109. With the technical assistance of the Office of State Budget and
35 Management, the Department of Justice shall conduct a cost analysis, formulate an
36 implementation plan, and develop a funding recommendation for each of the following
37 recommendations of the Office of State Budget and Management contained in the report
38 of April 1994 on the Centralized Utilization of Legal Publications:

39 (1) The use of legal publications available on CD-ROM software and
40 hardware; and

41 (2) The feasibility of developing a legal resource and legal research
42 network.

43 The Employment Security Commission, Industrial Commission, Department
44 of Labor, Department of Revenue, State Library, SIPS, and any other State agency,

1 department, or institution that maintains a legal library shall cooperate with the
2 Department of Justice in the determination of the feasibility of developing a legal
3 resource and legal research network.

4 The Department of Justice shall report by February 1, 1995, to the 1995
5 General Assembly its cost analysis, implementation plan, and funding recommendations
6 by submitting a copy of the report to the President Pro Tempore of the Senate, the
7 Speaker of the House of Representatives, and the Fiscal Research Division.

8
9 Requested by: Representative Holt

10 **DEPARTMENT OF JUSTICE FEDERAL GRANT MATCHING FUNDS**

11 Sec. 110. (a) Of the funds appropriated to the Department of Justice for the
12 1994-95 fiscal year, the sum of twenty-five thousand two hundred twenty-eight dollars
13 (\$25,228) may be used to match the federal grant for the Child Victim's Assistance
14 Project within the Citizens Rights Division. In the event that the Department of Justice
15 does not receive federal grant funds for this specific grant, then the matching funds
16 authorized by this section for that purpose shall not be expended.

17 (b) Of the funds appropriated to the Department of Justice for the 1994-95
18 fiscal year, the sum of one hundred sixty-six thousand six hundred sixty-one dollars
19 (\$166,661) may be used by the State Bureau of Investigation to match federal funds for
20 the purchase of a computerized system to match bullets and weapons. In the event that
21 the Department of Justice does not receive federal grant funds for this purpose, then the
22 funds authorized by this section for matching purposes shall not be expended.

23
24 Requested by: Representative Holt

25 **REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS**

26 Sec. 111. Any funds received by the Department of Justice in settlement of
27 insurance claims arising from damage to the Blue Bell building at the North Carolina
28 Justice Academy shall not be expended by the Department and shall revert to the
29 General Fund.

30 **PART 23. JUDICIAL DEPARTMENT**

31
32
33 Requested by: Representative Holt

34 **COMMUNITY PENALTIES PROGRAMS**

35 Sec. 112. (a) Of the funds appropriated from the General Fund to the
36 Judicial Department for the 1994-95 fiscal year to conduct the community penalties
37 programs, the sum of three million five hundred thirteen thousand six hundred fifty-
38 eight dollars (\$3,513,658) may be allocated by the Judicial Department in any amount
39 among existing community penalties programs, including any State-operated programs,
40 or may be used to establish new State-operated community penalties programs,
41 notwithstanding the provisions of G.S. 7A-771 and G.S. 7A-772.

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

1 Judicial Department shall report quarterly to the Joint Legislative Commission on
2 Governmental Operations on any elimination or reduction of funding for existing
3 community penalties programs.

4
5 Requested by: Representative Holt

6 **FORSYTH WARRANT CLERKS BECOME MAGISTRATES**

7 Sec. 113. (a) The Administrative Office of the Courts may transfer 11
8 positions established within budget program fund 1260, "Clerk of Superior Court", in
9 the certified budget for the 1993-95 biennium to budget program fund 1240, "District
10 Court". These 11 positions shall be deleted from the positions allocated to the office of
11 the Clerk of Superior Court of Forsyth County pursuant to Section 9 of Chapter 881 of
12 the 1983 Session Laws, and shall be added to the magistrate positions allocated to
13 Forsyth County pursuant to G.S. 7A-171, but shall not increase the maximum number of
14 magistrates authorized for Forsyth County in G.S. 7A-133.

15 (b) Each magistrate position created in Forsyth County as a result of this
16 section shall be filled pursuant to G.S. 7A-171 for an initial term ending December 31,
17 1994, as if a vacancy had occurred in the position on the effective date of this act. A
18 successor in each position shall be appointed as provided in G.S. 7A-171 for a full term
19 beginning January 1, 1995.

20 (c) The salary of each person who serves as a magistrate in Forsyth County
21 in a position transferred pursuant to this section shall be determined under G.S. 7A-
22 177.1, by including in the number of years the person has served as a magistrate, the
23 number of years that the person has served as an assistant or Deputy Clerk of Superior
24 Court for Forsyth County in a warrant clerk position.

25 (d) From funds appropriated to the Judicial Department in the certified
26 budget for the 1994-95 fiscal year, the Administrative Office of the Courts may transfer
27 within its budget up to forty-one thousand four hundred fifty-nine dollars (\$41,459) to
28 pay additional salary and benefits resulting from the enactment of this section.

29
30 Requested by: Representative Holt

31 **STATE-RUN COMMUNITY PENALTIES PROGRAMS**

32 Sec. 114. The Director of the Administrative Office of the Courts may
33 establish local community penalties programs and appoint staff the Director considers
34 necessary. These personnel may serve as full-time or part-time State employees or,
35 alternatively, their activities may be provided on a contractual basis when determined
36 appropriate by the Director. The contracts shall be exempt from competitive bidding
37 procedures under Chapter 143 of the General Statutes. The Administrative Office of the
38 Courts shall adopt rules necessary and appropriate for the administration of the
39 program, including rules that allow plans to be presented at the request of the sentencing
40 judge. Funds appropriated by the General Assembly for the establishment and
41 maintenance of community penalties programs under this Article shall be administered
42 by the Administrative Office of the Courts. Any contract entered into under the
43 authority of this section shall expire not later than June 30, 1995.

44

1 Requested by: Representative Holt

2 **PITT REGIONAL MEDIATION CENTER FUNDS**

3 Sec. 115. Section 200.2 of Chapter 321 of the 1993 Session Laws reads as
4 rewritten:

5 "Sec. 200.2. Of the funds appropriated to the Judicial Department from the General
6 Fund for the 1993-95 biennium, 1993-94 fiscal year, the sum of forty thousand dollars
7 (\$40,000) for the 1993-94 fiscal year and the sum of forty thousand dollars (\$40,000)
8 for the 1994-95 fiscal year may be used for The Mediation Center of Pitt County, Inc., a
9 dispute settlement center in Pitt County, to establish a regional mediation and dispute
10 settlement center to serve Eastern North Carolina. Funding for the Mediation Center of
11 Pitt County, Inc., shall become part of the Judicial Department's continuation budget."
12

13 Requested by: Representatives Holt, Redwine

14 **EXTEND SENTENCING COMMISSION**

15 Sec. 116. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as
16 amended by Chapters 812 and 816 of the 1991 Session Laws and Chapters 253 and 321
17 of the 1993 Session Laws, reads as rewritten:

18 "Sec. 8. This act is effective upon ratification, and shall expire July 1, 1994-1995."

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

20 **"§ 164-38. Terms of members; compensation; expenses.**

21 The terms of existing members shall expire on June 30, 1993. ~~New members shall~~
22 ~~be appointed or the existing members reappointed by the appointing authorities to serve~~
23 ~~until July 1, 1994, 1995,~~ unless they resign or are removed. Members serving by virtue
24 of elective or appointive office or as designees of such officeholders may serve only so
25 long as the officeholders hold those respective offices. Members appointed by the
26 Speaker of the House and the President Pro Tempore of the Senate may be removed by
27 the appointing authority without cause. Vacancies occurring before the expiration of a
28 term shall be filled in the manner provided for the members first appointed. A member
29 of the Commission may be removed only for disability, neglect of duty, incompetence,
30 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective
31 with respect to members designated on or after July 1, 1992, a person making a
32 designation pursuant to G.S. 164-37 may not make another designation, except that the
33 person's successor in elective or appointive office may make a new designation.

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

37 (c) This section is effective upon ratification.
38

39 Requested by: Representative Holt

40 **STUDY DRUG TREATMENT COURT PROGRAM**

41 Sec. 117. The Administrative Office of the Courts, in consultation with the
42 Courts Task Force on Substance Abuse, shall study the costs and benefits of
43 establishing pilot drug treatment court programs. The study shall include a
44 determination of the appropriate model for operating a pilot drug treatment court

1 program. The Administrative Office of the Courts shall report its findings and any
2 recommendations to the 1995 General Assembly by March 1, 1995. The sum of eight
3 hundred thousand dollars (\$800,000) placed in a reserve created in Section 41 of
4 Chapter 24 of the Session Laws of the 1994 Extra Session shall not revert but shall
5 remain available for allocation by the 1995 General Assembly.

6
7 Requested by: Representative Holt

8 **REPORT ON DISPUTE SETTLEMENT CENTERS**

9 Sec. 118. (a) All local dispute settlement centers currently receiving State
10 funds shall report annually to the Judicial Department on the program's funding and
11 activities, including:

- 12 (1) Types of dispute settlement services provided;
- 13 (2) Clients receiving each type of dispute settlement service;
- 14 (3) Number and type of referrals received, cases actually mediated, cases
15 resolved in mediation, and total clients served in the cases mediated;
- 16 (4) Total program funding and funding sources;
- 17 (5) Itemization of the use of funds, including operating expenses and
18 personnel;
- 19 (6) Itemization of the use of State funds;
- 20 (7) Level of volunteer activity; and
- 21 (8) Identification of future service demands and budget requirements.

22 The Judicial Department shall compile and summarize the information
23 provided pursuant to this subsection and shall provide the information to the Chairs of
24 the House and Senate Appropriations Committees and the Chairs of the House and
25 Senate Appropriations Subcommittees on Justice and Public Safety by February 1 of
26 each year.

27 (b) Each local dispute settlement center requesting State funds for the first
28 time or requesting an expansion of State funding shall provide the General Assembly
29 with (i) the information enumerated in subsection (a) of this section, or projections
30 where historical data is not available, as well as a detailed statement justifying the need
31 for State funding or the expansion of State funding, and (ii) certification that at least
32 seventy percent (70%) of total funding shall come from non-State sources.

33
34 Requested by: Representatives Holt, R. Hunter

35 **AUTHORIZE ADDITIONAL MAGISTRATES IN CATAWBA, MCDOWELL,
36 AND IREDELL COUNTIES**

37 Sec. 119. G.S. 7A-133 reads as rewritten:

38 "**§ 7A-133. Numbers of judges by districts; numbers of magistrates and
39 additional seats of court, by counties.**

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

43
44 Additional

	District	Judges	County	Magistrates Min.-Max.	Seats of Court
1					
2					
3					
4	1	4	Camden	1 2	
5			Chowan	2 3	
6			Currituck	1 2	
7			Dare	3 8	
8			Gates	2 3	
9			Pasquotank	3 4	
10			Perquimans	2 3	
11	2	3	Martin	5 8	
12			Beaufort	4 8	
13			Tyrrell	1 3	
14			Hyde	2 4	
15			Washington	3 4	
16	3A	3	Pitt	10 12	
17			Farmville		Ayden
18	3B	4	Craven	7 10	Havelock
19			Pamlico	2 3	
20			Carteret	5 8	
21	4	6	Sampson	6 8	
22			Duplin	9 11	
23			Jones	2 3	
24			Onslow	8 14	
25	5	6	New Hanover	6 11	
26			Pender	4 6	
27	6A	2	Halifax	9 14	Roanoke
28					Rapids,
29					Scotland Neck
30	6B	2	Northampton	5 6	
31			Bertie	4 5	
32			Hertford	5 6	
33	7	6	Nash	7 10	Rocky Mount
34			Edgecombe	4 6	Rocky Mount
35			Wilson	4 6	
36	8	6	Wayne	5 11	Mount Olive
37			Greene	2 4	
38			Lenoir	4 10	La Grange
39	9	4	Granville	3 7	
40			Vance	3 5	
41			Warren	3 4	
42			Franklin	3 6	
43	9A	2	Person	3 4	
44			Caswell	2 5	

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

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

34 Requested by: Representative Holt

35 **AOC PRESUMPTIVE FEE SCHEDULE FOR REPRESENTATION OF**
 36 **INDIGENT DEFENDANTS IN CAPITAL CASES**

37 Sec. 120. (a) G.S. 7A-344 reads as rewritten:

38 **"§ 7A-344. Special duties of Director concerning representation**
 39 **of indigent persons.**

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

- 41 (1) Supervise and coordinate the operation of the laws and regulations
 42 concerning the assignment of legal counsel for indigent persons under
 43 Subchapter IX of this Chapter to the end that all indigent persons are
 44 adequately represented;

- 1 (2) Advise and cooperate with the offices of the public defenders as
2 needed to achieve maximum effectiveness in the discharge of the
3 defender's responsibilities;
- 4 (3) Collect data on the operation of the assigned counsel and the public
5 defender systems, and make such recommendations to the General
6 Assembly for improvement in the operation of these systems as appear
7 to him to be appropriate; and
- 8 (4) Accept and utilize federal or private funds, as available, to improve
9 defense services for the indigent, including indigent juveniles alleged
10 to be delinquent or undisciplined. To facilitate processing of juvenile
11 cases and civil cases in which a party is entitled to counsel, the
12 administrative officer is further authorized, in any district or set of
13 districts as defined in G.S. 7A-41.1(a), with the approval of the chief
14 district court judge for cases in the district court division and the
15 approval of the senior resident superior court judge for cases in the
16 superior court division, to engage the services of a particular attorney
17 or attorneys to provide specialized representation on a full-time or
18 part-time basis.

19 The Director may issue a presumptive fee schedule for the hourly rates of
20 compensation of attorneys appointed to represent indigent defendants in capital cases."

21 (b) Of the funds appropriated in this act to the Judicial Department, Indigent
22 Persons Attorney Fee Fund, for the 1994-95 fiscal year, the sum of three million six
23 hundred forty thousand dollars (\$3,640,000) for the 1994-95 fiscal year shall be used to
24 implement the provisions of this section.

25
26 Requested by: Representatives Diamont, Holt

27 **TRANSFER CALENDARING AUTHORITY TO SENIOR RESIDENT**
28 **SUPERIOR COURT JUDGE**

29 Sec. 121. It is the policy of this State that, effective July 1, 1995, the senior
30 resident superior court judge in each judicial district shall be responsible for the
31 calendaring of all superior court criminal cases and motions for trial or hearing in the
32 judicial district. The North Carolina Supreme Court is requested, pursuant to its
33 rulemaking authority, to adopt rules for the implementation of this policy. The
34 Administrative Office of the Courts shall report to the Courts Commission by March 1,
35 1995, on any changes necessary to bring the General Statutes into conformity with this
36 policy.

37
38 Requested by: Representatives G. Miller, Michaux

39 **CORRECT JUDICIAL TERM**

40 Sec. 121.1. (a) If the superior court judge holding office on June 1, 1994
41 whose successor's term is to begin July 1, 1995 under G.S. 7A-41(d)(25) is not a regular
42 superior court judge on January 1, 1995, then the succeeding term begins January 1,
43 1995, and the remainder of this section does not apply.

1 (b) If the superior court judge holding office on June 1, 1994 whose
2 successor's term is to begin July 1, 1995 under G.S. 7A-41(d)(25) ceases to be a regular
3 superior court judge between January 1, 1995 and July 1, 1995, the term of that judge's
4 successor begins on the date that judge ceases to be a regular superior court judge.

5 (c) If in superior court district 14B only one of the three persons elected for
6 that district in the 1994 general election is a special superior court judge on January 1,
7 1995, then that person is the successor to the judge whose term was determined by G.S.
8 7A-41(d)(25), but in such case the successor's service as a special superior court judge
9 shall be considered service as a regular resident superior court judge under G.S. 7A-
10 41.1(b)(2).

11 (d) If subsection (c) of this section does not apply, in superior court district
12 14B the State Board of Elections shall choose by lot among those persons elected in
13 1994 who were not regular superior court judges, and the person chosen by lot is the
14 successor to the judge whose term was determined by G.S. 7A-41(d)(25).

15 16 **PART 24. DEPARTMENT OF HUMAN RESOURCES**

17
18 Requested by: Representatives Nye, Easterling

19 **WILLIE M. RULES**

20 Sec. 122. Section 208 of Chapter 321 of the 1993 Session Laws is amended
21 by adding the following new subsection to read:

22 "(j) The Secretary of the Department of Human Resources shall adopt rules to be
23 followed in the provision of services for disabled, violent, and assaultive children who
24 have not reached their eighteenth birthday. These rules shall allow for the continuation
25 of services to any child the Secretary determines is being appropriately served until the
26 end of the fiscal year in which the child reaches the age of 18 or until six months after
27 the child reaches the age of 18, whichever period is longer."

28
29 Requested by: Representatives Nye, Easterling

30 **CLIENT SERVICES MONITORING**

31 Sec. 123. The Department of Human Resources, Division of Mental Health,
32 Developmental Disabilities, and Substance Abuse Services, shall develop and
33 implement a system of monitoring and control for client services. This system shall
34 ascertain whether services are provided in a timely manner. Notwithstanding any other
35 provisions of law, the Division shall withhold Area Mental Health Agencies'
36 administrative funds until services are provided in a timely manner.

37
38 Requested by: Representatives Nye, Easterling

39 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE** 40 **ABUSE SERVICES PROVIDERS/MEDICAID RECEIPTS**

41 Sec. 124. The Division of Mental Health, Developmental Disabilities, and
42 Substance Abuse Services of the Department of Human Resources shall initiate efforts
43 to enable service providers to realize additional Medicaid receipts for services provided

1 through the Willie M. and Thomas S. programs and shall present the results of their
2 efforts to the Human Resources Appropriations Subcommittees by March 1, 1995.

3
4 Requested by: Representatives Easterling, Nye

5 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

6 Sec. 125. To ensure uniformity in rates charged to area programs and funded
7 with State-allocated resources, the Division of Mental Health, Developmental
8 Disabilities, and Substance Abuse Services of the Department of Human Resources may
9 require a private agency that provides services under contract with two or more area
10 programs, except for hospital services that have an established Medicaid rate, to
11 complete an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a)
12 and G.S. 122C-147.2. The resulting cost shall be the maximum included for the private
13 agency in the contracting area program's unit cost finding.

14
15 Requested by: Representatives Nye, Easterling

16 **PIONEER TESTING RULE WAIVER EXTENSION**

17 Sec. 126. Subsection (n) of Section 220 of Chapter 321 of the 1993 Session
18 Laws reads as rewritten:

19 "(n) Effective ~~July 1, 1994~~, July 1, 1995, G.S. 122C-151.1 is repealed."
20

21 Requested by: Representatives Easterling, Nye

22 **THOMAS S.**

23 Sec. 127. Section 209 of Chapter 321 of the 1993 Session Laws reads as
24 rewritten:

25 "Sec. 209. (a) Funds appropriated to the Department of Human Resources in this
26 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas
27 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty,
28 shall be expended only for programs serving Thomas S. Class members or for services
29 for those clients who are:

- 30 (1) Adults with mental retardation, or who have been treated as if they had
31 mental retardation, who were admitted to a State psychiatric hospital
32 on or after March 22, 1984, and who are included on the Division of
33 Mental Health, Developmental Disabilities, and Substance Abuse
34 Services' official list of prospective Class members;
- 35 (2) Adults with mental retardation who have a documented history of
36 State psychiatric hospital admissions regardless of admission date and
37 who, without funding support, have a good probability of being
38 readmitted to a State psychiatric hospital; ~~or~~
- 39 (3) Adults with mental retardation who have never been admitted to a
40 State psychiatric hospital but who have a documented history of
41 behavior determined to be of danger to self or others that results in
42 referrals for inpatient psychiatric treatment and who, without funding
43 support, have a good probability of being admitted to a State
44 psychiatric ~~hospital~~ hospital; or

1 (4) Adults who are included on the Division of Mental Health,
2 Developmental Disabilities, and Substance Abuse Services' official list
3 of prospective class members and have yet to be confirmed as class
4 members, who currently reside in the community, and who have a
5 good probability of being admitted to a facility licensed as a 'home for
6 the aged and disabled'.

7 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
8 program shall be used for clients meeting subdivisions ~~(2) or (3)~~ (2), (3), or (4) of this
9 subsection.

10 (b) To ensure that Thomas S. Class members are appropriately served, no State
11 funds shall be expended on placement and services for Thomas S. Class members
12 except:

13 (1) Funds specifically appropriated by the General Assembly for the
14 placement and services of Thomas S. Class members; and

15 (2) Funds for placement and services for which Thomas S. Class members
16 are otherwise eligible.

