

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 230
Committee Substitute Favorable 6/29/95
Third Edition Engrossed 7/1/95

Short Title: '95 Expansion/Cap. Approp.

(Public)

Sponsors:

Referred to:

February 21, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO PROVIDE EXPANSION EXPENDITURES
3 AND CAPITAL IMPROVEMENTS FOR STATE DEPARTMENTS,
4 INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6
7 **PART 1. INTRODUCTION AND TITLE OF ACT**
8

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

15
16 Sec. 1.1. This act shall be known and cited as "The Expansion and Capital
17 Improvements Appropriations Act of 1995".
18

PART 2. EXPANSION - RECURRING/GENERAL FUND

Sec. 2. Appropriations of recurring funds from the General Fund of the State for the expansion of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the biennium ending June 30, 1997, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1995-96 and 1996-97 fiscal years.

<u>Expansion - Recurring - General Fund</u>	<u>1995-96</u>	<u>1996-97</u>
General Assembly	\$ 303,592	\$ 303,850
Judicial	1,333,391	1,334,003
Office of the Governor		
01. Office of the Governor	73,608	118,383
02. Office of State Budget and Management	450,000	450,000
Department of State Treasurer	4,448,000	4,448,000
Department of Secretary of State	201,537	201,537
Department of Public Education	(17,996,934)	10,665,341
Department of Justice	543,752	607,976
Department of Administration	348,704	348,704
Department of Labor	36,000	39,348
Department of Insurance	985,000	485,000
Department of Environment, Health, and Natural Resources	139,774	139,774
Office of Administrative Hearings	101,396	101,396
Department of Human Resources		
01. Division of Child Development	442,372	555,171
02. Division of Services for the Deaf and Hard of Hearing	500,000	1,500,000

1	03.	Division of Social Services	937,988	746,437
2	04.	Division of Services for the Blind	250,000	250,000
3	05.	Division of Mental Health,		
4		Developmental Disabilities, and		
5		Substance Abuse Services	13,000,000	17,000,000
6	06.	Division of Youth Services	<u>1,891,371</u>	<u>2,343,001</u>
7				
8		Total Department of Human Resources	17,021,731	22,394,619
9				
10		Department of Correction	9,777,348	34,604,704
11				
12		Department of Commerce	140,000	140,000
13				
14		Department of Revenue	3,265,811	3,040,615
15				
16		Department of Cultural Resources	638,173	784,757
17				
18		Department of Crime Control and		
19		Public Safety	140,042	139,372
20				
21		Office of State Controller	1,474,842	1,593,851
22				
23		State Board of Elections	1,000	1,000
24				
25		Debt Service	15,031,552	24,369,052
26				
27		Reserve for Compensation Increase	100,336,570	100,336,570
28				
29		Reserve for Data Processing	198,056	698,056
30				
31		Reserve for H168 Child Support Changes	170,000	170,000
32				
33		Department of Community Colleges	27,747,055	27,747,055
34				
35				
36		GRAND TOTAL CURRENT OPERATIONS		
37		GENERAL FUND RECURRING	164,263,944	232,616,907
38				

PART 3. EXPANSION - NONRECURRING/GENERAL FUND

EXPANSION - NONRECURRING/GENERAL FUND

Sec. 3. Appropriations of nonrecurring funds from the General Fund of the State for the expansion of the State departments, institutions, and agencies, and for other

1 purposes as enumerated are made for the biennium ending June 30, 1997, according to
 2 the schedule that follows. Amounts set out in brackets are reductions from General Fund
 3 appropriations for the 1995-96 and 1996-97 fiscal years.

4			
5 <u>Expansion - Nonrecurring-</u>			
6 <u>- General Fund</u>		<u>1995-96 1996-97</u>	
7			
8	General Assembly	\$ 289,300	–
9			
10	Judicial	2,083,824	480
11			
12	Office of the Governor		
13	01. Office of the Governor	359,571	–
14	02. Office of State Budget		
15	and Management	75,000	–
16			
17	Department of Secretary of State	10,700	–
18			
19	Department of Public Education	27,815,370	–
20			
21	Department of Justice	561,989	295,294
22			
23	Department of Administration	216,735	–
24			
25	Department of Insurance	15,000	–
26			
27	Department of Environment, Health,		
28	and Natural Resources	1,546,000	–
29			
30	Office of Administrative Hearings	8,600	–
31			
32	Department of Human Resources		
33	01. Division of Child Development	1,000,000	–
34	02. Division of Social Services	465,477	–
35	03. Division of Mental Health,		
36	Developmental Disabilities, and		
37	Substance Abuse Services	– 500,000	
38			
39	Total Department of Human Resources	1,465,477	500,000
40			
41	Department of Correction	3,214,273	–
42			
43	Department of Commerce		

1	01. Department of Commerce	10,450,000	–
2	02. MCNC (1,000,000)	–	
3			
4	Department of Revenue	8,040,412	116,600
5			
6	Department of Cultural Resources	6,371,326	–
7			
8	Department of Crime Control		
9	and Public Safety	307,432	–
10			
11	Office of State Controller	10,282,457	–
12			
13	State Board of Elections	70,000	3,500,000
14			
15	Reserve for Compensation Increase	3,521,609	–
16			
17	Department of Community Colleges	20,826,317	–
18			
19	Reserve for H5 Welfare Reform	335,000	60,000
20			
21	Reserve for H168 Child Support Changes	399,300	–
22			
23	GRAND TOTAL - CURRENT OPERATIONS –		
24	GENERAL FUND NONRECURRING	\$97,265,692	\$4,472,374
25			

PART 4. CAPITAL IMPROVEMENTS - GENERAL FUND

Sec. 4. The appropriations made by the 1995 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

Sec. 4.1. Appropriations from the General Fund for the 1995-96 fiscal year for use by the State departments, institutions, and agencies to provide for capital improvement projects according to the following schedule:

1995-96 1996-97

39	Board of Governors - North Carolina		
40	School of Arts		
41	01. Student Activity Center	\$ 2,566,000	–
42			
43	Board of Governors - UNC Charlotte		

1	02.	Construction of Library Addition	10,571,500	10,000,000
2				
3		Board of Governors - Appalachian State		
4		University		
5	03.	Convocation Center Construction	10,000,000	10,601,100
6				
7		Board of Governors - North Carolina		
8		State University		
9	04.	Agricultural Program		
10		Reserve for 4-H Camp improvements	500,000	-
11	05.	School of Agriculture	6,000,000	-
12				
13		Board of Governors - UNC Wilmington		
14	06.	Construction of Marine Science		
15		Building	8,000,000	8,000,000
16				
17		Board of Governors		
18	07.	Reserve for Land Acquisition	1,000,000	-
19				
20		Department of Administration		
21	01.	Veterans Home Reserve	660,000	-
22				
23		Department of Correction		
24	01.	Construct Segregation Unit in		
25		Greene County	2,720,500	-
26	02.	Construction of New Beds	54,486,400	-
27	03.	Construct Electronic Intrusion		
28		System - NCCIW	813,700	-
29				
30		Department of Human Resources -		
31		Deaf Services		
32	01.	Eastern N.C. School for Deaf -		
33		a. Phase II of the Student		
34		Activity/Recreation complex		1,500,000 -
35				
36		Department of Human Resources - Youth Services		
37	02.	Permanent Facility for Leonard		
38		Secure Unit	248,000	-
39	03.	Detention Center in Gaston County	270,000	-
40	04.	Detention Center in Northeastern NC	1,800,000	-
41				
42		Department of Justice -		
43	01.	Western Justice Academy - Design, plan,		

1	and purchase real property		
2	(Henderson County)	1,470,000	–
3			
4	Department of Environment, Health,		
5	and Natural Resources		
6	01. Forestry Headquarters –		
7	Reserve for replacement of facilities at		
8	county and district headquarters sites	1,500,000	–
9	02. Parks Reserve - land acquisition,		
10	construction, and site development at		
11	State parks only	10,000,000	–
12	03. Water Resources Development Projects -		
13	State share of civil works projects for		
14	navigation, flood control, drainage,		
15	stream restoration, aquatic weed control,		
16	water-based recreation, beach protection,		
17	and small watershed grants	2,065,000	–
18			
19	Office of State Budget		
20	01. Reserve for cleanup of hazardous		
21	waste sites	4,000,000	–
22			
23	TOTAL CAPITAL IMPROVEMENTS –		
24	GENERAL FUND		\$ 120,171,100 \$ 28,601,100

PART 4A. EXPANSION/CAPITAL/HIGHWAY FUND

29 Sec. 4A. Appropriations of funds from the Highway Fund of the State for the
 30 expansion of the Department of Transportation are made for the biennium ending June
 31 30, 1997, and for capital improvements for the 1995-96 fiscal year, according to the
 32 following schedule. Amounts set out in brackets are reductions from Highway Fund
 33 appropriations for the 1995-96 and 1996-97 fiscal years.

34	1995-96	1996-97	
35	A. EXPANSION PROJECTS		
36			
37	1. Department of Transportation		
38	Administration	\$7,589,537	\$8,146,463
39	2. Division of Highways		
40	a. Administration and		
41	Operations	102,849	102,849
42	b. State Construction		
43	01. State Urban System	1,100,000	1,100,000

1	02. Spot Safety Improvements	900,000	900,000	
2	c. State Maintenance			
3	01. Primary Maintenance	3,217,633	4,000,000	
4	02. Urban System	5,420,000	5,420,000	
5	03. Contract Resurfacing	5,000,000	7,603,346	
6	3. Division of Motor Vehicles			2,874,206 2,332,504
7	4. State Aid for Public			
8	Transportation	5,800,000	5,800,000	
9	5. Reserve for Asphalt Plant			
10	Cleanup	1,000,000	1,000,000	
11	6. Reserve for Pay Increase			7,914,055 7,914,055
12	Appropriations to Other State			
13	Agencies			
14	a. Department of Revenue	312,374	312,374	
15	b. LUST Trust Fund	(312,374)	(312,374)	
16	c. General Assembly	200,000	-	
17				
18	Total	\$41,118,280	\$44,319,217	

B. CAPITAL IMPROVEMENTS PROJECTS

21	1. Roof Replacements Statewide			\$ 432,900
22	2. HVAC Replacements Statewide -			
23	DMV	123,800		
24	3. Safety Upgrades Statewide - DMV			123,800
25	4. Fire Alarm Renovations			
26	Materials and Test Lab,			
27	Raleigh, NC	72,800		
28	5. Parking Lot Repairs Statewide -			
29	DMV	133,700		
30	6. Roadside Environmental Warehouse			
31	Sylva, NC	463,000		
32	7. District Engineer's Office			
33	Marion, NC	590,000		
34	8. DMV/SHP Supplemental Funding			
35	Durham, NC	69,890		
36	9. DMV/SHP Supplemental Funding			
37	Salisbury, NC	110,000		
38	10. Equipment Shop			
39	Washington, NC	916,000		
40	11. Equipment Shop			
41	Wentworth, NC	911,000		
42	12. Equipment Shop			
43	Kinston, NC	916,000		

1	13. Equipment Shop	
2	Meadows, NC	913,000
3	14. Materials and Test Lab	
4	Asheville, NC	389,000
5	15. DMV/SHP Addition and Renovation	
6	Morganton, NC	272,700
7	16. Exterior Renovation, Transportation	
8	Building, Raleigh, NC	169,900
9	17. Building and Land Purchase	
10	Williamston, NC	368,000
11	18. Electrical Upgrades Transportation	
12	Building, Raleigh, NC	<u>1,922,100</u>
13		
14	Total	\$8,897,590
15		
16	Fuel Tank Replacement - State Highway Patrol	
17	Provides funds for replacement of fuel	
18	tanks at 15 sites @ \$32,000 per site and	
19	\$20,000 for testing equipment. <u>\$ 500,000</u>	
20		
21	Total	\$ 500,000

PART 4B. BUDGET AVAILABILITY STATEMENT REVISED

Requested by: Representatives Holmes, Creech, Esposito
 Sec. 4B. Section 5 of Chapter 324 of the 1995 Session Laws reads as rewritten:

"Sec. 5. The General Fund and availability used in developing the 1995-97 budget is as shown below:

30	(1) Composition of the 1995-97 beginning availability:	
31	a. Revenue collections in 1994-95 in (\$ Million)	
32	excess of authorized estimates	\$192.00
33	b. Unexpended appropriations	
34	during 1994-95 (reversions)	162.40
35	c. Balance brought forward	<u>33.40</u>
36	Subtotal	387.80
37	d. Transfer to Savings Reserve	96.90
38	e. Transfer to Reserve	
39	for Repair and	
40	Renovations	<u>125.00</u>
41	Ending Fund Balance	\$ 165.9

	(\$ Million)	(\$ Million)		
	<u>1995-96</u>	<u>1996-97</u>		
(2) Beginning Unrestricted Fund Balance	\$ 165.9	\$ -		
(3) Revenues Based on Existing Tax Structure	10,019.6	10,658.1		
(4) 94-95 Reserve for Tax Reductions	28.1	-		
Changes:				
1. Tax Reductions				
(a) Personal Income	-235.0	-244.1		
(b) Intangibles Repeal	-124.4	-124.5		
(c) <u>House Bills Passed Third Reading</u> <u>(H360, H396, H55, H759,</u> <u>H223, H718)</u>	-11.9	-38.0		
2. Local Sales Tax -				
Local Government Commission	1.5	1.5		
3. Insurance Regulatory Charges			3.7	3.7
	<u>4.7</u>	<u>4.2</u>		
4. Treasurer's Banking Fees			-.7	-.7
5. Disproportionate Share Receipts	106.9	117.7		
6. Investment Income Electronic Fund Transfers	2.0	2.0		
Availability			\$9,967.6	\$10,413.7
	<u>\$9,956.7</u>		<u>\$10,376.2"</u>	

PART 6. GENERAL PROVISIONS

Requested by: Representatives Holmes, Creech, Esposito

BUDGETING OF PILOT PROGRAMS

Sec. 6. (a) Any program designated by the General Assembly as experimental, model, or pilot shall be shown as a separate budget item and shall be considered as an expansion item until a succeeding General Assembly reapproves it.

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

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

PART 7. SALARIES AND BENEFITS

Requested by: Representatives Holmes, Creech, Esposito

GOVERNOR/COUNCIL OF STATE/SALARY INCREASES

Sec. 7.1. (a) G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~ninety-seven thousand six hundred dollars (\$97,600)~~ ninety-eight thousand five hundred seventy-six dollars (\$98,576) annually, payable monthly."

(b) The annual salaries for the members of the Council of State, payable monthly, for the 1995-96 and 1996-97 fiscal years are:

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

Requested by: Representatives Holmes, Creech, Esposito

NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 7.2. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the 1995-96 and 1996-97 fiscal years are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$85,000
Secretary of Correction	85,000

1	Secretary of Cultural Resources	85,000
2	Secretary of Commerce	85,000
3	Secretary of Environment, Health, and Natural Resources	85,000
4	Secretary of Human Resources	85,000
5	Secretary of Revenue	85,000
6	Secretary of Transportation	85,000
7	Secretary of Crime Control and Public Safety	85,000

8

9 Requested by: Representatives Holmes, Creech, Esposito

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

11 Sec. 7.3. The annual salaries, payable monthly, for the 1995-96 and 1996-97
 12 fiscal years for the following executive branch officials are:

13

14	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
15		
16	Chairman, Alcoholic Beverage Control Commission	\$ 77,365
17	State Controller	108,271
18	Commissioner of Motor Vehicles	77,365
19	Commissioner of Banks	77,365
20	Chairman, Employment Security Commission	77,365
21	State Personnel Director	85,000
22	Chairman, Parole Commission	70,643
23	Members of the Parole Commission	65,220
24	Chairman, Industrial Commission	69,510
25	Members of the Industrial Commission	67,817
26	Chairman of the Utilities Commission	81,381
27	Commissioner of the Utilities Commission	80,381
28	Executive Director, Agency for Public Telecommunications	65,220
29	General Manager, Ports Railway Commission	58,893
30	Director, Museum of Art	79,274
31	Executive Director, Wildlife Resources Commission	66,773
32	Executive Director, North Carolina Housing Finance Agency	95,746
33	Executive Director, North Carolina Agricultural Finance Authority	75,302
34	Director, Office of Administrative Hearings	76,500

35

36 Requested by: Representatives Holmes, Creech, Esposito

37 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

38 Sec. 7.4. (a) The annual salaries, payable monthly, for specified judicial branch
 39 officials for the 1995-96 and 1996-97 fiscal years are:

40

41	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
42		
43	Chief Justice, Supreme Court	\$98,576

1	Associate Justice, Supreme Court	96,000
2	Chief Judge, Court of Appeals	93,600
3	Judge, Court of Appeals	92,000
4	Judge, Senior Regular Resident Superior Court	89,500
5	Judge, Superior Court	87,000
6	Chief Judge, District Court	79,000
7	Judge, District Court	76,500
8	District Attorney	80,600
9	Administrative Officer of the Courts	89,500
10	Assistant Administrative Officer of the Courts	75,160
11	Public Defender	80,600

12
 13 (b) The district attorney or public defender of a judicial district, with the approval
 14 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 15 attorneys or assistant public defenders, respectively, in that district such that the average
 16 salaries of assistant district attorneys or assistant public defenders in that district do not
 17 exceed forty-nine thousand five hundred eighty dollars (\$49,580), and the minimum
 18 salary of any assistant district attorney or assistant public defender is at least twenty-five
 19 thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.

20 (c) The salaries in effect for the 1994-95 fiscal year for permanent, full-time
 21 employees of the Judicial Department, except for those whose salaries are itemized in this
 22 Part, shall be increased by two percent (2%), commencing July 1, 1995.

23 (d) The salaries in effect for the 1994-95 fiscal year for all permanent, part-time
 24 employees of the Judicial Department shall be increased on and after July 1, 1995, by pro
 25 rata amounts of the two percent (2%).

26
 27 Requested by: Representatives Holmes, Creech, Esposito

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

29 Sec. 7.6. (a) G.S. 7A-102(c1) reads as rewritten:

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

34	Assistant Clerks and Head Bookkeeper	Annual Salary
35		
36	Minimum \$21,126 <u>\$21,549</u>	
37	Maximum 37,406 <u>38,154</u>	

38		
39	Deputy Clerks	Annual Salary
40	Minimum \$16,891 <u>\$17,229</u>	
41	Maximum 28,813 <u>29,389.</u> "	

42 (b) 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 ~~1994-95-1995-96~~ because that person is at the top of the salary range as it existed for fiscal year ~~1993-94-1994-95~~ shall receive a salary increase to the maximum annual salary provided by subsection (c1) of this section."

Requested by: Representatives Holmes, Creech, Esposito

MAGISTRATES' PAY PLAN

Sec. 7.7. (a) G.S. 7A-171.1(a)(1) reads as rewritten:

"(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

<u>Step Level</u>		<u>Annual Salary</u>
Entry Rate	\$22,958	<u>\$23,417</u>
Step 1	25,262	<u>25,767</u>
Step 2	27,770	<u>28,325</u>
Step 3	30,506	<u>31,116</u>
Step 4	33,503	<u>34,173</u>
Step 5	36,797	<u>37,533</u>
Step 6	40,420	<u>41,228</u> ."

(b) G.S. 7A-171.1(a1)(1) reads as rewritten:

"(1) The salaries of magistrates who on June 30, 1994, were paid at a salary level of less than five years of service under the table in effect that date shall be as follows:

Less than 1 year of service	\$ 18,095 <u>18,457</u>
1 or more but less than 3 years of service	19,025 <u>19,406</u>
3 or more but less than 5 years of service	20,896 <u>21,314</u> .

Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a)."

Requested by: Representatives Holmes, Creech, Esposito

GENERAL ASSEMBLY

Sec. 7.8. G.S. 120-3(b) reads as rewritten:

"(b) Every other member of the General Assembly shall receive increases in annual salary only to the extent of and in the amounts equal to the average increases received by employees of the State, effective upon convening of the next Regular Session of the General Assembly after enactment of these increased ~~amounts.~~ amounts, except no such increase is granted upon the convening of the 1997 Regular Session of the General Assembly. Accordingly, upon convening of the ~~1995-1997~~ Regular Session of the General Assembly, every other member of the General Assembly shall be paid an annual salary of thirteen thousand nine hundred fifty-one dollars (\$13,951) payable monthly, and an expense allowance of five hundred fifty-nine dollars (\$559.00) per month."

Requested by: Representatives Holmes, Creech, Esposito

GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Sec. 7.9. G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~fifty-four thousand dollars (\$54,000)~~ fifty-five thousand eighty dollars (\$55,080) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

Requested by: Representatives Holmes, Creech, Esposito

SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

Sec. 7.10. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~two hundred thirty-two dollars (\$232.00)~~ two hundred thirty-seven dollars (\$237.00) per week, plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall

1 serve during sessions of the General Assembly and at such time prior to the convening of,
2 and subsequent to adjournment or recess of, sessions as may be authorized by the
3 Legislative Services Commission. The reading clerks shall serve during sessions only."
4

5 Requested by: Representatives Holmes, Creech, Esposito

6 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

7 Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of
8 nonelected employees of the General Assembly in effect for fiscal year 1994-95 by two
9 percent (2%). Nothing in this act limits any of the provisions of G.S. 120-32.
10

11 Requested by: Representatives Holmes, Creech, Esposito

12 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

13 Sec. 7.12. The Director of the Budget shall transfer from the Reserve for
14 Salary Increases created in this act for fiscal year 1995-96 funds to the Department of
15 Community Colleges necessary to provide an average annual salary increase of two
16 percent (2%), including funds for the employer's retirement and social security
17 contributions, commencing July 1, 1995, for all permanent full-time community college
18 institutional personnel supported by State funds. The State Board of Community
19 Colleges shall establish guidelines for providing their salary increases to community
20 college institutional personnel. Salary funds shall be used to provide an average annual
21 salary increase of two percent (2%) to all full-time employees and part-time employees
22 on a pro rata basis.
23

24 Requested by: Representatives Holmes, Creech, Esposito

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

26 Sec. 7.13. The Director of the Budget shall transfer to the Board of Governors
27 of The University of North Carolina sufficient funds from the Reserve for Salary
28 Increases created in this act for fiscal year 1995-96 to provide an annual average salary
29 increase of two percent (2%), including funds for the employer's retirement and social
30 security contributions, commencing July 1, 1995, for all employees of The University of
31 North Carolina, as well as employees other than teachers of the North Carolina School of
32 Science and Mathematics, supported by State funds and whose salaries are exempt from
33 the State Personnel Act (EPA). These funds shall be allocated to individuals according to
34 the rules adopted by the Board of Governors, or the Board of Trustees of the North
35 Carolina School of Science and Mathematics, as appropriate, and may not be used for any
36 purpose other than for salary increases and necessary employer contributions provided by
37 this section.
38

39 Requested by: Representatives Holmes, Creech, Esposito

40 **MOST STATE EMPLOYEES/SALARY INCREASES/1995-96**

41 Sec. 7.14. (a) The salaries in effect June 30, 1995, of all permanent full-time State
42 employees whose salaries are set in accordance with the State Personnel Act, and who are

1 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
2 1995, unless otherwise provided by this act, by two percent (2%).

3 (b) Except as otherwise provided in this act, salaries in effect June 30, 1995, for
4 permanent full-time State officials and persons in exempt positions that are recommended
5 by the Governor or the Governor and the Advisory Budget Commission and set by the
6 General Assembly shall be increased by two percent (2%), commencing July 1, 1995.

7 (c) The salaries in effect June 30, 1995, for all permanent part-time State
8 employees shall be increased on and after July 1, 1995, by pro rata amounts of the salary
9 increases provided for permanent full-time employees covered under subsection (a) of
10 this section.

11 (d) The Director of the Budget may allocate out of special operating funds or from
12 other sources of the employing agency, except tax revenues, sufficient funds to allow a
13 salary increase on and after July 1, 1995, in accordance with subsections (a), (b), or (c) of
14 this section, including funds for the employer's retirement and social security
15 contributions, of the permanent full-time and part-time employees of the agency.

16 (e) Within regular Executive Budget Act procedures as limited by this act, all
17 State agencies and departments may increase on an equitable basis the rate of pay of
18 temporary and permanent hourly State employees, subject to availability of funds in the
19 particular agency or department, by pro rata amounts salary increase provided for
20 permanent full-time employees covered by the provisions of subsection (a) of this
21 section, commencing July 1, 1995.

22 (f) No person may receive a salary increase under G.S. 126-7 during the 1995-
23 96 fiscal year, and no State employee or officer shall receive a merit increment during the
24 1995-96 and 1996-97 fiscal years except as otherwise provided by this act.

25 (g) The provisions of this section do not apply to employees whose salaries are
26 determined in accordance with G.S. 7A-102(c) or G.S. 20-187.3(a), except for those
27 employees who would not receive a salary increment in the 1995-96 fiscal year under
28 G.S. 7A-102(c) or G.S. 20-187.3(a) because they are at the top of their salary range.

29
30 Requested by: Representatives Holmes, Creech, Esposito

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

32 Sec. 7.15. (a) Salaries and related benefits for positions that are funded partially
33 from the General Fund or Highway Fund and partially from sources other than the
34 General Fund or Highway Fund shall be increased from the General Fund or Highway
35 Fund appropriation only to the extent of the proportionate part of the salaries paid from
36 the General Fund or Highway Fund.

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

40 (c) The salary increases provided in this Part are to be effective July 1, 1995, do
41 not apply to persons separated from State service due to resignation, dismissal, reduction
42 in force, death, or retirement, whose last workday is prior to July 1, 1995, or to

1 employees involved in final written disciplinary procedures. The employee shall receive
2 the increase on a current basis when the final written disciplinary procedure is resolved.

3 Payroll checks issued to employees after July 1, 1995, which represent
4 payment of services provided prior to July 1, 1995, shall not be eligible for salary
5 increases provided for in this act. This subsection shall apply to all employees, subject to
6 or exempt from the State Personnel Act, paid from State funds, including public schools,
7 community colleges, and The University of North Carolina.

8 (d) The Director of the Budget shall transfer from the Reserve for Salary Increases
9 in this act for fiscal year 1995-96 all funds necessary for the salary increases provided by
10 this act, including funds for the employer's retirement and social security contributions.

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

13
14 Requested by: Representatives Holmes, Creech, Esposito

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

16 Sec. 7.16. (a) Superintendents, Assistant Superintendents, Associate
17 Superintendents, Supervisors, Directors/Coordinators, and Finance Officers. – The
18 Director of the Budget may transfer from the Reserve for Salary Increases created in this
19 act for fiscal year 1995-96 funds necessary to provide a salary increase of two percent
20 (2%), including funds for the employer's retirement and social security contributions,
21 commencing July 1, 1995, for all superintendents, assistant superintendents, associate
22 superintendents, supervisors, directors, coordinators, evaluators, and program
23 administrators whose salaries are supported from the State's General Fund. These funds
24 may not be used for any purpose other than for the salary increase and necessary
25 employer contributions provided by this subsection.

26 (b) Noncertified Employees. – The Director of the Budget may transfer from the
27 Reserve for Salary Increases created in this act for fiscal year 1995-96 funds necessary to
28 provide a salary increase of two percent (2%), including funds for the employer's
29 retirement and social security contributions, commencing July 1, 1995, for all
30 noncertified public school employees, except school bus drivers, whose salaries are
31 supported from the State's General Fund. These funds may not be used for any purpose
32 other than for the salary increases and necessary employer contributions provided by this
33 subsection.

34 (c) The fiscal year 1994-95 pay rates adopted by local boards of education for
35 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
36 1995, to the extent that such rates of pay are supported by the allocation of State funds
37 from the State Board of Education. Local boards of education shall increase the rates of
38 pay for all school bus drivers who were employed during fiscal year 1994-95 and who
39 continue their employment for fiscal year 1995-96 by at least two percent (2%) on and
40 after July 1, 1995. The Director of the Budget may transfer from the salary increase
41 reserve fund created in this act for fiscal year 1995-96 funds necessary to provide the
42 salary increases for school bus drivers whose salaries are supported from the State's
43 General Fund in accordance with the provisions of this subsection.

1
2 Requested by: Representatives Preston, Grady

3 **SCHOOL CENTRAL OFFICE SALARIES**

4 Sec. 7.17. (a) The following monthly salary ranges apply to public school
5 superintendents, assistant superintendents, associate superintendents,
6 directors/coordinators, supervisors, and finance officers for the 1995-96 fiscal year:

- 7 (1) School Administrator I: \$2,697 - \$4,338
8 (2) School Administrator II: \$2,862 - \$4,604
9 (3) School Administrator III: \$3,037 - \$4,886
10 (4) School Administrator IV: \$3,160 - \$5,084
11 (5) School Administrator V: \$3,287 - \$5,290
12 (6) School Administrator VI: \$3,488 - \$5,614
13 (7) School Administrator VII: \$3,629 - \$5,841

14 The local board of education shall determine the appropriate category and placement for
15 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
16 or finance officer, within the salary ranges and within funds appropriated by the General
17 Assembly for central office administrators and superintendents. The category in which
18 an employee is placed shall be included in the contract of any employee hired on or after
19 July 1, 1995.