17 (c) The Department of Human Resources shall develop and implement during the
18 1993-94 fiscal year a prospective unit cost reimbursement system and shall ensure that
19 unit cost rates reflect reasonable costs by conducting cost center service type rate
20 comparisons and cost center line item budget reviews as may be necessary.

21 (d) Reporting requirements. The Department of Human Resources shall submit
22 by April 1 of each fiscal year a report to the General Assembly on the progress achieved
23 in serving members and prospective members of the Thomas S. Class. The report shall
24 include the following:

25 (1) The number of Thomas S. clients confirmed as Class members;

26 (2) The number of prospective Class members evaluated;

27 (3) The number of prospective Class members awaiting evaluation;

28 (4) The number of Class members or prospective class members added in
29 the preceding 12 months due to their admission to a State psychiatric
30 hospital;

31 (5) A description of the types of treatment services provided to Class
32 members; and

33 (6) An analysis of the use of funds appropriated for the Class.

34 (e) Notwithstanding any other provision of law, if the Department of Human
35 Resources determines that a local program is not providing minimally adequate services
36 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
37 al. v. Flaherty, or does not show a willingness to do so, the Department may ensure the
38 provision of these services through contracts with public or private agencies or by direct
39 operation by the Department of these programs."
40

41 Requested by: Representatives Nye, Easterling

42 **CHANGE IN PLANNING AND PILOT IMPLEMENTATION OF AN**
43 **INTEGRATED FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE**
44 **ABUSE INSTITUTIONAL SERVICES**

1 Sec. 128. Section 218 of Chapter 321 of the 1993 Session Laws reads as
2 rewritten:

3 ~~"Sec. 218. The Department of Human Resources shall develop and implement a
4 plan during the 1993-95 fiscal biennium to pilot-test an integrated funding system for
5 mental health/substance abuse institutional services, involving one regional psychiatric
6 hospital, one regional alcohol and drug abuse treatment center, and the area mental
7 health, developmental disabilities, and substance abuse programs using these facilities.
8 The Department may use funds that become available to it through gifts, federal or
9 private grants, receipts from federal programs, or any other source to support the
10 planning and implementation of this pilot program.~~

11 ~~The Department shall present a written report to the House and Senate Human
12 Resources Appropriations Subcommittees by May 1, 1994, describing the results of its
13 planning activities, the proposed schedule and cost for implementation of the integrated
14 funding system and any proposed legislation needed to implement the plan. The
15 Department shall submit a written report to these Subcommittees by May 1, 1995,
16 describing the results of the implementation of the integrated funding system.~~

17 The Department of Human Resources, Division of Mental Health, Developmental
18 Disabilities, and Substance Abuse Services, shall present a written report on a UNIFIED
19 SYSTEM OF SERVICES to the Human Resources Appropriations Subcommittees by
20 March 1, 1995. The report shall describe the UNIFIED SYSTEM OF SERVICES using
21 an integrated funding stream to provide a practical-needs-based approach to the use of
22 limited resources within the Mental Health, Developmental Disabilities, and Substance
23 Abuse Services System and shall include a proposal for a pilot test of the UNIFIED
24 SYSTEM OF SERVICES in the North Central Region, including an estimation of the
25 cost of implementing the pilot test. The UNIFIED SYSTEM OF SERVICES shall
26 focus on improvement to the quality and continuity of client care and shall include
27 changes in budget or personnel policies or practices necessary to implement a unified
28 system of services. These changes shall be based on consultation with the Office of
29 State Budget and Management and the Office of State Personnel."

30
31 Requested by: Representatives Easterling, Nye

32 **1993 PROFESSIONAL COUNSELOR LICENSING ACT CORRECTION**

33 Sec. 129.(a) Effective July 1, 1994, G.S. 90-332.1(a)(8) reads as rewritten:

34 "(8) Any person performing ~~mental health~~ counseling solely as an
35 employee of an area facility, as defined in G.S. 122C-3(14)a., if both
36 of the following apply:

- 37 a. ~~The mental health services are provided by (i) a qualified~~
38 ~~mental health professional who meets or exceeds the minimum~~
39 ~~educational qualifications for licensure as a licensed~~
40 ~~professional counselor under this Article. as defined in G.S.~~
41 122C-3(31) and subject to the rules adopted by the Commission
42 for Mental Health, Developmental Disabilities, and Substance
43 Abuse Services, or (ii) an employee supervised by a qualified
44 professional as defined in G.S. 122C-3(31);

1 b. The area facility has obtained written verification from the
 2 following boards that the employee has not had his or her
 3 license, registration, or certification revoked, rescinded, or
 4 suspended: the North Carolina Board of Licensed Professional
 5 Counselors, the North Carolina State Board of Examiners of
 6 Practicing Psychologists, the North Carolina Certification
 7 Board for Social Work, and the North Carolina Marital and
 8 Family Therapy Certification ~~Board~~ Board."

9 (b) Effective July 1, 1994, G.S. 90-332.1(a) is amended by adding the
 10 following new subdivisions to read:

11 "(9) Any person performing counseling as an employee of a hospital or
 12 other health care facility licensed under Chapter 131D, 131E, or 122C
 13 who is performing this counseling under the supervision of a qualified
 14 professional as defined in G.S. 122C-3(31); and

15 (10) Any employee assistance professional providing core-specific
 16 employee assistance program (EAP) activities, as defined by the
 17 Employee Assistance Professionals Association Standards for
 18 Employee Assistance Programs Part II: Professional Guidelines
 19 (1988)."

20
 21 Requested by: Representatives Nye, Easterling

22 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL**
 23 **DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

24 Sec. 130. The Department of Human Resources shall ensure that counties do
 25 not reduce county appropriations and expenditures for area mental health,
 26 developmental disabilities, and substance abuse authorities because the authorities have
 27 received additional State appropriations for services.

28
 29 Requested by: Representatives Nye, Easterling

30 **COALITION 2001 FUNDS**

31 Sec. 131. The sum of six million dollars (\$6,000,000) appropriated in this act
 32 to the Department of Human Resources, Mental Health, Developmental Disabilities,
 33 and Substance Abuse Services for the capital needs of mental health, developmental
 34 disabilities, and substance abuse services recommended by Coalition 2001 shall be
 35 allocated as follows:

36 (1) \$3,600,000 for community area mental health, developmental
 37 disabilities, and substance abuse services capital needs.

38 No area program shall receive more than ten percent (10%) of the
 39 total funds appropriated in this fiscal year for area program capital
 40 needs.

41 At least ten percent (10%) of the capital funds shall be awarded by
 42 the Department of Human Resources to area programs for projects in
 43 counties that fall within the last quartile of either per capita income,
 44 according to the most recent North Carolina Data System Rankings or

1 of property valuation, according to the most recent North Carolina
2 Department of Revenue rankings. The Department shall not require a
3 local match for these counties. The Department shall require a dollar-
4 for-dollar local match for capital funds awarded for projects in all
5 other counties. Capital in-kind contributions from area programs or
6 counties shall be considered in meeting the local matching
7 requirement. The Department shall determine acceptable requirements
8 for determining sources of allowable matching funds, whether cash or
9 in-kind.

10 All area program capital grants are subject to the Department of
11 Human Resources' approval of the grant application;

- 12 (2) \$1,020,000 for construction and renovation of Developmental Day
13 Centers;
- 14 (3) \$600,000 for construction and renovation of vocational rehabilitation
15 facilities;
- 16 (4) \$120,000 for implementation of three community rehabilitation pilot
17 projects to be selected by the North Carolina Association of
18 Rehabilitation Facilities;
- 19 (5) \$240,000 for supported living projects of the Association for Retarded
20 Citizens and United Cerebral Palsy, Inc.; and
- 21 (6) \$420,000 for local assistive technology and a housing loaner fund to
22 be administered through the Community Living Association.

23
24 Requested by: Representatives Nye, Easterling

25 **DETERMINATION OF BUDGETARY IMPACT OF ADDITIONAL BEDS IN**
26 **DOMICILIARY CARE FACILITIES**

27 Sec. 132. Pursuant to G.S. 131E-177(4), in order to determine the budgetary
28 impact of additional beds in domiciliary care facilities, the Department of Human
29 Resources shall, by January 1, 1996, develop policy, criteria, and standards for
30 planning, conduct inventories, and make determinations of need for health services
31 facilities, domiciliary care facilities, and any other assisted living arrangements subject
32 to any State licensing requirements.

33 The Department shall report on its progress in implementing this section to
34 the 1995 General Assembly by March 15, 1995.

35 The plans and need determinations shall not be included in the State Medical
36 Facilities Plan but shall be used to assist the General Assembly in determining the
37 budgetary impact of additional beds in domiciliary care facilities.

38
39 Requested by: Representatives Easterling, Nye

40 **PILOT SUBSIDY FOR DOMICILIARY HOMES FOR SERVICES TO**
41 **DEVELOPMENTALLY DISABLED RESIDENTS REPORTING EXTENDED**

42 Sec. 133. Section 241 of Chapter 321 of the 1993 Session Laws reads as
43 rewritten:

1 "Sec. 241. Notwithstanding the provisions of G.S. 143-23, the Secretary of Human
2 Resources, with the approval of the Office of State Budget and Management, may use,
3 to the extent possible, any funds appropriated or otherwise available to the Department
4 in the 1993-94 fiscal year to conduct a pilot of a subsidy to homes for the aged and
5 disabled and family care homes to support the provisions of habilitative and related
6 services needed by developmentally disabled persons who reside there. The
7 Department shall present the results of the pilot to the General Assembly by ~~July 1,~~
8 1994-April 15, 1995."

9
10 Requested by: Representatives Easterling, Nye

11 **DEVELOPMENT OF RATE-SETTING METHODOLOGY FOR**
12 **DOMICILIARY CARE FACILITIES CONTINUED/RECOMMENDATIONS ON**
13 **STANDARDS, MONITORING**

14 Sec. 134. The Department of Human Resources shall continue development
15 of the rate-setting methodology for domiciliary care facilities proposed by the
16 Department in the report made to the General Assembly in accordance with the
17 requirements of Section 240 of Chapter 321 of the 1993 Session Laws. The final plan
18 shall include the recommended maximum payment rate for each category of facility,
19 and assessment of the adequacy of the existing standards for domiciliary facilities, the
20 adequacy of the monitoring of these standards and recommendations regarding any
21 needed changes in standards or their monitoring. The final plan shall be submitted to
22 the 1995 General Assembly and to the Fiscal Research Division by February 1, 1995.

23
24 Requested by: Representatives Nye, Easterling

25 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

26 Sec. 135. Section 239 of Chapter 321 of the 1993 Session Laws reads as
27 rewritten:

28 "Sec. 239. (a) Effective July 1, 1993, the maximum monthly rate for residents in
29 domiciliary care facilities shall be nine hundred thirty-eight dollars (\$938.00) for
30 ambulatory residents and nine hundred seventy-nine dollars (\$979.00) for
31 semiambulatory residents.

32 (b) Effective July 1, 1994, the maximum monthly rate for residents in
33 domiciliary care facilities shall be nine hundred seventy-five dollars (\$975.00) per
34 month for ambulatory residents and one thousand seventeen dollars (\$1,017) per month
35 for semiambulatory residents."

36
37 Requested by: Representatives Nye, Easterling

38 **DOMICILIARY HOMES/STAFFING ISSUES**

39 Sec. 136. The Department of Human Resources shall study the fiscal impact
40 for all Homes for the Aged and Family Care Homes for appropriate staffing, staff
41 turnover ratios, wages and benefits, staff training, and abilities for facilities to operate
42 within existing State and federal law and regulations, according to size and type of
43 facility.

1 The Department shall submit a report of its findings to the 1995 General
2 Assembly and to the Fiscal Research Division of the Legislative Services Office by
3 February 1, 1995.

4
5 Requested by: Representatives Nye, Easterling

6 **USE OF DETENTION CENTER CONSTRUCTION RESERVE**

7 Sec. 137. The Department of Human Resources, Division of Youth Services,
8 shall use the one million six hundred thousand dollars (\$1,600,000) placed in a reserve
9 for detention center construction in Section 67 of Chapter 24 of the Session Laws of the
10 1994 Extra Session, to construct a 24-bed detention center in Wake County.

11
12 Requested by: Representatives Easterling, Nye

13 **DHR STUDY OF DIVISION OF YOUTH SERVICES' PROGRAMS AND**
14 **SERVICES EXTENDED**

15 Sec. 138. Subsection (d) of Section 36 of Chapter 24 of the Session Laws of
16 the 1994 Extra Session reads as rewritten:

17 "(d) The Department shall complete this study by ~~November 1, 1994, March 1,~~
18 1995, and shall report the results of this study to the 1995 General Assembly by ~~March~~
19 1, 1995. April 1, 1995."

20
21 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont

22 **DIVISION OF YOUTH SERVICES NURSE SALARY PLAN**

23 Sec. 139. The Department of Human Resources shall implement the salary
24 adjustment plan developed by the Division of Youth Services for nurses within the
25 Division's training schools and shall fund the plan with salary reserve funds within the
26 Department or from salary adjustment funds within the Office of State Budget and
27 Management.

28
29 Requested by: Representatives Nye, Easterling, Nesbitt, Diamont

30 **MECKLENBURG SERVICE CORPS FUNDS**

31 Sec. 140. Of the funds appropriated in this act to the Department of Human
32 Resources, the sum of three hundred eighty-three thousand dollars (\$383,000) shall be
33 used to establish a Service Corps in Mecklenburg County. This Corps shall be modeled
34 on the Durham Service Corps and shall provide an innovative program of community
35 service work and alternative education to nonviolent youthful offenders aged 15 through
36 17 and to young adults aged 17 through 23 who apply, as an alternative to training
37 school.

38 The Department shall report to the General Assembly by March 15, 1995, on
39 the outcome of the Mecklenburg Service Corps as it can then be determined, including
40 average gains in verbal and mathematics skill levels, high school diplomas or
41 equivalences earned, employment histories, and other measures of program
42 effectiveness.

43
44 Requested by: Representatives Easterling, Nye

1 **REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH**
2 **CAROLINA VOCATIONAL REHABILITATION ADVISORY COUNCIL**

3 Sec. 141. Notwithstanding G.S. 138-5(a)(1), members of the North Carolina
4 Vocational Rehabilitation Advisory Council may be reimbursed for reasonable and
5 necessary expenses of attending Council meetings or performing Council duties, as
6 authorized in the federal Rehabilitation Act, as amended. In addition, Council members
7 who are unemployed or who must forfeit wages from other employment to attend may
8 receive compensation not to exceed fifty dollars (\$50.00) a day for Council meetings or
9 performing Council duties, as authorized in the federal Rehabilitation Act, as amended.

10
11 Requested by: Representatives Nye, Easterling

12 **REVIEW OF DIVISION OF INFORMATION RESOURCE MANAGEMENT**

13 Sec. 142. The Department of Human Resources shall conduct a review of the
14 Division of Information Resource Management. This review shall include:

- 15 (1) An analysis of the management structure of the Division, including
16 recommendations on how to reduce the number of manager and
17 assistant manager positions and how to improve the overall efficiency
18 and effectiveness of the Division;
- 19 (2) A determination of the fiscal impact on State and federal funds of
20 eliminating the Division and using private contractors to do the work
21 currently being done by the Division; and
- 22 (3) A determination of the fiscal impact on State and federal funds of
23 changing the Division's receipt-supported billing plan to a centralized
24 system involving a funding combination of State appropriations and
25 federal indirect cost earnings.

26 The Department shall report its findings to the Human Resources
27 Appropriations Subcommittees by March 1, 1995.

28
29 Requested by: Representatives Easterling, Nye, H. Hunter

30 **CERTAIN SMART START FUNDS DO NOT REVERT**

31 Sec. 143. (a) Funds appropriated to the Division of Child Development,
32 Department of Human Resources, in fiscal year 1993-94 and allocated to the 12 local
33 Smart Start projects established during the 1993-94 fiscal year shall not revert until June
34 30, 1995, but shall remain with the Division for use as provided under Part 10B of
35 Article 3 of Chapter 143B of the General Statutes.

36 (b) Funds appropriated to the Division of Child Development, Department of
37 Human Resources, in fiscal year 1993-94 and allocated for the statewide evaluation of
38 Smart Start, the statewide needs and resources assessments, the professional
39 development of day care providers, the automated payment system, and the T.E.A.C.H.
40 program shall not revert until June 30, 1995, but shall remain with the Division for use
41 as defined by the original appropriation for these funds.

42 (c) Any new funds that may be appropriated to the Division of Child
43 Development, Department of Human Resources, in fiscal year 1994-95 and to be
44 allocated to new local Smart Start projects to be established during the 1994-95 fiscal

1 year shall not revert until June 30, 1996, but shall remain with the Division for use as
2 provided under Part 10B of Article 3 of Chapter 143B of the General Statutes.

3 (d) It is the intent of the General Assembly that this section's postponement of
4 reversions of Smart Start funds shall be for one year only and that it shall not be
5 extended.

6 (e) The funds in subsections (a) and (b) are nonrecurring and shall not
7 become a part of the continuation budget for the Division of Child Development,
8 Department of Human Resources.

9 (f) This section becomes effective June 30, 1994.

10
11 Requested by: Representatives Nye, Easterling

12 **SUPPORT OUR SCHOOLS PROGRAM/FAMILY RESOURCE CENTER**
13 **GRANT PROGRAM ADMINISTRATIVE COSTS INCREASE**

14 Sec. 144. (a) Of the funds appropriated to the Department of Human
15 Resources for the Support Our Schools (S.O.S.) Program for the 1994-95 fiscal year, the
16 Department may use up to one hundred fifty thousand dollars (\$150,000) for the
17 administration of each program, in addition to the two hundred thousand dollars
18 (\$200,000) allocated for the administration of the program by Chapter 24 of the Session
19 Laws, Extra Session 1994.

20 (b) Of the funds appropriated to the Department of Human Resources for the
21 Family Resource Center Grant Program for the 1994-95 fiscal year, the Department
22 may use up to one hundred thousand dollars (\$100,000) for the administration of each
23 program, in addition to the two hundred thousand dollars (\$200,000) allocated for the
24 administration of the program by Chapter 24 of the Session Laws, Extra Session 1994.

25
26 Requested by: Representatives Nye, Easterling

27 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
28 **LOCAL PARTNERSHIP FUNDING FOR ADMINISTRATIVE COSTS**

29 Sec. 145. The Secretary of Human Resources may allow local partnerships
30 receiving funds for Early Childhood Education and Development Initiatives to use up to
31 five percent (5%) or up to one hundred thousand dollars (\$100,000) of their total
32 allocation, whichever is greater, to fund the staff and administrative support for local
33 partnership board activities if the local partnership demonstrates that this additional
34 administrative funding is needed.

35
36 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont

37 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
38 **APPLICATION CLARIFICATION**

39 Sec. 146. The Department of Human Resources, in cooperation with the
40 North Carolina Partnership for Children, Inc., shall ensure that the selection process for
41 the additional local demonstration projects for the Early Childhood Education and
42 Development Initiatives funded in this act shall include the following:

- 43 (1) Acceptance of applications from counties that have not yet applied for
44 funding;

- 1 (2) Acceptance of additional information from counties that have already
2 made application for funding but have not received funding; and
3 (3) Consideration of the needs and resources assessment that has been
4 conducted in each county.
5

6 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, H. Hunter, Rogers

7 **SUBSIDIZED DAY CARE FOR MORE ELIGIBLE CHILDREN**

8 Sec. 147. (a) Of the funds appropriated in this act to the Department of
9 Human Resources, Division of Child Development, the sum of six million dollars
10 (\$6,000,000) for the 1994-95 fiscal year shall be used to pay for subsidized child day
11 care for children currently eligible for nonentitlement child day care but not currently
12 receiving this care. These funds may be used as follows:

- 13 (1) To pay for care that is currently available in the children's county up to
14 the provider's approved subsidized payment rate; and
15 (2) To raise the subsidized payment rate in counties where the current
16 market rate is too low to provide enough care for children. Priority
17 shall be given to counties with the lowest current market rate. For
18 Category "B" providers, the subsidized payment rate shall not exceed
19 the statewide market rate.

20 These funds shall be used in such a way as to maximize the number of eligible children
21 receiving subsidized child day care.

22 (b) The Division of Child Development shall report to the 1995 General
23 Assembly and to the Fiscal Research Division of the Legislative Services Office by
24 March 15, 1995, on the number of children whose child day care is funded pursuant to
25 this section, and on the number of children eligible for child day care who still are
26 waiting to be served. This report shall include county-level data on the number of these
27 children who could be served if funds were available, the number of these children for
28 whom service is not available in their community, and data on where these children live,
29 including relevant demographic data. This report shall also include a determination of
30 whether other eligible children not on any waiting list remain to be served.
31

32 Requested by: Representative Easterling, Nye

33 **DAY CARE RATE CLARIFICATION**

34 Sec. 148. (a) The 1993 Legislative Research Commission Study Committee
35 on Child Care shall study the whole issue of day care rates to determine whether the
36 rate structure needs to be amended or overhauled. This study shall include an
37 examination of whether county departments of social services are using a provider's
38 failure to comply with requirements in addition to those specified in subsection (b) of
39 Section 248 of Chapter 321 of the 1993 Session Laws as a condition for reducing the
40 provider's subsidized child day care rates.

41 The Committee shall include the results of this study, including any
42 legislative recommendations, in its report to the Legislative Research Commission for
43 transmittal to the 1995 General Assembly.

1 (b) Subsection (b) of Section 248 of Chapter 321 of the 1993 Session Laws
2 reads as rewritten:

3 "(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
4 Statutes may participate in the program that provides for the purchase of care in day
5 care facilities for minor children of needy families. No separate licensing requirements
6 shall be used to select facilities to participate. In addition, day care facilities shall be
7 required to meet any additional applicable requirements of federal law or regulations.

8 Day care homes as defined in G.S. 110-86(4) from which the State purchases
9 day care services shall meet the standards established by the Child Day Care
10 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional
11 requirements of State law or federal law or regulations. Child care arrangements
12 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General
13 Statutes shall meet the requirements established by other State law and by the Social
14 Services Commission.

15 County departments of social services or other local contracting agencies shall not
16 use a provider's failure to comply with requirements in addition to those specified in this
17 subsection as a condition for reducing the provider's subsidized child day care rate."
18

19 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, Hayes

20 **FAMILY TO FAMILY FUNDS PROJECTS AUTHORIZED**

21 Sec. 149. The Department of Human Resources may establish Family to
22 Family projects that will replicate Project L.I.F.T. (Local Individuals Finding
23 Themselves), of Concord, North Carolina. Project L.I.F.T. works through families
24 helping other families deal with crime, substance abuse, and other issues facing parents
25 and their children. It targets families in Concord's public housing communities to
26 provide positive living skills, crime prevention activities, nutrition advice, higher
27 education, substance abuse counselling, and healthy lifestyle activities. Project L.I.F.T.,
28 and any projects that replicate it, are vital measures in preventing crime and violence.

29
30 Requested by: Representatives Easterling, Nye

31 **EMERGENCY ASSISTANCE CLARIFICATION**

32 Sec. 150. (a) Effective June 30, 1994, G.S. 108A-39.1 reads as rewritten:

33 **"§ 108A-39.1. AFDC Emergency Assistance Program.**

34 The Social Services Commission shall adopt rules to implement cash assistance and
35 services components of the Aid to Families with Dependent Children-Emergency
36 Assistance (AFDC-EA) Program. Effective November 1, 1986, the Department of
37 Human Resources, Division of Social Services, shall provide ~~emergency cash~~ assistance
38 to families whose family income does not exceed one hundred ten percent (110%) of the
39 current federal poverty level as established by the U. S. Secretary of Health and Human
40 Services and published annually in the Federal Register. Annual ~~program benefits cash~~
41 assistance may shall not exceed five hundred dollars (\$500.00). three hundred dollars
42 (\$300.00). ~~Funding State appropriations made for the non-federal-nonfederal share of~~
43 Emergency Assistance services and cash benefits shall be shared at not exceed a rate of
44 fifty percent (50%) State participation and fifty percent (50%) county participation. fifty

1 percent (50%) of the nonfederal share. For cash benefits authorized by any agency, the
2 nonfederal share of the benefit shall be paid at a rate of fifty percent (50%) State funds
3 and fifty percent (50%) county or other local funds. For cash benefits authorized by any
4 State or local agency other than a county department of social services, the Department
5 of Human Resources may assess the county for fifty percent (50%) of the nonfederal
6 share of cash benefits authorized. For services benefits authorized by any agency, the
7 nonfederal share of the benefit shall be paid by that agency entirely from county
8 appropriations or other available public or private funds. Federal reimbursements
9 earned through participation in this Program shall be paid to the participants in
10 proportion to their payment of the nonfederal share."

11 (b) Section 232 of Chapter 321 of the 1993 Session Laws reads as rewritten:

12 "Sec. 232. The Division of Social Services, Department of Human Resources, shall
13 not expend more State funds than are appropriated for ~~Emergency Assistance~~ the cash
14 assistance component of the Emergency Assistance Program by this act. Within this
15 limit, Emergency Assistance cash benefits shall not exceed three hundred dollars
16 (\$300.00) per year per family, payable over a 30-day period. After this 30-day period,
17 Emergency Assistance cash benefits are not available to that family until 12 months
18 have elapsed from the initial authorization date. The family may have no more than a
19 total of three hundred dollars (\$300.00) in liquid assets in order to qualify for ~~any~~
20 ~~Emergency Assistance~~ the cash assistance component of the Emergency Assistance
21 Program pursuant to this section.

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

30 Requested by: Representatives Nye, Easterling

31 **CHILD WELFARE SYSTEM STUDY**

32 Sec. 151. Of the funds appropriated in this act to the Department of Human
33 Resources, Office of the Secretary, the sum of one hundred fifty thousand dollars
34 (\$150,000) shall be used to contract for an independent, outside consultant to conduct a
35 comprehensive study of the child welfare system. The study shall include the
36 following:

- 37 (1) A description of the current child welfare system;
- 38 (2) An identification of the strengths and weaknesses of the current
39 system;
- 40 (3) A review of the current funding of the system, with emphasis on State
41 and local responsibilities;
- 42 (4) Recommendations on how to improve and refine the system, with
43 emphasis on addressing the comprehensive needs of the children and
44 families being served;

- 1 (5) Options for future policy discussions, with emphasis on State and local
2 funding responsibilities; and
3 (6) Recommendations on the development of a statewide reporting
4 system.

5 The Department shall report the results of this study to the Joint Legislative
6 Commission on Governmental Operations and to the Fiscal Research Division by
7 February 15, 1995.

8

9 Requested by: Representatives Easterling, Nye, Diamont

10 **FOSTER CARE REPORTING**

11 Sec. 152. Counties receiving funds for foster care in this act shall report
12 quarterly, beginning with the second quarter of the 1994-95 fiscal year, to the Division
13 of Social Services, Department of Human Resources the following:

- 14 (1) A narrative description of the use of State funds;
15 (2) Workload statistics and indicators for foster care as established by the
16 Division of Social Services; and
17 (3) Development of a coordinated approach to providing children's
18 services, with emphasis on meeting the total needs of the children and
19 families being served.

20 The Division shall evaluate and report to the Joint Legislative Commission on
21 Governmental Operations and to the Fiscal Research Division of the Legislative
22 Services Office by April 30, 1995, on the State's efforts in implementing this section.
23 The evaluation and report shall include evaluation of the current foster care delivery
24 system and the impact of implementing this section.

25

26 Requested by: Representatives Nye, Easterling, Diamont

27 **COUNTY FOSTER CARE WORKERS**

28 Sec. 153. Of the funds appropriated in this act to the Department of Human
29 Resources, Division of Social Services, the sum of two million five hundred ninety-
30 seven thousand two hundred thirty-seven dollars (\$2,597,237) shall be used for county
31 foster care workers in foster care placement and licensing.

32

33 Requested by: Representatives Easterling, Nye

34 **MAINTENANCE OF EFFORT**

35 Sec. 154. Counties shall not use funds allocated to them through the
36 Department of Human Resources, Division of Social Services, for foster care in this act
37 to supplant funds they are obligated to provide. Any county receiving such an
38 allocation shall, at a minimum, maintain a level of financial support of county funds for
39 child welfare services at least equal to the 1993-94 actual expenditure levels.

40 If a county fails to maintain financial maintenance of effort as specified in
41 this section, the Department shall withhold future funding allocated to the county.

42 State assistance to counties for foster care workers shall be matched by
43 counties at the rate of twenty-five percent (25%).

44

1 Requested by: Representatives Easterling, Nye, Diamont

2 **FOSTER CARE AND ADOPTIONS TRAINING**

3 Sec. 155. Funds appropriated to the Department of Human Resources,
4 Division of Social Services, in this act, in the amount of one hundred eighty-one
5 thousand two hundred seventy dollars (\$181,270), shall be used to establish an in-house
6 training component to provide a mandated minimum of 30 hours of preservice training
7 for foster care parents and 84 hours for foster care workers and adoption care workers
8 and a mandated minimum of 10 hours of continuing education for all foster care parents
9 and 18 hours for foster care workers and adoption care workers.

10

11 Requested by: Representatives Easterling, Nye,

12 **ADOPTION SUBSIDY**

13 Sec. 156. Section 235 of Chapter 321 of the 1993 Session Laws reads as
14 rewritten:

15 "Sec. 235. (a) The adoption subsidy paid monthly by the Division of Social
16 Services, Department of Human Resources, to eligible families who adopt hard-to-place
17 children shall be established at two hundred sixty-five dollars (\$265.00) per child per
18 month.

19 (b) Effective July 1, 1994, the adoption subsidy paid monthly by the Division of
20 Social Services, Department of Human Resources, to eligible families who adopt hard-
21 to-place children shall be established based on a graduated rate as follows:

- 22 (1) \$315.00 per child per month for children aged birth through 5;
23 (2) \$365.00 per child per month for children aged 6 through 12; and
24 (3) \$415.00 per child per month for children aged 13 through 18."

25

26 Requested by: Representatives Nye, Easterling, Diamont

27 **FOSTER CARE ASSESSMENT TOOL**

28 Sec. 157. Funds appropriated to the Department of
29 Human Resources, Division of Social Services, in this act, in
30 the amount of fifteen thousand one hundred sixty-seven dollars
31 (\$15,167) shall be used to purchase the Foster and Adoptive
32 Recruitment and Retention, A Guide to Local Agency Assessment,
33 an ongoing assessment tool to be used to study, develop, and
34 implement a statewide recruitment and retention plan.

35

36 Requested by: Representatives Easterling, Nye, Diamont

37 **FOSTER CARE**

38 Sec. 158. Section 231 of Chapter 321 of the 1993 Session Laws reads as
39 rewritten:

40 "Sec. 231. (a) Funds appropriated to the Department of Human Resources in this
41 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
42 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special
43 needs allowance for the child.

1 (b) Effective July 1, 1994, funds appropriated to the Department of Human
2 Resources for foster care assistance rates shall be used to pay assistance on a graduated
3 rate as follows:

4 (1) \$315.00 per child per month for children aged birth through 5;

5 (2) \$365.00 per child per month for children aged 6 through 12; and

6 (3) \$415.00 per child per month for children aged 13 through 18.

7 Of these amounts, fifteen dollars (\$15.00) is a special needs allowance for the child."
8

9 Requested by: Representatives Nye, Easterling, Nesbitt, Diamont, H. Hunter

10 **HIV FOSTER CARE BOARD PAYMENT FUNDS**

11 Sec. 159. Of the funds appropriated in this act to the Department of Human
12 Resources, Division of Social Services, the sum of four hundred ninety-nine thousand
13 five hundred dollars (\$499,500) shall be used for foster care board payments for
14 children with HIV, to be allocated as follows:

15 (1) \$800.00 per month per child with indeterminate HIV status;

16 (2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;

17 (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and

18 (4) \$1,600 per month per child terminally ill with complex care needs.
19

20 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, H. Hunter

21 **DEPARTMENT STUDY OF CHILD-CARING AGENCIES REIMBURSEMENT** 22 **DISCREPANCIES**

23 Sec. 160. The Department of Human Resources shall study the
24 reimbursement method for child-caring agencies to determine whether inequitable
25 discrepancies exist among agencies' reimbursement rates that should be rectified. This
26 study shall include a detailed analysis of federal formulas and of State formulas to
27 determine whether inequities exist at the federal formula level that can be rectified by
28 State action and a detailed examination of whether agencies that have historically served
29 minority children are suffering from inequitable reimbursement.

30 The Department shall report the results of this study, together with any
31 recommendations for needed State action, to the General Assembly by March 15, 1995.
32

33 Requested by: Representatives Easterling, Nye, Diamont

34 **MATERNITY HOME AND ADOPTION FUNDS**

35 Sec. 161. (a) From funds appropriated in this act to the Department of
36 Human Resources, Division of Social Services, the sum of six hundred sixty-five
37 thousand dollars (\$665,000) for the 1994-95 fiscal year is allocated to the State
38 Maternity Home Fund to provide maternity home services to single pregnant young
39 women 10 years of age and older for the purposes of protecting and enhancing maternal
40 and child health, reducing infant mortality and morbidity, reducing the number of
41 unintended second pregnancies, preventing mothers from permanently dropping out of
42 school, preventing welfare dependency, and providing adoption and parenting support.

43 (b) From funds appropriated in this act to the Department of Human
44 Resources, Division of Social Services, the sum of seven hundred fifty thousand dollars

1 (\$750,000) for the 1994-95 fiscal year shall be used to contract with the Children's
2 Home Society of North Carolina, Inc., to recruit and train families to adopt children
3 with special needs and to provide postadoption and support services for these families
4 and children. Children with special needs include medically fragile infants and
5 children, sibling groups, abused, neglected, and abandoned infants and children, HIV-
6 positive infants and children, addicted infants, children with behavior problems and
7 emotional disorders, minority infants and children, and older children.

8 (c) The Department of Human Resources shall report to the 1995 General
9 Assembly and to the Fiscal Research Division of the Legislative Services Office by
10 March 15, 1995, on the use of funds allocated pursuant to subsections (a) and (b) of this
11 section. This report shall include a detailed analysis of the services provided, of the
12 people served, and of the program's relative success in achieving its goals as prescribed
13 by subsections (a) and (b) of this section.

14
15 Requested by: Representatives Easterling, Nye, Colton

16 **CHILD-CARING AGENCIES FUNDS**

17 Sec. 162. Of the funds appropriated to the Department of Human Resources,
18 Division of Social Services, the sum of seven hundred fifty-five thousand fifty-nine
19 dollars (\$755,059) shall be used to provide partial reimbursement to the following ten
20 private, nonprofit child-caring agencies for the placement of certain children by county
21 departments of social services:

- 22 (1) Bertie-Martin-Beaufort County Shelter Home, of Jamesville;
- 23 (2) Caldwell Residential Services, of Lenoir;
- 24 (3) Caring for Children, Inc., of Asheville;
- 25 (4) The Children's Home Society of North Carolina, Inc., of Greensboro;
- 26 (5) Children's Homes of Cleveland County, of Shelby;
- 27 (6) Family Resources of Rutherford County, Inc., of Spindale;
- 28 (7) Florence Crittenton Services, of Charlotte;
- 29 (8) Loray Girls Home, of Gastonia;
- 30 (9) Yahweh Center, Inc., of Wilmington; and
- 31 (10) Youth Homes, Inc., of Charlotte.

32 The children for whom these funds are appropriated are children not eligible
33 for federal matching funds under the Title IV-E foster care maintenance payments. The
34 ten agencies named in this section shall be added to the list of eligible agencies
35 according to the provisions of NCAE 10, Subchapter 41M.

36
37 Requested by: Representatives Nye, Easterling, Diamont

38 **MEDICAID COVERAGE FOR ELDERLY, BLIND, AND DISABLED**

39 Sec. 164. Effective January 1, 1995, the Department of Human Resources,
40 Division of Medical Assistance, shall provide Medicaid coverage to all elderly, blind,
41 and disabled people who receive Supplemental Security Income (SSI).

42
43 Requested by: Representatives Easterling, Nye

44 **MEDICAID REPORTING REQUIREMENTS**

1 Sec. 165. The Department of Human Resources, Division of Medical
2 Assistance, shall submit a monthly status report on expenditures for acute care and long-
3 term care services to the Fiscal Research Division. This report shall include an analysis
4 of budgeted versus actual experience for eligibles by category and for long-term care
5 beds. In addition, the Department shall revise the program's projected spending for the
6 current fiscal year and the estimated spending for the subsequent fiscal year on a
7 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal
8 Research Division no later than the third Thursday of the month.

9
10 Requested by: Representatives Nye, Easterling, Diamont

11 **MEDICAID COVERAGE FOR ADOPTIVE CHILDREN WITH SPECIAL**
12 **NEEDS**

13 Sec. 166. Effective October 1, 1994, the Department of Human Resources
14 shall provide Medicaid coverage for adoptive children with special or rehabilitative
15 needs regardless of the adoptive family's income.

16
17 Requested by: Representatives Easterling, Nye

18 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT CHANGE**

19 Sec. 167. Section 227 of Chapter 321 of the 1993 Session Laws reads as
20 rewritten:

21 "Sec. 227. Effective ~~July 1, 1994,~~ October 1, 1994, the Department of Human
22 Resources, Division of Medical Assistance, shall implement a budget-neutral
23 Diagnosis-Related Group reimbursement methodology for inpatient hospital services.
24 ~~In addition, the Department shall study the feasibility of implementing selective~~
25 ~~contracts for hospital inpatient services and shall report its recommendations to the~~
26 ~~General Assembly by March 15, 1994."~~

27
28 Requested by: Representatives Easterling, Nye, Diamont

29 **CHANGE IN MEDICAID COVERAGE TO PREGNANT WOMEN AND TO**
30 **CHILDREN**

31 Sec. 168. Subsection (l) of Section 222 of Chapter 321 of the 1993 Session
32 Laws reads as rewritten:

33 "(l) The Department of Human Resources shall provide coverage to pregnant
34 women and to children according to the following schedule:

- 35 (1) Pregnant women with incomes equal to or less than one hundred
36 eighty-five percent (185%) of the federal poverty guidelines, as
37 revised each April 1 shall be covered for Medicaid benefits;
- 38 (2) Infants under the age of 1 with family incomes equal to or less than
39 one hundred eighty-five percent (185%) of the federal poverty
40 guidelines as revised each April 1, shall be covered for Medicaid
41 benefits;
- 42 (3) Children aged 1 through 5 with family incomes equal to or less than
43 one hundred thirty-three percent (133%) of the federal poverty

1 guidelines as revised each April 1 shall be covered for Medicaid
2 benefits; and

- 3 (4) Children aged 6 through 18 ~~who were born after September 30, 1983,~~
4 with family incomes equal to or less than the federal poverty
5 guidelines, as revised each April 1, shall be covered for Medicaid
6 benefits."

7
8 Requested by: Representatives Nye, Easterling, Alexander

9 **MEDICAID ESTATE RECOVERY PLAN, AS REQUIRED BY FEDERAL LAW**

10 Sec. 169. (a) Article 2 of Chapter 108A of the General Statutes is amended
11 by adding a new section to read:

12 **"§ 108A-70.5. Medicaid Estate Recovery Plan.**

13 (a) There is established in the Department of Human Resources, the Medicaid
14 Estate Recovery Plan, as required by the Omnibus Budget Reconciliation Act of 1993,
15 to recover from the estates of recipients of medical assistance an equitable amount of
16 the State and federal shares of the cost paid the recipient. The Department shall
17 administer the program in accordance with applicable federal law and regulations,
18 including those under Title XIX of the Social Security Act, 42 U.S.C. § 1396(p).

19 (b) As used in this section:

20 (1) 'Medical assistance' means medical care services paid for by the North
21 Carolina Medicaid Program on behalf of the recipient:

22 a. If the recipient is receiving these medical care services as an
23 inpatient in a nursing facility, intermediate care facility for the
24 mentally retarded, or other medical institution, and cannot
25 reasonably be expected to be discharged to return home; or

26 b. If the recipient is 55 years of age or older and is receiving these
27 medical care services, including related hospital care and
28 prescription drugs, for nursing facility services or home- and
29 community-based services.

30 (2) 'Estate' means all the real and personal property considered assets of
31 the estate available for the discharge of debt pursuant to G.S. 28A-15-
32 1.

33 (c) The amount the Department recovers from the estate of any recipient shall not
34 exceed the amount of medical assistance made on behalf of the recipient and shall be
35 recoverable only for medical care services prescribed in subsection (b) of this section.
36 The Department is a fourth-class creditor, as prescribed in G.S. 28A-19-6, for purposes
37 of determining the order of claims against an estate.