20 (b) The following monthly salary ranges apply to public school superintendents
21 for the 1995-96 fiscal year:

- 22 (1) Superintendent I (Up to 2,500 ADM): \$3,852 - \$6,199
23 (2) Superintendent II (2,501 - 5,000 ADM): \$4,088 - \$6,578
24 (3) Superintendent III (5,001 - 10,000 ADM): \$4,338 - \$6,981
25 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,604 - \$7,408
26 (5) Superintendent V (Over 25,000 ADM): \$4,886 - \$7,861

27 The local board of education shall determine the appropriate category and placement for
28 the superintendent based on the average daily membership of the local school
29 administrative unit and within funds appropriated by the General Assembly for central
30 office administrators and superintendents.

31 Notwithstanding the provisions of this subsection, a local board of education
32 may pay an amount in excess of the applicable range to a superintendent who is entitled
33 to receive the higher amount under Section 7.19(f) of this act.

34 (c) Longevity pay for superintendents, assistant superintendents, associate
35 superintendents, directors/coordinators, supervisors, and finance officers shall be as
36 provided for State employees.

37 (d) Superintendents, assistant superintendents, associate superintendents,
38 directors/coordinators, supervisors, and finance officers with certification based on
39 academic preparation at the six-year degree level shall receive a salary supplement of one
40 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
41 for pursuant to this section. Superintendents, assistant superintendents, associate
42 superintendents, directors/coordinators, supervisors, and finance officers with
43 certification based on academic preparation at the doctoral degree level shall receive a

1 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
 2 the compensation provided for under this section.

3 (e) The State Board shall not permit local school administrative units to
 4 transfer State funds from other funding categories for salaries for public school central
 5 office administrators.

6
 7 Requested by: Representatives Holmes, Creech, Esposito, Grady, Preston

8 **TEACHER SALARY SCHEDULES**

9 Sec. 7.18. (a) The Director of the Budget may transfer from the Reserve for Salary
 10 Increases for the 1995-96 fiscal year funds necessary to implement the teacher salary
 11 schedule set out in subsection (b) of this section, including funds for the employer's
 12 retirement and social security contributions and funds for annual longevity payments at
 13 one percent (1%) of base salary for 10 to 14 years of State service, one and one-half
 14 percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base
 15 salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base
 16 salary for 25 or more years of State service, commencing July 1, 1995, for all teachers
 17 whose salaries are supported from the State's General Fund. These funds shall be
 18 allocated to individuals according to rules adopted by the State Board of Education and
 19 the Superintendent of Public Instruction. The longevity payment shall be paid in a lump
 20 sum once a year.

21 (b)(1) Beginning July 1, 1995, the following monthly salary schedule shall
 22 apply to certified personnel of the public schools who are classified as
 23 "A"teachers. The schedule contains 30 steps with each step
 24 corresponding to one year of teaching experience.

<u>Years of</u>	<u>1995-96</u>
<u>Experience</u>	<u>Salary</u>
00	\$2,062
01	2,103
02	2,145
03	2,231
04	2,276
05	2,322
06	2,368
07	2,415
08	2,463
09	2,512
10	2,562
11	2,613
12	2,665
13	2,718
14	2,772
15	2,827
16	2,884

1	17	2,942
2	18	3,001
3	19	3,061
4	20	3,122
5	21	3,184
6	22	3,248
7	23	3,313
8	24	3,379
9	25	3,447
10	26	3,516
11	27	3,586
12	28	3,658
13	29	3,731
14	30+	3,731

(2) Beginning July 1, 1995, the following monthly salary schedule shall apply to certified personnel of the public schools who are classified as "G"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

	<u>Years of</u> <u>Experience</u>	<u>1995-96</u> <u>Salary</u>
21	00	\$2,191
22	01	2,235
23	02	2,280
24	03	2,371
25	04	2,418
26	05	2,466
27	06	2,515
28	07	2,565
29	08	2,616
30	09	2,668
31	10	2,721
32	11	2,775
33	12	2,831
34	13	2,888
35	14	2,946
36	15	3,005
37	16	3,065
38	17	3,126
39	18	3,189
40	19	3,253
41	20	3,318
42	21	3,384
43	22	3,452

1	23	3,521
2	24	3,591
3	25	3,663
4	26	3,736
5	27	3,811
6	28	3,887
7	29	3,965
8	30+	3,965

9 (3) Certified public school teachers with certification based on academic
10 preparation at the six-year degree level shall receive a salary supplement
11 of one hundred twenty-six dollars (\$126.00) per month in addition to the
12 compensation provided for certified personnel of the public schools who
13 are classified as "G"teachers. Certified public school teachers with
14 certification based on academic preparation at the doctoral degree level
15 shall receive a salary supplement of two hundred fifty-three dollars
16 (\$253.00) per month in addition to the compensation provided for
17 certified personnel of the public schools who are classified as
18 "G"teachers.

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

25 Certified psychologists with certification based on academic preparation at the
26 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
27 (\$126.00) per month in addition to the compensation provided for certified psychologists.
28 Certified psychologists with certification based on academic preparation at the doctoral
29 degree level shall receive a salary supplement of two hundred fifty-three dollars
30 (\$253.00) per month in addition to the compensation provided for certified psychologists.

31 (d) Certified personnel of the public schools who are: (i) classified as
32 "A"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed
33 as teachers for the first three pay periods of the school year shall receive a one-time
34 bonus of seven hundred forty-six dollars (\$746.00), payable at the third payroll period of
35 the 1995-96 school year. Certified personnel of the public schools who are: (i) classified
36 as "G"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii)
37 employed as teachers for the first three pay periods of the school year, shall receive a
38 one-time bonus of seven hundred ninety-three dollars (\$793.00), payable at the third
39 payroll period of the 1995-96 school year.

40 (e) Certified personnel of the public schools who are: (i) classified as
41 psychologists with advanced degrees; (ii) at the maximum of their pay range on June 30,
42 1995; and (iii) employed as school psychologists for the first three pay periods of the
43 school year, shall receive a one-time bonus of nine hundred one dollars (\$901.00),

1 payable at the third payroll period of the 1995-96 school year. Certified personnel of the
 2 public schools who are: (i) classified as psychologists with doctoral degrees; (ii) at the
 3 maximum of their pay range on June 30, 1995; and (iii) employed as school
 4 psychologists for the first three pay periods of the school year, shall receive a one-time
 5 bonus of nine hundred twenty-six dollars (\$926.00), payable at the third payroll period of
 6 the 1995-96 school year.

7
 8 Requested by: Representatives Holmes, Creech, Esposito, Grady, Preston

9 **SCHOOL-BASED ADMINISTRATOR SALARIES**

10 Sec. 7.19. (a) Funds appropriated to the Reserve for Salary Increases shall be used
 11 to complete the implementation of a new salary schedule for school-based administrators
 12 as provided in this act. These funds shall be used for State-paid employees only.

13 (b) The salary schedule for school-based administrators shall apply only to
 14 principals and assistant principals. The salary schedule for the 1995-96 fiscal year is as
 15 follows:

19	Step	Asst.	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV	Prin.V	Prin.VI	Prin. VII
20	0	—	—	—	—	—	—	—	—	—
21	1	—	—	—	—	—	—	—	—	—
22	2	—	—	—	—	—	—	—	—	—
23	3	—	—	—	—	—	—	—	—	—
24	4	\$2,491	—	—	—	—	—	—	—	—
25	5	2,541	—	—	—	—	—	—	—	—
26	6	2,592	—	—	—	—	—	—	—	—
27	7	2,644	—	—	—	—	—	—	—	—
28	8	2,697	\$2,697	—	—	—	—	—	—	—
29	9	2,751	2,751	—	—	—	—	—	—	—
30	10	2,806	2,806	\$2,862	—	—	—	—	—	—
31	11	2,862	2,862	2,919	—	—	—	—	—	—
32	12	2,919	2,919	2,977	\$3,037	—	—	—	—	—
33	13	2,977	2,977	3,037	3,098	\$3,160	—	—	—	—
34	14	3,037	3,037	3,098	3,160	3,223	\$3,287	—	—	—
35	15	3,098	3,098	3,160	3,223	3,287	3,353	—	—	—
36	16	3,160	3,160	3,223	3,287	3,353	3,420	\$3,488	—	—
37	17	3,223	3,223	3,287	3,353	3,420	3,488	3,558	\$3,629	—
38	18	3,287	3,287	3,353	3,420	3,488	3,558	3,629	3,702	—
39	19	3,353	3,353	3,420	3,488	3,558	3,629	3,702	3,776	—
40	20	3,420	3,420	3,488	3,558	3,629	3,702	3,776	3,852	—
41	21	3,488	3,488	3,558	3,629	3,702	3,776	3,852	3,929	—

1	22	3,558	3,558	3,629	3,702	3,776	3,852	3,929	4,008
2	23	3,629	3,629	3,702	3,776	3,852	3,929	4,008	4,088
3	24	3,702	3,702	3,776	3,852	3,929	4,008	4,088	4,170
4	25	3,776	3,776	3,852	3,929	4,008	4,088	4,170	4,253
5	26	3,852	3,852	3,929	4,008	4,088	4,170	4,253	4,338
6	27	3,929	3,929	4,008	4,088	4,170	4,253	4,338	4,425
7	28	4,008	4,008	4,088	4,170	4,253	4,338	4,425	4,514
8	29	4,088	4,088	4,170	4,253	4,338	4,425	4,514	4,604
9	30	4,170	4,170	4,253	4,338	4,425	4,514	4,604	4,696
10	31	4,253	4,253	4,338	4,425	4,514	4,604	4,696	4,790
11	32	—	4,338	4,425	4,514	4,604	4,696	4,790	4,886
12	33	—	—	4,514	4,604	4,696	4,790	4,886	4,984
13	34	—	—	4,604	4,696	4,790	4,886	4,984	5,084
14	35	—	—	—	4,790	4,886	4,984	5,084	5,186
15	36	—	—	—	4,886	4,984	5,084	5,186	5,290
16	37	—	—	—	—	5,084	5,186	5,290	5,396
17	38	—	—	—	—	—	5,290	5,396	5,504
18	39	—	—	—	—	—	—	5,504	5,614
19	40	—	—	—	—	—	—	5,614	5,726
20	41	—	—	—	—	—	—	—	5,841.

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

24	Classification	Number of Teachers Supervised
25	Assistant Principal	
26	Principal I	Less than 11 Teachers
27	Principal II	11-21 Teachers
28	Principal III	22-32 Teachers
29	Principal IV	33-43 Teachers
30	Principal V	44-54 Teachers
31	Principal VI	55-65 Teachers
32	Principal VII	More than 65 Teachers
33		
34		

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

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

41 (e) Principals and assistant principals with certification based on academic
 42 preparation at the six-year degree level shall be paid a salary supplement of one hundred

1 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
 2 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

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

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

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

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

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

31 (i) Except as provided in subsection (h) of this section, the salary of a principal
 32 or assistant principal shall not be less for the 1995-96 fiscal year than it was for the 1993-
 33 94 fiscal year solely as a result of placement on the salary schedule established in this
 34 section.

35 (j) Certified personnel of the public schools who are school administrators and
 36 who are at the maximum of their pay range on June 30, 1995, shall receive a one-time
 37 bonus as set out in the table below payable at the third payroll period of the 1995-96
 38 school year:

<u>Classification</u>	<u>Bonus Amount</u>
Asst. Principal	\$851
Asst. Principal Advanced	876
Asst. Principal Doctorate	901
Principal I	1,041

1	Principal I Advanced	1,071
2	Principal I Doctorate	1,102
3	Principal II	1,105
4	Principal II Advanced	1,135
5	Principal II Doctorate	1,166
6	Principal III	1,173
7	Principal III Advanced	1,203
8	Principal III Doctorate	1,233
9	Principal IV	1,220
10	Principal IV Advanced	1,250
11	Principal IV Doctorate	1,281
12	Principal V	1,270
13	Principal V Advanced	1,300
14	Principal V Doctorate	1,330
15	Principal VI	1,347
16	Principal VI Advanced	1,378
17	Principal VI Doctorate	1,408
18	Principal VII	1,402
19	Principal VII Advanced	1,432
20	Principal VII Doctorate	1,463.

21

22 Requested by: Representatives Holmes, Esposito, Creech, Cocklereece

23 **STATE EMPLOYEE RIF RIGHTS/OPTIONS**

24 Sec. 7.20. (a) G.S. 126-7.1 reads as rewritten:

25 **"§ 126-7.1. Posting requirement; State employees receive priority consideration.**
26 **consideration; reduction-in-force rights.**27 (a) All vacancies for which any State agency, department, or institution openly
28 recruit shall be posted within at least the following:29 (1) The personnel office of the agency, department, or institution having the
30 vacancy; and31 (2) The particular work unit of the agency, department, or institution having
32 the vacancy33 in a location readily accessible to employees. If the decision is made, initially or at any
34 time while the vacancy remains open, to receive applicants from outside the recruiting
35 agency, department, or institution, the vacancy shall be listed with the Office of State
36 Personnel for the purpose of informing current State employees of such vacancy. The
37 State agency, department, or institution may not receive approval from the Office of State
38 Personnel to fill a job vacancy if the agency, department, or institution cannot prove to
39 the satisfaction of the Office of State Personnel that it complied with these posting
40 requirements. The agency, department, or institution which hires any person in violation
41 of these posting requirements shall pay such person when employment is discontinued as
42 a result of such violation for the work performed during the period of time between his
43 initial employment and separation.

1 (a1) State employees to be affected by a reduction in force shall be notified of the
2 reduction in force as soon as practicable, and in any event, no less than 30 days prior to
3 the effective date of the reduction in force.

4 (a2) The State Personnel Commission shall adopt rules to provide that priority
5 consideration for State employees separated from State employment as the result of
6 reductions in force is to enable a State employee's return to career service at a salary
7 grade and salary rate equal to that held in the most recent position. The State Personnel
8 Commission shall provide that a State employee who:

9 (1) Accepts a position at the same salary grade shall be paid at the same
10 salary rate as the employee's previous position.

11 (2) Accepts a position at a lower salary grade than the employee's previous
12 position shall be paid at the same rate as the previous position unless the
13 salary rate exceeds the maximum of the new salary grade. When the
14 salary rate exceeds the maximum of the salary grade, the employee's
15 new salary rate shall be reduced to the maximum of the new salary
16 grade.

17 (b) Subsection (a) of this section does not apply to vacancies which must be filled
18 immediately to prevent work stoppage or the protection of the public health, safety, or
19 security.

20 (c) If a State employee subject to this section:

21 (1) Applies for another position of State employment that would constitute
22 a promotion and;

23 (2) Has substantially equal qualifications as an applicant who is not a State
24 employee

25 then the State employee shall receive priority consideration over the applicant who is not
26 a State employee. This priority consideration shall not apply when the only applicants
27 considered for the vacancy are current State employees.

28 (c1) If a State employee who has been separated due to reduction in force or who
29 has been given notice of imminent separation due to reduction in force:

30 (1) Applies for another position of State employment equal to or lower in
31 salary grade than the position held by the employee at the time of
32 notification or separation; and

33 (2) Is determined qualified for that position

34 then within ~~the separating agency, all State agencies,~~ the State employee shall receive
35 priority consideration over all other applicants including those who are current State
36 employees not affected by the reduction in force. Within all other agencies, the State
37 employee shall receive priority consideration over other applicants from outside State
38 government, but shall receive equal consideration with other applicants who are current
39 State employees not affected by the reduction in force. This priority shall remain in
40 effect for a period of 12 months from the date the employee receives notification of
41 separation by reduction in force. State employees separated due to reduction in force
42 shall receive higher priority than other applicants with employment or reemployment
43 priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be

1 considered as equal. The ~~reduction in force~~ reduction-in-force priority created by this
2 subsection shall be administered in accordance with rules promulgated by the State
3 Personnel Commission.

4 (c2) If the applicants for reemployment for a position include current State
5 employees, a State employee with more than 10 years of service shall receive priority
6 consideration over a State employee having less than 10 years of service in the same or
7 related position classification. This reemployment priority shall be given by all State
8 departments, agencies, and institutions with regard to positions subject to this Chapter.

9 (d) 'Qualifications' within the meaning of subsection (c) of this section shall
10 consist of:

- 11 (1) Training or education;
- 12 (2) Years of experience; and
- 13 (3) Other skills, knowledge, and abilities that bear a reasonable functional
14 relationship to the abilities and skills required in the job vacancy applied
15 for."

16 (b) This section becomes effective July 1, 1995.

17
18 Requested by: Representatives Sherrill, Pate, Thompson

19 **ADDITIONAL STATE EMPLOYEE RIF RIGHTS/OPTIONS**

20 Sec. 7.21. (a) G.S. 135-40.2(a) is amended by adding a new subdivision to read:

21 "(6) employees formerly covered by the provisions of this section, other than
22 retired employees, who have been employed for 12 or more months by an employing unit
23 and whose jobs are eliminated because of a reduction, in total or in part, in the funds used
24 to support the job or its responsibilities, provided the employees were covered by the
25 Plan at the time of separation from service resulting from a job elimination. Employees
26 covered by this subsection shall be covered for a period of up to 12 months following a
27 separation from service because of a job elimination."

28 (b) G.S. 135-40.2(b)(5) reads as rewritten:

29 "(5) The spouses and eligible dependent children of enrolled employees,
30 retirees, former employees covered by the provisions of G.S. 135-
31 40.2(a)(6), and members of the General Assembly."

32 (c) G.S. 135-40.2(b) is amended by adding a new subdivision to read:

33 "(12) Notwithstanding the provisions of G.S. 135-40.11, former employees
34 covered by the provisions of G.S. 135-40.2(a)(6), and their spouses and
35 eligible dependent children who were covered by the Plan at the time of
36 the former employees' separation from service pursuant to G.S. 135-
37 40.2(a)(6), following expiration of the former employees' coverage
38 provided by G.S. 135-40.2(a)(6)."

39 (d) This section becomes effective June 30, 1995.

41 **INCREASE FIRE/RESCUE SQUAD BENEFITS**

42 Sec. 7.21A. (a) G.S. 58-86-35 reads as rewritten:

1 **"§ 58-86-35. Firemen's application for membership in fund; monthly payments by**
2 **members; payments credited to separate accounts of members.**

3 Those firemen who are eligible pursuant to G.S. 58-86-25 may make application for
4 membership to the board. Each fireman upon becoming a member of the fund shall pay
5 the director of the fund the sum of ~~five~~ ten dollars ~~(\$5.00)~~ (\$10.00) per month. The
6 monthly payments shall be credited to the separate account of the member and shall be
7 kept by the custodian so it is available for payment on withdrawal from membership or
8 retirement."

9 (b) G.S. 58-86-40 reads as rewritten:

10 **"§ 58-86-40. Rescue squad worker's application for membership in funds; monthly**
11 **payments by members; payments credited to separate accounts of**
12 **members.**

13 Those rescue squad workers eligible pursuant to G.S. 58-86-30 may make application
14 to the board for membership. All persons who subsequently become rescue squad
15 workers may make application for membership. Each eligible rescue squad worker upon
16 becoming a member shall pay the director of the fund the sum of ~~five~~ ten dollars ~~(\$5.00)~~
17 (\$10.00) per month. A rescue squad worker who, on the date of the establishment of the
18 fund, has service as a rescue squad worker certified by the Department of State Treasurer,
19 may make a lump sum payment of five dollars (\$5.00) per month for each month of
20 service as an eligible rescue squad worker as defined by G.S. 58-86-30, on or before
21 December 31, 1983, for as many as 240 months together with interest at an annual rate of
22 six percent (6%).

23 The monthly payments shall be credited to the separate account of the member and
24 shall be kept by the custodian so it is available for payment on withdrawal from
25 membership or retirement."

26 (c) G.S. 58-86-45 is amended by adding a new subsection to read:

27 "(c) Effective July 1, 1995, any fireman or rescue squad worker who has not
28 reached his thirty-fifth birthday who is eligible and who has not previously elected to
29 become a member may make application through the board of trustees for membership in
30 the fund at any time. The person shall make a lump-sum payment of ten dollars (\$10.00)
31 per month retroactively to the time he first became eligible to become a member, plus
32 interest at an annual rate to be set by the board of trustees, for each year of his retroactive
33 payments. Upon making this lump-sum payment, the person shall be given credit for all
34 prior service in the same manner as if he had made application for membership at the
35 time he first became eligible. Any member who has not reached his thirty-fifth birthday
36 who made application for membership subsequent to the time he was first eligible and did
37 not receive credit for prior service may receive credit for such prior service upon lump-
38 sum payment of ten dollars (\$10.00) per month retroactively to the time he first became
39 eligible, plus interest at an annual rate to be set by the board of trustees, for each year of
40 his retroactive payments. Upon making this lump-sum payment, the date of membership
41 shall be the same as if he had made application for membership at the time he was first
42 eligible."

43 (d) G.S. 58-86-55 reads as rewritten:

1 **"§ 58-86-55. Monthly pensions upon retirement.**

2 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue squad
3 worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
4 and who has attained the age of 55 years is entitled to be paid a monthly pension from
5 this fund. The monthly pension shall be in the amount of one hundred ~~ten-thirty-five~~
6 dollars ~~(\$110.00)-(\$135.00)~~ per month. Any retired fireman receiving a pension of one
7 hundred ten dollars (\$110.00) per month shall, effective July 1, ~~1994-~~1995, receive a
8 pension of one hundred ~~ten-thirty-five~~ dollars ~~(\$110.00)-(\$135.00)~~ per month.

9 Members shall pay ~~five-ten~~ dollars ~~(\$5.00)-(\$10.00)~~ per month as required by G.S. 58-
10 86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue
11 squad member' shall receive a pension prior to July 1, 1983. No person shall be entitled
12 to a pension hereunder until his official duties as a fireman or rescue squad worker for
13 which he is paid compensation shall have been terminated and he shall have retired as
14 such according to standards or rules fixed by the board of trustees.

15 Any member who is totally and permanently disabled while in the discharge of his
16 official duties as a result of bodily injuries sustained or as a result of extreme exercise or
17 extreme activity experienced in the course and scope of his official duties and who leaves
18 the fire or rescue squad service because of this disability shall be entitled to be paid from
19 the fund a monthly benefit in an amount of one hundred ~~ten-thirty-five~~ dollars ~~(\$110.00)~~
20 ~~(\$135.00)~~ per month beginning the first month after his fifty-fifth birthday. All
21 applications for disability are subject to the approval of the board who may appoint
22 physicians to examine and evaluate the disabled member prior to approval of his
23 application, and annually thereafter. Any disabled member shall not be required to make
24 the monthly payment of ~~five-ten~~ dollars ~~(\$5.00)-(\$10.00)~~ as required by G.S. 58-86-35
25 and G.S. 58-86-40.

26 Effective July 1, 1995, Any-any member who is totally and permanently disabled for
27 any cause, other than line of duty, who leaves the fire or rescue squad service because of
28 this disability and who has at least 10 years of service with the pension fund, may be
29 permitted to continue making a monthly contribution of ~~five-ten~~ dollars ~~(\$5.00)-(\$10.00)~~
30 to the fund until he has paid into the fund the sum of ~~one-two~~ thousand ~~two-four~~ hundred
31 dollars ~~(\$1,200)-(\$2,400)~~. Any member who began making contributions prior to July 1,
32 1995, in the amount of five dollars (\$5.00) per month, and thereafter leaves the fire or
33 rescue squad service because of disability, may be permitted to continue making monthly
34 contributions of ten dollars (\$10.00) per month after July 1, 1995, until the member has
35 made contributions for a total of 240 months. The member shall upon attaining the age of
36 55 years be entitled to receive a pension as provided by this section. All applications for
37 disability are subject to the approval of the board who may appoint physicians to examine
38 and evaluate the disabled member prior to approval of his application annually thereafter.

39 Effective July 1, 1995, Any-any member who, because his residence is annexed by a
40 city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose
41 department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4
42 of Chapter 160A of the General Statutes, and because of such annexation is unable to
43 perform as a fireman of any status, and if the member has at least 10 years of service with

1 the pension fund, may be permitted to continue making a monthly contribution of ~~five-ten~~
2 ~~dollars (\$5.00)-(\$10.00)~~ to the fund until he has paid into the fund the sum of ~~one-two~~
3 ~~thousand two-four~~ hundred dollars ~~(\$1,200)-(\$2,400)~~. Any member who began making
4 contributions prior to July 1, 1995, in the amount of five dollars (\$5.00) per month, and
5 thereafter, is unable to perform as a fireman of any status because of annexation, may be
6 permitted to continue making a monthly contribution of ten dollars (\$10.00) per month
7 after July 1, 1995, until the member has made contributions for a total of 240 months.
8 The member upon attaining the age of 55 years and completion of such contributions
9 shall be entitled to receive a pension as provided by this section. Any application to make
10 monthly contributions under this section shall be subject to a finding of eligibility by the
11 Board of Trustees upon application of the member.

12 The pensions provided shall be in addition to all other pensions or benefits under any
13 other statutes of the State of North Carolina or the United States, notwithstanding any
14 exclusionary provisions of other pensions or retirement systems provided by law."

15 (e) G.S. 58-86-30 reads as rewritten:

16 **"§ 58-86-30. 'Eligible rescue squad worker' defined; determination and certification**
17 **of eligibility.**

18 'Eligible rescue squad worker' means any member of a rescue or emergency medical
19 services squad who is eligible for membership in the North Carolina Association of
20 Rescue Squads, and Emergency Medical Services, Inc., and who has attended a minimum
21 of 36 hours of training and meetings in the last calendar year. Each rescue or emergency
22 medical services squad worker eligible for membership in the North Carolina Association
23 of Rescue Squads, and Emergency Medical Services, Inc., must file a ~~roster~~-roster,
24 certified by the secretary of the ~~association~~-association, of those rescue squad workers
25 meeting the ~~association~~-association's requirements with the State Treasurer by January 1
26 of each calendar year.

27 'Eligible rescue squad worker' does not mean 'eligible fireman' as defined by G.S. 58-
28 86-25, nor may an 'eligible rescue squad worker' qualify also as an 'eligible fireman' in
29 order to receive double benefits available under this Article."

30
31 Requested by: Representatives Holmes, Creech, Esposito, McCombs

32 **1995 RETIREMENT BENEFITS ACT**

33 Sec. 7.22. (a) G.S. 135-5 is amended by adding a new subsection to read:

34 "(zz) From and after July 1, 1995, the retirement allowance to or on account of
35 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
36 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
37 135-5(o). Furthermore, from and after July 1, 1995, the retirement allowance to or on
38 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
39 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
40 payable as determined by the Board of Trustees based upon the number of months that a
41 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

1 "(p) From and after July 1, 1995, the retirement allowance to or on account of
2 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
3 by two percent (2%) of the allowance payable on July 1, 1994. Furthermore, from and
4 after July 1, 1995, the retirement allowance to or on account of beneficiaries whose
5 retirement commenced after July 1, 1994, but before June 30, 1995, shall be increased by
6 a prorated amount of two percent (2%) of the allowance payable as determined by the
7 Board of Trustees based upon the number of months that a retirement allowance was paid
8 between July 1, 1994, and June 30, 1995."

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

10 "(j) In accordance with subsection (a) of this section, from and after July 1, 1995,
11 the retirement allowance to or on account of beneficiaries whose retirement commenced
12 on or before January 1, 1995, shall be increased by two percent (2%) of the allowance
13 payable on January 1, 1995. Furthermore, from and after July 1, 1995, the retirement
14 allowance to or on account of beneficiaries whose retirement commenced after January 1,
15 1995, but before June 30, 1995, shall be increased by a prorated amount of two percent
16 (2%) of the allowance payable as determined by the Board of Trustees based upon the
17 number of months that a retirement allowance was paid between January 1, 1995, and
18 June 30, 1995."

19 (d) G.S. 128-24(5) reads as rewritten:

20 "(5) The provisions of this subdivision (5) shall apply to any member whose
21 membership is terminated on or after July 1, 1965, and who becomes
22 entitled to benefits hereunder in accordance with the provisions hereof.