38 (d) The Department of Human Resources shall adopt rules pursuant to Chapter
39 150B of the General Statutes to implement the Plan, including rules to waive whole or
40 partial recovery when this recovery would be inequitable because it would work an
41 undue hardship or because it would not be administratively cost-effective and rules to
42 ensure that all recipients are notified that their estates are subject to recovery at the time
43 they become eligible to receive medical assistance.

1 (e) Regarding trusts that contain the assets of an individual who is disabled as
2 defined in Title 19 of Section 1014(a)(3) of the Social Security Act, as amended, if the
3 trust is established and managed by a nonprofit association, to the extent that amounts
4 remaining in the beneficiary's account upon the death of the beneficiary are not retained
5 by the nonprofit association, the trust pays to the Department from these remaining
6 amounts in the account an amount equal to the total amount of medical assistance paid
7 on behalf of the beneficiary under the North Carolina Medicaid Program."

8 (b) Of the funds appropriated in this act from the General Fund to the
9 Department of Human Resources, Division of Medical Assistance, the sum of one
10 hundred four thousand seven hundred fifty dollars (\$104,750) for the 1994-95 fiscal
11 year, of which fifty thousand dollars (\$50,000) is nonrecurring, shall be used to
12 implement this section.

13 (c) Subsection (a) of this section becomes effective October 1, 1994, and
14 applies to individuals who apply for medical assistance on or after that date. The
15 remainder of this section becomes effective July 1, 1994.

16
17 Requested by: Representatives Nye, Easterling

18 **HEALTH MAINTENANCE ORGANIZATIONS REQUIRED TO BE LICENSED**
19 **BY THE STATE BEFORE CONTRACTING TO SERVE MEDICAID**
20 **RECIPIENTS**

21 Sec. 170. G.S. 58-67-10(b)(3a) reads as rewritten:

22 "(3a) ~~This Article does not apply to any prepaid health service or capitation~~
23 ~~arrangement implemented or administered by the Department of~~
24 ~~Human Resources or its representatives, pursuant to 42 U.S.C. § 1396n~~
25 ~~or Chapter 108A of the General Statutes, or to any provider of health~~
26 ~~care services participating in such a prepaid health services [service] or~~
27 ~~capitation arrangement. the Department of Human Resources, any~~
28 division in the Department, or any direct provider of health care
29 services in connection with any direct, capitated, or otherwise prepaid
30 arrangement applicable to health care services authorized pursuant to
31 42 U.S.C. § 1396n or Chapter 108A of the General Statutes. Nothing
32 in this subdivision exempts health maintenance organizations or any
33 other person who undertakes to provide or arrange for the delivery of
34 basic health care services to all enrollees on a prepaid basis, from
35 complying with all applicable provisions in this Article."

36
37 Requested by: Representatives Nye, Easterling

38 **NORTH CAROLINA HEALTH PLANNING COMMISSION FUNDS**

39 Sec. 171. Funds appropriated to the North Carolina Health Planning
40 Commission in the 1993-94 fiscal year shall not revert but shall remain available during
41 the 1994-95 fiscal year to cover the costs of services necessary to the work of the
42 Commission.

43
44 Requested by: Representatives Diamont, Nesbitt, Crawford

ALZHEIMER'S FUNDS

Sec. 172. Of the funds appropriated in this act to the Department of Human Resources, Division of Aging, the sum of one hundred thousand dollars (\$100,000) for the 1994-95 fiscal year shall be used to support services delivered to Alzheimer's patients and their families. These funds shall be allocated to each of the four Alzheimer's Association Chapters in North Carolina, in grants of twenty-five thousand dollars (\$25,000) each. Each Chapter shall submit to the Division for approval a plan for the use of the funds it is to receive. Following the Division's approval, the Division shall disburse these funds according to a timetable outlined in each Chapter's plan.

PART 24.1. DEPARTMENT OF AGRICULTURE

Requested by: Representatives James, Bowman

CATTLE AND LIVESTOCK EXPOSITION CENTER

Sec. 173. Of the funds appropriated in this act to the Department of Agriculture for the 1994-95 fiscal year, the sum of fifty thousand dollars (\$50,000) shall be used for planning the construction of the Cattle and Livestock Exposition Center in Alamance County. The Center will house livestock shows and exhibits, educational programs, and a laboratory for embryo transfer research, semen evaluation, and livestock blood work.

Requested by: Representatives Bowman, Yongue

NORTH CAROLINA WAREHOUSE ACT FUND

Sec. 174. (a) G.S. 106-435 reads as rewritten:

"§106-435. Fund for support of system; collection and investment.

In order to provide a sufficient indemnifying or guarantee fund to cover any loss not covered by the bonds hereinbefore mentioned, in order to provide the financial backing which is essential to make the warehouse receipt universally acceptable as collateral, and in order to provide that a State warehouse system intended to benefit all cotton growers in North Carolina shall be supported by the class it is designed to benefit, it is hereby declared: that on each bale of cotton ginned in North Carolina during the period from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be collected through the ginner of the bale and paid into the State treasury, to be held there as a special guarantee or indemnifying fund to safeguard the State warehouse system against any loss not otherwise covered. The State Tax Commission shall provide and enforce the machinery for the collection of this tax, which shall be held in the State treasury to the credit of the State warehouse system. Not less than ten per centum (10%) of the entire amount collected from the per bale tax shall be invested in United States government or farm loan bonds or North Carolina bonds, and the remainder may be invested in amply secured first mortgage notes or bonds to aid and encourage the establishment of warehouses operating under this system, and to aid and encourage the establishment of farm markets designed to serve the marketing, packaging, and grading needs for the sale and distribution of unprocessed farm commodities when adequate markets are not otherwise provided. Such investments shall be made by the Board of

1 Agriculture, with the approval of the Governor and Attorney General: Provided, such
2 first mortgages shall be for not more than one-half the actual value of the warehouse
3 property covered by such mortgages, and run not more than 10 years: Provided further,
4 that the interest received from all investments shall be available for appropriation for
5 capital projects and nonrecurring expenditures as provided in the bill making the
6 appropriation, and for the administrative expense of carrying into effect the provisions
7 of this law, including the employment of such persons and such means as the State
8 Board of Agriculture in its discretion may deem necessary: Provided further, that the
9 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated
10 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be
11 raised under this law and subject to all the provisions hereof. The fund created by this
12 section may be used for loans to owners of cotton gins to make improvements to gins to
13 comply with federal and State air quality regulations, rules, and laws. The loans shall
14 be secured and made under terms and conditions approved by the Board of Agriculture.
15 Income earnings, including earnings from interest, may also be used by the Department
16 of Agriculture for cotton promotion activities."

17 (b) There is appropriated from the North Carolina Warehouse Act Fund to
18 the Department of Agriculture, the sum of one hundred thousand dollars (\$100,000) for
19 the 1994-95 fiscal year to be used for maintenance and operation of the Ballentine
20 Building on Blue Ridge Boulevard in Raleigh to house the pesticide program.

21
22 Requested by: Representatives Black, Bowman

23 **AGRICULTURE IN THE CLASSROOM**

24 Sec. 175. Of the funds appropriated to the Department of Agriculture the
25 sum of one hundred twenty-five thousand dollars (\$125,000) for the 1994-95 fiscal year
26 shall be used as a Grant-in-Aid for The North Carolina Farm Bureau Foundation for
27 Agriculture in the Classroom, Inc., an educational program that works to develop a
28 deeper appreciation for North Carolina's agricultural industry while promoting sound
29 educational principles that lead to optimum classroom effectiveness.

30
31 Requested by: Representative Bowman

32 **AGRICULTURE FINANCE AUTHORITY**

33 Sec. 176. Of the funds appropriated in this act to the Agriculture Finance
34 Authority for the 1994-95 fiscal year, the sum of one hundred seventy-five thousand
35 dollars (\$175,000) shall be used for a loan guarantee fund for low-cost energy
36 conservation loans to farmers. The loans shall be funded from one million dollars
37 (\$1,000,000) of federal energy conservation funds to be transferred from the
38 Department of Commerce to the Department of Agriculture. Interest on these funds and
39 interest from loans of these funds may be used for the energy conservation loan program
40 and its administration.

41 42 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 43 **RESOURCES**

1 Requested by: Representative Gottovi

2 **STUDY COSTS/BENEFITS OF ENVIRONMENTAL REGULATIONS**

3 Sec. 177. The Department of Environment, Health, and Natural Resources
4 shall use available funds to establish a protocol for assessing the economic costs and
5 environmental benefits of new and existing State environmental regulations. The
6 Department shall submit a report on this protocol, including recommendations on
7 implementation of the protocol, to the Chairs of the House Appropriations
8 Subcommittee on Natural and Economic Resources and to the Chair of the Senate
9 Appropriations Committee on Natural and Economic Resources by January 15, 1995.

10

11 Requested by: Representatives Bowman, Culp

12 **MINING EDUCATION/TRAINING FUNDS**

13 Sec. 178. The Department of Environment, Health, and Natural Resources,
14 Division of Land Resources, may use twenty thousand dollars (\$20,000) of available
15 funds for the 1994-95 fiscal year to develop and publish a Mining Compliance Manual
16 for mining applicants, permittees, and inspectors.

17

18 Requested by: Representatives Diamont, Bowman, Gottovi, Yongue, Culp, Jenkins, H.
19 Hunter

20 **WATTS FARM CLEANUP STUDY FUNDS**

21 Sec. 179. The Department of Environment, Health, and Natural Resources
22 shall use available funds to study the cleanup of the mixed low-level radioactive and
23 hazardous waste that is located in Wilkes County at the abandoned waste disposal site
24 known as the Watts Retreat Farm. This study shall address the manner and costs of
25 retrieving, transporting, and disposing of these wastes at this site, where the wastes will
26 be disposed, the potential liability of current and previous landowners of the site, the
27 State, and any other potentially responsible parties, the need for the State to monitor the
28 area before, during, and after the cleanup, the costs of such monitoring efforts, and any
29 other issues the Department considers needed to be included in the study. The
30 Department shall report to the Joint Legislative Commission on Governmental
31 Operations, to the Chairs of the House Appropriations Subcommittee on Natural and
32 Economic Resources, to the Chair of the Senate Committee on Natural and Economic
33 Resources, and to the Fiscal Research Division by January 15, 1995.

34

35 Requested by: Representatives Bowman, H. Hunter

36 **IMMUNIZATION PROGRAM FUNDING**

37 Sec. 180. Section 109 of Chapter 561 of the 1993 Session Laws reads as
38 rewritten:

39

40 "(a) Of the funds appropriated in Chapter 321 of the 1993 Session Laws from the
41 General Fund to the Department of Environment, Health, and Natural Resources for the
42 ~~1993-94-1994-95~~ fiscal year for childhood immunization programs for positions,
43 operating support, equipment, and pharmaceuticals, the sum of up to one million dollars
(\$1,000,000) may be used for projects and activities that are also designed to increase

1 childhood immunization rates in North Carolina. These projects and activities shall
2 include the following:

3 (1) Outreach efforts at the State and local levels to improve service
4 delivery of vaccines. Outreach efforts may include educational
5 seminars, media advertising, support services to parents to enable
6 children to be transported to clinics, longer operating hours for clinics,
7 and mobile vaccine units; and

8 (2) Continued development of an automated immunization registry.

9 (b) Funds authorized to be used for immunization efforts under subsection
10 (a) of this section shall not be used to fund additional State positions in the Department
11 of Environment, Health, and Natural Resources.

12 (c) The Department of Environment, Health, and Natural Resources shall not
13 obligate or expend funds authorized for the purposes stated in subsection (a) of this
14 section until the Department has prepared and submitted for review to the Joint
15 Legislative Commission on Governmental Operations the eight-year plan for
16 implementation of the statewide immunization program required under Section 287 of
17 Chapter 321 of the 1993 Session Laws. In addition to the requirements of Section 287
18 of Chapter 321 of the 1993 Session Laws, the eight-year plan shall address planned
19 expenditures and immunization projects and activities identified under subsection (a) of
20 this section."
21

22 Requested by: Representative Gottovi

23 **INFANT MORTALITY FUNDS FOR MINORITY POPULATIONS**

24 Sec. 181. (a) Of the funds appropriated in this act to the Department of
25 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
26 the sum of seven hundred fifty thousand dollars (\$750,000) for the 1994-95 fiscal year
27 shall be used to fund 15 grant projects in various communities to demonstrate means to
28 lower infant mortality rates and percent of low birthweight babies among minority
29 populations to bring the rates and percentage nearer those of the white population.

30 (b) The Division of Maternal and Child Health shall award the grants to the
31 15 projects based upon recommendations of a grant review team consisting of
32 representatives of the Division of Maternal and Child Health, the Department's Office of
33 Minority Health, and the North Carolina Governor's Commission on Reduction of
34 Infant Mortality.
35

36 Requested by: Representatives Gottovi, Bowman

37 **INFANT MORTALITY REPORT EXTENSION**

38 Sec. 182. Subsection (a) of Section 284 of Chapter 321 of the 1993 Session
39 Laws reads as rewritten:

40 "Sec. 284. (a) Of the funds appropriated in this act from the General Fund to the
41 Department of Environment, Health, and Natural Resources for the Governor's
42 Commission on the Reduction of Infant Mortality, the sum of fifty thousand dollars
43 (\$50,000) for the 1993-94 fiscal year shall be used to contract with outside evaluators to
44 determine the extent to which the public and private health, social services and mental

1 health, developmental disabilities, and substance abuse services systems in each county
2 meet the health needs of pregnant women and infants up to age one, and of children
3 ages one to five. The study shall include, but not be limited to: an examination of the
4 percentage of pregnant women in each county that receive early and continuous prenatal
5 care; the extent to which eligible pregnant women, infants, and children are receiving
6 nutritional supplements, case management and other necessary health, social, mental
7 health, and other support services; and the extent to which children are receiving age-
8 appropriate immunizations. The study shall determine what barriers, if any, exist in
9 each county which prevent pregnant women, infants, and children under the age of five
10 from receiving timely and necessary health services. The Governor's Commission on
11 the Reduction of Infant Mortality shall continue its study and shall report its findings to
12 the General Assembly on or before ~~May 15, 1994.~~ July 15, 1994."

13
14 Requested by: Representatives Diamont, Bowman, H. Hunter

15 **EXTEND CHILD FATALITY TASK FORCE**

16 Sec. 183. (a) G.S. 143-577(b) reads as rewritten:

17 "(b) The Task Force shall provide updated reports to the Governor and General
18 Assembly within the first week of the convening of the 1993 General ~~Assembly and~~
19 Assembly, within the first week of the convening of the 1994 Regular Session of the
20 ~~1993 General Assembly.~~ Assembly, within the first week of the convening of the 1995
21 General Assembly, and within the first week of the convening of the 1996 Regular
22 Session of the 1995 General Assembly. The Task Force shall provide a final report to
23 the Governor and General Assembly within the first week of the convening of the ~~1995~~
24 1997 General Assembly. The final report shall include final conclusions and
25 recommendations for each of the Task Force's duties, as well as any other
26 recommendations for changes to any law, rule, and policy that it has determined will
27 promote the safety and well-being of children. Any recommendations of changes to law,
28 rule, or policy shall be accompanied by specific legislative or policy proposals and
29 detailed fiscal notes setting forth the costs to the State."

30 (b) Section 285(e) of Chapter 321 of the 1993 Session Laws reads as
31 rewritten:

32 "(e) Subsections (b), (c), and (d) of this section become effective ~~February 1,~~
33 ~~1995.~~ February 1, 1997. The ~~rest-remainder~~ of this section is effective upon ratification
34 of this act."

35 (c) Of the funds appropriated in this act to the Department of Environment,
36 Health, and Natural Resources the sum of eighty-five thousand dollars (\$85,000) for the
37 1994-95 fiscal year shall be used to continue the operations of the North Carolina Child
38 Fatality Task Force.

39
40 Requested by: Representatives Diamont, Michaux

41 **WOMEN'S HEALTH SERVICE FUND**

42 Sec. 184. (a) Fund established. The Women's Health Service Fund is created
43 within the Department of Environment, Health, and Natural Resources. The
44 Department may make reimbursements from the Fund to approved medical providers

1 for services rendered to eligible women who voluntarily request the insertion,
2 implantation, or injection of a long-term, reversible contraceptive device or drug.

3 (b) Definitions. As used in this section, unless the context clearly requires
4 otherwise:

5 (1) " Device or drug" means a long-term, reversible contraceptive device
6 or drug the implantation, insertion, or injection of which is a service
7 covered under this section.

8 (2) " Long-term, reversible contraceptive device or drug" means a device
9 or drug approved for contraceptive purposes by the United States Food
10 and Drug Administration, that, when implanted under the skin,
11 inserted into the uterus, or injected into the bloodstream of a woman of
12 child-bearing age will inhibit or prevent conception for a definite
13 period of time, the contraceptive effects of which are reversible upon
14 removal or discontinuance of the device or drug.

15 (3) " Medical provider" means a licensed physician, physician's assistant,
16 nurse practitioner, or other health care provider approved by the
17 Department to provide services under this section.

18 (4) " Woman" or "women" means one or more females of child-bearing
19 age.

20 (c) Rules. The Department shall adopt rules for the administration of and
21 allocations from the Fund. The rules shall include the following:

22 (1) Eligibility requirements enabling women, whether married or
23 unmarried, to obtain upon request the implantation, insertion, or
24 injection of a long-term, reversible contraceptive device or drug.
25 Except in cases of medical necessity, women may receive
26 contraceptive devices under this section on a one-time basis only.

27 (2) Services under this section shall be conditioned upon agreement by the
28 recipient to attend, prior to insertion, implantation, or injection of the
29 device or drug, education programs approved by the Department. The
30 education programs shall include:

31 a. Comprehensive preinsertion or preprescription counseling on
32 implantation, insertion, injection, and removal procedures,

33 b. Potential side effects and costs of the device or drug,

34 c. Other options for preventing conception, including newly
35 approved long-term, reversible contraceptive devices or drugs
36 that become available, and family planning education and
37 counseling, including parenting skills,

38 d. Information on sexually transmitted diseases and the fact that
39 long-term, reversible contraceptive devices and drugs do not
40 protect against such diseases, and

41 e. Counseling for applicants who do not have a high school
42 diploma regarding the benefits of completing her high school
43 education either by remaining in school or obtaining her GED.

1 (3) A long-term, reversible contraceptive device or drug shall be
2 prescribed only upon request voluntarily initiated by the recipient and
3 only when there are clear benefits to the recipient as determined by the
4 recipient in consultation with an approved medical provider.

5 (4) Procedures for the safe removal or discontinuance of the device or
6 drug, where applicable.

7 (5) Written notice to applicants for services that the Department has no
8 obligation to reimburse providers for the reimplantation or reinsertion
9 of a device that has been prematurely removed from the individual
10 except in cases where the premature removal was prescribed for
11 medical reasons.

12 (d) Coercion prohibited. The Department shall adopt procedures and rules to
13 ensure that application information, education, and counseling provided to women about
14 the services available under this section are not coercive in any manner, do not offer
15 financial or other incentives to request or refuse the services, and do not impose
16 penalties for the refusal of services.

17 (e) Of the funds appropriated to the Department of Environment, Health, and
18 Natural Resources in this act, the sum of seven hundred fifty thousand dollars
19 (\$750,000) for the 1994-95 fiscal year shall be allocated to the Women's Health Service
20 Fund created in subsection (a) of this section.

21 (f) Nothing in this section creates an entitlement to services authorized under
22 this section.

23
24 Requested by: Representatives Diamont, H. Hunter

25 **ADOLESCENT PREGNANCY PREVENTION/MEDIA CAMPAIGN AND**
26 **ABSTINENCE UNTIL MARRIAGE EDUCATION FUNDS**

27 Sec. 184.1. (a) Of the funds appropriated in Section 3 of Chapter 321 of the
28 1993 Session Laws to the Department of Environment, Health, and Natural Resources
29 for the adolescent pregnancy prevention program, the sum of up to one hundred thirty
30 thousand dollars (\$130,000) for the 1994-95 fiscal year may be used as follows:

31 (1) Seventy-seven percent (77%) of these funds, not to exceed the sum of
32 one hundred thousand dollars (\$100,000), to initiate a statewide media
33 campaign, in conjunction with the North Carolina Coalition on
34 Adolescent Pregnancy, for the purpose of promoting abstinence,
35 reducing pregnancy, and promoting healthy behavior in North
36 Carolina's children ages 9-14. These funds shall be used to purchase
37 the rights to the Maryland Media Campaign, which is an abstinence-
38 based campaign, to purchase print media, radio ads, television ads, and
39 for distribution of campaign material.