23 a. Notwithstanding any other provision of this Chapter, any
24 member who separates from service prior to the attainment of the
25 age of 60 years for any reason other than death or retirement for
26 disability as provided in G.S. 128-27(c), after completing 15 or
27 more years of creditable service, and who leaves his total
28 accumulated contributions in said System shall have the right to
29 retire on a deferred retirement allowance upon attaining the age
30 of 60 years; provided that such member may retire only upon
31 written application to the Board of Trustees setting forth at what
32 time, not less than one day nor more than 90 days subsequent to
33 the execution and filing thereof, he desires to be retired; and
34 further provided that in the case of a member who so separates
35 from service on or after July 1, 1967, the aforesated requirement
36 of 15 or more years of creditable service shall be reduced to 12 or
37 more years of creditable service; and further provided that in the
38 case of a member who so separates from service on or after July
39 1, 1971, or whose account is active on July 1, 1971, the
40 aforesated requirement of 12 or more years of creditable service
41 shall be reduced to five or more years of creditable service. Such
42 deferred retirement allowance shall be computed in accordance
43 with the service retirement provisions of this Article pertaining to

1 a member who is not a law enforcement officer or eligible former
 2 law enforcement officer.
 3 b. In lieu of the benefits provided in paragraph a of this subdivision,
 4 any member who separates from service prior to the attainment
 5 of the age of 60 years, for any reason other than death or
 6 retirement for disability as provided in G.S. 128-27(c), after
 7 completing 20 or more years of creditable service, and who
 8 leaves his total accumulated contributions in said System may
 9 elect to retire on an early retirement allowance upon attaining the
 10 age of 50 years or at any time thereafter; provided that such
 11 member may so retire only upon written application to the Board
 12 of Trustees setting forth at what time, not less than one day nor
 13 more than 90 days subsequent to the execution and filing thereof,
 14 he desires to be retired. Such early retirement allowance so
 15 elected shall be equal to the deferred retirement allowance
 16 otherwise payable at the attainment of the age of 60 years
 17 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	50b1. In lieu

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

42 b2. In lieu of the benefits provided in paragraphs a and b of this
 43 subdivision, any member who is a law enforcement officer at the

1 time of separation from service prior to the attainment of the age
2 of 55 years, for any reason other than death or disability as
3 provided in this Article, after completing five or more years of
4 creditable service in this capacity immediately prior to separation
5 from service, and who leaves his total accumulated contributions
6 in this System may elect to retire on a deferred service retirement
7 allowance upon attaining the age of 55 years or at any time
8 thereafter; provided, that the member may commence retirement
9 only upon written application to the Board of Trustees setting
10 forth at what time, as of the first day of a calendar month not less
11 than one day nor more than 90 days subsequent to the execution
12 and filing thereof, he desires to commence retirement. The
13 deferred service retirement allowance shall be computed in
14 accordance with the service retirement provisions of this Article
15 pertaining to law enforcement officers.

16 b3. Deferred retirement allowance of members retiring on or after
17 July 1, 1995. – In lieu of the benefits provided in paragraphs a.
18 and b. of this subdivision, any member who separates from
19 service prior to attainment of age 60 years, after completing 20 or
20 more years of creditable service, and who leaves his total
21 accumulated contributions in said System, may elect to retire on
22 a deferred retirement allowance upon attaining the age of 50
23 years or any time thereafter; provided that such member may so
24 retire only upon written application to the Board of Trustees
25 setting forth at what time, not less than one day nor more than 90
26 days subsequent to the execution and filing thereof, he desires to
27 be retired. Such deferred retirement allowance shall be
28 computed in accordance with the service retirement provisions of
29 this Article pertaining to a member who is not a law enforcement
30 officer or an eligible former law enforcement officer.

31 c. Should a beneficiary who retired on an early or service
32 retirement allowance be reemployed, or otherwise engaged to
33 perform services, by an employer participating in the Retirement
34 System on a part-time, temporary, interim, or on fee-for-service
35 basis, whether contractual or otherwise, and if such beneficiary
36 earns an amount in any calendar year which exceeds fifty percent
37 (50%) of the reported compensation, excluding terminal
38 payments, during the 12 months of service preceding the
39 effective date of retirement, or twenty thousand dollars
40 (\$20,000), whichever is greater, as hereinafter indexed, then the
41 retirement allowance shall be suspended as of the first day of the
42 month following the month in which the reemployment earnings
43 exceed the amount above, for the balance of the calendar year.

1 The retirement allowance of the beneficiary shall be reinstated as
2 of January 1 of each year following suspension. The amount that
3 may be earned before suspension shall be increased on January 1
4 of each year by the ratio of the Consumer Price Index to the
5 Index one year earlier, calculated to the nearest tenth of a percent
6 (1/10 of 1%).

- 7 d. Should a beneficiary who retired on an early or service
8 retirement allowance be restored to service as an employee, then
9 the retirement allowance shall cease as of the first day of the
10 month following the month in which the beneficiary is restored
11 to service and the beneficiary shall become a member of the
12 Retirement System and shall contribute thereafter as allowed by
13 law at the uniform contribution payable by all members.

14 Upon his subsequent retirement, he shall be paid a retirement
15 allowance determined as follows:

- 16 1. For a member who earns at least three years' membership
17 service after restoration to service, the retirement
18 allowance shall be computed on the basis of his
19 compensation and service before and after the period of
20 prior retirement without restriction; provided, that if the
21 prior allowance was based on a social security leveling
22 payment option, the allowance shall be adjusted
23 actuarially for the difference between the amount received
24 under the optional payment and what would have been
25 paid if the retirement allowance had been paid without
26 optional modification.
- 27 2. For a member who does not earn three years' membership
28 service after restoration to service, the retirement
29 allowance shall be equal to the sum of the retirement
30 allowance to which he would have been entitled had he
31 not been restored to service, without modification of the
32 election of an optional allowance previously made, and
33 the retirement allowance that results from service earned
34 since being restored to service; provided, that if the prior
35 retirement allowance was based on a social security
36 leveling payment option, the prior allowance shall be
37 adjusted actuarially for the difference between the amount
38 that would have been paid for each month had the
39 payment not been suspended and what would have been
40 paid if the retirement allowance had been paid without
41 optional modification."

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

1 ~~(oo) From and after July 1, 1995, the retirement allowance to or on account of~~
2 ~~beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased~~
3 ~~by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.~~
4 ~~128-27(k). Furthermore, from and after July 1, 1995, the retirement allowance to or on~~
5 ~~account of beneficiaries whose retirement commenced after July 1, 1994, but before June~~
6 ~~30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance~~
7 ~~payable as determined by the Board of Trustees based upon the number of months that a~~
8 ~~retirement allowance was paid between July 1, 1994, and June 30, 1995."~~

9 (f) G.S 128-27(m) reads as rewritten:

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

16 ~~(1) The member had attained such age and/or creditable service to be~~
17 ~~eligible to commence retirement with an early or service retirement~~
18 ~~allowance or had attained 20 years of creditable service.~~

19 (1) a. The member had attained such age and/or creditable service to be
20 eligible to commence retirement with an early or service retirement
21 allowance, or

22 b. The member had obtained 20 years of creditable service in which
23 case the retirement allowance shall be computed in accordance
24 with G.S. 128-27(b15)(1)b. or G.S. 128-27(b15)(2)c.,
25 notwithstanding the requirement of obtaining age 50.

26 (2) The member had designated as the principal beneficiary to receive a
27 return of his accumulated contributions one and only one person who is
28 living at the time of his death.

29 (3) The member had not instructed the Board of Trustees in writing that he
30 did not wish the provisions of this subsection apply.

31 For the purpose of this benefit, a member is considered to be in service at the date of
32 his death if his death occurs within 180 days from the last day of his actual service. The
33 last day of actual service shall be determined as provided in subsection (l) of this
34 section. Upon the death of a member in service, the surviving spouse may make all
35 purchases for creditable service as provided for under this Chapter for which the member
36 had made application in writing prior to the date of death, provided that the date of death
37 occurred prior to or within 60 days after notification of the cost to make the purchase."

38 (g) This section becomes effective July 1, 1995.

39
40 Requested by: Representatives Barnes

41 **SALARY RELATED CONTRIBUTIONS/CONFORM UNC OPTIONAL PLAN**

42 Sec. 7.22A. Section 7.1(b) of Chapter 324 of the 1995 Session Laws reads as
43 rewritten:

1 "(b) Effective July 1, 1995, the State's employer contribution rates budgeted for
2 retirement and related benefits as a percentage of covered salaries for the 1995-96 fiscal
3 year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State
4 Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State Law
5 Enforcement Officers; (iii) ~~nine and ten hundredths percent (9.10%)~~ nine and eighteen
6 hundredths percent (9.18%) - University Employees' Optional Retirement Program; (iv)
7 twenty-two and sixty-five hundredths percent (22.65%) - Consolidated Judicial
8 Retirement System; and (v) twenty-three and twenty-seven hundredths percent (23.27%)
9 - Legislative Retirement System. Each of the foregoing contribution rates includes two
10 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
11 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
12 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
13 University Employees' Optional Retirement Program includes fifty-two hundredths
14 percent (0.52%) for the Disability Income Plan."

15
16 Requested by: Representatives Pate, Russell, Sherrill, Easterling

17 **FURTHER 1995 RETIREMENT BENEFITS**

18 Sec. 7.23. (a) G.S. 135-5(b15) reads as rewritten:

19 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
20 ~~1994.1994, but before July 1, 1995.~~ - Upon retirement from service in accordance with
21 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
22 shall receive the following service retirement allowance:

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

26 a. If the member's service retirement date occurs on or after his
27 55th birthday, and completion of five years of creditable service
28 as a law enforcement officer, or after the completion of 30 years
29 of creditable service, the allowance shall be equal to one and
30 seventy-three hundredths percent (1.73%) of his average final
31 compensation, multiplied by the number of years of his
32 creditable service.

33 b. If the member's service retirement date occurs on or after his
34 50th birthday and before his 55th birthday with 15 or more years
35 of creditable service as a law enforcement officer and prior to the
36 completion of 30 years of creditable service, his retirement
37 allowance shall be equal to the greater of:

38 1. The service retirement allowance payable under G.S. 135-
39 5(b15)(1)a. reduced by one-third of one percent (1/3 of
40 1%) thereof for each month by which his retirement date
41 precedes the first day of the month coincident with or next
42 following the month the member would have attained his
43 55th birthday; or

- 1 2. The service retirement allowance as computed under G.S.
2 135-5(b15)(1)a. reduced by five percent (5%) times the
3 difference between 30 years and his creditable service at
4 retirement.
- 5 (2) A member who is not a law enforcement officer or an eligible former
6 law 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 65th birthday upon the completion of five years of creditable
10 service or after the completion of 30 years of creditable service
11 or on or after his 60th birthday upon the completion of 25 years
12 of creditable service, the allowance shall be equal to one and
13 seventy-three hundredths percent (1.73%) of his average final
14 compensation, multiplied by the number of years of creditable
15 service.
- 16 b. If the member's service retirement date occurs after his 60th and
17 before his 65th birthday and prior to his completion of 25 years
18 or more of creditable service, his retirement allowance shall be
19 computed as in G.S. 135-5(b15)(2)a. but shall be reduced by one-
20 quarter of one percent (1/4 of 1%) thereof for each month by
21 which his retirement date precedes the first day of the month
22 coincident with or next following his 65th birthday.
- 23 c. If the member's early service retirement date occurs on or after
24 his 50th birthday and before his 60th birthday and after
25 completion of 20 years of creditable service but prior to the
26 completion of 30 years of creditable service, his early service
27 retirement allowance shall be equal to the greater of:
- 28 1. The service retirement allowance as computed under G.S.
29 135-5(b15)(2)a. but reduced by the sum of five-twelfths of
30 one percent (5/12 of 1%) thereof for each month by which
31 his retirement date precedes the first day of the month
32 coincident with or next following the month the member
33 would have attained his 60th birthday, plus one-quarter of
34 one percent (1/4 of 1%) thereof for each month by which
35 his 60th birthday precedes the first day of the month
36 coincident with or next following his 65th birthday; or
- 37 2. The service retirement allowance as computed under G.S.
38 135-5(b15)(2)a. reduced by five percent (5%) times the
39 difference between 30 years and his creditable service at
40 retirement; or
- 41 3. If the member's creditable service commenced prior to
42 July 1, 1994, the service retirement allowance provided by
43 G.S. 135-5(b14)(2)c.

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

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

5 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
6 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
7 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

11 a. If the member's service retirement date occurs on or after his
12 55th birthday, and completion of five years of creditable service
13 as a law enforcement officer, or after the completion of 30 years
14 of creditable service, the allowance shall be equal to one and
15 seventy-five hundredths percent (1.75%) of his average final
16 compensation, multiplied by the number of years of his
17 creditable service.

18 b. If the member's service retirement date occurs on or after his
19 50th birthday and before his 55th birthday with 15 or more years
20 of creditable service as a law enforcement officer and prior to the
21 completion of 30 years of creditable service, his retirement
22 allowance shall be equal to the greater of:

23 1. The service retirement allowance payable under G.S. 135-
24 5(b16)(1)a. reduced by one-third of one percent (1/3 of
25 1%) thereof for each month by which his retirement date
26 precedes the first day of the month coincident with or next
27 following the month the member would have attained his
28 55th birthday; or

29 2. The service retirement allowance as computed under G.S.
30 135-5(b16)(1)a. reduced by five percent (5%) times the
31 difference between 30 years and his creditable service at
32 retirement.

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

36 a. If the member's service retirement date occurs on or after his
37 65th birthday upon the completion of five years of creditable
38 service or after the completion of 30 years of creditable service
39 or on or after his 60th birthday upon the completion of 25 years
40 of creditable service, the allowance shall be equal to one and
41 seventy-five hundredths percent (1.75%) of his average final
42 compensation, multiplied by the number of years of creditable
43 service.

- 1 b. If the member's service retirement date occurs after his 60th and
2 before his 65th birthday and prior to his completion of 25 years
3 or more of creditable service, his retirement allowance shall be
4 computed as in G.S. 135-5(b16)(2)a. but shall be reduced by one-
5 quarter of one percent (1/4 of 1%) thereof for each month by
6 which his retirement date precedes the first day of the month
7 coincident with or next following his 65th birthday.
- 8 c. If the member's early service retirement date occurs on or after
9 his 50th birthday and before his 60th birthday and after
10 completion of 20 years of creditable service but prior to the
11 completion of 30 years of creditable service, his early service
12 retirement allowance shall be equal to the greater of:
- 13 1. The service retirement allowance as computed under G.S.
14 135-5(b16)(2)a. but reduced by the sum of five-twelfths of
15 one percent (5/12 of 1%) thereof for each month by which
16 his retirement date precedes the first day of the month
17 coincident with or next following the month the member
18 would have attained his 60th birthday, plus one-quarter of
19 one percent (1/4 of 1%) thereof for each month by which
20 his 60th birthday precedes the first day of the month
21 coincident with or next following his 65th birthday; or
- 22 2. The service retirement allowance as computed under G.S.
23 135-5(b16)(2)a. reduced by five percent (5%) times the
24 difference between 30 years and his creditable service at
25 retirement; or
- 26 3. If the member's creditable service commenced prior to
27 July 1, 1994, the service retirement allowance equal to the
28 actuarial equivalent of the allowance payable at the age of
29 60 years as computed in G.S. 135-5(b16)(2)b.
- 30 d. Notwithstanding the foregoing provisions, any member whose
31 creditable service commenced prior to July 1, 1963, shall not
32 receive less than the benefit provided by G.S. 135-5(b)."

33 (c) G.S. 128-27(b14) reads as rewritten:

34 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
35 ~~1994-1994~~, but before July 1, 1995. – Upon retirement from service in accordance with
36 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
37 shall receive the following service retirement allowance:

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

- 41 a. If the member's service retirement date occurs on or after his
42 55th birthday, and completion of five years of creditable service
43 as a law enforcement officer, or after the completion of 30 years

1 of creditable service, the allowance shall be equal to one and
2 seventy-one hundredths percent (1.71%) of his average final
3 compensation, multiplied by the number of years of his
4 creditable service.

5 b. This allowance shall also be governed by the provisions of G.S.
6 128-27(b8)(2).

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

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

18 b. This allowance shall also be governed by the provisions of G.S.
19 128-27(b7)(2a), (2b), and (3)."

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

21 "(b15) Service Retirement Allowance of Members Retiring on or After July 1,
22 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
23 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

27 a. If the member's service retirement date occurs on or after his
28 55th birthday, and completion of five years of creditable service
29 as a law enforcement officer, or after the completion of 30 years
30 of creditable service, the allowance shall be equal to one and
31 seventy-two hundredths percent (1.72%) of his average final
32 compensation, multiplied by the number of years of his
33 creditable service.

34 b. If the member's service retirement date occurs on or after his
35 50th birthday and before his 55th birthday with 15 or more years
36 of creditable service as a law enforcement officer and prior to the
37 completion of 30 years of creditable service, his retirement
38 allowance shall be equal to the greater of:

39 1. The service retirement allowance payable under G.S. 128-
40 27(b15)(1)a. reduced by one-third of one percent (1/3 of
41 1%) thereof for each month by which his retirement date
42 precedes the first day of the month coincident with or next

- 1 following the month the member would have attained his
2 55th birthday; or
- 3 2. The service retirement allowance as computed under G.S.
4 128-27(b15)(1)a. reduced by five percent (5%) times the
5 difference between 30 years and his creditable service at
6 retirement.
- 7 (2) A member who is not a law enforcement officer or an eligible former
8 law enforcement officer shall receive a service retirement allowance
9 computed as follows:
- 10 a. If the member's service retirement date occurs on or after his
11 65th birthday upon the completion of five years of creditable
12 service or after the completion of 30 years of creditable service
13 or on or after his 60th birthday upon the completion of 25 years
14 of creditable service, the allowance shall be equal to one and
15 seventy-two hundredths percent (1.72%) of his average final
16 compensation, multiplied by the number of years of creditable
17 service.
- 18 b. If the member's service retirement date occurs after his 60th and
19 before his 65th birthday and prior to his completion of 25 years
20 or more of creditable service, his retirement allowance shall be
21 computed as in G.S. 128-27(b15)(2)a. but shall be reduced by
22 one-quarter of one percent (1/4 of 1%) thereof for each month by
23 which his retirement date precedes the first day of the month
24 coincident with or next following his 65th birthday.
- 25 c. If the member's early service retirement date occurs on or after
26 his 50th birthday and before his 60th birthday and after
27 completion of 20 years of creditable service but prior to the
28 completion of 30 years of creditable service, his early service
29 retirement allowance shall be equal to the greater of:
- 30 1. The service retirement allowance as computed under G.S.
31 128-27(b15)(2)a. but reduced by the sum of five-twelfths
32 of one percent (5/12 of 1%) thereof for each month by
33 which his retirement date precedes the first day of the
34 month coincident with or next following the month the
35 member would have attained his 60th birthday, plus one-
36 quarter of one percent (1/4 of 1%) thereof for each month
37 by which his 60th birthday precedes the first day of the
38 month coincident with or next following his 65th birthday;
39 or
- 40 2. The service retirement allowance as computed under G.S.
41 128-27(b15)(2)a. reduced by five percent (5%) times the
42 difference between 30 years and his creditable service at
43 retirement; or

1 3. If the member's creditable service commenced prior to
2 July 1, 1995, the service retirement allowance equal to the
3 actuarial equivalent of the allowance payable at the age of
4 60 years as computed in G.S. 128-27(b15)(2)b.

5 d. Notwithstanding the foregoing provisions, any member whose
6 creditable service commenced prior to July 1, 1965, shall not
7 receive less than the benefit provided by G.S. 128-27(b)."
8

9 Requested by: Representatives Creech, Holmes, Esposito

10 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED WELLNESS**
11 **BENEFITS**

12 Sec. 7.24. (a) G.S. 135-40.5 is amended by adding two new subsections to read:

13 "(e) Routine Diagnostic Examinations. – The Plan will pay one hundred percent
14 (100%) of allowable charges for routine diagnostic examinations and tests, including Pap
15 smears, breast, colon, rectal, and prostate exams, X rays, mammograms, blood and blood
16 pressure checks, urine tests, tuberculosis tests, and general health checkups that are
17 medically necessary for the maintenance and improvement of individual health but no
18 more often than once every three years for covered individuals to age 40 years, once
19 every two years for covered individuals to age 50 years, and once a year for covered
20 individuals age 50 years and older, unless a more frequent occurrence is warranted by a
21 medical condition when such charges are incurred in a medically supervised facility.
22 Provided, however, that charges for such examinations and tests are not covered by the
23 Plan when they are incurred to obtain or continue employment, to secure insurance
24 coverage, to comply with legal proceedings, to attend schools or camps, to meet travel
25 requirements, to participate in athletic and related activities, or to comply with
26 governmental licensing requirements. The maximum amount payable under this
27 subsection for a covered individual is one hundred fifty dollars (\$150.00) per fiscal year.

28 "(f) Immunizations. – The Plan will pay one hundred percent (100%) of allowable
29 charges for immunizations for the prevention of contagious diseases as generally
30 accepted medical practices would dictate when directed by an attending physician."

31 (b) G.S. 135-40.6(8)s. reads as rewritten:

32 "s. Routine Diagnostic Examinations: Allowable charges for routine
33 diagnostic examinations and tests, including Pap smears, breast,
34 colon, rectal, and prostate exams, X rays, mammograms, blood
35 and blood pressure checks, urine tests, tuberculosis tests, and
36 general health checkups that are medically necessary for the
37 maintenance and improvement of individual health but no more
38 often than once every three years for covered individuals to age
39 40 years, once every two years for covered individuals to age ~~55~~
40 50 years, and once a year for covered individuals age ~~55~~50 years
41 and older, unless a more frequent occurrence is warranted by a
42 medical condition when such charges are incurred in a medically
43 supervised facility. Provided, however, that charges for such

1 examinations and tests are not covered by the Plan when they are
2 incurred to obtain or continue employment, to secure insurance
3 coverage, to comply with legal proceedings, to attend schools or
4 camps, to meet travel requirements, to participate in athletic and
5 related activities or to comply with governmental licensing
6 requirements. ~~The maximum amount payable under this~~
7 ~~subdivision is one hundred fifty dollars (\$150.00) per fiscal~~
8 ~~year."~~

9 (c) G.S. 135-40.6(8)t. is repealed.

10
11 Requested by: Representatives Creech, Holmes, Esposito

12 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED LIFETIME**
13 **BENEFIT**

14 Sec. 7.25. Effective January 1, 1994, G.S. 135-40.9 reads as rewritten:

15 "**§ 135-40.9. Maximum benefits.**

16 The maximum lifetime benefit for each covered individual will be ~~one million dollars~~
17 ~~(\$1,000,000)-two million dollars (\$2,000,000)."~~

18
19 Requested by: Representatives Creech, Holmes, Esposito

20 **STATE EMPLOYEE HEALTH BENEFIT PLAN/ORAL SURGERY BENEFITS**

21 Sec. 7.26. G.S. 135-40.6(8)f. reads as rewritten:

22 "f. Dental Services: Oral surgery, including extraction of teeth,
23 necessitated because of medical treatment. Dental surgery and
24 appliances for mouth, jaw, and tooth restoration necessitated
25 because of external violent and accidental means, such as the
26 impact of moving body, vehicle collision, or fall occurring while
27 an individual is covered under G.S. 135-40.3. No benefits are
28 provided in connection with injury incurred in the act of
29 chewing, nor for damage or breakage of an appliance such as
30 bridge or denture being cleaned or otherwise not in normal
31 mouth usage at the time of accident, nor for appliances for
32 orthodontic treatment when a class of malocclusion, other than
33 orthognathic, or cross bite has been diagnosed. Benefits for
34 temporomandibular joint (TMJ) dysfunction appliance therapy
35 are limited to cases where the TMJ dysfunction has been
36 diagnosed as solely resulting from accidental means as certified
37 by the attending practitioner and approved by the Claims
38 Processor.

39 Benefits shall include extractions, fillings, crowns, bridges, or
40 other necessary therapeutic and restorative techniques and
41 appliances to reasonably restore condition and function to that
42 existing immediately prior to the accident. Injury or breakage of
43 existing appliances such as bridges and dentures is limited to

1 repair of such appliances unless certified as damaged beyond
2 repair."
3

4 Requested by: Representatives Creech, Holmes, Esposito

5 **STATE EMPLOYEE HEALTH BENEFIT PLAN/WAIVER OF INPATIENT**
6 **HOSPITAL CERTIFICATION PENALTY**

7 Sec. 7.27. G.S. 135-40.6(2)f. reads as rewritten:

8 "f. Prior to admission for scheduled inpatient hospitalization, the
9 admitting physician shall contact the Plan and secure approval
10 certification for an inpatient admission, including a length of
11 stay, based upon clinical criteria established by the medical
12 community, before any in-hospital benefits are allowed under
13 G.S. 135-40.8(a). Immediately following an emergency or
14 unscheduled inpatient hospitalization, the admitting physician
15 shall contact the Plan and secure approval certification for the
16 admission's length of stay before any in-hospital benefits are
17 allowed under G.S. 135-40.8(a). Effective January 1, 1987,
18 failure to secure certification, or denial of certification, shall
19 result in in-hospital benefits being allowed at the rate maximum
20 amount of out-of-pocket expenses established by G.S. 135-
21 40.8(b). Denial of certification by the Plan shall be made only
22 after contact with the admitting physician and shall be subject to
23 appeal to the Executive Administrator and Board of Trustees.
24 Inpatient hospital admission and length of stay certifications
25 required by this subdivision do not apply to inpatient admissions
26 outside of the United States. While approval certification for
27 inpatient admissions is required to be initiated by the admitting
28 physician, the employee or individual covered by the Plan shall
29 be responsible for insuring that the required certification is
30 secured. Failure to secure certification for inpatient
31 hospitalization shall not result in a penalty to the employee or
32 individual when approval would have been given if requested."
33

34 Requested by: Representatives Creech, Holmes, Esposito

35 **STATE EMPLOYEE HEALTH BENEFIT PLAN/RETIREE PREMIUMS BASED**
36 **ON RETIREMENT SERVICE CREDIT**

37 Sec. 7.28. (a) G.S. 135-40.2(a)(2) reads as rewritten:

38 "(2) Retired teachers, State employees, members of the General Assembly,
39 and retired State law enforcement officers who retired under the Law
40 Enforcement Officers' Retirement System prior to January 1, 1985. For
41 employees first hired on and after October 1, 1995, and members of the
42 General Assembly first taking office on and after October 1, 1995,
43 future coverage as retired employees and retired members of the

1 General Assembly is subject to a requirement that the future retiree have
2 20 or more years of retirement service credit in order to be covered by
3 the provisions of this subdivision."

4 (b) G.S. 135-40.2 is amended by adding a new subsection to read:

5 "(a1) The following persons shall be eligible for coverage under the Plan, on a
6 partially contributory basis, subject to the provisions of G.S. 135-40.3:

7 (1) Retired teachers, State employees, and members of the General
8 Assembly with 10 but less than 20 years of retirement service credit,
9 provided they were first hired or took office on or after October 1, 1995.
10 For such future retirees, the State shall pay fifty percent (50%) of the
11 Plan's total noncontributory premiums. Individual retirees shall pay the
12 balance of the total noncontributory premiums not paid by the State."

13 (c) G.S. 135-40.2(b) is amended by adding a new subdivision to read:

14 "(11) Retired teachers, State employees, and members of the General
15 Assembly with less than 10 years of retirement service credit,
16 provided they were first hired or took office on or after October 1,
17 1995."

18
19 Requested by: Representatives Justus, Thompson

20 **SALARY CONTINUATION/SECURITIES DIVISION LAW-ENFORCEMENT**
21 **OFFICERS**

22 Sec. 7.29. G.S. 143-166.13(a) reads as rewritten:

23 (a) The following persons who are subject to the Criminal Justice Training and
24 Standards Act are entitled to benefits under this Article:

- 25 (1) State Government Security Officers, Department of Administration;
- 26 (2) State Correctional Officers, Department of Corrections;
- 27 (3) State Probation and Parole Officers, Department of Corrections;
- 28 (4) Sworn State Law-Enforcement Officers with the power of arrest,
29 Department of Corrections;
- 30 (5) Alcohol Law-Enforcement Agents, Department of Crime Control
31 and Public Safety;
- 32 (6) State Highway Patrol Officers, Department of Crime Control and
33 Public Safety;
- 34 (7) State Legislative Building Special Police, General Assembly;
- 35 (8) Sworn State Law-Enforcement Officers with the power of arrest,
36 Department of Human Resources;
- 37 (9) Youth Correctional Officers, Department of Human Resources;
- 38 (10) Insurance Investigators, Department of Insurance;
- 39 (11) State Bureau of Investigation Officers and Agents, Department of
40 Justice;
- 41 (12) Director and Assistant Director, License and Theft Enforcement
42 Section, Division of Motor Vehicles, Department of Transportation;

- 1 (13) Members of License and Theft Enforcement Section, Division of
2 Motor Vehicles, Department of Transportation, designated by the
3 Commissioner of Motor Vehicles as either 'inspectors' or uniformed
4 weigh station personnel;
- 5 (14) Utilities Commission Transportation Inspectors and Special
6 Investigators;
- 7 (15) North Carolina Ports Authority Police, Department of Commerce;
- 8 (16) Sworn State Law-Enforcement Officers with the power of arrest,
9 Department of Environment, Health, and Natural Resources;
- 10 (17) Sworn State Law-Enforcement Officers with the power of arrest,
11 Department of Crime Control and Public ~~Safety~~-Safety;
- 12 (18) Sworn State Law-Enforcement Officers with the power of arrest,
13 Securities Division, Department of the Secretary of State."
- 14

15 PART 8. GENERAL ASSEMBLY

16

17 Requested by: Representatives Gardner, Hayes

18 BLUE RIBBON TASK FORCE ON THE MENTAL HEALTH SYSTEM

19 Sec. 8.1. (a) If the Mental Health Study Commission is not reauthorized by the
20 1995 General Assembly, Regular Session 1995, there is established in the General
21 Assembly a Blue Ribbon Task Force on the Mental Health System. This task force shall
22 study systemwide issues affecting the development, administration, and delivery of
23 mental health services, including issues relating to the governance, accountability, and
24 quality of services delivered.