40 (2) Twenty-three percent of these funds, not to exceed the sum of thirty
41 thousand dollars (\$30,000), to fund a sex education curriculum that
42 promotes abstinence until marriage in twelve school systems. The first
43 twelve school systems that apply for these funds may receive up to two

1 thousand five hundred dollars (\$2,500) each. Nothing shall prohibit a
2 school system from receiving private funds to provide this curriculum.

3 (b) All applications for grants for funds prescribed in subdivision (2) of
4 subsection (a) of this section shall contain a detailed description of the curriculum to be
5 offered and a full set of materials to be used. Prior to making any grants, the
6 Department shall review all curriculum descriptions and materials and shall use the
7 results of this review in determining whether to award grants. If any of the initial 12
8 school systems that apply for grants are rejected by the review process, other school
9 systems may apply.

10 (c) The Department shall report on the status and funding of the statewide
11 media campaign and abstinence until marriage education to the House Appropriations
12 Subcommittee on Natural and Economic Resources and the Senate Appropriations
13 Committee on Natural and Economic Resources by January 15, 1995.

14

15 Requested by: Representatives Bowman, Culp

16 **SOIL SURVEY POSITIONS FUNDS**

17 Sec. 185. Of the funds appropriated to the Department of Environment,
18 Health, and Natural Resources in this act, the sum of one hundred three thousand dollars
19 (\$103,000) shall be used for the 1994-95 fiscal year to establish, support, and provide
20 travel expenses for three soil scientist positions in the Soil Survey Section. These three
21 positions shall continue three soil scientist positions that are due to expire June 30,
22 1994, and that presently work with counties to conduct soil surveys throughout the State
23 and map soil locations and identities.

24

25 Requested by: Representatives Bowman, Nesbitt, Creech, Culp

26 **NATIONAL ENVIROTHON FUNDS**

27 Sec. 186. Of the funds appropriated to the Department of Environment,
28 Health, and Natural Resources in this act, the sum of twenty-five thousand dollars
29 (\$25,000) for the 1994-95 fiscal year shall be used to assist the North Carolina
30 Association of Soil and Water Conservation Districts with the costs of North Carolina
31 serving as host of the National Envirothon to be held in Asheville in 1994.

32

33 Requested by: Representatives Bowman, Gottovi

34 **AGRICULTURE COST SHARE PROGRAM FUNDS**

35 Sec. 187. Of the funds appropriated to the Department of Environment,
36 Health, and Natural Resources, Division of Soil and Water Conservation, in this act for
37 the Agriculture Cost Share Program for Nonpoint Source Pollution Control for the
38 1994-95 fiscal year, the sum of forty thousand dollars (\$40,000) shall be used to install
39 best management practices to protect water quality, including tide gates, water control
40 structures, and waste management measures in rural environs, in the subbasin of the
41 Cape Fear River and Atlantic drainage east of Cypress Creek and north of Walden
42 Creek, under the Rural Clean Water Demonstration Program and in accordance with the
43 match and program requirements specified in G.S. 143-215.74(b)(6).

44

1 Requested by: Representatives Nesbitt, Diamont

2 **STATE PARKS FUNDS**

3 Sec. 188. Of the funds appropriated to the Department of Environment,
4 Health, and Natural Resources in this act, the sum of five million dollars (\$5,000,000)
5 for the 1994-95 fiscal year shall be used for the State Parks System for repairs,
6 renovations, construction, and land acquisition. Land acquisition funded under this
7 section shall be limited to the purchase of inholdings, primary features, and corridor
8 linkages and shall not exceed thirty percent (30%) of the funds allocated by this section.

9

10 Requested by: Representatives Bowman, Gottovi, James, Culp

11 **STATE PARKS RETIREMENT**

12 Sec. 188.1. The Department of Environment, Health, and Natural Resources
13 may use up to two hundred seventy thousand two hundred twenty-four dollars
14 (\$270,224) of available funds for retroactive retirement benefits for eligible employees
15 in the Division of Parks and Recreation, as authorized under the Supplemental
16 Retirement Income Plan for State Law Enforcement Officers.

17

18 Requested by: Representative James

19 **WILDLIFE RESOURCES COMMISSION/FUNDS FOR SALARY INCREASES**

20 Sec. 189. (a) G.S. 105-164.44B, as amended by Section 290(a) of Chapter
21 321 of the 1993 Session Laws, 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 ~~three million seven hundred thirty one thousand~~
28 ~~one hundred sixteen dollars (\$3,731,116)~~ four million four hundred eighty-nine
29 thousand four hundred eighty-seven dollars (\$4,489,487) plus or minus the percentage
30 of that amount by which the total collection of State sales and use taxes increased or
31 decreased during the preceding fiscal year plus the cost of any legislative salary increase
32 for employees of the Wildlife Resources Commission."

33 (b) Subsection (a) of this section expires June 30, 1995.

34 (c) Subsection (c) of Section 290 of Chapter 321 of the 1993 Session Laws is
35 repealed.

36 (d) Subsection (d) of Section 290 of Chapter 321 of the 1993 Session Laws
37 reads as rewritten:

38 "(d) Subsection (b) of this section becomes effective July 1, ~~1994.~~ 1995."

39

40 Requested by: Representative Bowman

41 **WILDLIFE RESOURCES COMMISSION LONG-RANGE BUDGET PLAN**

42 Sec. 190. Section 172 of Chapter 900 of the 1991 Session Laws reads as
43 rewritten:

1 "Sec. 172. (a) The Wildlife Resources Commission shall prepare a long-range
2 budget plan for review and consideration by the General Assembly. The budget plan
3 shall include:

- 4 (1) An analysis of revenues and expenditures from the ~~1986-87-1987-88~~
5 fiscal year through the ~~1991-92-1993-94~~ fiscal year identifying: (i) the
6 major revenue sources and expenditure items within each program or
7 division; (ii) the major increases or decreases in revenues and
8 expenditures over the period and the rationale for these changes; and
9 (iii) those wildlife programs or divisions that have experienced
10 significant growth in expenditures since the ~~1986-87-1987-88~~ fiscal
11 year;
- 12 (2) An inventory and analysis of all revenue sources, including the North
13 Carolina Wildlife Endowment Fund, that identifies: (i) funds that may
14 be used only for specific purposes; and (ii) funds that may be used for
15 general program purposes;
- 16 (3) Revenue and expenditure projections for the ~~1992-93-1994-95~~ through
17 ~~1996-97-1998-99~~ fiscal years, by program and major budget objects;
18 and
- 19 (4) Long-term options for funding the operations of the Wildlife
20 Resources Commission, including: (i) revenue increases, including
21 increased license fees, subscription fees, and registration fees; use of
22 interest from the North Carolina Wildlife Endowment Fund; and
23 increases in the General Fund from sales tax and any other General
24 Fund monies; and (ii) operating and capital expenditure reductions.
25 The Commission shall present a detailed implementation plan and
26 specific recommendations for each option that would ensure future
27 spending deficits would not occur.

28 (b) The Wildlife Resources Commission shall prepare a report incorporating its
29 long-range budget plan, including all components of this plan as set forth in subsection
30 (a) of this section, and shall transmit this report to the General Assembly and the Fiscal
31 Research Division by January 12, ~~1993-1995~~.

32 (c) The Office of State Auditor shall conduct a financial audit and a performance
33 audit of the Wildlife Resources Commission and shall report its findings and
34 recommendations to the 1995 General Assembly upon its convening."
35

36 Requested by: Representative Diamont

37 REALLOCATION OF FUNDS

38 Sec. 191. Notwithstanding the provisions of Section 112 of Chapter 1034 of
39 the 1984 Session Laws and Section 238.2 of Chapter 689 of the 1991 Session Laws, the
40 funds allocated for the Town Fork Flood Control and Water Supply (Stokes County)
41 shall be reallocated as a grant to the Pilot Mountain Foundation, Inc., for capital
42 improvements. The funds appropriated in Chapter 480 of the 1985 Session Laws and
43 Chapter 754 of the 1989 Session Laws for construction of the Town Forks Reservoir

1 Project in Stokes County are extended for the purpose authorized and shall not revert
2 until June 30, 1997.

3
4 **PART 26. DEPARTMENT OF COMMERCE**

5
6 Requested by: Representatives Bowman, H. Hunter, Jenkins, Yongue, Dockham

7 **RURAL ECONOMIC DEVELOPMENT CENTER/COMMUNITY**
8 **DEVELOPMENT GRANTS**

9 Sec. 192. (a) Definition – For purposes of this section, the term "community
10 development corporation" means a nonprofit corporation:

- 11 (1) Chartered pursuant to Chapter 55A of the General Statutes;
- 12 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue
13 Code of 1986;
- 14 (3) Whose primary mission is to develop and improve low-income
15 communities and neighborhoods through economic and related
16 development;
- 17 (4) Whose activities and decisions are initiated, managed, and controlled
18 by the constituents of those local communities; and
- 19 (5) Whose primary function is to act as deal-maker and packager of
20 projects and activities that will increase their constituencies'
21 opportunities to become owners, managers, and producers of small
22 businesses, affordable housing and jobs designed to produce positive
23 cash flow and curb blight in the target community.

24 (a1) Community Development Grants – Of the funds appropriated in this act
25 from the General Fund to the Rural Economic Development Center, Inc., the sum of one
26 million three hundred thousand dollars (\$1,300,000) for the 1994-95 fiscal year shall be
27 used to support community development projects and activities within the State's
28 minority communities. Any community development corporation as defined in this
29 section is eligible to apply for funds. The Rural Economic Development Center shall
30 establish performance-based criteria for determining which community development
31 corporations will receive a grant and the grant amount. Funding will also be allocated
32 to the North Carolina Association of Community Development Corporations.

33 The Rural Economic Development Center, Inc., shall allocate these funds as
34 follows:

- 35 (1) \$950,000 for direct grants to the local community development
36 corporations that have previously received State funds for this purpose
37 to support operations and project activities;
- 38 (2) \$100,000 for direct grants to local community development
39 organizations that have not previously received State funds.
- 40 (3) \$200,000 to the North Carolina Association of Community
41 Development Corporations, Inc., to provide training, technical
42 assistance, resource development, project assistance, and support for
43 local community development corporations statewide.

1 (4) \$50,000 to the Rural Economic Development Center for the 1994-95
2 fiscal year to be used to cover expenses in administering this act.

3 The Rural Economic Development Center, Inc., shall report quarterly to the
4 Joint Legislative Commission on Governmental Operations on the use of these funds.

5 (a2) The North Carolina Community Development Initiative, Inc. – Of the
6 funds appropriated in this act from the General Fund to the Rural Economic
7 Development Center, Inc., the sum of two million one hundred seventy-five thousand
8 dollars (\$2,175,000) for the 1994-95 fiscal year shall be used to support the loan fund
9 and operations of the North Carolina Community Development Initiative, Inc. The
10 Initiative shall provide operating and project activity grants to mature community
11 development corporations that have demonstrated project and organizational capacity.

12 The North Carolina Community Development Initiative, Inc., shall report
13 quarterly to the Joint Legislative Commission on Governmental Operations on the use
14 of these funds.

15 (a3) Microenterprise Loan Program – Of the funds appropriated in this act
16 from the General Fund to the Rural Economic Development Center, Inc., the sum of six
17 hundred fifty thousand dollars (\$650,000) for the 1994-95 fiscal year shall be used to
18 support the loan fund and operations of the Microenterprise Loan Program. The Rural
19 Economic Development Center shall report quarterly to the Joint Legislative
20 Commission on Governmental Operations on the use of these funds.

21 (a4) The North Carolina Minority Support Center – Of the funds appropriated
22 in this act from the General Fund to the Rural Economic Development Center, Inc., the
23 sum of three hundred thousand dollars (\$300,000) for the 1994-95 fiscal year shall be
24 allocated to the North Carolina Minority Support Center to provide technical assistance
25 to community-based credit unions. The Rural Economic Development Center, Inc.,
26 shall report quarterly to the Joint Legislative Commission on Governmental Operations
27 on the use of these funds.

28 (a5) The Office of State Budget and Management, the Department of
29 Commerce, and the Rural Economic Development Center, Inc., shall ensure that funds
30 allocated to the following organizations are disbursed within 15 working days of the
31 receipt of a request for the funds from the organization:

- 32 (1) The North Carolina Community Development Initiative, Inc.
- 33 (2) The North Carolina Minority Support Center.
- 34 (3) The Microenterprise Loan Program.

35 (a6) Capacity Building Grants Program – Of the funds appropriated in this act
36 from the General Fund to the Rural Economic Development Center, Inc., the sum of one
37 million dollars (\$1,000,000) for the 1994-95 fiscal year shall be used to provide grants
38 to depressed counties and municipalities to enable them to acquire short-term capacity
39 for immediate needs for economic development planning and writing of grant
40 applications. The Center shall establish standards for determining each local
41 government's needs and shall make grants on the basis of need.

42 Definitions – For the purposes of this subsection, the following definitions
43 apply:

- 44 (1) Economically depressed area – any of the following:

- 1 a. A county that the Secretary of Commerce has designated one of
2 the most economically depressed counties in the State pursuant
3 to G.S. 143B-437A.
4 b. That part of a rural county whose poverty rate is at least one
5 hundred fifty percent (150%) of the State poverty rate. For the
6 purpose of this subsection, the poverty rate is the percentage of
7 the population with income below the latest annual federal
8 poverty guidelines issued by the United States Department of
9 Health and Human Services.
10 c. That part of a rural county whose rate of unemployment is at
11 least double the State rate of unemployment.
12 d. That part of a rural county that experiences an actual or
13 imminent loss of jobs in a number that is equal to or exceeds
14 five percent (5%) of the total number of jobs in the part.

- 15 (2) Rural county – A county that the United States Office of Management
16 and Budget has not designated as a metropolitan county.

17 The Rural Economic Development Center, Inc., shall report quarterly to the Joint
18 Legislative Commission on Governmental Operations and the Department of
19 Commerce on the use of the funds allocated in this subsection and on the outcomes
20 achieved by the program.

21 (a7) The North Carolina Capital Access Program – Of the funds appropriated
22 in this act from the General Fund to the Rural Economic Development Center, Inc., the
23 sum of one million dollars (\$1,000,000) for the 1994-95 fiscal year shall be used to
24 establish the North Carolina Capital Access Program. The program shall leverage this
25 public investment along with private sector resources to stimulate additional financing
26 opportunities for a broad portfolio of small business concerns in North Carolina. The
27 Program shall encourage commercial banks and other depository institutions to provide
28 access to debt capital, thereby promoting a more effective and efficient debt market to
29 provide economic opportunity, create jobs, enhance productivity, and spur innovation.

- 30 (1) Definitions – The following definitions apply in this subsection:

- 31 a. Financial institution – Any federally chartered or state
32 chartered commercial bank, savings and loan, savings bank, or
33 credit union.
34 b. Participating financial institution – Any financial institution
35 that has entered into a participation agreement with the Center
36 in accordance with the provisions set forth in this section.
37 c. Enrolled loan – Loan made by a participating financial
38 institution in accordance with this section.

- 39 (2) The Center may enter into participating agreements with any financial
40 institution determined to have sufficient lending experience and
41 financial and managerial capacity to participate in the Program.

- 42 (3) Participating financial institutions – Upon entering into the
43 participation agreement with the Center, the financial institution shall

- 1 become a participating financial institution eligible to enroll loans
2 under the Program.
- 3 (4) The Rural Economic Development Center shall administer the
4 Program as established in this section and monitor the Program to
5 ensure compliance with applicable State and federal laws, rules, and
6 relevant court decisions.
- 7 (5) The Program will have as a goal to leverage public funds with private
8 sector resources on the basis of 20 private dollars to every one public
9 dollar.
- 10 (6) Of the funds appropriated for the Capital Access Program, the sum of
11 fifty thousand dollars (\$50,000) for the 1994-95 fiscal year shall be
12 used to cover expenses in administering this Program.

13 The Rural Economic Development Center shall report quarterly to the Joint
14 Legislative Commission on Governmental Operations on the implementation and
15 operation of the Program.

16 (b) Section 104.1(a) of Chapter 561 of the 1993 Session Laws reads as
17 rewritten:

18 "(a) Supplemental Funding Pilot Project. – Of the funds appropriated in this act
19 from the General Fund to the Rural Economic Development Center, Inc., the sum of
20 one million six hundred fifty thousand dollars (\$1,650,000) for the ~~1993-94-1994-95~~
21 fiscal year shall be used for a pilot program to provide supplemental funding for
22 matching requirements for economic development in economically depressed areas.
23 The Center shall use the funds to make grants to local governments and nonprofit
24 corporations to provide funds necessary to match federal grants or other grants for
25 necessary economic development projects and activities in economically depressed
26 areas. The grant recipients shall be selected on the basis of need."

27 (c) Subsections (a1) and (a2) of Section 104.1 of Chapter 561 of the 1993
28 Session Laws apply to this section.

29
30 Requested by: Representatives Bowman, H. Hunter

31 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

32 Sec. 193. Section 99 of Chapter 561 of the 1993 Session Laws reads as
33 rewritten:

34 "Sec. 99. Of the funds appropriated in this act from the General Fund to the North
35 Carolina Biotechnology Center for the ~~1993-94-1994-95~~ fiscal year, the sum of ~~one~~
36 ~~million dollars (\$1,000,000)~~ two million dollars (\$2,000,000) shall be used to develop a
37 special biotechnology program initiative for North Carolina's Public Historically Black
38 Universities and Pembroke State University. This program initiative is a means to get
39 more funds to these institutions of higher education in the short run to help them
40 develop their biotechnology programs and a means to develop a mechanism to improve
41 these institutions' capacity over the long term. The Center's special initiative shall, at a
42 minimum, provide for:

- 1 (1) A range of program activities, including grants, designed to enhance
 2 the existing strengths and capabilities of Pembroke University, and the
 3 public Historically Black Universities;
 4 (2) A Facilities and Infrastructure Review Committee to advise the Center
 5 on major program elements and priority projects that would be most
 6 helpful to these institutions; and
 7 (3) A Program Advisory Panel with representation from these institutions
 8 to advise and make recommendations to the Center's President and
 9 Board of Directors on funding proposals under this initiative.

10 The Center shall report to the General Assembly by ~~March 15, 1994,~~ December 15,
 11 1994, on the development and implementation of this special initiative.

12 In awarding grant funds pursuant to this section, the Center shall ensure that the
 13 grant funds are distributed equally among the eligible universities."
 14

15 Requested by: Representatives Bowman, H. Hunter

16 **ECONOMIC DEVELOPMENT FUNDS**

17 Sec. 194. Section 310 of Chapter 321 of the 1993 Session Laws reads as
 18 rewritten:

19 "(a) Of the funds appropriated in this act to the Department of Commerce, three
 20 hundred thousand dollars (\$300,000) for the ~~1993-94-1994-95~~ fiscal year shall be
 21 allocated for the Land Loss Prevention Project, Inc., to provide free legal representation
 22 to ~~low-income~~ financially distressed ~~small-family~~ farmers. The Land Loss Prevention
 23 Project, Inc., shall not use these funds to represent farmers who have income and assets
 24 that would make them financially ineligible for legal services pursuant to Title 45, Part
 25 1611 of the Code of Federal Regulations. The Land Loss Prevention Project, Inc., shall
 26 report quarterly to the Joint Legislative Commission on Governmental Operations on
 27 the use of these funds.

28 (b) Of the funds appropriated in this act to the Department of Commerce, two
 29 hundred fifty thousand dollars (\$250,000) for the ~~1993-94-1994-95~~ fiscal year shall be
 30 allocated for the North Carolina Coalition of Farm and Rural Families, Inc., for its
 31 Small Farm Economic Development Project. These funds shall be used to foster
 32 economic development within the State's rural farm communities by offering financial,
 33 marketing, and technical assistance to small and limited resource farmers. The North
 34 Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint
 35 Legislative Commission on Governmental Operations on the use of these funds.

36 (c) Of the funds appropriated in this act to the Department of Commerce, ~~two~~
 37 seven hundred thousand dollars (~~\$200,000~~) (\$700,000) for the ~~1993-94-1994-95~~ fiscal
 38 year shall be allocated to the North Carolina Institute for Minority Economic
 39 Development, Inc., to foster minority economic development within the State through
 40 policy analysis, information and technical assistance, and resource expansion. The
 41 North Carolina Institute for Minority Economic Development, Inc., shall research and
 42 identify key issues affecting the economic well-being of the State's ethnic minority
 43 community and issue annual reports with appropriate recommendations; provide
 44 information and technical ~~assistance to~~ assistance, training, and capacity-building for

1 organizations with minority economic development-based projects in common areas of
2 need and interests; develop a resource bank of data and information; facilitate training
3 in appropriate areas of need; and provide technical assistance to minority construction
4 contractors. The North Carolina Institute for Minority Economic Development, Inc.,
5 shall report quarterly to the Joint Legislative Commission on Governmental Operations
6 on the use of these funds."

7
8 Requested by: Representative Bowman

9 **WTTF FUNDS TO EMPLOYMENT SECURITY COMMISSION**

10 Sec. 195. There is appropriated from the Worker Training Trust Fund to the
11 Department of Commerce, Employment Security Commission, the sum of five hundred
12 twenty-five thousand dollars (\$525,000) for the 1994-95 fiscal year to be allocated as
13 follows:

- 14 (1) \$225,000 to continue the operation of the common follow-up tracking
15 system; and
16 (2) \$300,000 to fund salary increases enacted in this act for State
17 employees.
18

19 Requested by: Representatives Nesbitt, Redwine, Bowman

20 **EXPAND REGIONAL ECONOMIC DEVELOPMENT EFFORTS**

21 Sec. 196. (a) **Regional Economic Development Commission Expansion**
22 **Program:** The Department of Commerce shall develop a program for promoting the
23 expansion of economic development efforts such that all counties in the State participate
24 in and benefit from organized regional economic development activities. In developing
25 the program, the Department shall identify those counties currently not participating in
26 existing regional economic development commissions and shall encourage the counties
27 to either (i) join commissions established under G.S. 158-8, (ii) create new regional
28 commissions made up of nonparticipating counties in accordance with this section, or
29 (iii) request authorization by the General Assembly to participate in regional economic
30 development commissions established under G.S. 158-8.1, 158-8.2, or 158-8.3.
31 Regional economic development commissions created under this section shall be
32 subject to the provisions of Article 2 of Chapter 158 of the General Statutes and shall
33 have the powers and duties authorized thereunder, in addition to powers and duties
34 authorized under this section.

35 (b) **Scope:** This section applies to regional economic development
36 commissions created under this section, and to the Piedmont Triad Partnership, the
37 Carolinas Partnership, Inc., the Raleigh-Durham Regional Association, and the Global
38 TransPark Development Zone established pursuant to Article 4 of Chapter 158 of the
39 General Statutes. Except as provided in subdivision (g)(1) of this section, this section
40 shall not apply to regional economic development commissions established pursuant to
41 G.S. 158-8.1, 158-8.2, and 158-8.3.

42 (c) **Requirements for regional commissions:** Each regional economic
43 development commission created pursuant to this section shall include a sufficient

1 number of counties, and municipalities of those counties, to ensure that each new
2 commission:

- 3 (1) Is of adequate size in population and geographic scope to effectively
4 undertake economic development activities, to market as a distinct and
5 viable region for attraction of new investment, and to generate
6 adequate local resources to effectively cooperate with the Department
7 of Commerce;
- 8 (2) Is economically integrated as determined by commuting patterns,
9 economic base, economic interrelationships, major employers, or other
10 indicators of economic integration; and
- 11 (3) Has an identifiable focal point of economic activity, known as an
12 economic engine or driver, within the regional boundaries on which to
13 build an effective economic development and marketing strategy, such
14 as a metropolitan area, a cluster of manufacturing or nonmanufacturing
15 industries, a natural resource base, or other clearly identifiable
16 economic resources.

17 (d) **Criteria for regional boundaries:** In facilitating the creation of regional
18 economic development commissions under this section, the Department and the
19 counties involved shall consider economic interrelationships, existing development
20 organizations and relationships, natural boundaries, anticipated major projects, and
21 other factors that promote effectiveness and efficiency and foster local cooperation.

22 (e) **State funding:** Regional economic development commissions created
23 under this section shall receive State funds as follows. The Department shall allocate to
24 each newly created regional economic development commission the sum of the
25 allocations to each county that is a member of the commission. Each county's allocation
26 shall be determined by dividing the county's distress factor by the sum of the distress
27 factors for eligible counties and multiplying the resulting percentage by the amount of
28 the appropriation. As used in this section, the term "distress factor" means a county's
29 distress factor as calculated under G.S. 105-130.40(c). For counties that elect to join
30 regional economic development commissions established under G.S. 158-8, the
31 Department shall allocate to each regional economic development commission the
32 funding share of each county that joins that commission pursuant to subsection (a)(i) of
33 this section.

34 (f) **Use of funds:** Funds allocated to a regional economic development
35 commission created under this section shall be used for administrative and operating
36 expenses of the commission, marketing, advertising, promotion, and economic
37 development activities to secure jobs and new investment in the region served by the
38 commission. In addition to the powers and duties authorized under Article 2 of Chapter
39 158, the newly created commissions may use funds for the following activities:

- 40 (1) Marketing the region to promote new investment from out-of-state
41 companies;
- 42 (2) Promoting travel and tourism or natural resource-based attractions;
- 43 (3) Trade missions;
- 44 (4) Marketing and promoting existing industries;

- 1 (5) Encouraging attraction or retention of entrepreneurial development;
- 2 (6) Promoting and marketing local crafts, industries, or other specialized
- 3 economic development opportunities; and
- 4 (7) Research-related economic development activities such as industry
- 5 sector studies for targeted marketing, buyer-supplier analyses for
- 6 targeted marketing or to support existing industry, development of
- 7 necessary supporting information and data, or linking the region with
- 8 the Department of Commerce's Economic Development Information
- 9 System.

10 (g) **Duties of the Department of Commerce:** The Department shall have
11 the following duties under this section:

- 12 (1) Actively assist each regional economic development commission,
- 13 including those established under G.S. 158-8.1, 158-8.2, and 158-8.3,
- 14 in organizing and carrying out its economic development activities. To
- 15 this end, the Department shall:
 - 16 a. Ensure that each commission is linked to the Economic
 - 17 Development Information System; and
 - 18 b. Develop procedures that ensure that each region has maximum
 - 19 opportunity to attract new jobs and investment, that all inquiries
 - 20 from companies concerning location in North Carolina are
 - 21 fairly and equitably handled within the confines of the inquiring
 - 22 company's requirements and needs, and that all inquiries and
 - 23 prospective investments are handled efficiently and effectively.
- 24 (2) Institute a process to organize programs and services in a manner that
- 25 will assist each region in taking maximum advantage of potential
- 26 development opportunities. This process shall include all of the
- 27 following:
 - 28 a. Integrating each regional economic development commission
 - 29 into the Economic Development Information System and the
 - 30 Geographic Information System;
 - 31 b. Developing joint marketing strategies and materials for targeted
 - 32 industries, services, or promotional markets based on each
 - 33 region's strengths and priorities;
 - 34 c. Assigning an economic development specialist to work with
 - 35 each regional economic development commission;
 - 36 d. Providing technical assistance and training, if needed, to help
 - 37 build regional capacity;
 - 38 e. Developing cooperative marketing and advertising campaigns
 - 39 to ensure consistency of image and quality, and to secure
 - 40 discounts on media presentations; and
 - 41 f. Customizing the services and programs within the Department,
 - 42 where practicable, to better link departmental resources with the
 - 43 diverse needs and opportunities within the boundaries of each
 - 44 regional commission;

1 (3) Study and determine whether certain counties currently participating in
2 existing commissions should be transferred to other regional
3 commissions, and make recommendations to the 1995 General
4 Assembly, by January 15, 1995, regarding the advisability of such
5 transfers and regarding the effectiveness of the current structure of
6 regional commissions; and

7 (4) Recommend to the 1995 General Assembly, by January 15,
8 1995, a strategy for reducing duplication and fragmentation in
9 State-funded regional economic development organizations.

10 (h) As used in this subsection, the term "Authority" means the North Carolina
11 Air Cargo Airport Authority doing business as the North Carolina Global TransPark
12 Authority. For purposes of this section, the Global TransPark Development Zone is a
13 regional economic development commission, except that no funds authorized under
14 subsection (i) of this section shall be allocated by the Department to the Global
15 TransPark Development Commission for the Global TransPark Development Zone
16 because funds have been appropriated by the General Assembly for the same fiscal year
17 to the Authority for administration of the Authority and to the Department for
18 promotion of the Global TransPark.

19 (i) Of the funds appropriated in this act to the Department of Commerce, the
20 sum of two million one hundred thousand dollars (\$2,100,000) shall be used for
21 allocation to regional economic development commissions in accordance with this
22 section. These funds shall not revert but shall remain available until used for the
23 purposes set forth in this section.

24
25 Requested by: Representatives Nesbitt, H. Hunter

26 REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

27 Sec. 197. (a) G.S. 158-8.1(a) reads as rewritten:

28 "(a) There is created the Western North Carolina Regional Economic
29 Development Commission to serve Buncombe, Cherokee, Clay, Cleveland, Graham,
30 Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain,
31 Transylvania, and Yancey Counties. The Commission shall be located administratively
32 in the Department of Commerce but shall exercise its statutory powers and duties
33 independently of the Department of Commerce. Funds appropriated for the
34 Commission by the General Assembly shall be disbursed directly to the Commission at
35 the beginning of each fiscal year."

36 (b) G.S. 158-8.1(d) reads as rewritten:

37 "(d) Members of the Commission who are State employees shall receive travel
38 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
39 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~
40 the Commission meets and shall be reimbursed for travel and subsistence as provided in
41 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
42 hundred dollars (\$100.00) a day for non-State employee members' additional days of
43 service including Commission subcommittee meetings or other Commission activities,
44 plus reimbursement for related travel and subsistence as provided in G.S. 138-5."

1 (c) G.S. 158-8.2(a) reads as rewritten:

2 "(a) There is created the Northeastern North Carolina Regional Economic
3 Development Commission to facilitate economic development and tourism development
4 in Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde,
5 Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties. The
6 Commission shall be located administratively in the Department of Commerce but shall
7 exercise its statutory powers and duties independently of the Department of Commerce.
8 Funds appropriated for the Commission by the General Assembly shall be disbursed
9 directly to the Commission at the beginning of each fiscal year."

10 (d) G.S. 158-8.2(h) reads as rewritten:

11 "(h) Members of the Commission who are State employees shall receive travel
12 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
13 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~
14 the Commission meets and shall be reimbursed for travel and subsistence as provided in
15 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
16 hundred dollars (\$100.00) a day for non-State employee members' additional days of
17 service including Commission subcommittee meetings or other Commission activities,
18 plus reimbursement for related travel and subsistence as provided in G.S. 138-5.
19 Members of the advisory boards who are State employees shall receive travel expenses
20 as provided in G.S. 138-6 for participating in meetings and other official activities
21 authorized by the Commission. Other members of the advisory boards shall receive per
22 diem and travel expenses as provided in G.S. 138-5 for participating in meetings and
23 other official activities authorized by the Commission."

24 (e) G.S. 158-8.3(a) reads as rewritten:

25 "(a) There is created the Southeastern North Carolina Regional Economic
26 Development Commission to serve Bladen, Brunswick, Columbus, Cumberland, Hoke,
27 New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland Counties. The
28 Commission shall be located administratively in the Department of Commerce but shall
29 exercise its statutory powers and duties independently of the Department of Commerce.
30 Funds appropriated for the Commission by the General Assembly shall be disbursed
31 directly to the Commission at the beginning of each fiscal year."

32 (f) G.S. 158-8.3(d) reads as rewritten:

33 "(d) Members of the Commission who are State employees shall receive travel
34 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
35 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~
36 the Commission meets and shall be reimbursed for travel and subsistence as provided in
37 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
38 hundred dollars (\$100.00) a day for non-State employee members' additional days of
39 service including Commission subcommittee meetings or other Commission activities,
40 plus reimbursement for related travel and subsistence as provided in G.S. 138-5."

41

42 Requested by: Representative James

43 **NORTHEASTERN REGIONAL COMMISSION**

44 Sec. 198. G.S. 158-8.2(g) reads as rewritten:

1 "~~(g) The Governor shall appoint and set the salary of a Director of Economic~~
 2 ~~Development who shall coordinate the Commission's activities with regard to the~~
 3 ~~economic development program. The Governor shall appoint and set the salary of a~~
 4 ~~Director of Tourism who shall coordinate the Commission's activities with regard to the~~
 5 ~~tourism program.~~

6 Within the limits of funds available, the Commission may hire and fix the
 7 compensation of any ~~other~~ personnel necessary to its operations, contract with
 8 consultants for any services as it may require, and contract with the State of North
 9 Carolina or the federal government, or any agency or department thereof, for any
 10 services as may be provided by those agencies. The Commission may carry out the
 11 provisions of any contracts as it may enter.

12 Within the limits of funds available, the Commission may lease, rent, or purchase, or
 13 otherwise obtain suitable quarters and office space for its staff, and may lease, rent, or
 14 purchase necessary furniture, fixtures, and other equipment."

15
 16 Requested by: Representative H. Hunter

17 **SMALL BUSINESS SURETY BONDS FUNDS CONTINGENCY**

18 Sec. 200. The funds appropriated in this act to the Department of Commerce
 19 for the Small Business Surety Bond Fund established in Part 16 of Article 10 of Chapter
 20 143B of the General Statutes shall be contingent upon the ratification of House Bill
 21 2057 by the 1993 General Assembly, Regular Session 1994.

22
 23 Requested by: Representative Bowman

24 **EXPAND NORTH CAROLINA INDUSTRIAL COMMISSION**

25 Sec. 201. (a) G.S. 97-77 reads as rewritten:

26 **"§ 97-77. North Carolina Industrial Commission created; members appointed by**
 27 **Governor; terms of office; chairman.**

28 (a) There is hereby created a commission to be known as the North Carolina
 29 Industrial Commission, consisting of ~~three~~ seven commissioners who shall devote their
 30 entire time to the duties of the Commission. The Governor shall appoint the members
 31 of the Commission, ~~one~~ two for a term of two years, ~~one~~ two for a term of four years,
 32 and ~~one~~ three for a term of six years. Upon the expiration of each term as above
 33 mentioned, the Governor shall appoint a successor for a term of six years, and thereafter
 34 the term of office of each commissioner shall be six years. Not more than ~~one~~
 35 ~~appointee~~ three appointees shall be ~~a person~~ persons who, on account of ~~his~~ their
 36 previous ~~vocation~~, vocations, employment or affiliations, can be classed as a
 37 ~~representative~~ representatives of employers, and not more than ~~one~~ three
 38 ~~appointees~~ shall be ~~a person~~ persons who, on account of ~~his~~ their previous ~~vocation~~,
 39 vocations, employment or affiliations, can be classed as ~~a representative~~ representatives
 40 of employees.

41 (b) One member, to be designated by the Governor, shall act as chairman. The
 42 chairman shall be the chief judicial officer and the chief executive officer of the
 43 Industrial Commission; such authority shall be exercised pursuant to the provisions of
 44 Chapter 126 of the General Statutes and the rules and policies of the State Personnel

1 Commission. Notwithstanding the provisions of this Chapter, the chairman shall have
2 such authority as is necessary to direct and oversee the Commission. The chairman may
3 delegate any duties and responsibilities as may be necessary to ensure the proper
4 management of the Industrial Commission. Notwithstanding the provisions of this
5 Chapter, Chapter 143A, and Chapter 143B of the General Statutes, the chairman may
6 hire or fire personnel and transfer personnel within the Industrial Commission.

7 The Governor may designate one vice-chairman from the remaining ~~two~~
8 commissioners. The vice-chairman shall assume the powers of the chairman upon
9 request of the chairman or when the chairman is absent for 24 hours or more. The
10 authority delegated to the vice-chairman shall be relinquished immediately upon the
11 return of the chairman or at the request of the chairman."

12 (b) This section becomes effective July 1, 1994, and applies to appointments
13 made on and after that date.

14
15 Requested by: Representatives Jenkins, Bowman, H. Hunter

16 **RURAL TOURISM GRANTS**

17 Sec. 202. Of the funds appropriated in this act to the Department of
18 Commerce, the sum of two hundred thousand dollars (\$200,000) for the 1994-95 fiscal
19 year shall be used for the Rural Tourism Development Grant Program. The Department
20 shall implement this program to provide grants to local governments and nonprofit
21 organizations to encourage the development of new tourism projects and activities in
22 rural areas of the State. Grant funds shall not be allocated for projects or activities
23 eligible to receive funds from the Department's Tourism Promotion Grant Program.
24 The Secretary shall establish guidelines for eligibility to receive grants under the Rural
25 Tourism Development Grant Program. No recipient or new tourism project shall
26 receive a total of more than fifty thousand dollars (\$50,000) of these grant funds for the
27 1994-95 fiscal year.

28
29 Requested by: Representative Alphin

30 **ECONOMIC DEVELOPMENT OF DUPLIN COUNTY**

31 Sec. 203. If G.S. 160A-457.1 or any other provision of Part 8 of Article 19 of
32 Chapter 160A of the General Statutes, read together with G.S. 160A-360(a), limits the
33 territory in which the Town of Faison may use Community Development Block Grant
34 funds, then notwithstanding G.S. 160A-360(a), the Town of Faison may use such funds
35 for financing of extension of natural gas lines from Mt. Olive to the Bowden area.

36
37 Requested by: Representative Bowman

38 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

39 Sec. 204. (a) Of the funds appropriated in this act to the Department of
40 Commerce, the sum of five million dollars (\$5,000,000) for the 1994-95 fiscal year shall
41 be allocated to the Center for Community Self-Help to further a statewide program of
42 lending for home ownership throughout North Carolina. These funds will be leveraged
43 on a ten-to-one basis, generating at least ten dollars (\$10.00) of nontraditional home

1 loans for every one dollar (\$1.00) of State funds. Payments of principal shall be
2 available for further loans or loan guarantees.

3 (b) The Center for Community Self-Help shall submit, within 180 days after
4 the close of its fiscal year, audited financial statements to the State Auditor. All records
5 pertaining to the use of State funds shall be made available to the State Auditor upon
6 request. The Center for Community Self-Help shall make quarterly reports on the use
7 of State funds to the State Auditor, in form and format prescribed by the State Auditor
8 or his designee. The Center for Community Self-Help shall make a written report by
9 May 1 of each year for the next three years to the General Assembly on the use of the
10 funds allocated under this section.

11 (c) The Center for Community Self-Help shall report to the Joint Legislative
12 Commission on Governmental Operations, the House Appropriations Subcommittee on
13 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
14 Economic Resources, and the Department of Commerce on a quarterly basis for the next
15 three years.

16 (d) The Office of the State Auditor may conduct an annual end-of-year audit
17 of the revolving fund for economic development lending created by this appropriation
18 for each year of the life of the revolving fund.

19 (e) If the Center for Community Self-Help dissolves, the corporation shall
20 transfer the remaining assets of the revolving fund to the State and shall refrain from
21 disposing of the revolving fund assets without approval of the State Treasurer.

22 (f) The Office of State Budget and Management shall disburse this
23 appropriation within 15 working days of the receipt of a request for the funds from the
24 Center for Community Self-Help. The request shall include a commitment of the
25 leveraged funds by the Center for Community Self-Help or its affiliates.

26
27 Requested by: Representative Luebke

28 **INDUSTRIAL RECRUITMENT DEVELOPMENT FUNDS**

29 Sec. 205. In determining the allocation of economic development grants
30 from funds appropriated in this act to the Department of Commerce for the Industrial
31 Recruitment Competitive Fund, the Department shall consider the extent to which a
32 potential new enterprise uses recycled materials and the extent to which a potential new
33 enterprise generates high levels of environmental pollution. Where the Department of
34 Commerce disburses these funds to eligible recipients through units of local
35 government, the Department shall develop procedural guidelines to assure that the
36 requirements of the Local Government Budget and Fiscal Control Act are observed in
37 the allocation and accounting of these funds.

38
39 Requested by: Representatives Nesbitt, Bowman

40 **ENERGY PROGRAM/REPAIR AND RENOVATION FUNDS**

41 Sec. 205.1. (a) G.S. 143-341(4) reads as rewritten:

42 "(4) Real Property Control:

- 43 a. To prepare and keep current a complete and accurate inventory
44 of all land owned or leased by the State or by any State agency.

1 This inventory shall show the location, acreage, description,
2 source of title and current use of all land (including swamplands
3 or marshlands) owned by the State or by any State agency, and
4 the agency to which each tract is currently allocated. Surveys
5 may be made where necessary to obtain information for the
6 purposes of this inventory. Accurate plats or maps of all such
7 land may be prepared, or copies obtained where such maps or
8 plats are available.