25 (b) This Blue Ribbon Task Force on the Mental Health System shall be
26 composed of 11 members appointed as follows:

- 27 (1) Four members of the House of Representatives at the time of their
28 appointment, appointed by the Speaker of the House of Representatives;
- 29 (2) Four members of the Senate at the time of their appointment, appointed
30 by the President Pro Tempore of the Senate;
- 31 (3) One member of Coalition 2001, appointed by the Governor;
- 32 (4) One member of the Division of Mental Health, Developmental
33 Disabilities, and Substance Abuse Services, appointed by the Secretary
34 of the Department of Human Resources; and
- 35 (5) One member of the Department of Insurance, appointed by the
36 Commissioner of Insurance.

37 The Speaker of the House of Representatives and the President Pro Tempore of
38 the Senate shall each select a legislative member from their appointments to serve as
39 cochair of the task force. Meetings shall be called at the will of the cochairs.

40 All members shall serve at the will of their appointing officer. Unless removed
41 or unless resigning, members shall serve until the task force has made its report.
42 Vacancies in membership shall be filled by the appropriate appointing officer.

1 (c) The Blue Ribbon Task Force on the Mental Health System may contract for
2 consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative
3 Services Commission, the Legislative Administrative Officer shall assign professional
4 and clerical staff to assist in the work of the task force. The professional staff shall
5 include the appropriate staff from the Fiscal Research, Research, and Legislative Drafting
6 Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall
7 be furnished to the task force through the offices of House of Representatives and Senate
8 Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne
9 by the task force. The task force may meet in the Legislative Building or the Legislative
10 Office Building upon the approval of the Legislative Services Commission. The task
11 force, while in the discharge of official duties, may exercise all the powers provided
12 under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to
13 request all officers, agents, agencies, and departments of the State to provide any
14 information and any data within their possession or ascertainable from their records, and
15 the power to subpoena witnesses.

16 Members of the task force shall receive per diem, subsistence, and travel
17 allowances as follows:

- 18 (1) Task force members who are members of the General Assembly, at the
19 rate established in G.S. 120-3.1;
- 20 (2) Task force members who are officials or employees of the State or of
21 local government agencies, at the rate established in G.S. 138-6; and
- 22 (3) All other task force members, at the rate established in G.S. 138-5.

23 (d) The Blue Ribbon Task Force shall report the results of its study, together
24 with any legislative proposals and cost analyses, to the 1995 General Assembly, Regular
25 Session 1996, within a week of its convening.

26
27 Requested by: Representatives Ives, Lemmond

28 **CONFIDENTIALITY OF DOCUMENTS USED TO PREPARE FISCAL NOTES**

29 Sec. 8.2. G.S. 120-131.1(a) as enacted by Section 8.1 of Chapter 324 of the
30 1995 Session laws reads as rewritten:

31 "(a) A request made to an employee of a State agency other than the General
32 Assembly by an employee of the Fiscal Research Division for assistance in the
33 preparation of a fiscal note is confidential. An employee of a State agency other than the
34 General Assembly who receives such a request or who learns of such a request made to
35 another employee of his or her agency shall reveal the existence of the request only to
36 other employees of the agency to the extent that it is necessary to respond to the request,
37 and to the employee's supervisor and to the Office of State Budget and Management. All
38 documents prepared by the employee in response to the request of the Fiscal Research
39 Division are also confidential and shall be kept confidential in the same manner as the
40 original ~~request.~~ request, except that documents submitted to the Fiscal Research
41 Division in response to the request cease to be confidential under this section when the
42 Fiscal Research Division releases a fiscal note based on the documents."

1 Requested by: Representatives Ives, Lemmond

2 **REVIEW GENERAL FUND FINANCIAL MODEL**

3 Sec. 8.3. Of the funds appropriated in this act to the General Assembly, the
4 sum of thirty five thousand dollars (\$35,000) for the 1995-96 fiscal year shall be used to
5 conduct a review of the General Fund Financial Model. The review shall be coordinated
6 by the Fiscal Research Division of the Legislative Services Office, and shall be
7 completed on or before February 1, 1996.

8
9 Requested by: Representatives Mitchell, Weatherly

10 **STUDY JOB TRAINING PROGRAMS**

11 Sec. 8.5. (a) There is created the Joint Legislative Study Commission on Job
12 Training Programs. The purpose of the Commission is to review State and federally
13 funded job training programs currently in existence to determine the feasibility of
14 eliminating or consolidating those which are duplicative, inefficient, or ineffective in
15 carrying out their purposes and activities.

16 (b) The Commission shall consist of six members of the House of
17 Representatives appointed by the Speaker of the House of Representatives and six
18 members of the Senate appointed by the President Pro Tempore of the Senate. Members
19 shall serve for the duration of the 1995-97 Session. Upon delivering its final report to the
20 1997 General Assembly the Commission shall expire. Vacancies on the Commission
21 shall be filled by the appointing authority. The President Pro Tempore of the Senate and
22 the Speaker of the House of Representatives shall each appoint one member to serve as
23 cochair of the Commission.

24 (c) The Commission shall have the following powers and duties:

- 25 (1) To review State and federal laws, rules, and regulations pertaining to job
26 training programs to determine the purpose of each program, the
27 population served, and each program's annual outcomes in terms of type
28 of training received, work search efforts, and job placement;
- 29 (2) To ascertain as far as possible the intention of the United States
30 Congress with respect to continued funding of federally mandated job
31 training programs, and any changes in funding formulae;
- 32 (3) To review the amount of State and federal dollars appropriated for each
33 job training program conducted in this State, and to review federal
34 requirements for continuous federal funding of the programs;
- 35 (4) To review the number of different State agencies that administer State
36 and federal job training programs, the number of persons employed to
37 implement each job training program, and the amount of State dollars
38 needed annually to implement the program;
- 39 (5) To determine whether federally funded job training programs in this
40 State may lawfully be abolished or reduced in size by the General
41 Assembly, and the impact of such reduction or elimination;
- 42 (6) To conduct public hearings to receive citizen, State agency, and local
43 government comment and experience with the job training programs;

1 (7) To conduct other studies or activities to aid the Commission in carrying
2 out its purpose and duties.

3 (d) The Commission shall make an interim report on its progress to the 1995
4 General Assembly not later than May 1, 1996, and shall present its final report of
5 findings and recommendations to the 1997 General Assembly upon its convening. The
6 report shall identify each job training program operating in this State as of January 1,
7 1995, and shall recommend whether each program should be continued without change,
8 abolished, consolidated with another program, or otherwise modified.

9 (e) Members of the Commission shall serve without pay but shall receive per
10 diem and substance in accordance with Chapter 120 of the General Statutes. The
11 facilities of the State Legislative Building and any other State office building used by the
12 General Assembly shall be available to the Commission for its use.

13 (f) The Commission may use available clerical employees of the General
14 Assembly, with the approval of the Legislative Services Commission. The Commission
15 may, with the consent of the Legislative Services Commission, use employees of the
16 Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting,
17 and Public Information Divisions of the Legislative Services Commission.

18 (g) Notwithstanding G.S. 96-5(f), there is appropriated from the Worker
19 Training Trust Fund to the General Assembly the sum of twenty-five thousand dollars
20 (\$25,000) for the 1995-96 fiscal year and the sum of twenty-five thousand dollars
21 (\$25,000) for the 1996-97 fiscal year to implement this section.

22 23 **PART 9. OFFICE OF THE GOVERNOR**

24
25 Requested by: Representatives Ives, Lemmond

26 **TOTAL QUALITY MANAGEMENT PROGRAM**

27 Sec. 9. For the 1995-97 biennium, the provisions of G.S. 143-16.3 do not
28 apply to the Total Quality Management Program in the Office of the Governor.

29 30 **PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT**

31
32 Requested by: Representatives Ives, Lemmond

33 **LOCAL FIRE PROTECTION FUNDS**

34 Sec. 10. The Office of State Budget and Management, in conjunction with the
35 State Property Office, Department of Administration, shall study the current fire
36 protection grant process. The Office of State Budget and Management shall report to the
37 1995 General Assembly, 1996 Regular Session, regarding its findings and
38 recommendations.

39 In its study the Office of State Budget and Management and the State Property
40 Office shall consider, but are not limited to, the following:

- 41 (1) Fire protection grant history by political subdivision;
- 42 (2) Inequities in the current grant process;
- 43 (3) Impact of declining proportional shares on a fixed appropriation;

- 1 (4) Improvements that could be made to the grant process including:
2 a. An allocation based on current property values;
3 b. A method of updating property values over time; and
4 c. The recognition of fire protection funding requirements for new
5 facilities.
6

7 **PART 11. DEPARTMENT OF ADMINISTRATION**

8

9 Requested by: Representatives Ives, Lemmond

10 **COST SHARING OF THE PERSONNEL MANAGEMENT INFORMATION** 11 **SYSTEM**

12 Sec. 11. The Office of State Personnel shall establish a schedule of fees or
13 charges to be paid by each department and university to cover data processing costs that
14 exceed the appropriation made by the General Assembly for maintenance of the system.
15 The Office of State Personnel shall present the recommendation for the fee schedule to
16 the Joint Appropriations Subcommittee on General Government and to the Fiscal
17 Research Division during the 1996 Regular Session of the 1995 General Assembly.
18 Departments and universities shall have on-line access to all data on their employees and
19 positions, as well as access to public information on all State employees.
20

21 Requested by: Representatives Ives, Lemmond

22 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM PILOT**

23 Sec. 11.1. The Office of State Budget and Management may establish a pilot
24 program, which shall be known as the Workers' Compensation Cost Containment
25 Program, to reduce the cost to State government of workers' compensation claims filed
26 by State employees. The Office of State Budget and Management shall, after
27 consultation with the Office of State Personnel, choose, by a process of competitive
28 bidding, a third-party administrator to manage claims processing. Services provided by
29 the third-party administrator shall include determination of compensability and related
30 questions, incident reporting analysis, incident investigation, medical case management,
31 disability management, and information management. Reimbursement to the third-party
32 administrator shall be determined as a percentage of realized savings, calculated
33 according to a methodology established by the Office of State Budget and Management.
34 The Director of the Budget shall select agencies to participate in the pilot program and
35 may transfer lapsed salary funds from the salary accounts of participating agencies to a
36 Workers' Compensation Reserve Fund established in the Office of State Budget and
37 Management for the purpose of paying workers' compensation claims of employees of
38 the participating agencies.

39 On or before April 1, 1996, the Office of State Budget and Management, after
40 consultation with the Office of State Personnel, shall submit to the General Assembly a
41 report setting forth the status of the program, the results achieved, and recommendations
42 for any further action by the General Assembly as may be required.
43

PART 12. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Representatives Ives, Lemmond

STATE PRESERVATION COMMISSION

Sec. 12. (a) G.S. 143B-80.11 reads as rewritten:

"§ 143B-80.11. Capitol Preservation Commission – Powers and duties.

The Commission shall have the following powers and duties and shall exercise those powers and duties with the ~~advice and consent~~ approval of the Secretary of Cultural Resources:

- (1) Develop a comprehensive plan and program for the historic preservation and restoration of the State Capitol and Union Square.
- (2) Make all repairs, alterations, and improvements to the State Capitol, including the furnishing and refurnishing of the State Capitol, subject to the availability of funds.
- (3) Receive on behalf of the State, gifts or bequests of artifacts, documents, and other historical objects or resources which contribute to the historical significance of the State Capitol.
- (4) Accept grants and subsidies from and enter into agreements or other transactions with any federal agency, State agency, or other entity.
- (5) Enter into contracts and execute all instruments necessary or convenient for carrying on its operations.
- (6) Make budgetary requests and recommendations to the Governor and the General Assembly regarding the funds needed to properly preserve and maintain the Capitol in accordance with Article 1 of Chapter 143 of the General Statutes.
- (7) Administer the Capitol Preservation Fund as provided in G.S. 143B-80.13.
- (8) Contract with the Department of Administration to provide the security needed for the Capitol and Union Square.
- (9) Do all other things necessary or convenient to carry out the powers granted to it by this Part.
- (10) Adopt rules to implement this Part."

(b) G.S. 143B-80.12 reads as rewritten:

"§ 143B-80.12. Commission staff.

~~The~~ With the approval of the Secretary of Cultural Resources, the Commission shall appoint and fix the salary of an Executive Director to serve at its pleasure. The Executive Director shall direct the preservation, operation, improvement, maintenance, and repairs needed to the State Capitol Building and Union Square. The Executive Director may hire one secretary to assist with clerical responsibilities."

(c) Section 2 of Chapter 682 of the 1993 Session Laws is repealed.

Requested by: Representatives Ives, Lemmond

TECHNICAL CORRECTION/EXECUTIVE MANSION CURATOR TRANSFERRED

Sec. 12.1. Section 11.1 of Chapter 324 of the 1995 Session Laws reads as rewritten:

"Sec. 11.1. The position of Executive Mansion Curator (~~position number 4129-0101-0006-125~~)(position number 4149-0101-0006-125) is transferred from the Department of Administration to the Department of Cultural Resources. This transfer will permit the Department of Cultural Resources to better maintain the historical personal properties of the Executive Mansion. This provision does not affect, in any way, the jurisdiction of the Department of Administration over the Executive Mansion and its grounds."

Requested by: Representatives Ives, Lemmond

NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES REDUCED

Sec. 12.2. Notwithstanding Section 28.2 of Chapter 324 of the 1995 Session Laws, there is a total reduction in the Continuation Budget Operations for the Department of Cultural Resources of 19.5 positions for the 1995-96 fiscal year and of 19.5 positions for the 1996-97 fiscal year. The revisions in Chapter 324 of the 1995 Session Laws, the Continuation Budget Operations Appropriations Act, for the Department of Cultural Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year are as follows:

	1995-96	1996-97
(1230) Archives and History	(\$90,618) R	(\$90,618) R
-3.00	-3.00	
(1241) Historic Sites	(\$77,452) R	(\$77,452) R
-3.00	-3.00	
(1270) Museum of History	(\$269,322) R	(\$269,322) R
-9.50	-9.50	
(1320) Museum of Art	(\$29,495) R	(\$29,495) R
-1.00	-1.00	

Requested by: Representatives Culpepper, Ives, Lemmond

NEWBOLD-WHITE HOUSE

Sec. 12.2. The Department of Cultural Resources shall acquire and operate the Newbold-White House in Perquimans County as a State Historic Site together with adjacent lands now owned by the Perquimans County Restoration Association, provided that the acquisition can be effected at no capital expense to the State. The Department of Cultural Resources shall seek the recommendations of the North Carolina Historical Commission in preparing a plan for the operation and maintenance of the Newbold-White House as a State Historic Site and shall report the findings and recommendations to the 1995 General Assembly, 1996 Regular Session. In connection with the plan, the Department of Cultural Resources may enter into an agreement with the Perquimans

1 County Restoration Association concerning the operation of the Newbold-White House
2 as a State Historic Site.

3
4 Requested by: Representatives Ives, Lemmond

5 **HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

6 Sec. 12.3. Funds allocated in Section 5.3 of Chapter 324 of the 1995 Session
7 Laws to the Office of State Budget and Management for the Repairs and Renovations
8 Fund may be used to make needed repairs and renovations at the State Historic Sites.

9
10 Requested by: Representatives Ives, Lemmond

11 **GRANTS TO PUBLIC LIBRARIES AND LOCAL MUSEUMS**

12 Sec. 12.4. (a) Funds in the amount of two million dollars (\$2,000,000)
13 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
14 year shall be allocated as follows:

15 (1) The sum of one million dollars (\$1,000,000) shall be used as State Aid
16 to Public Library grants; and

17 (2) The sum of one million dollars (\$1,000,000) shall be used as grants-in-
18 aid for local museums. Funds for grants-in-aid under this subdivision
19 shall be awarded only if the funds are matched on the basis of one dollar
20 (\$1.00) of non-State funds for every one dollar (\$1.00) of State funds.

21 (b) The Department of Cultural Resources shall report to the Fiscal Research
22 Division by September 1, 1995, regarding the grants made in accordance with this
23 section.

24
25 **PART 13. STATE BOARD OF ELECTIONS**

26
27 Requested by: Representatives Ives, Lemmond

28 **COUNTIES PRINT ALL BALLOTS**

29 Sec. 13. (a) G.S. 163-108(b) reads as rewritten:

30 "(b) No later than 10 days after the time for filing notices of candidacy under the
31 provisions of G.S. 163-106(c) has expired, the chairman of the State Board of Elections
32 shall certify to the chairman of the county board of elections in each county in the
33 appropriate district the names of candidates for nomination to the following offices who
34 have filed the required notice and pledge and paid the required filing fee to the State
35 Board of Elections, so that their names may be printed on the official ~~county~~ ballots:
36 Superior court judge, district court judge, and district attorney. United States Senator,
37 Member of the House of Representatives of the United States, Governor, and all other
38 State offices."

39 (b) G.S. 163-109 reads as rewritten:

40 **"§ 163-109. Primary ballots; printing and distribution.**

41 (a) General. – In primary elections there shall be as many kinds of official State,
42 district, and county ballots as there are legally recognized political parties, members of
43 which have filed notice of their candidacy for nomination. The ballots for each political

1 party shall be printed to conform to the requirements of G.S. 163-140(c) and to show the
2 party's name, the name of each party member who has filed notice of candidacy, and the
3 office for which each aspirant is a candidate.

4 Only those who have filed the required notice of candidacy and pledge with the
5 proper board of elections, and who have paid the required filing fee, shall have their
6 names printed on the official ballots of the political party with which affiliated.

7 ~~(b) Ballots to Be Furnished by State Board of Elections. — It shall be the duty of~~
8 ~~the State Board of Elections to print official ballots for each political party having~~
9 ~~candidates for the following offices to be voted for in the primary:~~

10 ~~United States Senator,~~

11 ~~Member of the House of Representatives of the United States Congress,~~
12 ~~Governor, and~~

13 ~~All other State offices, except superior court judge, district court judge, and district~~
14 ~~attorney.~~

15 ~~In its discretion, the State Board of Elections may print separate primary ballots for~~
16 ~~each of these offices, or it may combine some or all of them on a single ballot.~~

17 ~~At least 60 days before the date of the primary, the State Board of Elections shall~~
18 ~~deliver a sufficient number of these ballots to each county board of elections. The~~
19 ~~chairman of the county board of elections shall furnish the chairman of the State Board of~~
20 ~~Elections with a written receipt for the ballots delivered to him within two days after their~~
21 ~~receipt.~~

22 (c) Ballots to Be Furnished by County Board of Elections. — It shall be the duty of
23 the county board of elections to print official ballots for each political party having
24 candidates for the following offices to be voted for in the primary:

25 United States Senator,

26 Member of the House of Representatives of the United
27 States Congress, Governor,

28 All other State offices

29 Superior court judge,

30 District court judge,

31 District attorney,

32 State Senator,

33 Member of the House of Representatives of the General Assembly, and All
34 county offices.

35 In printing primary ballots, the county board of elections shall be governed by
36 instructions of the State Board of Elections with regard to width, color, kind of paper,
37 form, and size of type.

38 In its discretion, the county board of elections may print separate primary ballots for
39 the district and county offices listed in this subsection, or it may combine some or all of
40 them on a single ballot. In a primary election, if there shall be 10 or more candidates for
41 nomination to any one office, the county board of elections in its discretion may prepare a
42 separate ballot for said office.

1 then in voting, only those
 2 members of the county
 3 executive committee who
 4 reside within the
 5 district shall vote
 6
 7 Judge of Superior Court in a | County executive committee
 8 single-county superior | of political party in
 9 court district where the | which vacancy occurs;
 10 district is the whole | provided, in the case of
 11 county or part of the | a superior court judge in a
 12 county single-county district where
 13 not all the county is
 14 located in that district,
 15 then in voting, only those
 16 members of the county
 17 executive committee who
 18 reside within the
 19 district shall vote
 20
 21 Judge of Superior Court in a | Appropriate district
 22 multi-county superior | executive committee of
 23 court district | political party in which
 24 vacancy occurs.
 25 The party executive making a nomination in accordance with the provisions of this
 26 section shall certify the name of its nominee to the chairman of the board of elections,
 27 State or county, charged with the duty of ~~printing the ballots on which the name is to~~
 28 ~~appear.~~ certifying notices of candidacy for the office under G.S. 163-108. If at the time a
 29 nomination is made under this section the general election ballots have already been
 30 printed, the provisions of G.S. 163-139 shall apply. If any person nominated as a
 31 candidate of a political party vacates such nomination and such vacancy arises from a
 32 cause other than death and the vacancy in nomination occurs more than 120 days before
 33 the general election, the vacancy in nomination may be filled under this section only if
 34 the appropriate executive committee certifies the name of the nominee in accordance with
 35 this paragraph at least 75 days before the general election.
 36 In a county which is partly in a multi-county superior court district, in choosing that
 37 county's member or members of the superior court district executive committee for the
 38 multi-county district, only the county convention delegates or county executive
 39 committee members who reside within the area of the county which is within that multi-
 40 county district may vote.
 41 In a county not all of which is located in one congressional district, in choosing the
 42 congressional district executive committee member or members from that area of the
 43 county, only the county convention delegates or county executive committee members

1 who reside within the area of the county which is within the congressional district may
2 vote.

3 In a county which is partly in a multi-county senatorial district or which is partly in a
4 multi-county House of Representatives district, in choosing that county's member or
5 members of the senatorial district executive committee or House of Representatives
6 district executive committee for the multi-county district, only the county convention
7 delegates or county executive committee members who reside within the area of the
8 county which is within that multi-county district may vote."

9 (d) G.S. 163-136(b) as amended by Section 14 of Chapter 324 of the Session
10 Laws of 1995 reads as rewritten:

11 "(b) Printing and Distribution. – The printing and distribution of ballots shall be
12 arranged, handled, and paid for as follows:

13 (1) For municipal elections, primaries, and referenda, by the municipal
14 authorities conducting the election, primary, or referendum, at the
15 expense of the municipality.

16 (2) For ~~county, single county district, and legislative district~~ all elections,
17 primaries, and referenda, not specified in the preceding subdivision, by
18 the responsible county board of elections, at the expense of the county.

19 (3) ~~For all elections, primaries, and referenda not specified in the two~~
20 ~~preceding subdivisions, by the State Board of Elections, at the expense~~
21 ~~of the State.~~

22 ~~Provided, that the State Board of Elections, in its discretion, may direct~~
23 ~~some or all counties to print the ballots required by this subdivision~~
24 ~~under the supervision of the State Board of Elections. If the State Board~~
25 ~~of Elections prints and distributes the ballots required by this~~
26 ~~subdivision at the expense of the State, the State Board shall establish~~
27 ~~contracts through competition pursuant to Article 3 of Chapter 143 of~~
28 ~~the General Statutes for printing and distribution of all ballots, abstracts~~
29 ~~and precinct return forms."~~

30 (e) G.S. 163-137(b) is repealed.

31 (f) G.S. 163-139(a) reads as rewritten:

32 "(a) Before General or Special Election. – After the official ballots for a general or
33 special election have been printed by the ~~proper county~~ elections board, the death,
34 resignation, or disqualification of a candidate whose name appears on the official ballots
35 shall not require that the ballots be reprinted, although the ~~responsible board of elections~~
36 State Board of Elections may ~~have order~~ the ballots reprinted if it desires to do so.

37 If a candidate dies, resigns, or otherwise becomes disqualified after his name has been
38 printed on an official general or special election ballot, and if a nomination has been
39 made to fill the vacancy as authorized by G.S. 163-114, the name of the substituted
40 nominee shall not appear on the official ballots unless the responsible board of elections
41 decides that it is feasible and advisable to reprint the ballots to show the name of the
42 substituted nominee. If the ballots are not reprinted, a vote cast for the candidate whose
43 name is printed on the ballot shall be counted as a vote for the substituted candidate

1 whose name has been certified to the appropriate board of elections under the provisions
2 of G.S. 163-114."

3 (g) G.S. 163-140(a) reads as rewritten:

4 "(a) Kinds of General Election Ballots; Right to Combine. – For purposes of
5 general elections, there shall be seven kinds of official ballots entitled:

6 (1) Ballot for presidential electors

7 (2) Ballot for United States Senator

8 (3) Ballot for member of the United States House of Representatives

9 (4) State ballot

10 (5) County ballot

11 (6) Repealed by Session Laws 1973, c. 793, s. 56.

12 (7) Ballot for constitutional amendments and other propositions submitted
13 to the people.

14 Use of official ballots shall be limited to the purposes indicated by their titles. The
15 printing on all ballots shall be plain and legible but, unless large type is specified by this
16 section, type larger than 10-point shall not be used in printing ballots. All general election
17 ballots shall be prepared in such a way as to leave sufficient blank space beneath each
18 name printed thereon in which a voter may conveniently write the name of any person for
19 whom he may desire to vote.

20 Unless prohibited by this section, the county board of elections, ~~State or county~~,
21 charged by law with printing ballots may, in its discretion, combine any two or more
22 official ballots. Whenever two or more ballots are combined, the voting instructions for
23 the State ballot set out in subsection (b)(4) of this section shall be used, except that if the
24 two ballots being combined do not contain a multi-seat race, then the second sentence of
25 instruction b. shall not appear on the ballot.

26 Contests in the general election for seats in the State House of Representatives and
27 State Senate shall be on ballots that are separate from ballots containing non-legislative
28 contests, except where the voting system used makes separation of ballots impractical.
29 State House and State Senate contests shall be on the same ballot, unless one is a single-
30 seat contest and the other a multi-seat contest.

31 If the ~~State Board of Elections~~ county board of elections divides the State ballot into
32 two or more ballots, all candidates for superior court shall appear on the same ballot
33 except that the ~~State Board of Elections~~ county board of elections may divide the election
34 of superior court judges into two ballots either because of length of the ballot or to
35 provide a separate ballot for multi-seat races but only superior court judges shall be on
36 those ballots, and all candidates for the Appellate Division shall appear on the same
37 ballot."

38 (h) G.S. 163-140(b)(1) reads as rewritten:

39 "(1) Ballot for Presidential Electors: On the ballot for presidential electors
40 there shall be printed, under the titles of the offices, the names of the
41 candidates for President and Vice-President of the United States
42 nominated by each political party qualified under the provisions of G.S.
43 163-96, and the names of the unaffiliated candidates for President and

1 Vice-President qualified under the provisions of G.S. 163-122 and G.S.
2 163-209. A separate column shall be assigned to each political party
3 with candidates on the ballot, and a separate column shall be assigned to
4 each pair of unaffiliated candidates for President and Vice-President, if
5 any, and the columns shall be separated by distinct black lines. At the
6 head of each party column the party name shall be printed in large type
7 and below it a circle, one-half inch in diameter, and below the circle the
8 names of the party's candidates for President and Vice-President in that
9 order. At the head of the columns for unaffiliated candidates shall be
10 printed in large type the words 'Unaffiliated Candidates', and below it a
11 circle, one-half inch in diameter, and below the circle the names of a
12 pair of unaffiliated candidates for President and Vice-President. On the
13 face of the ballot, above the party column division, the following
14 instructions shall be printed in heavy black type:

- 15 a. To vote this ballot, make a cross (X) mark in the circle below the
16 name of the political party for whose candidates you wish to vote
17 or below the heading for the unaffiliated candidates for whom
18 you wish to vote.
- 19 b. A vote for the names of a political party's candidates for
20 President and Vice-President is a vote for the electors of that
21 party, and a vote for the names of unaffiliated candidates for
22 President and Vice-President is a vote for electors named by the
23 unaffiliated candidate for President, the names of whom are on
24 file with the Secretary of State.
- 25 c. If you tear or deface or wrongly mark this ballot, return it and get
26 another.