9 b. To prepare and keep current a complete and accurate inventory
10 of all buildings owned or leased (in whole or in part) by the
11 State or by any State agency. This inventory shall show the
12 location, amount of floor space and floor plans of every
13 building owned or leased by the State or by any State agency,
14 and the agency to which each building, or space therein, is
15 currently allocated. Floor plans of every such building shall be
16 prepared or copies obtained where such floor plans are
17 available, where needed for use in the allocation of space
18 therein.

19 c. To obtain and deposit with the Secretary of State the originals
20 of all deeds and other conveyances of real property to the State
21 or to any State agency, copies of all leases wherein the State or
22 any State agency is lessor or lessee, and certified copies of
23 wills, judgments, and other instruments whereby the State or
24 any State agency has acquired title to real property. Where an
25 original of a deed, lease, or other instrument cannot be found,
26 but has been recorded in the registry of office of the clerk of
27 superior court of any county, a certified copy of such deed,
28 conveyance, or instrument shall be obtained and deposited with
29 the Secretary of State.

30 d. To acquire, whether by purchase, exercise of the power of
31 eminent domain, lease, or rental, all land, buildings, and space
32 in buildings for all State agencies, subject to the approval of the
33 Governor and Council of State in each instance. The Governor,
34 acting with the approval of the Council of State, may adopt
35 rules (i) exempting from any or all of the requirements of this
36 paragraph such classes of lease, rental, easement, and right-of-
37 way transactions as he deems advisable; and (ii) authorizing any
38 State agency to enter into and/or approve the classes of
39 transactions thus exempted from the requirements of this
40 paragraph; and (iii) delegating to any other State agency the
41 authority to approve the severance of buildings and standing
42 timber from State lands; upon such approval of severance, the
43 buildings and timber so affected shall be treated, for the
44 purposes of this Chapter, as personal property. Any contract

1 entered into or any proceeding instituted contrary to the
2 provisions of this paragraph is voidable in the discretion of the
3 Governor and Council of State.

- 4 d1. To require all State departments, institutions, and agencies to
5 use State-owned office space instead of negotiating or
6 renegotiating leases for rental of office space. Any lease entered
7 into contrary to the provisions of this paragraph is voidable in
8 the discretion of the Governor and the Council of State.

9 The Department of Administration shall report to the Joint
10 Legislative Commission on Governmental Operations and to
11 the Fiscal Research Division no later than May 1 of each year
12 on leased office space.

- 13 d2. To contract for or approve all contracts for modifying,
14 rehabilitating, renovating, or improving existing buildings or
15 facilities, or acquiring and installing fixtures or equipment in
16 existing buildings or facilities, or any combination of the
17 foregoing pursuant to an energy conservation project under Part
18 2 of Article 3B of Chapter 143 of the General Statutes.

- 19 e. To make all sales of real property (including marshlands or
20 swamplands) owned by the State or by any State agency, with
21 the approval of the Governor and Council of State in each
22 instance. All conveyances in fee by the State shall be executed
23 in accordance with the provisions of G.S. 146-74 through 146-
24 78. Any conveyance of land made or contract to convey land
25 entered into without the approval of the Governor and Council
26 of State is voidable in the discretion of the Governor and
27 Council of State. The proceeds of all sales of swamplands or
28 marshlands shall be dealt with in the manner required by the
29 Constitution and statutes.

- 30 f. With the approval of the Governor and Council of State, to
31 make all leases and rentals of land or buildings owned by the
32 State or by any State agency, and to sublease land or buildings
33 leased by the State or by any State agency from another owner,
34 where such land or building owned or leased by the State or by
35 any State agency is not needed for current use. The Governor,
36 acting with the approval of the Council of State, may adopt
37 rules (i) exempting from any or all of the requirements of this
38 paragraph such classes of lease or rental transactions as he
39 deems advisable; and (ii) authorizing any State agency to enter
40 into and/or approve the classes of transactions thus exempted
41 from the requirements of this paragraph; and (iii) delegating to
42 any other State agency the authority to approve the severance of
43 buildings and standing timber from State lands; upon such
44 approval of severance, the buildings and timber so affected

- 1 shall be treated, for the purposes of this Chapter, as personal
2 property. Any lease or rental agreement entered into contrary to
3 the provisions of this paragraph is voidable in the discretion of
4 the Governor and Council of State.
- 5 g. To allocate and reallocate land, buildings, and space in
6 buildings to the several State agencies, in accordance with rules
7 adopted by the Governor with the approval of the Council of
8 State; provided that if the proposed reallocation is of land with
9 an appraised value of at least twenty-five thousand dollars
10 (\$25,000), the reallocation may only be made after consultation
11 with the Joint Legislative Commission on Governmental
12 Operations. The authority granted in this paragraph shall not
13 apply to the State Legislative Building and grounds or to the
14 Legislative Office Building and grounds.
- 15 h. To require any State agency to make reports regarding the land
16 and buildings owned by it or allocated to it at such times and in
17 such form as the Department may deem necessary.
- 18 i. To determine whether all deeds, judgments, and other
19 instruments whereby title to real estate has been or may be
20 acquired by the State or by any State agency have been properly
21 recorded in the county wherein the real property is situated, and
22 to make or cause to be made proper recordation of such
23 instruments. The Department may have previously recorded
24 instruments which conveyed title to or from the State or any
25 State agency or officer reindexed, where necessary, to show the
26 State of North Carolina or grantor or grantee, as the case may
27 be, and the cost of such reindexing shall be paid from the State
28 Land Fund.
- 29 j. To call upon the Attorney General for advice and assistance in
30 the performance of any of the foregoing duties.
- 31 k. None of the provisions of this subdivision apply to highway or
32 railroad rights-of-way or other interests or estates in land held
33 for the same or similar purposes, or to the acquisition or
34 disposition of such rights-of-way, interests, or estates in land.
- 35 l. To manage and control the vacant and unappropriated lands,
36 swamplands, lands acquired by the State by virtue of being sold
37 for taxes, and submerged lands of the State, pursuant to Chapter
38 146 of the General Statutes.
- 39 m. To contract for or approve all contracts for all appraisals and
40 surveys of real property for all State agencies; provided,
41 however, this provision shall not apply to appraisals and
42 surveys obtained in connection with the acquisition of highway
43 rights-of-way, borrow pits, or other interests or estates in land

1 acquired for the same or similar purposes, or to the disposition
2 thereof, by the Board of Transportation.

3 n. To petition for the annexation of state-owned lands into any
4 municipality."

5 (b) The title of Article 3B of Chapter 143 of the General Statutes reads as
6 rewritten:

7 "~~Energy Policy for State Agencies Concerning Major Construction or Renovation of~~
8 ~~Buildings. Conservation in State Facilities.~~"

9 (c) Existing Article 3B of Chapter 143 of the General Statutes is designated as
10 Part 1 of that Article, to be entitled "Energy Policy for State and State-Assisted
11 Facilities."

12 (d) Article 3B of Chapter 143 of the General Statutes is amended by adding a
13 new Part to read:

14 **"PART 2. STATE FACILITIES ENERGY CONSERVATION PROGRAM.**
15 **"§ 143-64.17. Definitions.**

16 As used in this Part:

- 17 (1) 'Energy Division' means the Energy Division of the Department of
18 Commerce.
- 19 (2) 'Energy conservation project' includes:
20 a. Any modification, rehabilitation, renovation, or improvement of
21 existing State facilities;
22 b. Any acquisition and installation of fixtures or equipment in
23 existing State facilities; or
24 c. Any combination of the foregoing
25 that is intended to reduce energy costs or consumption or to allow the
26 use of an alternative energy source and that may include integral
27 control and measurement devices.
- 28 (3) 'Implementation cost' means includes, but is not limited to:
29 a. The cost of construction, modification, rehabilitation,
30 renovation, improvement, acquisition, or installation in
31 connection with an energy conservation project;
32 b. The cost of engineering, architectural, and other consulting
33 services as may be required, including the cost of performing
34 the technical analysis in accordance with G.S. 143-64.17B;
35 c. Any other costs and expenses necessary or incidental to
36 implementing the purposes of this Article.
- 37 (4) 'State facility' means a building owned by the State or a group of
38 buildings owned by the State that are served by a central energy
39 distribution system or by components of a central energy distribution
40 system.
- 41 (5) 'Technical analysis' means a specialized engineering study conducted
42 within a State facility to identify specific energy conservation projects,
43 the implementation costs of these projects, and the expected energy
44 and energy savings and energy cost savings after implementation.

1 **"§ 143-64.17A. State Facilities Energy Conservation Program.**

2 (a) The General Assembly finds that:

- 3 (1) State government should take a leadership role in aggressively
4 undertaking energy conservation in North Carolina.
- 5 (2) After the implementation cost of the energy conservation project is
6 paid, the State will save substantial sums of money in reduced utility
7 bills.
- 8 (3) The actual energy savings that result from an energy conservation
9 project should offset, in whole or in part, the implementation cost of
10 the energy conservation project.
- 11 (4) The State should undertake only those energy conservation projects
12 that are projected to require less than an aggregate of six years for the
13 recoupment of the implementation cost based on the projected energy
14 cost savings from implementing the energy conservation project.
- 15 (5) The State should give highest priority to those energy conservation
16 projects that are projected to require less than an aggregate of two
17 years for the recoupment of the implementation cost of the energy
18 conservation project based on the projected energy cost savings of the
19 improvement.

20 (b) The State Facilities Energy Conservation Program is established to more
21 efficiently use energy resources in State facilities and to reduce the utility costs of the
22 State. The Energy Division shall develop, administer, and coordinate the State
23 Facilities Energy Conservation Program.

24 (c) The State Facilities Energy Conservation Program shall assist State agencies
25 as follows:

- 26 (1) Serve as a source of technical support for energy conservation
27 management.
- 28 (2) Identify sources of moneys for conducting technical analyses pursuant
29 to G.S. 143-64.17B.

30 (d) The Energy Division shall:

- 31 (1) When necessary to carry out its duties under this Part, enter into
32 contracts with State agencies and other qualified contractors.
- 33 (2) Promulgate rules necessary to carry out the provisions of this Article.
- 34 (3) Provide criteria for the selection of State projects or facilities to
35 participate in this Program and develop a format that comports with
36 these criteria.
- 37 (4) Develop procedures for the technical analyses required under G.S.
38 143-64.17B and procedures for implementing energy conservation
39 projects.
- 40 (5) Select, in order of priority and in consultation with the Department of
41 Administration, State projects or facilities to participate in this
42 Program.
- 43 (6) Assess energy conservation program savings.

- 1 (7) Be responsible for considering the costs of the constituent fixtures or
2 improvements over their economic life during the selection of projects
3 or facilities to participate in this Program.

4 **"§ 143-64.17B. Identification and implementation of energy conservation projects.**

5 (a) Each State project or facility that is selected shall undergo a technical analysis
6 conducted by an engineer qualified to conduct such analysis. When the Energy
7 Division enters into a contract with a State agency whereby the State agency is to select
8 and contract with an engineer to conduct the technical analysis of the agency's facilities,
9 the State agency shall select the engineer within 60 days of entering into the contract
10 with the Energy Division. The Energy Division, in consultation with the Department of
11 Administration, shall review all completed technical analyses. If the Energy Division
12 does not approve a technical analysis, the energy conservation project shall not be
13 implemented.

14 (b) Only those energy conservation projects identified by the technical analysis
15 that are economically practical and that are projected not to require more than an
16 aggregate of six years for the recoupment through energy cost savings of the estimated
17 implementation cost of the improvements may be implemented. Those energy
18 conservation projects identified by the technical analysis that are projected to not
19 require more than an aggregate of two years for the recoupment of the estimated
20 implementation cost of the improvements shall be given priority.

21 (c) Selection of a designer for an energy conservation project shall occur within
22 60 days of the Office of State Budget and Management certifying the availability of
23 funds for the project.

24 **"§ 143-64.17C. Additional reporting requirements.**

25 The Energy Division shall report on a quarterly basis to the Joint Legislative
26 Commission on Governmental Operations. This report shall include:

- 27 (1) The technical analyses conducted in the previous quarter, including the
28 location of the State facilities subject to the analyses and the results of
29 the analyses.
- 30 (2) The estimated implementation cost of each proposed project, the
31 projected energy savings, and the projected payback period for each
32 energy conservation project.
- 33 (3) The energy conservation projects that were initiated during the
34 previous quarter and the progress to date.
- 35 (4) The energy conservation projects that were completed during the
36 previous quarter, including the actual cost of constructing each energy
37 conservation project.
- 38 (5) The amount of time required for the implementation cost of each
39 energy conservation project to be recouped, based on the energy
40 savings of the project.
- 41 (6) Any other information requested by the Commission.

42 **"§ 143-64.17D. Scope of this Part.**

43 The provisions of this Part apply to all State facilities, including facilities in The
44 University of North Carolina System and State hospitals."

1 (e) The one million one hundred nineteen thousand six hundred fifty-two dollars
2 (\$1,119,652) that was received from the United States Department of Energy's Stripper
3 Well Litigation (MDL378), appropriated from the Special Reserve for Oil Overcharge
4 Funds to the Department of Economic and Community Development for the 1992-93
5 fiscal year, and allocated for energy conservation programs for hospitals and schools
6 shall be reallocated to the Department of Commerce for the 1994-95 fiscal year for
7 energy conservation programs for hospitals and schools and for energy conservation
8 projects for State facilities pursuant to Part 2 of Article 3B of Chapter 143 of the
9 General Statutes, as enacted by subsection (d) of this section.

10 (f) Energy conservation projects that are selected to be implemented pursuant to
11 Part 2 of Article 3B of Chapter 143 of the General Statutes, as enacted by subsection (d)
12 of this section, may receive funding from the Reserve for Repairs and Renovations as
13 approved by the Office of State Budget and Management or the Board of Governors of
14 The University of North Carolina consistent with G.S. 143-15.3A.

15
16 Requested by: Representative Nesbitt

17 **MCNC GATEWAY FOR NCIHS**

18 Sec. 205.2. Funds appropriated in this act to MCNC for Migration of Current
19 Network to the North Carolina Information Highway System (NCIH) shall be used as
20 follows:

- 21 (1) To cover the costs of connecting and operating the North Carolina
22 Research and Education Network through the North Carolina
23 Information Highway so that universities and research centers will
24 continue to have the capability currently available through the North
25 Carolina Research and Education Network,
- 26 (2) For program support, and
- 27 (3) For MCNC to serve as gateway to the North Carolina Information
28 Highway for the eighteen sites.

29
30 **PART 27. DEPARTMENT OF LABOR**

31
32 Requested by: Representative Bowman

33 **PRIVATE PERSONNEL SERVICE ADVISORY COUNCIL**

34 Sec. 206. (a) G.S. 95-47.4(b) reads as rewritten:

35 "(b) Any contract that obligates an applicant to pay a fee to the private personnel
36 service shall include:

- 37 (1) The name, address and telephone number of the private personnel
38 service;
- 39 (2) The name of the applicant;
- 40 (3) The date the contract was signed;
- 41 (4) A clear schedule of the fees to be charged to the applicant at various
42 salary levels;
- 43 (5) A clear explanation of when the applicant becomes obligated to pay a
44 fee;

- 1 (6) A clear refund policy (or no refund policy) that conforms to the
2 requirements of G.S. 95-47.4(f) and (g);
- 3 (7) If the applicant is obligated whether or not the applicant accepts
4 employment, a clear explanation of the services provided and a
5 statement that the private personnel service does not guarantee that the
6 applicant will obtain employment as a result of its services;
- 7 (8) A statement, in a type size no smaller than nine point, directly above
8 the place for the applicant's signature, that reads as follows: 'I have
9 read and received a copy of this CONTRACT, which I understand
10 makes me legally obligated to pay a fee under conditions outlined
11 ~~below~~above.' In the preceding statement the word 'CONTRACT' and
12 no others shall be in all capitals; and
- 13 (9) A statement that the private personnel service is licensed and regulated
14 by the Commissioner and the address at which a copy of laws and
15 regulations governing private personnel services may be obtained."
- 16 (b) G.S. 95-47.7(a) reads as rewritten:

17 "(a) There is hereby established the North Carolina Private Personnel Service
18 Advisory Council. The Council shall be composed of 12 members appointed by the
19 Commissioner. Each member of the Council shall be domiciled in this State for at least
20 three years immediately preceding his appointment and be of good moral character. At
21 least five members shall have occupied for at least three years immediately preceding
22 their appointment, and shall occupy at the time of appointment, executive or managerial
23 positions in the private personnel service industry in North Carolina; and at least three
24 shall have occupied, for at least three years immediately preceding their appointment,
25 executive or managerial positions as personnel officers in companies which regularly
26 utilize the services of private personnel services in obtaining employees. Members of
27 the Council shall serve without ~~salary~~salary, but shall be paid per diem, subsistence,
28 and travel allowance in accordance with Chapter 138 of the General Statutes."

29
30 Requested by: Representative Bowman

31 **FUNDS FOR LABOR SALARY ADJUSTMENTS**

32 Sec. 207. If no salary reserve funds are available to the Department of Labor,
33 the Director of the Budget may transfer to that Department from the Reserve for Salary
34 Adjustments for the 1994-95 fiscal year funds to support approved salary adjustments
35 within the Department consistent with the salary adjustments the State Personnel
36 Commission recommends if the Office of State Personnel completes a personnel study
37 and subsequently the State Personnel Commission approves that study.

38 **TITLE II. CAPITAL IMPROVEMENTS**

39 **PART 28. INTRODUCTION**

40
41
42
43 Sec. 208. The appropriations made by the 1994 General Assembly for capital
44 improvements are for constructing, repairing, or renovating State buildings, utilities, and

1 other capital facilities, for acquiring sites for them where necessary, and for acquiring
2 buildings and land for State government purposes.

3

4 **PART 29. PROCEDURES FOR DISBURSEMENTS**

5

6 Sec. 209. The appropriations made by the 1994 General Assembly for capital
7 improvements shall be disbursed for the purposes provided by this act. Expenditure of
8 funds shall not be made by any State department, institution, or agency, until an
9 allotment has been approved by the Governor as Director of the Budget. The allotment
10 shall be approved only after full compliance with the Executive Budget Act, Article 1 of
11 Chapter 143 of the General Statutes. Prior to the award of construction contracts for
12 projects to be financed in whole or in part with self-liquidating appropriations, the
13 Director of the Budget shall approve the elements of the method of financing of those
14 projects including the source of funds, interest rate, and liquidation period. Provided,
15 however, that if the Director of the Budget approves the method of financing a project,
16 the Director shall report that action to the Joint Legislative Commission on
17 Governmental Operations at its next meeting.

18 Where direct capital improvement appropriations include the purpose of
19 furnishing fixed and movable equipment for any project, those funds for equipment
20 shall not be subject to transfer into construction accounts except as authorized by the
21 Director of the Budget. The expenditure of funds for fixed and movable equipment and
22 furnishings shall be reviewed and approved by the Director of the Budget prior to
23 commitment of funds.

24 Capital improvement projects authorized by the 1994 General Assembly shall
25 be completed, including fixed and movable equipment and furnishings, within the limits
26 of the amounts of the direct or self-liquidating appropriations provided, except as
27 otherwise provided in this act.