27 On the bottom of the ballot shall be printed an identified facsimile of the
28 signature of the ~~Chairman of the State Board of Elections.~~ chairman of
29 the county board of elections.

30 The official ballot for presidential electors shall not be combined
31 with any other official ballots."

32 (i) G.S. 163-140(b)(2) reads as rewritten:

- 33 "(2) Ballot for United States Senator: Beneath the title and general
34 instructions set out in this subsection, the ballot for United States
35 Senator shall be divided into parallel columns separated by distinct
36 black lines. The ~~State Board of Elections~~ county board of elections shall
37 assign a separate column to each political party having a candidate for
38 the office and one to unaffiliated candidates, if any. At the head of each
39 party column the party's name shall be printed in large type, and at the
40 head of the column for unaffiliated candidates shall be printed in large
41 type the words 'Unaffiliated Candidates.' The name of each political
42 party's candidate for United States Senator shall be printed in the
43 appropriate party column, and the names of unaffiliated candidates for

1 the office shall be printed in the column headed 'Unaffiliated
2 Candidates.' At the left of each name shall be printed a voting square,
3 and in each column all voting squares shall be arranged in a
4 perpendicular line. On the face of the ballot, above the party and
5 unaffiliated column division, the following instructions shall be printed
6 in heavy black type:

- 7 'a. Vote for only one candidate.
8 b. If you tear or deface or wrongly mark this ballot, return it and get
9 another.'

10 On the bottom of the ballot shall be printed an identified facsimile of
11 the signature of the ~~Chairman of the State Board of Elections~~ chairman
12 of the county board of elections.

13 When the ballot for United States Senator is combined with a ballot
14 for another office, below the party name in each column shall be printed
15 a circle, one-half inch in diameter, around which shall be plainly printed
16 the following instruction: 'For a straight ticket, mark within this circle.'
17 The following instructions, in lieu of those specified in the preceding
18 paragraph, shall be printed in heavy black type on the face of the
19 combined ballot to the top above the party and unaffiliated column
20 division:

- 21 'a. To vote for all candidates of one party (a straight ticket), make a
22 cross (X) mark in the circle of the party for whose candidates you
23 wish to vote.
24 b. You may vote a split ticket by marking a cross (X) mark in the
25 party circle and then making a cross (X) mark in the square
26 opposite the name of the candidate(s) of a different party for
27 whom you wish to vote.
28 c. You may also vote a split ticket by not marking a cross (X) mark
29 in the party circle, but by making a cross (X) mark in the square
30 opposite the name of each candidate for whom you wish to vote.
31 d. If you tear or deface or wrongly mark this ballot, return it and get
32 another.'"

33 (j) G.S. 163-140(b)(3) reads as rewritten:

34 "(3) Ballot for Member of the United States House of Representatives:
35 Beneath the title and general instructions set out in this subsection, the
36 congressional district ballot for member of the United States House of
37 Representatives shall be divided into parallel columns separated by
38 distinct black lines. The ~~State Board of Elections~~ county board of
39 elections shall assign a separate column to each political party having a
40 candidate for the office and one to unaffiliated candidates, if any. At the
41 head of each party column the party's name shall be printed in large
42 type, and at the head of the column for unaffiliated candidates shall be
43 printed in large type the words 'Unaffiliated Candidates.' The name of

1 each political party's candidate for member of the United States House
2 of Representatives from the congressional district shall be printed in the
3 appropriate party column, and the names of unaffiliated candidates for
4 the office shall be printed in the column headed 'Unaffiliated
5 Candidates.' At the left of each name shall be printed a voting square,
6 and in each column all voting squares shall be arranged in a
7 perpendicular line. On the face of the ballot, above the party and
8 unaffiliated column division, the following instructions shall be printed
9 in heavy black type:

- 10 'a. Vote for only one candidate.
11 b. If you tear or deface or wrongly mark this ballot, return it and get
12 another.'

13 On the bottom of the ballot shall be printed an identified facsimile of
14 the signature of the ~~Chairman of the State Board of Elections.~~ chairman
15 of the county board of elections.

16 When the ballot for member of the United States House of
17 Representatives is combined with a ballot for another office, below the
18 party name in each column shall be printed a circle, one-half inch in
19 diameter, around which shall be plainly printed the following
20 instruction: 'For a straight ticket, mark within this circle.' The following
21 instructions, in lieu of those specified in the preceding paragraph, shall
22 be printed in heavy black type on the face of the combined ballot at the
23 top above the party and unaffiliated column division:

- 24 'a. To vote for all candidates of one party (a straight ticket), make a
25 cross (X) mark in the circle of the party for whose candidates you
26 wish to vote.
27 b. You may vote a split ticket by marking a cross (X) mark in the
28 party circle and then making a cross (X) mark in the square
29 opposite the name of the candidate(s) of a different party for
30 whom you wish to vote.
31 c. You may also vote a split ticket by not marking a cross (X) mark
32 in the party circle, but by making a cross (X) mark in the square
33 opposite the name of each candidate for whom you wish to vote.
34 d. If you tear or deface or wrongly mark this ballot, return it and get
35 another.'"

36 (k) G.S. 163-140(b)(4) reads as rewritten:

37 "(4) State Ballot: Beneath the title and general instructions set out in this
38 subsection, the ballot for single-seat contests for State officers, and for
39 all State officers where mechanical voting machines are used (including
40 judges of the superior court) shall be divided into parallel columns
41 separated by distinct black lines. The ~~State Board of Elections~~ county
42 board of elections shall assign a separate column to each political party
43 having candidates for State offices and one to unaffiliated candidates, if

1 any. At the head of each party column the party's name shall be printed
2 in large type, and at the head of the column for unaffiliated candidates
3 shall be printed in large type the words 'Unaffiliated Candidates.' Below
4 the party name in each column shall be printed a circle, one-half inch in
5 diameter, around which shall be plainly printed the following
6 instruction: 'For a straight ticket, mark within this circle.' With distinct
7 black lines, the ~~State Board of Elections~~ county board of elections shall
8 divide the columns into horizontal sections and, in the customary order
9 of office, assign a separate section to each office or group of offices to
10 be filled. On a single line at the top of each section shall be printed a
11 direction as to the number of candidates for whom a vote may be cast. If
12 candidates are to be chosen for different terms to the same office, the
13 term in each instance shall be printed as part of the title of the office.

14 The name or names of each political party's candidate or candidates
15 for each office listed on the ballot shall be printed in the appropriate
16 office section of the proper party column, and the names of unaffiliated
17 candidates shall be printed in the appropriate office section of the
18 column headed 'Unaffiliated Candidates.' At the left of each name shall
19 be printed a voting square, and in each column all voting squares shall
20 be arranged in a perpendicular line.

21 On the face of the ballot, above the party and unaffiliated column
22 division, the following instructions shall be printed in heavy black type,
23 and the words 'you must also' in instruction c. shall be underlined:

- 24 'a. To vote for all candidates of one party (a straight ticket), make a
25 cross (X) mark in the circle of the party for whose candidates you
26 wish to vote.
- 27 b. You may vote a split ticket by not marking a cross (X) mark in
28 the party circle, but by making a cross (X) mark in the square
29 opposite the name of each candidate for whom you wish to vote.
- 30 c. You may also vote a split ticket by marking a cross (X) mark in
31 the party circle and then making a cross (X) mark in the square
32 opposite the name of any candidate you choose of a different
33 party. In any multi-seat race where a party circle is marked and
34 you vote for candidates of another party, you must also make a
35 cross (X) mark opposite the name of any candidate you choose of
36 the party for which you marked the party circle to assure your
37 vote will count.
- 38 d. If you tear or deface or wrongly mark this ballot, return it and get
39 another.'

40 On the bottom of the ballot shall be printed an identified
41 facsimile of the signature of the ~~Chairman of the State Board of~~
42 ~~Elections.~~ chairman of the county board of elections. If the State

1 ballot contains no multi-seat race, then the second sentence of
2 instruction b. shall not appear on the ballot."

3 (l) G.S. 163-140(b)(7) reads as rewritten:

4 "(7) Ballot for Constitutional Amendments and Other Propositions
5 Submitted to the People: The form of ballot used in submitting a
6 constitutional amendment or other proposition or issue to the voters of
7 the entire State shall be prepared by the State Board of Elections and
8 approved by the Attorney General. The form of ballot used in
9 submitting propositions and issues to the voters of a single county or
10 subdivision shall be prepared by the county board of elections. In a
11 referendum the issue presented to the voters with respect to each
12 constitutional amendment, question, or proposition, shall be printed in
13 the form laid down by the General Assembly or other body submitting
14 it. If more than one amendment, question, or proposition is submitted on
15 a single ballot, each shall be printed in a separate section, and the
16 sections shall be numbered consecutively. On the face of the ballot,
17 above the issue or issues being submitted, shall be printed instructions
18 for marking the voter's choice, in addition to the following instruction:
19 'If you tear or deface or wrongly mark this ballot, return it and get
20 another.' On the bottom of the ballot shall be printed an identified
21 facsimile of the signature of the chairman of the ~~responsible county~~
22 ~~board of elections, State or county elections.~~"

23 (m) G.S. 163-140(c)(3) reads as rewritten:

24 "(3) Rotation of Positions on Ballots Among Candidates: The county board
25 of ~~elections, State or county, elections~~ responsible for printing and
26 distributing primary election ballots shall have them printed so that the
27 names of opposing candidates for any office shall, as far as practicable,
28 occupy alternate positions upon the ballot, to the end that the name of
29 each candidate shall occupy with reference to the name of every other
30 candidate for the same office, first position, second position, and every
31 other position, if any, upon an equal number of ballots; and the ballots
32 shall be distributed among the precinct voting places impartially and
33 without discrimination."

34 (n) G.S. 163-140(c)(4) reads as rewritten:

35 "(4) Facsimile Signatures: On the bottom of each primary ballot shall be
36 printed an identified facsimile of the signature of the chairman of the
37 county board of elections, State or county, elections responsible for its
38 preparation."

39 (o) G.S. 163-227.3 is repealed.
40

41 Requested by: Representatives Lemmond, Ives

42 **STATE BOARD OF ELECTIONS AUTHORITY TO SELL SOFTWARE FOR**
43 **CAMPAIGN REPORTING.**

1 Sec. 13.1. (a) G.S. 66-58(c) as amended by Chapter 247 of the 1995 Session
2 Laws reads as rewritten:

3 "(c) The provisions of subsection (a) shall not prohibit:

4 (1) The sale of products of experiment stations or test farms.

5 (2) The sale of learned journals, works of art, books or publications of the
6 Department of Cultural Resources or other agencies, or the Supreme
7 Court Reports or Session Laws of the General Assembly.

8 (3) The business operation of endowment funds established for the purpose
9 of producing income for educational purposes; for purposes of this
10 section, the phrase "operation of endowment funds" shall include the
11 operation by public postsecondary educational institutions of campus
12 stores, the profits from which are used exclusively for awarding
13 scholarships to defray the expenses of students attending the institution;
14 provided, that the operation of such stores must be approved by the
15 board of trustees of the institution, and the merchandise sold shall be
16 limited to educational materials and supplies, gift items and
17 miscellaneous personal-use articles. Provided further that sales at
18 campus stores are limited to employees of the institution and members
19 of their immediate families, to duly enrolled students of the campus at
20 which a campus store is located and their immediate families, to duly
21 enrolled students of other campuses of the University of North Carolina
22 other than the campus at which the campus store is located, to other
23 campus stores and to other persons who are on campus other than for
24 the purpose of purchasing merchandise from campus stores. It is the
25 intent of this subdivision that campus stores be established and operated
26 for the purpose of assuring the availability of merchandise described in
27 this Article for sale to persons enumerated herein and not for the
28 purpose of competing with stores operated in the communities
29 surrounding the campuses of the University of North Carolina.

30 (4) The operation of lunch counters by the Department of Human
31 Resources as blind enterprises of the type operated on January 1, 1951,
32 in State buildings in the City of Raleigh.

33 (5) The operation of a snack bar and cafeteria in the State Legislative
34 Building.

35 (6) The maintenance by the prison system authorities of eating and sleeping
36 facilities at units of the State prison system for prisoners and for
37 members of the prison staff while on duty, or the maintenance by the
38 highway system authorities of eating and sleeping facilities for working
39 crews on highway construction or maintenance when actually engaged
40 in such work on parts of the highway system.

41 (7) The operation by penal, correctional or facilities operated by the
42 Department of Human Resources or by the State Department of
43 Agriculture, of dining rooms for the inmates or clients or members of

1 the staff while on duty and for the accommodation of persons visiting
2 such inmates or clients, and other bona fide visitors.

3 (8) The sale by the Department of Agriculture of livestock, poultry and
4 publications in keeping with its present livestock and farm program.

5 (9) The operation by the public schools of school cafeterias.

6 (10) Sale by any State correctional or other institution of farm, dairy,
7 livestock or poultry products raised or produced by it in its normal
8 operations as authorized by the act creating it.

9 (11) The sale of textbooks, library books, forms, bulletins, and instructional
10 supplies by the State Board of Education, State Department of Public
11 Instruction, and local school authorities.

12 (12) The sale of North Carolina flags by or through the auspices of the
13 Department of Administration, to the citizens of North Carolina.

14 (13) The operation by the Department of Correction of forestry management
15 programs on State-owned lands, including the sale on the open market
16 of timber cut as a part of such management program.

17 (14) The operation by the Department of Correction of facilities to
18 manufacture and produce traffic and street name signs for use on the
19 public streets and highways of the State.

20 (15) The operation by the Department of Correction of facilities to
21 manufacture and produce paint for use on the public streets and
22 highways of the State.

23 (16) The performance by the Department of Transportation of dredging
24 services for a unit of local government.

25 (17) The sale by the State Board of Elections to political committees and
26 candidate committees of computer software designed by or for the State
27 Board of Elections to provide a uniform system of electronic filing of
28 the campaign finance reports required by Article 22A of Chapter 163 of
29 the General Statutes and to facilitate the State Board's monitoring of
30 compliance with that Article. This computer software for electronic
31 filing of campaign finance reports shall not exceed a cost of one
32 hundred dollars (\$100.00) to any political committee or candidate
33 committee without the State Board of Elections first notifying in writing
34 the Joint Legislative Commission on Governmental Operations."

35 (b) The funds appropriated in this act to the State Board of Elections for the
36 purchase of developing computer software to provide a uniform system of electronic
37 filing of campaign finance reports shall be expended for development of software for use
38 by the State Board of Elections and political committees or candidate committees.

39
40 Requested by: Representatives Ives, Lemmond

41 **FUNDS FOR STATEWIDE COMPUTERIZED VOTER REGISTRATION.**

42 Sec. 13.2. (a) The State Board of Elections shall promulgate rules for a statewide
43 computerized voter registration system following the basic client-server design of

1 Alternative C and D as described in the Needs Assessment and Requirements Analysis
2 report prepared pursuant to Section 16 of Chapter 762 of the 1993 Session Laws, Regular
3 Session 1994. Those rules shall include data format standards, data communication
4 standards, and data content standards. The State Board of Elections shall promulgate
5 those rules, including the standards, no later than July 1, 1996. Counties shall adhere to
6 the rules and standards no later than July 1, 1997. The statewide computerized voter
7 registration system shall utilize current technology and be consistent with State standards.
8 That system shall be developed by the State Board of Elections and processed on the
9 computer/servers of the State Information Processing Services Division of the Office of
10 the State Controller.

11 (b) There are established two reserve funds, to be known as the Reserve Fund
12 for Statewide Computerized Voter Registration/Central Server Component and the
13 Reserve Fund for Statewide Computerized Voter Registration/County Grants
14 Component. The reserve funds shall be funded as follows:

15 (1) For the 1995-96 fiscal year, funds in the amount of one million five
16 hundred thousand dollars (\$1,500,000) shall be transferred from the
17 reserve fund created by Section 16(b) of Chapter 769 of the 1993
18 Session Laws, Regular Session 1994, to the Reserve Fund for Statewide
19 Computerized Voter Registration/Central Server Component. The State
20 Board of Elections shall use those funds for software development,
21 communications and computer charges, and data conversion charges to
22 implement the central server component of the system designed by the
23 rules promulgated under subsection (a) of this section. The State Board
24 of Elections shall use no more than four hundred forty thousand dollars
25 (\$440,000) of those funds to purchase hardware, office furniture, and
26 the services of time-limited computer personnel.

27 (2) Of the funds appropriated in this act for the 1996-97 fiscal year to the
28 State Board of Elections, the sum of three million five hundred thousand
29 dollars (\$3,500,000) shall be deposited in the Reserve Fund for
30 Statewide Computerized Voter Registration/County Grants Component,
31 to be used by the State Board of Elections for grants-in-aid to counties
32 to purchase computer equipment, data communication charges, data
33 conversion, computer consultants or time-limited personnel at the State
34 Board of Elections, travel, education, and training to ensure that all
35 counties' minimum needs for participation in the statewide
36 computerized voter registration system are met. Any additional needs
37 beyond the minimum required for system participation are the
38 responsibility of the counties. The State Board of Elections shall
39 develop and issue rules related to a grant process for grant applications
40 and grant awards to counties. The rules shall be developed and issued no
41 later than February 15, 1996. Grants-in-aid to county boards of elections
42 shall be awarded no later than July 1, 1996. The rules shall provide that
43 the computerized voter registration system has uniform quality

1 statewide, and the grants shall be issued in such a way as to achieve that
2 goal within available resources. In developing the rules, the State Board
3 of Elections shall consider giving special attention to:

- 4 a. Low-wealth counties;
- 5 b. Counties that have demonstrated a willingness to invest in
6 computer infrastructure; and
- 7 c. Counties that demonstrate a willingness to provide matching
8 funds.

9 (c) The State Board of Elections may spend money from the reserve funds
10 created by subsection (b) of this section only after the State Board of Elections and the
11 Information Resource Management Commission have jointly approved and presented a
12 detailed implementation plan for statewide computerized voter registration to the Joint
13 Legislative Commission on Governmental Operations. That implementation plan shall
14 include:

- 15 (1) A description of the system being implemented;
- 16 (2) A description of the system's capabilities;
- 17 (3) An itemized estimate of the costs of the system, with a justification for
18 each item;
- 19 (4) A list of the counties to be brought into the system during the fiscal
20 year;
- 21 (5) A project management plan.

22 After their initial joint report, the State Board of Elections and the Information Resource
23 Management Commission shall make quarterly joint reports to the Joint Legislative
24 Commission on Governmental Operations, describing the status of the project, listing the
25 counties that have been brought into the system and that are planned to be brought into
26 the system, and the costs.

27 (d) To the extent that this section or action taken under it conflicts with G.S.
28 163-82.11 through G.S. 163-82.13 or Section 16 of Chapter 769 of the 1993 Session
29 Laws, this section or those actions prevail to the extent of the conflict. Except to the
30 extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in
31 effect.

32 33 **PART 14. STATE CONTROLLER**

34 35 **PART 15. COLLEGES AND UNIVERSITIES**

36
37 Requested by: Representatives Grady, Preston

38 **MEHARRY MEDICAL COLLEGE**

39 Sec. 15. The Board of Governors of The University of North Carolina shall
40 develop and implement a plan to recruit and attract graduates of Meharry Medical
41 College who are North Carolina residents for whom State financial support was provided
42 to Meharry Medical College. The Board's plan shall include informing the students of
43 the State support, providing information about medical residency opportunities in North

1 Carolina, and any other relevant information about opportunities for medical and dental
2 practice in North Carolina. The Office of Rural Health and the Area Health Education
3 Centers shall assist the Board in developing and implementing the plan. The Board shall
4 include State supported graduates of Meharry Medical College in its monitoring report
5 required by G.S. 143-613(d) on primary care physicians. Meharry Medical College shall
6 supply information necessary for the Board to comply with this section.

7
8 Requested by: Representatives Grady, Preston, Ramsey

9 **SCHOOL OF SCIENCE AND MATHEMATICS**

10 Sec. 15.1. G.S. 116-235 (b) reads as rewritten:

11 "(b) Students. –

12 (1) Admission of Students. – The School shall admit students in accordance
13 with criteria, standards, and procedures established by the Board of
14 Trustees. To be eligible to be considered for admission, an applicant
15 must be a legal resident of the State, as defined by G.S. ~~116-143.1~~; 116-
16 143.1(a)(1); eligibility to remain enrolled in the School shall terminate
17 at the end of any school year during which a student becomes a
18 nonresident of the State. The Board of Trustees shall ensure, insofar as
19 possible without jeopardizing admission standards, that an equal
20 number of qualified rising high school juniors is admitted to the
21 program and to the residential summer institutes in science and
22 mathematics from each of North Carolina's congressional districts. In
23 no event shall the deviation in the number of rising high school juniors
24 offered admission to the program from each of North Carolina's
25 congressional districts deviate more than two percentage points from the
26 average number per district who are offered admission.

27 (2) School Attendance. – Every parent, guardian, or other person in this
28 State having charge or control of a child who is enrolled in the School
29 and who is less than 16 years of age shall cause such child to attend
30 school continuously for a period equal to the time which the School
31 shall be in session. No person shall encourage, entice, or counsel any
32 child to be unlawfully absent from the School. Any person who aids or
33 abets a student's unlawful absence from the School shall, upon
34 conviction, be guilty of a Class 3 misdemeanor. The Director of the
35 School shall be responsible for implementing such additional policies
36 concerning compulsory attendance as shall be adopted by the Board of
37 Trustees, including regulations concerning lawful and unlawful
38 absences, permissible excuses for temporary absences, maintenance of
39 attendance records, and attendance counseling.

40 (3) Student Discipline. – Rules of conduct governing students of the School
41 shall be established by the Board of Trustees. The Director, other
42 administrative officers, and all teachers, substitute teachers, voluntary
43 teachers, teacher aides and assistants, and student teachers in the School

1 may use reasonable force in the exercise of lawful authority to restrain
2 or correct pupils and maintain order."
3

4 Requested by: Representatives Fox, Grady, Preston

5 **UNC VISUAL IMPAIRMENT TEACHER TRAINING CURRICULUM**

6 Sec. 15.2. (a) The Board of Governors of The University of North Carolina shall
7 select a school of education from within The University of North Carolina and direct the
8 school to establish an interstate consortium of universities located in the southeastern
9 United States with the following purposes:

- 10 (1) To collaboratively devise an appropriate curriculum for the training of
11 teachers to work with visually impaired students.
12 (2) To seek foundation grants to support the cooperative program of teacher
13 education.
14 (3) To work together in the implementation and operation of the program
15 providing the needed training experiences for students from those states
16 that become a part of the consortium.

17 (b) The school of education designated by the Board of Governors of The
18 University of North Carolina to establish the interstate consortium shall try to recruit one
19 university from each of the states in the southeastern United States. The program
20 developed by the interstate consortium shall be operated at the school of education
21 designated by the Board of Governors to undertake the project and shall utilize
22 technology for long-distance learning within the State and among the other states in the
23 consortium. The program shall be funded by all states participating in the consortium in
24 addition to grants obtained by the consortium.

25 (c) The program designed by the consortium shall be implemented collaboratively
26 with the North Carolina Department of Human Resources through the Division of
27 Services for the Blind. The Governor Morehead School shall be used as a clinical site for
28 the students in the program. The program shall be designed to meet certification
29 requirements that are set by the licensing agencies in the states participating in the
30 consortium. The program shall offer a master degree in visual impairments and shall also
31 offer courses for special education teachers to enable them to extend their certification to
32 include visual impairments.

33 (d) The Board of Governors of The University of North Carolina shall report to the
34 Joint Legislative Education Oversight Commission by March 1, 1996, regarding the
35 progress in implementing this section.
36

37 Requested by: Representatives Grady, Preston

38 **UNC CAPITAL IMPROVEMENT PRIORITIES**

39 Sec. 15.3. (a) The Board of Governors of The University of North Carolina shall
40 develop a capital improvement request process that can be used to make its capital
41 priorities across campuses known to the General Assembly. This process shall include
42 needs criteria based on mission, enrollment, adequacy of facilities, the functional age of
43 the facilities, utilization of facilities and other objective factors.

1 (b) The Board of Governors shall report to the Joint Legislative Education
2 Oversight Committee by April 1, 1996, regarding the development of the capital
3 improvement request process.

4
5 Requested by: Representatives Grady, Preston, Rogers

6 **ECU MEDICAL SCHOOL RECEIPTS**

7 Sec. 15.4. Chapter 116 of the General Statutes is amended by adding a new
8 section to read:

9 **"§ 116-36.6. East Carolina University School of Medicine; Medicare receipts.**

10 The East Carolina University School of Medicine shall request, on a regular basis
11 consistent with the State's cash management plan, funds earned by the School from
12 Medicare reimbursements for education costs. Upon receipt, these funds shall be
13 allocated as follows:

14 (1) The portion of the Medicare reimbursement generated through the effort
15 and expense of the School of Medicine's Medical Faculty Practice Plan
16 shall be transferred to the appropriate Medical Faculty Practice Plan
17 account within the School of Medicine. The Medical Faculty Practice
18 Plan shall assume responsibility for any of these funds that subsequently
19 must be refunded due to final audit settlements.

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

23 (3) The remainder of the funds shall be transferred to a special fund account
24 on deposit with the State Treasurer. This special fund account shall be
25 used for any necessary repayment of Medicare funds due to final audit
26 settlements for funds allocated under subdivision (2) of this subsection.
27 When the amount of these reimbursement funds has been finalized by
28 audit for each year, those funds remaining in the special fund shall be
29 available for specific capital improvement projects for the East Carolina
30 University School of Medicine. Requests by East Carolina University
31 for use of these funds shall be made to the Board of Governors of The
32 University of North Carolina. Approval of projects by the Board of
33 Governors shall be reported to the Joint Legislative Commission on
34 Governmental Operations, and the reports shall include projected costs
35 and sources of funds for operation of the approved projects."

36
37 Requested by: Representatives Grady, Preston

38 **STATE EDUCATION ASSISTANCE AUTHORITY/FEDERAL MATCHING**
39 **FUNDS**

40 Sec. 15.5. Funds appropriated in this act to the Board of Governors of The
41 University of North Carolina for use by the State Education Assistance Authority to
42 match federal grants under the Federal State Student Incentive Grant program shall
43 remain available to assist needy students in meeting postsecondary education expenses

1 irrespective of the receipt by the State Education Assistance Authority of any federal
2 funds for such purpose. In the event federal funds are not available for such purposes, the
3 eligibility for funds under this section shall be limited to resident students attending a
4 constituent institution of The University of North Carolina, a community college as
5 defined by G.S. 115D-2(2), or a private institution as defined by G.S. 116-22(1).

6
7 Requested by: Representatives Grady, Preston

8 **MILITARY PERSONNEL/BUDGETING OF SUMMER SCHOOL CREDIT** 9 **HOURS**

10 Sec. 15.6. For State budget purposes, credit hours taken in summer school at a
11 constituent institution of The University of North Carolina by military personnel as
12 defined in G.S. 116-143.3(a) and G.S. 116-143.3(b) shall be budgeted as resident credit
13 hours.

14
15 Requested by: Representatives Grady, Preston

16 **REPORTS ON UNC VENDING FACILITIES**

17 Sec. 15.7. G.S. 116-36.4 reads as rewritten:

18 **"§ 116-36.4. Vending facilities.**

19 ~~The Board of Governors shall, not later than October 1 of each year, review an~~
20 ~~itemized annual report in a format to be determined by the Office of State Budget and~~
21 ~~Management. Each institution shall provide to the director of the Budget and the State~~
22 ~~Auditor such information as they may from time to time require concerning the use of net~~
23 ~~proceeds from operations of vending facilities for the previous fiscal year under G.S.~~
24 ~~116-36.1. Net proceeds may be used only as authorized by the Board of Governors, but~~
25 ~~this section does not authorize expenditures for purposes not otherwise authorized by~~
26 ~~law. The report shall be itemized by campus and by authorized purpose. The Board shall~~
27 ~~also review an annual report from the UNC Hospitals, monitoring compliance with G.S.~~
28 ~~143-12.1(f1). A copy of the report shall be provided to the Fiscal Research Division of~~
29 ~~the Legislative Services Office."~~

30
31 Requested by: Representatives Grady, Preston

32 **ALLIED HEALTH PROFESSIONS**

33 Sec. 15.8. Of the funds provided to the Board of Governors for expansion
34 funding through receipts, the amount of \$1,800,000 each fiscal year of the biennium shall
35 be allocated each year for expansion of programs offerings and enrollment for training of
36 allied health professionals.

37
38 Requested by: Representatives Grady, Preston

39 **AHEC/SCHOOL OF NURSING CENTERS**

40 Sec. 15.9. Of the funds provided to the Board of Governors of The University
41 of North Carolina for expansion funding through receipts for University Institutional
42 Programs, the sum of two million dollars (\$2,000,000) shall be allocated each year of the
43 biennium for the Area Health Education Centers for initiatives in primary care and

1 training of mid-level practitioners. Of these additional funds, the sum of twenty-five
2 thousand dollars (\$25,000) shall be used to increase funding for the Raleigh School of
3 Nurse Anesthesia from fifty thousand dollars (\$50,000) to seventy-five thousand dollars
4 (\$75,000) per year.

5
6 Requested by: Representatives Grady, Preston

7 **UNC PILOT OFF-CAMPUS SITES**

8 Sec. 15.10. Of the funds provided to the Board of Governors of The
9 University of North Carolina for expansion funding through receipts in this act, one
10 million three hundred seventy-five thousand dollars (\$1,375,000) each fiscal year shall be
11 used to establish pilot degree programs at sites located away from the campuses of the
12 constituent institutions and to expand educational opportunities at those sites. The Board
13 shall consider sites on community college campuses, especially those with a higher
14 proportion of college transfer student enrollment, sites easily accessible to military
15 personnel and other citizens, and sites remote from the constituent institutions' main
16 campuses. Funds may be used to fund campuses for full-time equivalent enrollment at
17 those sites, to improve library collections for the programs offered at the site, or for other
18 purposes deemed appropriate by the Board.

19 The Board shall report to the Joint Education Oversight Committee on this
20 effort by December 1996.

21
22 Requested by: Representatives Grady, Preston

23 **AGRICULTURE EDUCATION PROGRAM FUNDS**

24 Sec. 15.11. (a) Of the funds provided to the Board of Governors of The University
25 of North Carolina, the sum of five hundred eighty-five thousand dollars (\$585,000) for
26 the 1995-96 fiscal year and the sum of five hundred eighty-five thousand dollars
27 (\$585,000) for the 1996-97 fiscal year shall be allocated to the College of Agriculture and
28 Life Sciences at North Carolina State University for personnel positions and related
29 office and travel expenses to provide overall leadership, coordination, and structure for
30 agricultural education programs and Future Farmers of America activities in the public
31 schools of North Carolina.

32 (b) The positions in this section are:

- 33 (1) A State Agricultural Education Coordinator, located in the Department
34 of Agricultural and Extension Education at North Carolina State
35 University;
- 36 (2) Three Regional Consultants who are responsible to the State
37 Agricultural Education Coordinator; and
- 38 (3) A State Future Farmers of America Director, who is responsible to the
39 State Agricultural Education Coordinator and the Board of Directors of
40 the North Carolina Association of Future Farmers of America,
41 Incorporated. The Executive Director and staff of the North Carolina
42 Future Farmers of America Foundation are provided by the North
43 Carolina Future Farmers of America Foundation, Incorporated, and the

1 Director and staff of the North Carolina Future Farmers of America
2 Center are provided by the North Carolina Association of Future
3 Farmers of America, Inc.

4 (c) The Office of the Governor and the State Board of Education, the
5 Superintendent of Public Instruction, and other State agencies responsible for vocational
6 and technical education in the public schools shall maintain close working relationships
7 with the State Agricultural Education Coordinator. The State Agricultural Education
8 Coordinator and those agencies shall cooperate and collaborate to provide resources that
9 will ensure quality agricultural education programs in the public schools.

11 PART 16. COMMUNITY COLLEGES

13 Requested by: Representatives Grady, Preston

14 BACCALAUREATE COMPLETION PROGRAM

15 Sec. 16. A community college that permits a public or a nonprofit four-year
16 college or university to offer the junior or senior years of a baccalaureate degree program
17 or teacher certification renewal courses on the community college campus shall receive
18 five hundred dollars (\$500.00) for each FTE generated by the college or university for
19 these courses. The community college shall use these funds to offset utility,
20 maintenance, and administrative costs associated with offering these courses on the
21 community college campus.

23 Requested by: Representatives Grady, Preston

24 CONTINUING BUDGET CONCEPT MODIFIED

25 Sec. 16.1. The State Board of Community Colleges shall implement the
26 continuing budget concept for the 1995-97 biennium and in subsequent years as follows:

- 27 (1) Community colleges that experience a decline in enrollment shall not
28 receive a decrease in full-time equivalent student (FTE) enrollment
29 funds until their enrollment declines more than five percent (5%). At
30 that time, they shall experience a decline of only the amount over five
31 percent (5%);
- 32 (2) Community colleges that experience an increase in enrollment shall not
33 receive an increase in full-time equivalent student (FTE) enrollment
34 funds until their enrollment increases more than three percent (3%). At
35 that time, they shall experience an increase of only the amount over
36 three percent (3%).

38 Requested by: Representatives Grady, Preston

39 LIBRARY WITHOUT WALLS TECHNOLOGY

40 Sec. 16.2. The State Board of Community Colleges shall allocate funds
41 appropriated in this act for the "Library Without Walls" Technology to 25 pilot sites on a
42 competitive grant basis. In awarding the grants, the State Board shall consider the level
43 of interest and the readiness of each community college to use the technology.

1
2 Requested by: Representatives Grady, Preston

3 **FUNDS FOR "RETOOLING FOR THE YEAR 2000: GAINING THE**
4 **COMPETITIVE EDGE"**

5 Sec. 16.3. The funds appropriated in this act for the North Carolina
6 Community College System shall be used to implement the provisions of G.S. 115D-8,
7 "Retooling for the Year 2000: Gaining the Competitive Edge". These funds shall be for
8 the following priorities in order to improve the ability of citizens to be competitive in the
9 global economy:

- 10 (1) Improve training programs in high job demand skill areas;
11 (2) Enhance allied health programs, including nursing, physical,
12 occupational, and respiratory therapy, and increase the number of
13 trained students in these fields;
14 (3) Provide more technology education in order to ensure that all students
15 are technologically proficient in today's workplace. More infrastructure,
16 equipment, and highly trained faculty will be needed in this area;
17 (4) Increase short-term skill enhancement training through improved
18 occupational extension training programs;
19 (5) Provide funds for high cost programs;
20 (6) Develop more "workplace literacy" programs at job sites in order to
21 improve job security and advancement opportunities for workers;
22 (7) Provide more customized training for existing industries through the
23 expansion of Focused Industrial Training (FIT) Centers;
24 (8) Improve opportunities for faculty to keep up-to-date with the latest
25 technological changes in their fields by funding more professional
26 development and return-to-industry programs; and
27 (9) Enhance all associate degree programs and facilitate the transfer of
28 students with associate degrees pursuing baccalaureate degrees by
29 establishing pilot baccalaureate completion programs on the campuses
30 of community colleges.

31 The State Board of Community Colleges shall adopt the "Education Blueprint"
32 in accordance with G.S. 115D-8 and shall continue to provide its "Critical Success
33 Factors" document in order to provide the General Assembly with the accountability for
34 the expenditure of funds for the "Retooling for the Year 2000" programs.
35

36 Requested by: Representatives Grady, Preston

37 **RECEIPT ADJUSTMENT**

38 Sec. 16.4. The Office of State Budget and Management and the Department of
39 Community Colleges shall adjust annual tuition receipts for full-time equivalent students
40 to reflect actual collections from the previous year, but shall not reduce the total
41 requirements in their budget requests to the General Assembly.

1 The State Board of Community Colleges shall report to the Joint Legislative
2 Education Oversight Committee on an annual basis on the cost of the tuition and fee
3 exemptions established in G.S. 115D-5(b).

4 5 **PART 17. PUBLIC SCHOOLS**

6
7 Requested by: Representatives Grady, Preston

8 **EXCEPTIONAL CHILDREN FUNDS**

9 Sec. 17. (a) The funds appropriated for exceptional children in Chapter 324 of
10 the 1995 Session Laws shall be allocated as follows:

11 (1) Each local school administrative unit shall receive for academically
12 gifted children the sum of \$680.21 per child for three and nine-tenths
13 percent (3.9%) of the 1994-95 actual average daily membership in the
14 local school administrative unit, regardless of the number of children
15 identified as academically gifted in the local school administrative unit.
16 The total number of children for which funds shall be allocated pursuant
17 to this subdivision is 44,609 for the 1995-96 school year.

18 (2) Each local school administrative unit shall receive for exceptional
19 children other than academically gifted children the sum of \$2,040.63
20 per child for the lesser of (i) all children who are identified as
21 exceptional children other than academically gifted children or (ii)
22 twelve and five-tenths percent (12.5%) of the 1994-95 actual average
23 daily membership in the local school administrative unit. The maximum
24 number of children for which funds shall be allocated pursuant to this
25 subdivision is 131,642 for the 1995-96 school year.

26 The dollar amounts allocated under this subsection for exceptional children shall also
27 increase in accordance with legislative salary increments for personnel who serve
28 exceptional children.

29 (b) If House Bill 6 of the 1995 General Assembly is ratified, the State Board of
30 Education shall transfer the portion of these funds used to pay central office
31 administrators to a new allotment category for central office administrators, in
32 accordance with the provisions of House Bill 6.

33 (c) The State Board of Education shall evaluate and review the current process
34 and criteria for designating students as children with special needs.

35
36 Requested by: Representatives Grady, Preston

37 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES/SMALL SCHOOL** 38 **SYSTEM SUPPLEMENTAL FUNDING**

39 Sec. 17.1. (a) **Funds for supplemental funding.** – The General Assembly finds
40 that it is appropriate to provide supplemental funds in low-wealth counties to allow those
41 counties to enhance the instructional program and student achievement; therefore, of the
42 funds appropriated to Aid to Local School Administrative Units, the sum of thirty-five
43 million two hundred eighty-three thousand eight hundred nine dollars (\$35,283,809) for

1 the 1995-96 fiscal year and the sum of thirty-five million two hundred eighty-three
2 thousand eight hundred nine dollars (\$35,283,809) for the 1996-97 fiscal year shall be
3 used for supplemental funds for schools.

4 (b) **Use of funds for supplemental funding.** – Local school administrative units
5 shall use funds received pursuant to this section only to provide instructional positions,
6 instructional support positions, teacher assistant positions, clerical positions, instructional
7 supplies and equipment, staff development, and textbooks.

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

9 (1) "Anticipated county property tax revenue availability" means the county
10 adjusted property tax base multiplied by the effective State average tax
11 rate.

12 (2) "Anticipated total county revenue availability" means the sum of the
13 a. Anticipated county property tax revenue availability,
14 b. Local sales and use taxes received by the county that are levied
15 under Chapter 1096 of the 1967 Session Laws or under
16 Subchapter VIII of Chapter 105 of the General Statutes,
17 c. Food stamp exemption reimbursement received by the county
18 under G.S. 105-164.44C,
19 d. Homestead exemption reimbursement received by the county
20 under G.S. 105-277.1A,
21 e. Inventory tax reimbursement received by the county under G.S.
22 105-275.1 and G.S. 105-277A,
23 f. Intangibles tax distribution and reimbursement received by the
24 county under G.S. 105-213 and G.S. 105-213.1, and
25 g. Fines and forfeitures deposited in the county school fund
26 for the most recent year for which data are available.

27 (3) "Anticipated total county revenue availability per student" means the
28 anticipated total county revenue availability for the county divided by
29 the average daily membership of the county.

30 (4) "Anticipated State average revenue availability per student" means the
31 sum of all anticipated total county revenue availability divided by the
32 average daily membership for the State.

33 (5) "Average daily membership" means average daily membership as
34 defined in the North Carolina Public Schools Allotment Policy Manual,
35 adopted by the State Board of Education. If a county contains only part
36 of a local school administrative unit, the average daily membership of
37 that county includes all students who reside within the county and
38 attend that local school administrative unit.

39 (6) "County adjusted property tax base" shall be computed as follows:
40 a. Subtract the present-use value of agricultural land, horticultural
41 land, and forestland in the county, as defined in G.S. 105-277.2,
42 from the total assessed real property valuation of the county,

- 1 b. Adjust the resulting amount by multiplying by a weighted
2 average of the three most recent annual sales assessment ratio
3 studies,
4 c. Add to the resulting amount the:
5 1. Present-use value of agricultural land, horticultural land,
6 and forestland, as defined in G.S. 105-277.2,
7 2. Value of property of public service companies,
8 determined in accordance with Article 23 of Chapter 105
9 of the General Statutes, and
10 3. Personal property value for the county.
- 11 (7) " County adjusted property tax base per square mile" means the county
12 adjusted property tax base divided by the number of square miles of
13 land area in the county.
- 14 (8) " County wealth as a percentage of State average wealth" shall be
15 computed as follows:
16 a. Compute the percentage that the county per capita income is of
17 the State per capita income and weight the resulting percentage
18 by a factor of five-tenths,
19 b. Compute the percentage that the anticipated total county revenue
20 availability per student is of the anticipated State average revenue
21 availability per student and weight the resulting percentage by a
22 factor of four-tenths,
23 c. Compute the percentage that the county adjusted property tax
24 base per square mile is of the State adjusted property tax base per
25 square mile and weight the resulting percentage by a factor of
26 one-tenth,
27 d. Add the three weighted percentages to derive the county wealth
28 as a percentage of the State average wealth.
- 29 (9) " Effective county tax rate" means the actual county tax rate multiplied
30 by a weighted average of the three most recent annual sales assessment
31 ratio studies.
- 32 (10) " Effective State average tax rate" means the average of effective county
33 tax rates for all counties.
- 34 (10a) " Local current expense funds" means the most recent county current
35 expense appropriations to public schools, as reported by local boards of
36 education in the audit report filed with the Secretary of the Local
37 Government Commission pursuant to G.S. 115C-447.
- 38 (11) " Per capita income" means the average for the most recent three years
39 for which data are available of the per capita income according to the
40 most recent report of the United States Department of Commerce,
41 Bureau of Economic Analysis, including any reported modifications for
42 prior years as outlined in the most recent report.

- 1 (12) " Sales assessment ratio studies" means sales assessment ratio studies
2 performed by the Department of Revenue under G.S. 105-289(h).
- 3 (13) " State average current expense appropriations per student" means the
4 most recent State total of county current expense appropriations to
5 public schools, as reported by local boards of education in the audit
6 report filed with the Secretary of the Local Government Commission
7 pursuant to G.S. 115C-447, divided by the total State average daily
8 membership.
- 9 (14) " State average adjusted property tax base per square mile" means the
10 sum of the county adjusted property tax bases for all counties divided by
11 the number of square miles of land area in the State.
- 12 (14a) " Supplant" means to decrease local per student current expense
13 appropriations from one fiscal year to the next fiscal year.
- 14 (15) " Weighted average of the three most recent annual sales assessment
15 ratio studies" means the weighted average of the three most recent
16 annual sales assessment ratio studies in the most recent years for which
17 county current expense appropriations and adjusted property tax
18 valuations are available. If real property in a county has been revalued
19 one year prior to the most recent sales assessment ratio study, a
20 weighted average of the two most recent sales assessment ratios shall be
21 used. If property has been revalued the year of the most recent sales
22 assessment ratio study, the sales assessment ratio for the year of
23 revaluation shall be used.

24 (d) **Eligibility for funds.** – Except as provided in subsection (h) of this section, the
25 State Board of Education shall allocate these funds to local school administrative units
26 located in whole or in part in counties in which the county wealth as a percentage of the
27 State average wealth is less than one hundred percent (100%).

28 (e) **Allocation of funds.** – Except as provided in subsection (g) of this section,
29 the amount received per average daily membership for a county shall be the difference
30 between the State average current expense appropriations per student and the current
31 expense appropriations per student that the county could provide given the county's
32 wealth and an average effort to fund public schools. (To derive the current expense
33 appropriations per student that the county could be able to provide given the county's
34 wealth and an average effort to fund public schools, multiply the county wealth as a
35 percentage of State average wealth by the State average current expense appropriations
36 per student.)

37 The funds for the local school administrative units located in whole or in part
38 in the county shall be allocated to each local school administrative unit, located in whole
39 or in part in the county, based on the average daily membership of the county's students
40 in the school units.

41 If the funds appropriated for supplemental funding are not adequate to fund the
42 formula fully, each local school administrative unit shall receive a pro rata share of the
43 funds appropriated for supplemental funding.

1 (f) **Formula for distribution of supplemental funding pursuant to this**
2 **section only.** – The formula in this section is solely a basis for distribution of
3 supplemental funding for low-wealth counties and is not intended to reflect any measure
4 of the adequacy of the educational program or funding for public schools. The formula is
5 also not intended to reflect any commitment by the General Assembly to appropriate any
6 additional supplemental funds for low-wealth counties.

7 (g) **Minimum effort required.** – A county that (i) maintains an effective
8 county tax rate that is at least one hundred percent (100%) of the effective State average
9 tax rate in the most recent year for which data are available or (ii) maintains a county
10 appropriation per student to the school local current expense fund of at least one hundred
11 percent (100%) of the current expense appropriations per student to the school local
12 current expense fund that the county could provide given the county's wealth and an
13 average effort to fund public schools, shall receive full funding under this section. A
14 county that maintains a county appropriation per student to the school local current
15 expense fund of less than one hundred percent (100%) of the current expense
16 appropriations per student to the school local current expense fund that the county could
17 provide given the county's wealth and an average effort to fund public schools shall
18 receive funding under this section at the same percentage that the county's appropriation
19 per student to the school local current expense fund is of the current expense
20 appropriations per student to the school local current expense fund that the county could
21 provide given the county's wealth and an average effort to fund public schools.

22 (h) **Nonsupplant requirement.** – A county in which a local school
23 administrative unit receives funds under this section shall use the funds to supplement
24 local current expense funds and shall not supplant local current expense funds. For the
25 1995-97 fiscal biennium, the State Board of Education shall not allocate funds under this
26 section to a county found to have used these funds to supplant local per student current
27 expense funds. The State Board of Education shall make a finding that a county has used
28 these funds to supplant local current expense funds in the prior year, or the year for which
29 the most recent data are available, if:

- 30 (1) The average of the local per student current expense appropriation for
31 the three most recent years is less than ninety-five percent (95%) of the
32 greater of (i) the local per student current expense appropriation for the
33 1991-92 fiscal year; or (ii) the average local per student current expense
34 appropriation of the county for the three fiscal years immediately prior
35 to the current year; and
- 36 (2) The county cannot show (i) that it has remedied the deficiency in
37 funding, or (ii) that extraordinary circumstances caused the county to
38 supplant local current expense funds with funds allocated under this
39 section.

40 The State Board of Education shall adopt rules to implement this section.

41 (i) **Reports.** – The State Board of Education shall report to the Joint
42 Legislative Education Oversight Committee prior to May 1, 1996, on its analysis of
43 whether counties supplanted funds.

1 (j) **Department of Revenue reports.** – The Department of Revenue shall
2 provide to the Department of Public Instruction a preliminary report for the current fiscal
3 year of the assessed value of the property tax base for each county prior to March 1 of
4 each year and a final report prior to May 1 of each year. The reports shall include for
5 each county the annual sales assessment ratio and the taxable values of (i) total real
6 property, (ii) the portion of total real property represented by the present-use value of
7 agricultural land, horticultural land, and forestland as defined in G.S. 105-277.2, (iii)
8 property of public service companies determined in accordance with Article 23 of
9 Chapter 105 of the General Statutes, and (iv) personal property.

10 Sec. 17.2. (a) **Funds for small school systems.** – Except as provided in subsection
11 (b) of this section, the State Board of Education shall allocate funds appropriated for
12 small school system supplemental funding (i) to each county school administrative unit
13 with an average daily membership of less than 3,000 students and (ii) to each county
14 school administrative unit with an average daily membership of from 3,000 to 4,000
15 students if the county in which the local school administrative unit is located has a county
16 adjusted property tax base per student that is below the State adjusted property tax base
17 per student and if the total average daily membership of all local school administrative
18 units located within the county is from 3,000 to 4,000 students. The allocation formula
19 shall:

- 20 (1) Round all fractions of positions to the next whole position.
- 21 (2) Provide five and one-half additional regular classroom teachers in
22 counties in which the average daily membership per square mile is
23 greater than four and seven additional regular classroom teachers in
24 counties in which the average daily membership per square mile is four
25 or less.
- 26 (3) Provide additional program enhancement teachers adequate to offer the
27 standard course of study.
- 28 (4) Change the duty-free period allocation to one teacher assistant per 400
29 average daily membership.
- 30 (5) Provide a base for the consolidated funds allotment of at least one
31 hundred fifty thousand dollars (\$150,000), excluding textbooks.
- 32 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

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

41 (b) **Nonsupplant requirement.** – A county in which a local school administrative
42 unit receives funds under this section shall use the funds to supplement local current
43 expense funds and shall not supplant local current expense funds. For the 1995-97 fiscal

1 biennium, the State Board of Education shall not allocate funds under this section to a
2 county found to have used these funds to supplant local per student current expense
3 funds. The State Board of Education shall make a finding that a county has used these
4 funds to supplant local current expense funds in the prior year, or the year for which the
5 most recent data are available, if:

- 6 (1) The average of the local per student current expense appropriation for
7 the three most recent years is less than ninety-five percent (95%) of the
8 greater of (i) the local per student current expense appropriation for the
9 1991-92 fiscal year; or (ii) the average local per student current expense
10 appropriation of the county for the three fiscal years immediately prior
11 to the current year; and
- 12 (2) The county cannot show (i) that it has remedied the deficiency in
13 funding, or (ii) that extraordinary circumstances caused the county to
14 supplant local current expense funds with funds allocated under this
15 section.

16 The State Board of Education shall adopt rules to implement this section.

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

- 18 (1) "Average daily membership" means within two percent (2%) of the
19 average daily membership as defined in the North Carolina Public
20 Schools Allotment Policy Manual, adopted by the State Board of
21 Education.
- 22 (2) " County adjusted property tax base per student" means the total
23 assessed property valuation for each county, adjusted using a weighted
24 average of the three most recent annual sales assessment ratio studies,
25 divided by the total number of students in average daily membership
26 who reside within the county.
- 27 (2a) " Local current expense funds" means the most recent county current
28 expense appropriations to public schools, as reported by local boards of
29 education in the audit report filed with the Secretary of the Local
30 Government Commission pursuant to G.S. 115C-447.
- 31 (3) " Sales assessment ratio studies" means sales assessment ratio studies
32 performed by the Department of Revenue under G.S. 105-289(h).
- 33 (4) " State adjusted property tax base per student" means the sum of all
34 county adjusted property tax bases divided by the total number of
35 students in average daily membership who reside within the State.
- 36 (4a) " Supplant" means to decrease local per student current expense
37 appropriations from one fiscal year to the next fiscal year.
- 38 (5) " Weighted average of the three most recent annual sales assessment
39 ratio studies" means the weighted average of the three most recent
40 annual sales assessment ratio studies in the most recent years for which
41 county current expense appropriations and adjusted property tax
42 valuations are available. If real property in a county has been revalued
43 one year prior to the most recent sales assessment ratio study, a

1 weighted average of the two most recent sales assessment ratios shall be
2 used. If property has been revalued the year of the most recent sales
3 assessment ratio study, the sales assessment ratio for the year of
4 revaluation shall be used.

5 (d) **Reports.** – The State Board of Education shall report to the Joint Legislative
6 Education Oversight Committee prior to May 1, 1996, on the results of its analysis of
7 whether counties supplanted funds.

8
9 Requested by: Representatives Grady, Preston

10 **SCHOOL TECHNOLOGY RESERVE**

11 Sec. 17.3. The funds in the amount of forty-two million dollars (\$42,000,000)
12 appropriated for the 1994-95 fiscal year to the Office of State Budget and Management,
13 School Technology Reserve, are transferred to the State Board of Education, State School
14 Technology Fund. These funds shall be allocated by the State Board of Education to the
15 credit of local school administrative units as follows:

- 16 (1) Ten percent (10%) of these funds shall be allocated in accordance with
17 the low-wealth county supplemental school funding formula set out in
18 Section 138 of Chapter 321 of the 1993 Session Laws, as rewritten by
19 Section 19.32 of Chapter 769 of the 1993 Session Laws; and
- 20 (2) Ninety percent (90%) of these funds shall be allocated on the basis of
21 average daily membership: Provided, however, the State Board shall use
22 part of these funds, as necessary, to ensure that the sum total of the
23 allocations to all of the local school administrative units located within
24 each county is at least fifty thousand dollars (\$50,000).

25 Before a local school technology plan is approved by the State Board
26 of Education, a local board of education may use up to ten percent
27 (10%) of the funds credited to it in the Fund to develop its local school
28 technology plan or, to the extent that these funds are not needed to
29 develop the local school technology plan, for staff development to
30 improve the use of instructional technology. After a local school
31 technology plan is reviewed by the Department of Public Instruction
32 and the Information Resources Management Commission and approved
33 by the State Board of Education, a local board of education may use the
34 remainder of these funds for nonpersonnel expenses to implement its
35 local school technology plan, including staff development, hardware,
36 software, networks, maintenance contracts, and school facility
37 modifications necessary for the installation of equipment.

38 Two or more local school administrative units may jointly expend
39 funds to develop their individual local school technology plans, for staff
40 development, or to implement their individual local school technology
41 plans.

42
43 Requested by: Representatives Grady, Preston

LITIGATION RESERVE

Sec. 17.4. (a) Funds appropriated to the Department of Public Instruction for the 1994-95 fiscal year for the Litigation Reserve that are not expended or encumbered on June 30, 1995, are transferred to the State Board of Education. These funds shall not revert on July 1, 1995, but shall remain available for expenditure until June 30, 1997.

(b) Funds appropriated to the State Board of Education for the 1995-96 fiscal year for the Litigation Reserve that are not expended or encumbered on June 30, 1996, shall not revert on July 1, 1996, but shall remain available for expenditure until June 30, 1997.

(c) Subsection (a) of this section becomes effective June 30, 1995.

Requested by: Representatives Grady, Preston

EDUCATION EXPENDITURE REPORT DUE DATE

Sec. 17.5. G.S. 105-503(b) reads as rewritten:

"(b) On or before ~~February 15~~ May 1 of each year the Local Government Commission shall furnish to the General Assembly a report of the level of each county's appropriations for public school capital outlay (including retirement of indebtedness incurred and monies reserved for these purposes), include the amount each county has provided for public school capital outlay for a period including at a minimum the most recent five fiscal years, estimates of public school facility needs, the proportion of revenue from taxes collected under Article 40 of this Chapter that has been provided for public school capital outlay purposes (including retirement of indebtedness incurred and monies reserved for these purposes), the proportion of revenue collected under this Article that has been expended for a public school capital outlay purposes (including retirement of indebtedness incurred and monies reserved for these purposes), and any other factors it deems relevant to carrying out the intent stated in subsection (a) of this section."

Requested by: Representatives Grady, Preston

**ELIMINATION OF OBSOLETE REPORTS ON MAINTENANCE CONTRACTS;
EXCHANGE OF INFORMATION WITHIN STATE EDUCATION AGENCIES**

Sec. 17.6. (a) Section 38(b) of Chapter 500 of the 1989 Session Laws is repealed.

(b) Section 6 of Chapter 880 of the 1991 Session Laws reads as rewritten:

"Sec. 6. A joint report of progress made to develop a system to provide an exchange of information shall be made to the Joint Legislative Education Oversight Committee no later than February 15, ~~1993, and annually thereafter.~~ 1996."

Requested by: Representatives Grady, Preston

**EXPANSION BUDGET APPROPRIATIONS OF SAVINGS FROM THE
REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

Sec. 17.7. Of the funds appropriated to State Aid to Local School Administrative Units, the State Board of Education shall allocate the sum of nine million three hundred eighteen thousand four hundred thirty-six dollars (\$9,318,436) for the

1 1995-96 fiscal year and the sum of ten million six hundred sixty-five thousand three
2 hundred forty-one dollars (\$10,665,341) for the 1996-97 fiscal year to local school
3 administrative units. These funds shall be used for textbooks, classroom
4 materials/instructional supplies/equipment, or both.

5
6 Requested by: Representatives Grady, Preston

7 **MODIFICATION OF TRANSFER FUNDS FOR TACS TO LOCAL SCHOOL**
8 **ADMINISTRATIVE UNITS**

9 Sec. 17.8. Section 17.7 of Chapter 324 of the 1995 Session Laws reads as
10 rewritten:

11 "Sec. 17.7. Effective July 1, 1996, the State Board of Education shall reallocate funds
12 from Technical Assistance Centers to local school administrative units in accordance
13 with a formula adopted by the State ~~Board.~~ Board: provided however, if all of the local
14 school administrative units in the service area of a Technical Assistance Center agree on
15 a plan for use of funds allocated to that Technical Assistance Center, the State Board of
16 Education may reallocate the funds for that Technical Assistance Center prior to July 1,
17 1996. Local boards of education may use these funds to contract with Technical
18 Assistance Centers, contract with other entities, hire personnel, or otherwise acquire staff
19 development, training, planning, and other forms of technical assistance.