28

29 **PART 30. CAPITAL IMPROVEMENTS/GENERAL FUND**

30

31 Sec. 210. Appropriations are made from the General Fund for the 1994-95
32 fiscal year for use by the State departments, institutions, and agencies to provide for
33 capital improvement projects according to the following schedule:

34

35 GENERAL ASSEMBLY		<u>1994-95</u>
36 1. Complete Renovation of HVAC System		\$6,200,000
37 DEPARTMENT OF ADMINISTRATION		
38 1. Reserve for Repairs/Renovation of the		
39 Old Education and Revenue Buildings	20,000,000	
40 2. Natural Science Museum and Wet Lab		
41 Collection	30,934,500	
42 3. State Government Visitors Center -		
43 Planning	430,000	
44 4. Correction Enterprises		<u>10,810,430</u>

1	TOTAL		\$62,174,930
2			
3	DEPARTMENT OF CULTURAL RESOURCES		
4	1. Fort Fisher State Historic Site		
5	Erosion Control Measures		
6	Requirements	\$8,340,000	
7	Receipts-Federal	<u>4,170,000</u>	
8	State Appropriation		
9	TOTAL		\$4,170,000
10			
11	STATE BUDGET		
12	1. Reserve for Prison Chapels		500,000
13			
14	DEPARTMENT OF JUSTICE		
15	1. Blue Bell Building Replacement		3,687,700
16	2. SBI Complex		<u>12,404,300</u>
17	TOTAL		\$16,092,000
18			
19			
20			
21	DEPARTMENT OF HUMAN RESOURCES		
22	1. Detention Center - Capital needs		205,000
23	2. Renovations to support day treatment		
24	programs at the schools for the deaf	600,000	
25	3. Activity/Recreation Complex at the		
26	Eastern N.C. School for the Deaf	<u>3,019,100</u>	
27	TOTAL		\$3,824,100
28			
29	UNIVERSITY - BOARD OF GOVERNORS		
30	1. N.C. State University - Agricultural		
31	Extension - 4-H Camp Programs -		
32	mandated safety, health and fire		
33	compliance and accessibility		
34	requirements	\$2,000,000	
35			
36	DEPARTMENT OF AGRICULTURE		
37	1. Dairy Milking Parlor - Umstead		
38	Research Station - Supplement		
39	Requirements	\$387,000	
40	Timber Receipts	<u>387,000</u>	
41	State Appropriation		
42	2. Southeastern Farmer's Market and Equestrian		
43	Agricultural Center -	3,600,000	
44	3. Western North Carolina - Agricultural		

1	Facilities	1,900,000	
2	4. Tidewater Research and Extension		
3	Center - Phase II	<u>283,600</u>	
4	TOTAL		\$5,783,600
5			
6	DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES		
7	1. Water Resources (Civil Works) Development		
8	Projects	2,750,000	
9	2. Wilmington Harbor Ocean Bar Deepening		10,906,000
10	3. Falls Lake Recreation/Jordan Water		
11	Supply - Repayment	<u>9,527,000</u>	
12	TOTAL		\$23,183,000
13	TOTAL	123,927,630	

PART 30.1. CAPITAL IMPROVEMENTS/HIGHWAY FUND

Department of Transportation

18	1. Reserve	for	Capital	Improvements
19				
20	2,500,000			

Appropriations for Other State Agencies

22	1. Crime Control and Public Safety		
23	Leaking Underground Storage Tank	500,000	

25	GRAND TOTAL CAPITAL IMPROVEMENTS/HIGHWAY FUND		\$
26	3,000,000		

PART 31. GENERAL GOVERNMENT

EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND RENOVATIONS

Sec. 211. Section 22 of Chapter 561 of the 1993 Session Laws reads as rewritten:

"Sec. 22. Of the funds in the Reserve for Repairs and Renovations for the ~~1993-94~~ 1994-95 fiscal year, fifty-five percent (55%) shall be allocated to the Board of Governors of The University of North Carolina for repairs and renovations to General Fund supported facilities and related infrastructure in The University of North Carolina, including the North Carolina School of Science and Math, and forty-five percent (45%) shall be allocated to the Office of State Budget and Management for necessary repairs and renovations to all other General Fund supported facilities and related infrastructure. From this Reserve the Board of Governors may expend thirty-three million dollars (\$33,000,000), and the Office of State Budget and Management may expend twenty-seven million dollars (\$27,000,000) for repairs and renovation, improvements to roads

1 and walks, architectural barrier removal, and North Carolina Occupational Safety and
2 Health Act projects.

3 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds for the
4 repair and renovation of facilities not supported from the General Fund if the Board
5 determines that sufficient funds are not available from other sources and that conditions
6 warrant General Fund assistance. Any such finding shall be included in the Board's
7 submission to the Joint Legislative Commission on Governmental Operations on the
8 proposed allocation of funds.

9 The Board of Governors and the Office of State Budget and Management shall
10 submit to the Joint Legislative Commission on Governmental Operations and to the
11 Fiscal Research Division of the Legislative Services Office, for their review, the
12 proposed allocation of these funds. Subsequent changes in the proposed allocations
13 shall be reported prior to expenditure to the Joint Legislative Commission on
14 Governmental Operations and to the Fiscal Research Division of the Legislative
15 Services Office."

16

17

18 **PART 32. DEPARTMENT OF CULTURAL RESOURCES**

19

20 Requested by: Representatives Nesbitt, Diamont

21 **ART MUSEUM AMPHITHEATER**

22

23 Sec. 212. The Department of Cultural Resources, North Carolina Museum of
24 Art, may use additional gifts and grants to supplement the Art Museum Amphitheater
25 capital project authorized in Section 4 of Chapter 1044 of the 1991 Session Laws,
26 Regular Session 1992. The total scope of the project shall not exceed two million
27 dollars (\$2,000,000) and shall not include any appropriated State funds.

27

28 **PART 32.1. DEPARTMENT OF ADMINISTRATION**

29

30 Requested by: Representatives Holt, Redwine

31 **CORRECTION ENTERPRISES FUNDS**

32

33 Sec. 212.1. With respect to funds appropriated in this act for the expansion of
34 the Correction Enterprises program, the Office of State Construction of the Department
35 of Administration may contract for and supervise all aspects of administration, technical
36 assistance, design, construction, or demolition of facilities in order to implement the
37 providing of facilities under the provisions of this act.

37

38 The facilities authorized under this act shall be constructed in accordance
39 with the provisions of general law applicable to the construction of State facilities. If
40 the Secretary of Administration, after consultation with the Secretary of Correction,
41 finds that the delivery of facilities must be expedited for good cause, the Office of State
42 Construction of the Department of Administration shall be exempt from the following
43 statutes and rules implementing those statutes, to the extent necessary to expedite
44 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1

1 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
2 408.7.

3 Prior to exercising the exemptions allowable under this section, the Secretary
4 of Administration shall give reasonable notice in writing of the Department's intent to
5 exercise the exemptions to the President Pro Tempore of the Senate, the Speaker of the
6 House of Representatives, the Chairs of the House and Senate Appropriations
7 Committees, the Chairs of the House and Senate Appropriations Subcommittees on
8 Justice and Public Safety, and the Fiscal Research Division. The written notice shall
9 contain at least the following information: (i) the specific statutory requirement or
10 requirements from which the Department intends to exempt itself; (ii) the reason the
11 exemption is necessary to expedite delivery of facilities; (iii) the way in which the
12 Department anticipates the exemption will expedite the delivery of prison facilities; and
13 (iv) a brief summary of the proposed contract for the project which is to be exempted.

14 The Office of State Construction of the Department of Administration shall
15 have a verifiable ten percent (10%) goal for participation by minority and women-
16 owned businesses. All contracts for the design, construction, or demolition of prison
17 facilities shall include a penalty for failure to complete the work by a specified date.

18 The Office of State Construction of the Department of Administration shall
19 involve the Department of Correction in all aspects of the projects to the extent that
20 such involvement relates to the Department's program needs and to its responsibility for
21 the care of the prison population.

22 (b) With respect to funds appropriated in this act for the expansion of the
23 Correction Enterprises program, the Office of State Construction of the Department of
24 Administration shall provide quarterly reports to the Chairs of the Appropriations
25 Committee and the Base Budget Committee in the Senate, the Chairs of the
26 Appropriations Committee in the House, the Joint Legislative Commission on
27 Governmental Operations, and the Fiscal Research Division as to any changes in
28 projects and allocations made under this act. The report shall include any changes in the
29 projects and allocations made pursuant to this act, information on which contractors
30 have been selected, what contracts have been entered into, the projected and actual
31 occupancy dates of facilities contracted for, the number of beds to be constructed on
32 each project, the location of each project, and the projected and actual cost of each
33 project.

34 The Department of Insurance and the Department of Correction shall report
35 quarterly to the Joint Legislative Commission on Governmental Operations on their
36 involvement in the prison construction program.

37

38 **PART 32.2. OFFICE OF STATE BUDGET AND MANAGEMENT**

39

40 Requested by: Representatives Crawford, Nesbitt

41 **PRISON CHAPEL FUNDS**

42 Sec. 212.2. Section 44 of Chapter 1044 of the 1991 Session Laws reads as
43 rewritten:

1 " Sec. 44. A Reserve for Prison Chapels is established in the Office of
2 State Budget and Management to construct chapels at correctional facilities. The funds
3 are to be allocated to specific chapel projects when a minimum local match of one
4 dollar for every two State dollars needed for the estimated project cost is made
5 available. ~~No more than fifty thousand dollars (\$50,000) of State funds shall be~~
6 ~~allocated to any single project.~~ Funds appropriated to the reserve established in this
7 section shall not revert but shall remain available to the Department for the purposes of
8 this section.

9 The Department of Correction shall notify all prison units of the availability of these
10 funds and shall solicit letters of intent from interested units. The Department shall
11 evaluate the letters of intent for proposed chapel projects, notify those prison units
12 whose projects appear most likely to obtain local matching funds during the ~~1992-93~~
13 fiscal year, and authorize those units to proceed based upon the total availability of State
14 funds. The Department shall notify the Office of State Budget and Management of
15 those units that have been authorized to proceed.

16 The Office of State Budget and Management shall report quarterly to the Joint
17 Legislative Commission on Governmental Operations on any allocations from the
18 reserve established in this section."

19 20 **PART 33. DEPARTMENT OF TRANSPORTATION**

21
22 Requested by: Representatives McAllister, McLaughlin

23 **RESERVE FOR CAPITAL IMPROVEMENTS**

24 Sec. 213. There is created in the Highway Fund a reserve for capital
25 improvements in the amount of two million five hundred thousand dollars (\$2,500,000).
26 These funds may be used by the Department of Transportation for capital improvements
27 and for repairs and renovations.

28 29 **PART 34. DEPARTMENT OF HUMAN RESOURCES**

30
31 Requested by: Representatives Easterling, Nye

32 **CAPITAL FUNDS FOR MENTAL HEALTH INSTITUTIONS**

33 Sec. 215. Of the funds reserved in this act for repairs and renovations in the
34 Office of State Budget and Management, ten million dollars (\$10,000,000) shall be used
35 for the capital needs of the State Mental Health, Developmental Disabilities, and
36 Substance Abuse Facilities.

37 38 **PART 35. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 39 **RESOURCES**

40
41 Requested by: Representative Bowman

42 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

43 Sec. 216. (a) Of the funds appropriated in this act to the Department of
44 Environment, Health, and Natural Resources for the 1994-95 fiscal year the sum of two

1 million seven hundred fifty thousand dollars (\$2,750,000) shall be used for water
2 resources development projects. The Department shall allocate funds for the following
3 projects whose estimated costs are as indicated:

4 (1) Wilmington Harbor
5 Deepening Study\$ 300,000

6
7 (2) Wilmington Harbor
8 38-ft. Navigation 400,000

9
10 (3) Aquatic Plant Control
11 (Statewide) includes
12 Lake Gaston 150,000

13
14 (4) Carolina Beach Renourishment
15 (New Hanover County) 900,000

16
17 (5) Dare County Beaches
18 Feasibility Study 200,000

19
20 (6) State-Local Projects 800,000

21 (b) Where the actual costs are different from the estimated costs under
22 subsection (a) of this section, the Department may adjust the allocations among projects
23 as needed. If any projects listed in subsection (a) of this section are delayed and the
24 budgeted State funds cannot be used during the 1994-95 fiscal year, or if the projects
25 listed in subsection (a) of this section are accomplished at a lower cost, the Department
26 may use the resulting fund availability to fund:

27 (1) Corps of Engineers project feasibility studies, or

28 (2) Corps of Engineers projects whose schedules have advanced and
29 require State matching funds in fiscal year 1994-95, or

30 (3) State-local Water Resources Development Projects.

31 Funds not expended or encumbered for these purposes shall revert to the General Fund
32 at the end of the 1995-96 fiscal year.

33 (c) The Department shall make quarterly reports on the use of these funds to
34 the Joint Legislative Commission on Governmental Operations, the Fiscal Research
35 Division, and the Office of State Budget and Management. Each report shall include:

36 (1) All projects listed in this section;

37 (2) The estimated cost of each project;

38 (3) The date that work on each project began or is expected to begin;

39 (4) The date that work on each project was completed or is expected to be
40 completed; and

41 (5) The actual cost of each project.

42 The quarterly reports shall also show those projects advanced in schedule, those projects
43 delayed in schedule, and an estimate of the amount of funds expected to revert to the
44 General Fund.

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PART 36. GENERAL CAPITAL PROVISIONS

Requested by: Representatives Nesbitt, Diamont

RESERVE FOR ADVANCE PLANNING

Sec. 217. The Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division on how it intends to spend funds from the Reserve for Advance Planning at least 45 days before it spends the funds.

The Office of State Budget and Management shall also report the results of any project on which it uses funds from the Reserve for Advance Planning to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division.

Requested by: Representatives Nesbitt, Diamont

ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND

Sec. 218. When each capital improvement project appropriated by the 1993 General Assembly, other than those projects under the Board of Governors of The University of North Carolina, is placed under a construction contract, direct appropriations shall be encumbered to include all costs for construction, design, investigation, administration, movable equipment, and a reasonable contingency. Unencumbered direct appropriations remaining in the project budget shall be placed in a project reserve fund credited to the Office of State Budget and Management. Funds in the project reserve may be used for emergency repair and renovation projects at State facilities with the approval of the Director of the Budget. The project reserve fund may be used, at the discretion of the Director of the Budget, to allow for award of contracts where bids exceed appropriated funds, if those projects supplemented were designed within the scope intended by the applicable appropriation or any authorized change in it, and if, in the opinion of the Director of the Budget, all means to award contracts within the appropriation were reasonably attempted. At the discretion of the Director of the Budget, any balances in the project reserve fund shall revert to the original source.

Requested by: Representatives Nesbitt, Diamont

PROJECT COST INCREASE

Sec. 219. Upon the request of the administration of a State agency, department, or institution, the Director of the Budget may, when in the Director's opinion it is in the best interest of the State to do so, increase the cost of a capital improvement project. Provided, however, that if the Director of the Budget increases the cost of a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting. The increase may be funded from gifts, federal or private grants, special fund receipts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, or direct capital improvement appropriations to that department or institution.

1 Requested by: Representatives Nesbitt, Diamont

2 **NEW PROJECT AUTHORIZATION**

3 Sec. 220. Upon the request of the administration of any State agency,
4 department, or institution, the Governor may authorize the construction of a capital
5 improvement project not specifically authorized by the General Assembly if such
6 project is to be funded by gifts, federal or private grants, special fund receipts, excess
7 patient receipts above those budgeted at University of North Carolina Hospitals at
8 Chapel Hill, or self-liquidating indebtedness. Provided, however, that if the Director of
9 the Budget authorizes the construction of such a capital improvement project, the
10 Director shall report that action to the Joint Legislative Commission on Governmental
11 Operations at its next meeting.

12

13 Requested by: Representatives Nesbitt, Diamont

14 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

15 Sec. 221. Funds which become available by gifts, excess patient receipts
16 above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal
17 or private grants, receipts becoming a part of special funds by act of the General
18 Assembly or any other funds available to a State department or institution may be
19 utilized for advance planning through the working drawing phase of capital
20 improvement projects, upon approval of the Director of the Budget. The Director of the
21 Budget may make allocations from the Advance Planning Fund for advance planning
22 through the working drawing phase of capital improvement projects, except that this
23 revolving fund may not be utilized by the Board of Governors of The University of
24 North Carolina or the State Board of Community Colleges.

25

26 Requested by: Representatives Nesbitt, Diamont

27 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

28 Sec. 222. Except as permitted in previous sections of this act, the
29 appropriations for capital improvements made by the 1993 General Assembly may be
30 expended only for specific projects set out by the 1993 General Assembly and for no
31 other purpose. Construction of all capital improvement projects enumerated by the
32 1993 General Assembly shall be commenced, or self-liquidating indebtedness with
33 respect to them shall be incurred, within 12 months following the first day of the fiscal
34 year in which the funds are available. If construction contracts on those projects have
35 not been awarded or self-liquidating indebtedness has not been incurred within that
36 period, the direct appropriation for those projects shall revert to the original source, and
37 the self-liquidating appropriation shall lapse; except that direct appropriations may be
38 placed in a reserve fund as authorized in this act. This deadline with respect to both
39 direct and self-liquidating appropriations may be extended with the approval of the
40 Director of the Budget up to an additional 12 months if circumstances and conditions
41 warrant such extension.

42

43 **TITLE III. MISCELLANEOUS OPERATING AND CAPITAL**
44 **APPROPRIATIONS PROVISIONS**

1

2 Requested by: Representatives Nesbitt, Daniel

3 **EXECUTIVE BUDGET ACT APPLIES**4 Sec. 223. The provisions of the Executive Budget Act, Chapter 143, Article 1
5 of the General Statutes are reenacted and shall remain in full force and effect and are
6 incorporated in this act by reference.

7

8 Requested by: Representatives Nesbitt, Diamont

9 **COMMITTEE REPORT**10 Sec. 224. (a) The House of Representatives Appropriations Committee
11 Report on Budget Modifications/ Expansion Budget/ Capital Budget, dated June 17,
12 1994, which was distributed in the House of Representatives and used to explain this
13 act, shall indicate action by the General Assembly on this act and shall therefore be used
14 to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for
15 these purposes shall be considered a part of this act.16 (b) The budget enacted by the General Assembly for the maintenance of the
17 various departments, institutions, and other spending agencies of the State for the 1993-
18 95 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
19 and the State Accounting System Uniform Chart of Accounts set out in the
20 Administrative Policies and Procedures Manual of the Office of the State Controller.
21 This budget includes the appropriations made from all sources including the General
22 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
23 receipts.24 The General Assembly amended the itemized budget requests submitted to
25 the General Assembly by the Director of the Budget and the Advisory Budget
26 Commission, in accordance with the steps that follow, and the line item detail in the
27 budget enacted by the General Assembly may be derived accordingly:28 (1) Negative reserves set out in the submitted budget were deleted and the
29 totals were increased accordingly.30 (2) The base budget was adjusted in accordance with the base budget cuts
31 and additions that were set out in the House Appropriations Committee
32 Report on Budget Modifications/ Expansion Budget/ Capital Budget,
33 dated June 17, 1994.34 (3) The expansion budget items were added in accordance with the House
35 Appropriations Committee Report on Budget Modifications/
36 Expansion Budget/ Capital Budget, dated June 17, 1994. Some of
37 those expansion budget items were in the budget submitted to the
38 General Assembly by the Director of the Budget and the Advisory
39 Budget Commission.40 Expansion budget items that were funded from new receipts are
41 included in the budget enacted by the General Assembly with
42 program-level detail.43 (4) Transfers of funds supporting programs were made in accordance with
44 the House Appropriations Committee Report on Budget

1 Modifications/ Expansion Budget/ Capital Budget, dated June 17,
2 1994, and any accompanying correction sheets.

3 The budget enacted by the General Assembly shall also be interpreted in
4 accordance with the special provisions in this act and in accordance with other
5 appropriate legislation.

6 In the event that there is a conflict between the line item budget certified by
7 the Director of the Budget and the budget enacted by the General Assembly, the budget
8 enacted by the General Assembly shall prevail.

9

10 Requested by: Representatives Nesbitt, Diamont

11 **MOST TEXT APPLIES ONLY TO 1994-95**

12 Sec. 225. Except for statutory changes or other provisions that clearly
13 indicate an intention to have effects beyond the 1994-95 fiscal year, the textual
14 provisions of this act apply only to funds appropriated for, and activities occurring
15 during, the 1994-95 fiscal year.

16

17 Requested by: Representatives Nesbitt, Diamont

18 **1993-94 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

19 Sec. 226. (a) Except where expressly repealed or amended by this act, the
20 provisions of Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24 of the
21 Session Laws of the 1994 Extra Session, remain in effect.

22 (b) Notwithstanding any modifications by this act in the amounts
23 appropriated, except where expressly repealed or amended, the limitations and
24 directions for the 1994-95 fiscal year in Chapters 321 and 561 of the 1993 Session
25 Laws, and Chapter 24 of the Session Laws of the 1994 Extra Session, that applied to
26 appropriations to particular agencies or for particular purposes apply to the newly
27 enacted appropriations and budget reductions of this act for those same particular
28 purposes.

29

30 Requested by: Representatives Nesbitt, Diamont

31 **EFFECT OF HEADINGS**

32 Sec. 227. The headings to the titles, parts, and sections of this act are a
33 convenience to the reader and are for reference only. The headings do not expand,
34 limit, or define the text of this act.

35

36 Requested by: Representatives Nesbitt, Diamont

37 **SEVERABILITY CLAUSE**

38 Sec. 228. If any section or provision of this act is declared unconstitutional or
39 invalid by the courts, it does not affect the validity of this act as a whole or any part
40 other than the part so declared to be unconstitutional or invalid.

41

42 Requested by: Representatives Nesbitt, Diamont

43 **EFFECTIVE DATE**

1 Sec. 229. Except as otherwise provided, this act becomes effective July 1,
2 1994.