20 The Technical Assistance Centers shall be funded solely by receipts from local boards
21 of education and from other non-State sources. The State Board shall establish a
22 management structure for the Technical Assistance Centers that enables superintendents,
23 principals, and teachers from the local school administrative units to be served by the
24 Centers to have input into the priorities and personnel decisions at the Centers."

25
26 Requested by: Representatives Edwards, Black, Preston

27 **ALTERNATIVE LEARNING PROGRAMS**

28 Sec. 17.9. (a) G.S. 115C-238.41(c)(3)d. reads as rewritten:

29 "d. Alternative Learning Program Model. – An Alternative Learning
30 Program is a program that ~~provides~~ serves students at any level,
31 serves suspended or expelled students, serves students whose
32 learning styles are better served in an alternative program, or is
33 designed to use multiple strategies, which serve students in the
34 standard classroom or provide individualized programs outside of
35 a standard classroom setting in a caring atmosphere in which
36 students learn the skills necessary to redirect their lives and
37 return to a standard classroom setting. ~~The~~ A program should
38 maintain State standards and may include smaller classes and
39 lower student/teacher ratios, school-to-work transition activities,
40 modification of curriculum and instruction to meet individual
41 needs, flexible scheduling, and necessary academic, vocational,
42 and support services for students and their families. A program
43 also may be provided under contract with a local, private,

1 nonprofit 501(c)(3) corporation. Services ~~may~~ also ~~may~~ include
2 appropriate measures to correct disruptive behavior, teach
3 responsibility, good citizenship, and respect for rules and
4 authority.

5 An alternative learning program should have a well-defined
6 mission, offer appropriate educational opportunities, and hold
7 high expectations for staff and students. The goals of the program
8 should target ~~The goals of the alternative school programs should~~
9 ~~be to (i) reduce the school dropout rate~~ reducing school dropout
10 rates through improved student attendance, behavior, and
11 educational achievement; and (ii) achievement. When
12 appropriate, programs should increase successful school-to-work
13 transitions for students through educationally linked job
14 internships, mentored job shadowing experiences, and the
15 development of personalized education and career plans for
16 participating students."

17 (b) G.S. 115C-238.41(c) is amended by adding a new subdivision to read:

18 "(8) The process to be followed if students may be referred and placed on an
19 involuntary basis into alternative learning programs in connection with
20 suspension or expulsion. This process shall be based on model
21 guidelines developed by the State Board of Education."

22 (c) G.S. 115C-238.43 reads as rewritten:

23 **"§ 115C-238.43. Award of grants.**

24 (a) In selecting grant recipients, the State Board shall consider (i) the
25 recommendations of the Superintendent, (ii) the geographic location of the applicants,
26 and (iii) the demographic profile of the applicants. After considering these factors, the
27 State Board shall give priority to grant applications that will serve areas that have a high
28 incidence of juvenile crime and that propose different approaches that can serve as
29 models for other communities.

30 The State Board shall select the grant recipients prior to July 15, 1994, for local
31 programs that will be in operation at the beginning of the 1994-95 school year. The State
32 Board shall select the grant recipients prior to October 1, 1994, for local programs that
33 will be in operation after the beginning of the 1994-95 school year.

34 (b) Notwithstanding subsection (a) of this section, beginning with grant recipients
35 selected for the 1995-96 school year, in awarding grants for alternative learning
36 programs, the State Board shall give priority to applications for high quality programs,
37 which may or may not serve areas with high incidences of juvenile crime. Furthermore,
38 the State Board may award grants under this section to expand existing alternative
39 learning programs or to establish new alternative learning programs."

40 (d) G.S. 115C-238.47 reads as rewritten:

41 **"§ 115C-238.47. Program evaluation; reporting requirements.**

42 (a) The Department of Public Instruction shall develop and implement an
43 evaluation system, under the direction of the State Board of Education, that will assess

1 the efficiency and effectiveness of the Intervention/Prevention Grant Program. The
2 Department shall design this system to:

- 3 (1) Provide information to local program administrators and teachers, the
4 Department and to the General Assembly on how to improve and refine
5 the programs;
- 6 (2) Enable local program administrators and teachers, the Department and
7 the General Assembly to assess the overall quality, efficiency, and
8 impact of the existing programs;
- 9 (3) Enable the Department and the General Assembly to determine whether
10 to modify the Intervention/Prevention Grant Program; ~~and~~
- 11 (4) Provide a detailed fiscal analysis of how State funds for these programs
12 were ~~used~~-used; and
- 13 (5) Evaluate over a five-year period, beginning with the 1995-96 school
14 year, the success of, the quality of educational opportunities that are
15 offered in, and the effectiveness of alternative learning programs in the
16 public schools.

17 (a1) Before its annual report on October 1, 1995, and annually thereafter, the Board
18 shall provide an opportunity for local program administrators, and particularly alternative
19 learning program administrators and educators, to comment on the evaluation system.
20 The Board shall consider these comments in any proposed modification to the system.

21 (b) The State Board of Education shall report to the General Assembly and the
22 Joint Legislative Education Oversight Committee by May 15, 1994, on its progress in
23 developing the evaluation system and in developing and implementing the program. It
24 shall report prior to February 1, 1995, on the evaluation system developed by the
25 Department and on program implementation. The State Board of Education shall present
26 an annual report on October 1, 1995, and annually thereafter to the General Assembly
27 and to the Joint Legislative Education Oversight Committee on (i) the implementation of
28 the program, (ii) the results of the program evaluation, (iii) how the funds appropriated by
29 the General Assembly for the program are being used, (iv) additional funds required to
30 implement the program, ~~and~~-(v) any necessary modifications to the ~~program~~-program,
31 and (vi) comments received from local program administrators, and particularly
32 alternative learning program administrators and educators, concerning the evaluation
33 system and the program generally."

34 (e) The State Board of Education shall convene an Alternative Educators
35 Planning Group of up to 15 outstanding practicing alternative school educators so that
36 they may define the needs for technical assistance and training for alternative school
37 educators and determine how to best meet those needs. The educators shall represent the
38 geographic, racial, and gender diversity of the State and shall include administrators,
39 teachers, and counselors. The State Board shall solicit the recommendations of
40 alternative school educators to determine the membership of the group. The educators
41 shall elect a chairperson from among the group and shall determine a meeting schedule to
42 suit their needs. The State Board shall provide meeting space and clerical assistance.
43 The Planning Group shall report the plan for service to the State Board of Education and

1 the Joint Legislative Education Oversight Committee no later than February 1, 1996, at
2 which time the Planning Group shall terminate, though nothing in this act shall prevent
3 the group from continuing to meet on a voluntary basis. Members of the Alternative
4 Educators Planning Group shall receive per diem, subsistence, and travel allowances in
5 accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

6 Based on the technical assistance and training needs identified by the
7 Alternative Educators Planning Group, the Department of Public Instruction, under the
8 direction of the State Board of Education, shall coordinate the efforts of its specialists
9 and, to the extent possible, of specialists in other public and private agencies to provide
10 coordinated assistance to alternative learning programs in local school administrative
11 units. The specialists should include, but are not limited to, those in the areas of dropout
12 prevention, drug abuse prevention, in-school suspension, and children with special needs.

13 (f) The State Board of Education shall study the issue of referral and
14 placement of students into alternative learning programs and shall develop model
15 guidelines that local school administrative units may use for the referral and placement of
16 students into alternative learning programs. In developing these guidelines, the Board
17 shall consider the different methods of referral, whether placement in the programs is
18 voluntary or mandatory, and any due process or other legal issues that may apply. In
19 developing these guidelines, the Board shall consult with the Alternative Educators
20 Planning Group created in Section 5 of this act, shall solicit comments from other
21 alternative school educators in the State, and may consult with representatives of the
22 North Carolina School Boards Association and other professional education
23 organizations. The Board shall develop and disseminate the model guidelines to local
24 school boards no later than February 1, 1996. The local school boards shall then
25 disseminate these guidelines to their alternative learning programs.

26 (g) Of the funds appropriated to State Aid to Local School Administrative
27 Units, the State Board shall use the sum of eight million dollars (\$8,000,000) for the
28 1995-96 fiscal year to implement alternative learning programs under the
29 Intervention/Prevention Grant Program, Part 8 of Article 16 of Chapter 115C of the
30 General Statutes, as amended by this section. These funds shall be used for start-up grants
31 and shall be available to a local school administrative unit for one year only.

32 Of these funds, up to two hundred thousand dollars (\$200,000) may be used by
33 the State Board of Education to implement this section, including the evaluation of
34 alternative learning programs.

35 (h) Of the funds appropriated to State Aid to Local School Administrative
36 Units, the State Board shall use the sum of eight million dollars (\$8,000,000) for the
37 1996-97 fiscal year to increase the Alternative Schools/At-Risk Student Allotment.

38 Of these funds, up to two hundred thousand dollars (\$200,000) may be used by
39 the State Board of Education to implement this section, including the evaluation of
40 alternative learning programs.

41 42 **PART 18. DEPARTMENT OF TRANSPORTATION** 43

1 Requested by: Representatives Barbee, Bowie, Culpepper

2 **NORTHEASTERN REGIONAL AIRPORT MATCHING FUNDS**

3 Sec. 18. Of the funds appropriated in the Continuation Budget Operations
4 Appropriations Act of 1995 to the Department of Commerce for allocation to the
5 Northeast North Carolina Regional Economic Development Commission, the sum of one
6 hundred twenty-five thousand dollars (\$125,000) in each fiscal year shall be transferred
7 to the Department of Transportation for allocation as a local match for projects at the
8 Northeastern Regional Airport in Edenton.

9 Funds used as a local match shall be used for projects that have been approved
10 by the Northeastern Regional Airport Commission and have been included in the
11 transportation improvement plan adopted by the Board of Transportation.

12 The State-local fund matching limitations contained in Article 7 of Chapter 63
13 of the General Statutes shall not apply to the State funds used as a local match pursuant to
14 this section.

15

16 Requested by: Representatives Barbee, Bowie

17 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
18 **STUDY LIENS ON TOWED AND STORED VEHICLES**

19 Sec. 18.1. The Joint Legislative Transportation Oversight Committee shall
20 study the enforcement of liens on motor vehicles that have been towed and stored,
21 including the following issues:

22 (1) Whether the time period after which a lien can be satisfied on a motor
23 vehicle for unpaid repair, towing, or storing charges should be
24 shortened, and whether any other time periods relating to liens on towed
25 and stored motor vehicles should be shortened;

26 (2) Whether the amount of time that a vehicle can be left on the property of
27 another person, including a business engaged in automobile repair,
28 towing, or storage, before that vehicle is considered to be abandoned
29 should be shortened;

30 (3) Whether the cost of towing should be included in the amount of a lien;

31 (4) Whether new procedures should be established for disposal of low-value
32 vehicles to satisfy liens;

33 (5) Whether the last registered owner of an abandoned vehicle that has been
34 towed and stored should be charged with a traffic offense, should be
35 liable for any restitution, or should be penalized in any other manner;
36 and

37 (6) Other issues related to the towing and storage of motor vehicles and
38 liens on those vehicles.

39 The Joint Legislative Transportation Oversight Committee shall report the
40 results of this study, including any legislative recommendations, to the 1995 General
41 Assembly, Regular Session 1996.

42

43 Requested by: Representatives Barbee, Bowie, Sherrill

1 **DEPARTMENT OF TRANSPORTATION TO PROVIDE CONSTRUCTION AND**
2 **MAINTENANCE SERVICES AT THE GOVERNOR'S WESTERN RESIDENCE**

3 Sec. 18.2. G.S. 136-18(13) reads as rewritten:

4 "(13) The Department of Transportation is ~~authorized and empowered to~~ may
5 construct and maintain all walkways and driveways within the Mansion
6 Square in the City of Raleigh and the Western Residence of the
7 Governor in the City of Asheville including the approaches connecting
8 with the city streets, and any funds expended therefor shall be a charge
9 against general maintenance."
10

11 Requested by: Representatives Barbee, Bowie

12 **PURCHASE OF CENTURY CENTER CAMPUS FACILITY**

13 Sec. 18.3. Notwithstanding any other provision of law, revenue collected into
14 the Highway Trust Fund in excess of the certified budget for the fiscal year ending June
15 30, 1995, may be reserved and used, to the extent necessary, by the Department of
16 Transportation to acquire the capital facility known as the Century Center Campus.
17

18 Requested by: Representatives Barbee, Bowie, Sherrill

19 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
20 **STUDY DIVISION OF MOTOR VEHICLES WAKE COUNTY SERVICE**
21 **FACILITY**

22 Sec. 18.4. The Joint Legislative Transportation Oversight Committee shall
23 study a Division of Motor Vehicles Campus in Wake County, including a Customer
24 Service Facility. The Committee shall consider:

- 25 (1) The need for a new DMV facility in Wake County;
26 (2) The location and design of any proposed DMV Campus;
27 (3) The phased construction and total life-cycle cost of any DMV Campus;
28 (4) The renovation, replacement, or subsequent use of the existing DMV
29 structures on New Bern Avenue; and
30 (5) Other matters relating to Division of Motor Vehicles offices and
31 services in Wake County.

32 The Department of Transportation, the State Construction Office, the Capital
33 Planning Commission, and other State agencies shall assist the Joint Legislative
34 Transportation Oversight Committee in conducting this study.

35 The Joint Legislative Transportation Oversight Committee shall report its
36 finding on this matter to the 1995 General Assembly, Regular Session 1996.
37

38 Requested by: Representatives Barbee, Bowie, Sherrill

39 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**
40 **INCREASED**

41 Sec. 18.5. Section 18.12 of Chapter 324 of the 1995 Session Laws reads as
42 rewritten:

1 "Sec. 18.12. Of the funds appropriated in this act to the Department of
2 ~~Transportation, Transportation:~~

3 (1) ~~fourteen~~ Fourteen million dollars (\$14,000,000) shall be allocated in
4 each fiscal year for small urban construction projects. These funds shall
5 be allocated equally in each fiscal year of the biennium among the 14
6 Highway Divisions for the small urban construction program for small
7 urban construction projects that are located within the area covered by a
8 one-mile radius of the municipal corporate limits.

9 (2) ~~Discretionary funds of six million dollars (\$6,000,000)~~ Seven million
10 one hundred thousand dollars (\$7,100,000) shall be used statewide for
11 rural or small urban highway improvements as approved by the
12 Secretary of the Department of Transportation. At least one million one
13 hundred thousand dollars (\$1,100,000) of these funds shall be used for
14 spot-safety projects.

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

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

23 Requested by: Representative McLaughlin

24 **DEPARTMENT OF TRANSPORTATION MAY USE CERTAIN SALARY** 25 **FUNDS FOR DIVISION OF MOTOR VEHICLE CLASSIFICATIONS**

26 Sec. 18.13. Notwithstanding any other provision of law, the Department of
27 Transportation may use the funds appropriated in Section 3 of Chapter 324 of the 1995
28 Session Laws for a Reserve of Salary Adjustments and any additional available salary
29 funds for the following Division of Motor Vehicles reclassifications, that were
30 reclassified as a result of the Officer Support Services Occupational Group Study
31 mandated by the Office of State Personnel: Customer Service Representatives
32 Classifications, Traffic Records Clerical Staff, and International Registration Plan
33 positions.
34

35 Requested by: Representatives Barbee, Bowie

36 **ORGANIZATIONAL AND BUSINESS PRACTICES STUDY OF THE DIVISION** 37 **OF MOTOR VEHICLES**

38 Sec. 18.14. (a) The Joint Legislative Commission on Governmental
39 Operations shall conduct a study of the Division of Motor Vehicles.

40 The study may include an assessment and recommendations for change of the
41 Division's statutory responsibilities and functions, organizational structure, processes, and
42 business practices.

1 The Joint Legislative Commission on Governmental Operations may enter into a
2 contract with a private consulting firm to conduct this study.

3 The Joint Legislative Commission on Governmental Operations shall report its
4 findings and recommendations based on this study to the 1995 General Assembly,
5 Regular Session 1996.

6 (b) Of the funds appropriated from the Highway Fund to the Legislative Services
7 Commission in this act the sum of two hundred thousand dollars (\$200,000) for the 1995-
8 96 fiscal year shall be used to fund the study of the Division of Motor Vehicles by the
9 Joint Legislative Commission on Governmental Operations authorized by subsection (a)
10 of this section.

11 12 **PART 19. DEPARTMENT OF CORRECTION**

13
14 Requested by: Representatives Justus, Thompson

15 **AUTHORIZE ADDITIONAL PRIVATE PRISON BEDS**

16 Sec. 19. G.S. 148-37(g), as enacted by Section 19.10 of Chapter 324 of the
17 1995 Session Laws, reads as rewritten:

18 "(g) The Secretary of Correction may contract with private for-profit or nonprofit
19 firms for the provision and operation of two or more confinement facilities ~~totaling up to~~
20 ~~1,000 beds~~ in the State to house up to 1,600 State prisoners when to do so would most
21 economically and effectively promote the purposes served by the Department of
22 Correction. This 1,600-bed limitation shall not apply to the 500 beds in private substance
23 abuse treatment centers authorized by the General Assembly prior to July 1, 1995.
24 Contracts entered under the authority of this subsection shall be for a period not to exceed
25 10 years, shall be renewable from time to time for a period not to exceed 10 years, and
26 are subject to the approval of the Council of State and the Department of Administration,
27 after consultation with the Joint Legislative Commission on Governmental Operations.
28 Confinement facilities provided under the authority of this subsection shall not be used
29 for the purpose of consolidating existing State confinement facilities. ~~The Secretary of~~
30 Correction shall enter contracts under this subsection only if funds are appropriated for
31 this purpose by the General Assembly. ~~Contracts entered under the authority of this~~
32 subsection may be subject to any requirements for the location of the confinement
33 facilities set forth by the General Assembly in appropriating those funds.

34 Contracts made under the authority of this subsection may provide the State with an
35 option to purchase the confinement facility or may provide for the purchase of the
36 confinement facility by the State. The Department of Correction may give preference to
37 facilities intended for joint county and State use where such facilities are developed by
38 public/private partnerships and financed by tax-exempt bond issues, and where such
39 facilities offer general terms and conditions favorable to the State in the competitive
40 bidding process pursuant to Article 8 of Chapter 143 of the General Statutes. All
41 contracts for the housing of State prisoners in private confinement facilities shall require
42 a minimum of ten million dollars (\$10,000,000) of occurrence-based liability insurance

1 and shall hold the State harmless and provide reimbursement for all liability arising out of
2 actions caused by operations and employees of the private confinement facility.

3 Prisoners housed in private confinement facilities pursuant to this subsection shall
4 remain subject to the rules adopted for the conduct of persons committed to the State
5 prison system. The Secretary of Correction may review and approve the design and
6 construction of private confinement facilities before housing State prisoners in these
7 facilities. The rules regarding good time, gain time, and earned credits, discipline,
8 classification, extension of the limits of confinement, transfers, housing arrangements,
9 and eligibility for parole shall apply to inmates housed in private confinement facilities
10 pursuant to this subsection. The operators of private confinement facilities may adopt
11 any other rules as may be necessary for the operation of those facilities with the written
12 approval of the Secretary of Correction. Custodial officials employed by a private
13 confinement facility are agents of the Secretary of Correction and may use those
14 procedures for use of force authorized by the Secretary of Correction to defend
15 themselves, to enforce the observance of discipline in compliance with confinement
16 facility rules, to secure the person of a prisoner, and to prevent escape. Private firms
17 under this subsection shall employ inmate disciplinary and grievance policies of the
18 North Carolina Department of Correction."

19
20 Requested by: Representatives Justus, Thompson, Mercer

21 **EXTERNAL CONSULTANT TO EVALUATE DOC SUBSTANCE ABUSE**
22 **PROGRAMS**

23 Sec. 19.1. Of the funds appropriated to the Department of Correction for the
24 1995-96 fiscal year, the Department shall use up to twenty-five thousand dollars
25 (\$25,000) to hire an external consultant to evaluate the DART prison substance abuse
26 program and private substance abuse programs funded by the Department as follows:

- 27 (1) Evaluate the appropriateness of the treatment methodology used for
28 those programs;
- 29 (2) Evaluate the cost-effectiveness of those programs, with an emphasis on
30 the number and type of staff employed; and
- 31 (3) Evaluate the effectiveness of those programs in reducing recidivism and
32 drug dependency, if such data is available, or develop evaluation
33 standards and a process for conducting such evaluations and reporting
34 the results.

35 The Department shall provide the consultant's report to the Chairs of the Senate
36 and House Appropriations Committees and the Chairs of the Senate and House
37 Appropriations Subcommittees on Justice and Public Safety by May 1, 1996.

38
39 Requested by: Representatives Justus, Thompson

40 **BUNKING INMATES IN SHIFTS/PILOT PROGRAM**

41 Sec. 19.2. (a) The Department of Correction may implement a pilot program for
42 the bunking of inmates in shifts at Lincoln Correctional Center by April 1, 1996. The
43 pilot program may provide for arranging inmates' daily activities in such a manner that at

1 least two different groups of inmates may occupy the same dormitory space during
2 different portions of each 24-hour day. Of the funds appropriated to the Department of
3 Correction for the 1995-96 fiscal year in this act, the Department may use up to the sum
4 of four hundred ninety-nine thousand dollars (\$499,000) for temporary positions,
5 payment of overtime, capital expenditures, and other costs of implementing the pilot
6 program.

7 (b) The Department of Correction shall report quarterly on the progress of the pilot
8 program to the Joint Legislative Corrections Oversight Committee. The Department shall
9 report on the implementation of the program to the Chairs of the Senate and House
10 Appropriations Committees and the Chairs of the Senate and House Appropriations
11 Subcommittees on Justice and Public Safety by May 15, 1996.

12
13 Requested by: Representatives Justus, Thompson, Pulley

14 NOTICE OF COMMUTATIONS

15 Sec. 19.3. G.S 147-16 reads as rewritten:

16 "**§ 147-16. Records kept; certain original applications ~~preserved.~~ preserved; notice**
17 **of commutations.**

18 (a) The Governor shall cause to be kept the following records:

- 19 (1) A register of all applications for pardon, or for commutation of any
20 sentence, with a list of the official signatures and recommendations in
21 favor of such application.
- 22 (2) An account of all his official expenses and disbursements, including the
23 incidental expenses of his department, and the rewards offered by him
24 for the apprehension of criminals.

25 These records and the originals of all applications, petitions, and recommendations
26 and reports therein mentioned shall be preserved in the office of the Governor, but when
27 applications for offices are refused he may, in his discretion, return the papers referring to
28 the application.

29 (b) The Governor shall, unless otherwise requested by any person listed in
30 subdivisions (1) through (4) of this subsection, provide notice of the commutation of any
31 sentence within 20 days after the commutation by first-class mail to the following at the
32 last known address:

- 33 (1) The victim or victims of the crime for which the sentence was imposed;
- 34 (2) The victims' spouse, children, and parents;
- 35 (3) Any other members of the victims' family who request in writing to be
36 notified; and
- 37 (4) The Chairs of the Joint Legislative Corrections Oversight Committee."

38
39 Requested by: Representatives Justus, Thompson

40 REIMBURSE COUNTIES FOR EXTRAORDINARY MEDICAL COSTS FOR 41 INMATES AWAITING TRANSFER TO STATE PRISON SYSTEM

42 Sec. 19.4. Notwithstanding any other provision of law, the Secretary of
43 Correction may use funds appropriated to the Department of Correction to reimburse

1 counties for extraordinary medical costs, as defined in G.S. 148-32.1(a), incurred by
2 inmates housed in local confinement facilities awaiting transfer in the State prison
3 system.

4
5 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

6
7 Requested by: Representatives Justus, Thompson

8 **COMMUNITY SERVICE DISTRICT SUPERVISOR RESIDENCY**
9 **REQUIREMENT**

10 Sec. 20. (a) G.S. 143B-475.1 is amended by adding a new subsection to read:

11 "(e) In order to maximize the efficiency and effectiveness of the community service
12 program, beginning September 1, 1995, (i) community service program districts shall
13 have the same boundaries as the district court districts established in G.S. 7A-133 and (ii)
14 all community service program district supervisors employed by the Department of
15 Crime Control and Public Safety to supervise each of the community service program
16 districts shall reside in the district in which the supervisor works."

17 (b) By September 1, 1995, any vacant community service program district
18 supervisor position shall be filled with a person who resides in the district as that district
19 will be constituted on September 1, 1995.

20 (c) This section is effective upon ratification.

21
22 Requested by: Representatives Justus, Thompson

23 **EMERGENCY MANAGEMENT FUNDS SHALL NOT REVERT**

24 Sec. 20.1. (a) The balance of any recurring or nonrecurring funds appropriated to
25 the Department of Crime Control and Public Safety, Division of Emergency
26 Management, for the 1993-94 fiscal year and for the 1994-95 fiscal year for the
27 establishment of six Hazardous Materials Emergency Response Teams shall not revert
28 but shall remain in the Department to be used for the purchase of equipment, personnel
29 training needs, and other program operating costs.

30 (b) This section becomes effective June 30, 1995.

31
32 **PART 21. JUDICIAL DEPARTMENT**

33
34 Requested by: Representatives Justus, Thompson

35 **CONTINUE MEDIATED SETTLEMENT PILOT**

36 Sec. 21. (a) G.S. 7A-38(o) reads as rewritten:

37 "(o) Report on pilot program. The Administrative Office of the Courts shall file a
38 written report with the General Assembly on the evaluation of the pilot program on or
39 before May 1, 1995. The pilot program shall terminate on ~~June 30, 1995.~~ July 15, 1995."

40 (b) Notwithstanding the provisions of G.S. 7A-38(n), the Administrative Office of
41 the Courts may use funds available to the Judicial Department from July 1, 1995, to July
42 15, 1995, for the purpose of operating the pilot program.

1				Edgecombe	4	6	Rocky Mount
2				Wilson	4	6	
3	8	5	Wayne	5	11	Mount Olive	
4				Greene	2	4	
5				Lenoir	4	10	La Grange
6	9	4	Granville	3	7		
7				Vance	3	5	
8				Warren	3	4	
9				Franklin	3	6	
10	9A	2	Person3	4			
11				Caswell	2	5	
12	10	12	Wake 12	20	Apex,		
13							Wendell,
14							Fuquay-
15							Varina,
16							Wake Forest
17	11	6	Harnett	7	11	Dunn	
18				Johnston	10	12	Benson,
19							Clayton
20							and Selma
21				Lee	4	6	
22	12	6	Cumberland	10	17		
23	13	4	Bladen	4	6		
24				Brunswick	4	7	
25				Columbus	6	8	Tabor City
26	14	5	Durham	8	12		
27	15A	3	Alamance	7	10	Burlington	
28	15B	3	Orange	4	11	Chapel Hill	
29				Chatham	3	8	Siler City
30	16A	2	Scotland	3	5		
31				Hoke	4	5	
32	16B	5	Robeson	8	16	Fairmont,	
33							Maxton,
34							Pembroke,
35							Red Springs,
36							Rowland,
37							St. Pauls
38	17A	2	Rockingham	4	9	Reidsville,	
39							Eden,
40							Madison
41	17B	3	Stokes2	5			
42				Surry	5	8	Mt. Airy
43	18	10	Guilford	20	26	High Point	

1	19A	3	Cabarrus	5	9	Kannapolis			
2	19B	3	Montgomery	2	4				
3						Randolph	5	8	Liberty
4	19C	3	Rowan	5	10				
5	20	6	Stanly	5	6				
6						Union	4	6	
7						Anson	4	5	
8						Richmond	5	6	Hamlet
9						Moore	5	8	Southern
10									Pines
11	21	7	Forsyth	3	15	Kernersville			
12	22	7	Alexander	2	3				
13						Davidson	7	10	Thomasville
14						Davie	2	3	
15						Iredell	4	9	Mooresville
16	23	3	Alleghany	1	2				
17						Ashe	3	4	
18						Wilkes	4	6	
19						Yadkin	3	5	
20	24	3	Avery	3	4				
21						Madison	4	5	
22						Mitchell	3	4	
23						Watauga	4	6	
24						Yancey	2	4	
25	25	7	Burke	4	7				
26						Caldwell	4	7	
27						Catawba	6	10	Hickory
28	26	14	Mecklenburg	15	26				
29	27A	5	Gaston	11	20				
30	27B	4	Cleveland	5	8				
31						Lincoln	4	6	
32	28	5	Buncombe	6	15				
33	29	4	Henderson	4	6				
34						McDowell	3	5	
35						Polk	3	4	
36						Rutherford	6	8	
37						Transylvania	2	4	
38	30	4	Cherokee	3	4				
39						Clay	1	2	
40						Graham	2	3	
41						Haywood	5	7	Canton
42						Jackson	3	4	
43						Macon	3	4	

1 Swain 2 3."

2 Requested by: Representatives Justus, Thompson, Mercer

3 **RECIDIVISM STUDY**

4 Sec. 21.2. The North Carolina Sentencing and Policy Advisory Commission
5 shall contract with an external consultant to study recidivism of criminal offenders
6 assigned to community correctional programs or released from prison. The community
7 correctional programs to be studied shall include Treatment Alternative to Street Crime
8 (TASC), Community Penalties Program, Community Service, and all supervised
9 probation and parole programs. The study shall identify those offenders rearrested within
10 two years or more after assignment to a program or release from prison.

11 Of the funds appropriated to the Judicial Department for the 1995-97
12 biennium, the Department may use up to fifty thousand dollars (\$50,000) during the
13 1995-97 biennium to contract with an external consultant for this study. The Department
14 shall provide the consultant's report to the Chairs of the Senate and House Appropriations
15 Committees and the Chairs of the Senate and House Appropriations Subcommittees on
16 Justice and Public Safety by May 1, 1996.

17

18 Requested by: Representatives Justus, Thompson

19 **INDIGENT PERSONS' ATTORNEY FEE FUND**

20 Sec. 21.3. (a) Effective July 1, 1995, the Administrative Office of the Courts shall
21 each year of the 1995-97 biennium reserve funds for capital cases and for transcripts,
22 professional examinations, and expert witness fees from the Indigent Persons' Attorney
23 Fee Fund. The remaining available funds in the Indigent Persons' Attorney Fee Fund
24 shall be allotted for adult, juvenile, and guardian ad litem cases for the 1995-96 and
25 1996-97 fiscal years to each judicial district in which the superior and district court
26 districts are coterminous, and otherwise by county, according to the caseload of indigent
27 persons who were not represented by the public defender in the districts or counties
28 during 1994-95 and 1995-96 respectively.

29 The Administrative Office of the Courts shall notify all senior resident superior
30 court judges, all chief district court judges, and the clerk of superior court within the
31 district or county immediately after the allotment is made and shall provide a monthly
32 report on the status of the allotment for the district or county.

33 The senior resident superior court judge and the chief district court judge of
34 each district or county shall ask all judges holding court within the district or county: (i)
35 to take into consideration the amount of money allotted at the beginning of the fiscal year
36 and the amount of money remaining in the allotment when they award counsel fees to
37 attorneys of indigent persons, and (ii) to make an effort to award fees equally and justly
38 for legal services provided. The clerk of superior court for each county shall ensure that
39 all judges holding court within the county receive this request from the senior resident
40 superior court judge and the chief district court judge.

41 (b) If the funds allotted pursuant to subsection (a) of this section are depleted in a
42 district or county prior to the end of the fiscal year, the Administrative Office of the
43 Courts shall allot any available funds from the Indigent Persons' Attorney Fee Fund in the

1 same manner as provided in subsection (a) of this section. However, if necessary and
2 appropriate due to unusual and unanticipated circumstances occurring in the current year,
3 the Administrative Office of the Courts may allocate available funds to a district or
4 county in a manner calculated to result in the reasonably fair distribution of remaining
5 funds.

6 (c) If the funds for the Indigent Persons' Attorney Fee Fund are depleted prior to
7 the end of the fiscal year, the Administrative Office of the Courts is authorized to transfer
8 any unused and available funds appropriated to the Judicial Department for the fiscal year
9 to resume payments. Allotment of any unused and available funds shall be made in the
10 same manner as provided in subsection (a) of this section.

11
12 Requested by: Representatives Justus, Thompson

13 **ASSISTANT PUBLIC DEFENDERS/AOC DEFENSE SERVICES**

14 Sec. 21.4. From funds appropriated to the Indigent Persons' Attorney Fee
15 Fund for the 1995-97 biennium, the Administrative Office of the Courts may use up to
16 three hundred ninety-seven thousand eight hundred ninety-eight dollars (\$397,898) in the
17 1995-96 fiscal year, and up to three hundred fifty-nine thousand three hundred twenty-
18 one dollars (\$359,321) in the 1996-97 fiscal year for salaries, benefits, and related
19 expenses to be allocated as follows:

- 20 (1) Up to \$188,994 in the 1995-96 fiscal year and up to \$186,171 in the
21 1996-97 fiscal year to establish up to three new assistant public
22 defenders; and
- 23 (2) Up to \$208,904 in the 1995-96 fiscal year and up to \$173,150 in the
24 1996-97 fiscal year to establish the following three positions for a new
25 Division of Defense Services within the Administrative Office of the
26 Courts: an administrator, an administrative assistant, and a secretary.

27
28 Requested by: Representatives Justus, Thompson, Redwine

29 **DISPUTE SETTLEMENT FUNDS**

30 Sec. 21.5. Of the three hundred twenty-eight thousand five hundred dollars
31 (\$328,500) appropriated in this act for each fiscal year of the 1995-97 biennium for new
32 and additional funding for dispute settlement centers, twenty-five thousand dollars
33 (\$25,000) each shall be allocated for new funding for the Blue Ridge Dispute Settlement
34 Center and the Sandhills Mediation Center, and fifteen thousand dollars (\$15,000) each
35 shall be allocated for new funding for the Duplin County Dispute Settlement Center and
36 Mediation Services of Rockingham County. The remaining funds for each fiscal year
37 shall be allocated for additional funding as follows:

- 38 (1) \$5,000 for the Alamance County Dispute Settlement Center;
- 39 (2) \$25,000 for the Dispute Settlement Program of Charlotte/Mecklenburg;
- 40 (3) \$10,000 for the Cumberland County Dispute Settlement Center;
- 41 (4) \$10,000 for the Dispute Settlement Center of Cape Fear;
- 42 (5) \$20,000 for the Dispute Settlement Center of Durham County;
- 43 (6) \$13,500 for the Henderson County Dispute Settlement Center;

- 1 (7) \$10,000 for the Mediation Center in Buncombe County;
- 2 (8) \$20,000 for the Mediation Center of Eastern Carolina;
- 3 (9) \$15,000 for the Mediation Center of Gaston County;
- 4 (10) \$15,000 for Mediation Services of Forsyth County;
- 5 (11) \$23,000 for Mediation Services of Guilford County;
- 6 (12) \$44,000 for the Mountain Dispute Settlement Center;
- 7 (13) \$25,000 for the Orange County Dispute Settlement Center; and
- 8 (14) \$13,000 for the Transylvania Dispute Settlement Center.

10 PART 23. DEPARTMENT OF HUMAN RESOURCES

11
12 Requested by: Representatives Gardner, Hayes

13 SUPPLEMENTAL FUNDING FOR THOMAS S. AND WILLIE M.

14 Sec. 23. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
15 Department of Human Resources, with the approval of the Office of State Budget and
16 Management, may use funds appropriated or otherwise available to the Department in the
17 1995-96 fiscal year and in the 1996-97 fiscal year for the following:

- 18 (1) Additional funding for community-based services for at least 230
19 additional Thomas S. clients in the 1995-96 fiscal year and 230
20 additional Thomas S. clients in the 1996-97 fiscal year;
- 21 (2) Funding to expand and enhance community-based diversion services to
22 prevent psychiatric hospitalization of individuals who are mentally ill
23 and mentally retarded; and
- 24 (3) Additional funding for community-based services based on the
25 Department's plan to end court oversight of Willie M. Services.

26 Funds to be used for these purposes are in addition to funds appropriated by the 1995
27 General Assembly for the expressed purpose of expanding services to Thomas S. and
28 Willie M. clients. The Secretary shall not use more than fifteen million dollars
29 (\$15,000,000) of these funds for the Thomas S. Program."

30
31 Requested by: Representatives Gardner, Hayes

32 PHYSICIAN SERVICES

33 Sec. 23.1. With the approval of the Office of State Budget and Management,
34 the Department of Human Resources may use funds appropriated in this act for across-
35 the-board salary increases and performance pay to offset similar increases in the costs of
36 contracting with private and independent universities for the provision of physician
37 services to clients in facilities operated by the Division of Mental Health, Developmental
38 Disabilities, and Substance Abuse Services. This offsetting shall be done in the same
39 manner as is currently done with constituent institutions of The University of North
40 Carolina.

41
42 Requested by: Representatives Gardner, Hayes

43 AREA AUTHORITY ACCOUNTABILITY/STATE ACTION

1 Sec. 23.2. Part 2 of Article 4 of Chapter 122C of the General Statutes is
2 amended by adding the following new sections to read:

3 **"§ 122C-124. Area Authority funding suspended.**

4 The Secretary of the Department of Human Resources may suspend funding to any
5 area authority with a revenue or expenditure budget variance of ten percent (10%) or a
6 significant deterioration in the fund balance of the authority's general fund. A significant
7 deterioration of fund balance is defined as a twenty-five percent (25%) decrease in the
8 balance from one fiscal year to the next without the prior approval of the Department.
9 Area authorities shall report any such revenue or expenditure variance or deterioration in
10 fund balance to the Department of Human Resources within 30 days of its occurrence. In
11 the event that funding is suspended, the Department of Human Resources may contract
12 with, and make payments of Department funds on an interim basis directly to, a contract
13 provider of the area authority to avoid the disruption of direct services to clients.

14 Upon suspension of funding, the Department shall, in conjunction with the area
15 authority, develop and implement a corrective plan of action and provide notification to
16 the area authority's board of directors of the plan. The Department shall also keep the
17 county board of commissioners and the area authority's board of directors informed of
18 any ongoing concerns or problems with the area authority's finances.

19 **"§ 122C-125. Area Authority financial failure; State assumption of financial**
20 **control.**

21 At any time that the Secretary of the Department of Human Resources determines that
22 an area authority is in imminent danger of failing financially and of failing to provide
23 direct services to clients, the Secretary may assume control of the financial affairs of the
24 area authority and appoint an administrator to exercise the powers assumed. This
25 assumption of control shall have the effect of divesting the area authority of its powers as
26 to the adoption of budgets, expenditures of money, and all other financial powers
27 conferred in the area authority by law. County funding of the area authority shall
28 continue when the State has assumed control of the financial affairs of the area authority.
29 At no time after the State has assumed this control shall a county withdraw funds
30 previously obligated or appropriated to the area authority. The Secretary shall adopt rules
31 to define imminent danger of failing financially and of failing to provide direct services
32 to clients.

33 Upon assumption of financial control, the Department shall, in conjunction with the
34 area authority, develop and implement a corrective plan of action and provide notification
35 to the area authority's board of directors of the plan. The Department shall also keep the
36 county board of commissioners and the area authority's board of directors informed of
37 any ongoing concerns or problems with the area authority's finances.

38 **"§ 122C-126. Area authority caretakers appointed.**

39 In the event that an area authority fails to comply with the corrective plan of action
40 required pursuant to G.S. 122C-124 when funding is suspended or pursuant to G.S.
41 122C-125 when the State assumes financial control of the area authority, the Secretary of
42 the Department of Human Resources shall appoint a caretaker administrator, a caretaker
43 board of directors, or both.

1 The Secretary may assign any of the powers and duties of the director of the area
2 authority and of the board of directors and the caretaker board to the caretaker
3 administrator as it deems necessary and appropriate to continue to provide direct services
4 to clients, including the powers as to the adoption of budgets, expenditures of money, and
5 all other financial powers conferred on the area authority by law. County funding of the
6 area authority shall continue when the State has assumed control of the financial affairs
7 of the area authority. At no time after the State has assumed this control shall a county
8 withdraw funds previously obligated or appropriated to the area authority. The caretaker
9 administrator and the caretaker board shall perform all of these powers and duties. The
10 Secretary may terminate the contract of any director when it appoints a caretaker
11 administrator. The Administrative Procedure Act shall apply to any such decision.
12 Neither party to any such contract shall be entitled to damages.

13 After a caretaker board has been appointed, the General Assembly shall consider, at
14 its next regular session, the future governance of the identified area authority."

15
16 Requested by: Representatives Gardner, Hayes

17 **AREA AUTHORITY BOARD TRAINING**

18 Sec. 23.3. Part 2 of Article 4 of Chapter 122C of the General Statutes is
19 amended by inserting the following new section to read:

20 **"§ 122C-119.1. Area Authority board members' training.**

21 All members of an area authority's board of directors shall receive initial orientation
22 on board members' responsibilities and training provided by the Division of Mental
23 Health, Developmental Disabilities, and Substance Abuse Services of the Department of
24 Human Resources in fiscal management, budget development, and fiscal accountability.
25 A member's refusal to be trained may be grounds for removal from the board."

26
27 Requested by: Representatives Gardner, Hayes

28 **CONFIDENTIAL CLIENT INFORMATION SHARING CLARIFIED**

29 Sec. 23.4. G.S. 122C-53(i) reads as rewritten:

30 "(i) Upon the request of a client, (i) a client who is an adult and who has not been
31 adjudicated incompetent under Chapter 35A or former Chapters 33 or 35 of the General
32 Statutes, or (ii) the legally responsible person for any other client, a facility shall disclose
33 to an attorney confidential information relating to that client."

34
35 Requested by: Representatives Gardner, Hayes

36 **NONMEDICAID REIMBURSEMENT CHANGES**

37 Sec. 23.5. Section 23.16 of Chapter 324 of the 1995 Session Laws reads as
38 rewritten:

39 "Sec. 23.16. Providers of medical services under the various State programs, other
40 than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates
41 no more than those under the North Carolina Medical Assistance Program. Hospitals that
42 provide psychiatric inpatient care for Thomas S. class members or adults with mental

1 retardation and mental illness may be paid an additional incentive payment not to exceed
 2 fifteen percent (15%) of their regular daily per diem reimbursement.

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

9 Notwithstanding the provisions of paragraph one, the Department of Human
 10 Resources may negotiate with providers of medical services under the various
 11 Department of Human Resources programs, other than Medicaid, for rates as close as
 12 possible to Medicaid rates for the following purposes: contracts or agreements for
 13 medical services and purchases of medical equipment and other medical supplies. These
 14 negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible
 15 patients, residents, and clients who require such services which cannot be provided when
 16 limited to the Medicaid rate.

17 Maximum net family annual income eligibility standards for services in these
 18 programs shall be as follows:

19	20	21	22	23	24	25	26	27	28	29	30
		<u>Medical Eye</u>		<u>All</u>		<u>Other</u>					
	<u>Family Size</u>	<u>Care Adults</u>		<u>Rehabilitation</u>							
	1	\$ 4,860		\$ 8,364		\$ 4,200					
	2	5,940		10,944		5,300					
	3	6,204		13,500		6,400					
	4	7,284		16,092		7,500					
	5	7,824		18,648		7,900					
	6	8,220		21,228		8,300					
	7	8,772		21,708		8,800					
	8	9,312		22,220		9,300					

31 The eligibility level for children in the Medical Eye Care Program in the Division of
 32 Services for the Blind and for adults in the Clozaril Program in the Division of Mental
 33 Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred
 34 percent (100%) of the federal poverty guidelines, as revised annually by the United States
 35 Department of Health and Human Services and in effect on July 1 of each fiscal year.
 36 Additionally, those adults enrolled in the Clozaril Program who become gainfully
 37 employed may continue to be eligible to receive State support, in decreasing amounts, for
 38 the purchase of Clozaril and related services up to three hundred percent (300%) of the
 39 poverty level.

40 State financial participation in the Clozaril Program for those enrollees who become
 41 gainfully employed is as follows:

42	<u>Income</u>	<u>State Participation</u>	<u>Client Participation</u>
43	<u>(% of poverty)</u>		

1			
2	<u>0-100%</u>	<u>100%</u>	<u>0%</u>
3	<u>101-120%</u>	<u>95%</u>	<u>5%</u>
4	<u>121-140%</u>	<u>85%</u>	<u>15%</u>
5	<u>141-160%</u>	<u>75%</u>	<u>25%</u>
6	<u>161-180%</u>	<u>65%</u>	<u>35%</u>
7	<u>191-180%</u>	<u>65%</u>	<u>35%</u>
8	<u>201-220%</u>	<u>45%</u>	<u>55%</u>
9	<u>221-240%</u>	<u>35%</u>	<u>65%</u>
10	<u>241-260%</u>	<u>25%</u>	<u>75%</u>
11	<u>261-280%</u>	<u>15%</u>	<u>85%</u>
12	<u>281-300%</u>	<u>5%</u>	<u>95%</u>
13	<u>301%-over</u>	<u>0%</u>	<u>100%.</u>

14
 15 The Department of Human Resources shall contract at, or as close as possible to,
 16 Medicaid rates for medical services provided to residents of State facilities of the
 17 Department."

18
 19 Requested by: Representatives Gardner, Hayes

20 **IMPLEMENTATION OF FOOD STAMPS ELECTRONIC BENEFITS**
 21 **TRANSFER**

22 Sec. 23.6. Notwithstanding the provisions of G.S. 143-16.3 and G.S. 143-23,
 23 the Secretary of the Department of Human Resources, with the approval of the Office of
 24 State Budget and Management, may use, to the extent possible, any funds available to the
 25 Department for the 1995-96 fiscal year and for the 1996-97 fiscal year to implement
 26 Electronic Benefits Transfer for Food Stamps only.

27
 28 Requested by: Representatives Gardner, Hayes

29 **IMPLEMENTATION OF NORTH CAROLINA CLIENT ACCESS NETWORK**
 30 **(NC CAN)**

31 Sec. 23.7. (a) Notwithstanding the provisions of G.S. 143-16.3 and G.S. 143-23,
 32 the Secretary of the Department of Human Resources, with the approval of the Office of
 33 State Budget and Management, may use, to the extent possible any funds available to the
 34 Department for the 1995-96 fiscal year for the planning for the implementation of the
 35 North Carolina Client Access Network (NC CAN).

36 (b) The Department of Human Resources may apply for and receive any
 37 available appropriate federal funds to match State and county funds identified to support
 38 the continued planning for NC Can and to match county funds to purchase equipment
 39 needed to implement NC CAN.

40
 41 Requested by: Representatives Gardner, Hayes

42 **CONTINUATION BUDGET AFDC OPTION ELIMINATIONS EFFECTIVE**
 43 **DATE**

1 Sec. 23.8. The eliminations of the options in the AFDC Program affecting (i)
2 AFDC for pregnant women in their third trimester, (ii) AFDC for 18 year old children
3 who are in school, and (iii) State Supplemental Payments to AFDC households due to the
4 retrospective budgeting requirement made by Chapter 324 of the 1995 Session Laws shall
5 be effective August 1, 1995.

6
7 Requested by: Representatives Gardner, Hayes

8 **CLARIFICATION OF AUTHORIZED ADDITIONAL USE OF HIV FOSTER**
9 **CARE FUNDS**

10 Sec. 23.9. In addition to providing board payments to foster families of HIV-
11 infected children as prescribed in Chapter 324 of the 1995 Session Laws, any additional
12 funds remaining that were appropriated in Chapter 324 of the 1995 Session Laws for this
13 purpose shall be used as follows:

- 14 (1) To provide \$500.00 per foster family per year for medical training in
15 avoiding HIV transmission in the home; and
16 (2) To transfer funds to the Department of Environment, Health, and
17 Natural Resources to create three master's level social workers within
18 the Department of Environment, Health, and Natural Resources, for the
19 eastern part of North Carolina to enable the case-managing of families
20 with HIV-infected children so that the children and the parents get
21 access to medical care and so that child protective services issues are
22 addressed rapidly and effectively. The three social workers shall be
23 medically based and located:
- 24 a. One in the northeast, covering Northampton, Hertford, Halifax,
25 Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck,
26 Bertie, Wilson, Edgecombe, and Nash Counties;
 - 27 b. One in the central east, covering Martin, Pitt, Washington,
28 Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and
29 Pamlico Counties; and
 - 30 c. One in the southeast, covering New Hanover, Robeson,
31 Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen,
32 and Columbus Counties.

33
34 Requested by: Representatives Gardner, Hayes

35 **ADULT CARE HOME REIMBURSEMENT RATE**

36 Sec. 23.10. (a) Effective July 1, 1995, the maximum monthly rate for residents
37 in adult care home facilities shall be nine hundred seventy-five dollars (\$975.00) per
38 month for ambulatory residents and one thousand seventeen dollars (\$1,017) per month
39 for semiambulatory residents.

40 (b) Effective October 1, 1995, the maximum monthly rate for residents in adult
41 care home facilities shall be eight hundred forty-four dollars (\$844.00) per month per
42 resident.

1 (c) Effective October 1, 1995, the Department of Human Resources may use
2 the remaining funds available from the State/County Special Assistance appropriation to
3 provide:

- 4 (1) Needed Medicaid-covered services, specifically one hour of personal
5 care services per day to all Medicaid-eligible residents and a maximum
6 of 50 additional hours per month of personal care services for residents
7 who require heavy care;
- 8 (2) Funds to the area mental health authorities to provide wraparound
9 services for adult home care residents with mental health conditions;
- 10 (3) Funds for the implementation of the provisions of G.S. 131D-4.1 and
11 G.S. 131D-4.2, including funds for necessary additional staff.

12 (d) The eligibility of Special Assistance recipients residing in adult care homes
13 on October 1, 1995, shall not be affected by an income reduction in the Special
14 Assistance eligibility criteria resulting from adoption of the Rate Setting Methodology
15 Report and Related Services, providing these recipients are otherwise eligible.

16
17 Requested by: Representatives Gardner, Hayes

18 **ADULT CARE HOME ALLOCATION OF NONFEDERAL COST OF** 19 **MEDICAID PAYMENTS**

20 Sec. 23.11. Effective October 1, 1995, the State shall pay fifty percent (50%)
21 and the county shall pay fifty percent (50%) of the nonfederal costs of Medicaid services
22 paid to adult care home facilities. As Medicaid personal care requirements increase, the
23 county matching share shall be capped until it equals fifteen percent (15%) of the
24 nonfederal Medicaid personal care requirements.

25
26 Requested by: Representatives Creech, Hayes, Gardner

27 **DOMICILIARY CARE REPORT**

28 Sec. 23.1A. The Secretary of the Department of Human Resources shall report
29 quarterly, beginning October 1, 1995, to the Joint Legislative Commission on
30 Governmental Operations and the Fiscal Research Division of the Legislative Services
31 Office on the planning and status of implementation of the following:

- 32 (1) Rate setting and financing of domiciliary care, including the use of
33 Medicaid funds for personal care services;
- 34 (2) Quality assurance and enhancement of domiciliary care, including case
35 management for residents with special care needs, monitoring of
36 domiciliary care facilities and specialized training of direct care staff;
37 and
- 38 (3) The process for the evaluation of the Domiciliary Care Financing and
39 Quality Assurance Program.

40
41 Requested by: Representatives Dickson, Gardner, Hayes

42 **PRIMARY CARE FUNDS**

1 Sec. 23.12. The Department of Human Resources may combine and allocate
2 funds appropriated for the Office of Rural Health and Resource Development for
3 recruitment and retention of primary care providers in medically underserved areas into
4 one Provider Incentive Fund. Funds in the Provider Incentive Fund may be allocated for
5 purposes of enhancing recruitment and retention of primary care providers in medically
6 underserved areas and for other purposes related to the enhancement of health services to
7 medically underserved communities.

8
9 Requested by: Representatives Gardner, Hayes

10 **MODIFIED WILDERNESS EDUCATION CAMP PROGRAM**

11 Sec. 23.13. Of the three million thirty-six thousand three hundred fifty-two
12 dollars (\$3,036,352) appropriated in Chapter 324 of the 1995 Session Laws for two
13 additional Wilderness Camps approved by the 1993 General Assembly, Extra Session
14 1994, one million five hundred eighteen thousand one hundred seventy-six dollars
15 (\$1,518,176) shall be used to fund a Modified Wilderness Education Camp Program in
16 the Department of Human Resources that shall emphasize education for juveniles under
17 the age of 16 referred by the public schools. If the Modified Wilderness Education Camp
18 is discontinued, funds for this purpose shall be directed to operate a traditional
19 Wilderness Camp Program.

20
21 Requested by: Representatives Gardner, Hayes

22 **DETENTION FACILITY CONSTRUCTION FUNDS**

23 Sec. 23.15. Of the funds appropriated to the Department of Human Resources
24 in Chapter 24 of the 1993 Session Laws, Extra Session 1994, for construction of a 24-bed
25 juvenile detention facility in Wake County, the Department of Human Resources may
26 use the sum of one million six hundred thousand dollars (\$1,600,000) to construct a 24-
27 bed facility at any available location in the State.

28
29 Requested by: Representatives Gardner, Hayes

30 **FAMILY SUPPORT/DEAF AND HARD OF HEARING SERVICES CONTRACT**

31 Sec. 23.17. (a) Of the funds appropriated to the Division of Services for the
32 Deaf and Hard of Hearing, Department of Human Resources, in Chapter 324 of the 1995
33 Session Laws for family support services, the sum of five hundred thousand dollars
34 (\$500,000) for each fiscal year of the biennium shall be used to contract with a private,
35 nonprofit corporation licensed to do business in North Carolina to perform those services
36 currently being offered by the Family Resource Centers within the Division of Services
37 for the Deaf and Hard of Hearing, including family support and advocacy services as well
38 as technical assistance to professionals who work with families of hearing impaired
39 children.

40 (b) The Office of State Budget and Management shall perform a performance
41 audit of the private, nonprofit contract program at the end of this first year and shall
42 report the results of this audit to the General Assembly, the Fiscal Research Division of
43 the Legislative Services Office, and the Department of Human Resources.

1
2 Requested by: Representatives Gardner, Hayes

3 **DEAF EDUCATION IMPROVEMENTS**

4 Sec. 23.18. Of the funds appropriated to the Division of Services for the Deaf
5 and Hard of Hearing, Department of Human Resources, in this act, the sum of five
6 hundred thousand dollars (\$500,000) for the 1995-96 fiscal year and the sum of one
7 million five hundred thousand dollars (\$1,500,000) for the 1996-97 fiscal year shall be
8 used to improve the quality of public education that the State provides to deaf and hard of
9 hearing children through the three North Carolina Schools for the Deaf in Morganton,
10 Greensboro, and Wilson. These improvements shall include additional staff for
11 curriculum enhancement, expansion of the extended school year program, and
12 establishment of programs for behaviorally and emotionally handicapped (BEH) deaf and
13 hard of hearing children and for post-secondary enrichment.

14
15 Requested by: Representative Morgan

16 **FUNDS FOR CARING PROGRAM FOR CHILDREN/ABOLISH HEALTH**
17 **PLANNING COMMISSION**

18 Sec. 23.19. (a) Of the funds appropriated in Chapter 324 of the 1995 Session
19 Laws to the Department of Human Resources for the North Carolina Health Planning
20 Commission, the sum of eight hundred thousand dollars (\$800,000) for the 1995-96 fiscal
21 year and the sum of eight hundred thousand dollars (\$800,000) for the 1996-97 fiscal
22 year shall be allocated as a grant-in-aid to the Caring Program for Children, Inc., to
23 purchase health care for children who do not qualify for the Medicaid Program. The
24 Department of Human Resources shall administer the grant-in-aid established under this
25 section in cooperation with the Department of Environment, Health, and Natural
26 Resources.

27 (b) The title and number of Article 65 of Chapter 143 of the General Statutes
28 read as rewritten:

29 **"ARTICLE 65-65A.**

30 **"NORTH CAROLINA HEALTH PLANNING COMMISSION. EDUCATION**
31 **AND**
32 **TRAINING OF PRIMARY CARE PHYSICIANS."**

33 (c) G.S. 143-610, 143-611, 143-612, and 143-614 are repealed.

34
35 Requested by: Representative Howard

36 **EMPLOYMENT SECURITY COMMISSION FUNDS**

37 Sec. 23.20. The Department of Human Resources may use funds available to
38 the Department to contract with the Employment Security Commission to implement the
39 welfare initiatives of House Bill 24 and House Bill 1052 of the 1995 General Assembly,
40 if enacted.

41
42 **PART 24. DEPARTMENT OF AGRICULTURE**

1 Requested by: Representatives Mitchell, Weatherly

2 **CATTLE AND LIVESTOCK EXPOSITION CENTER**

3 Sec. 24. (a) Any unencumbered funds that were appropriated to the Department
4 of Agriculture in Chapter 561 of the 1993 Session Laws for the 1993-94 fiscal year as
5 planning funds for a livestock facility shall be placed in a reserve in the Department of
6 Agriculture until further allocated by the 1995 General Assembly, Regular Session 1996.

7 (b) Section 40 of Chapter 769 of the 1993 Session Laws reads as rewritten:

8 "Sec. 40. Of the funds appropriated in this act Any unencumbered funds that were
9 appropriated to the Department of Agriculture for the 1994-95 fiscal year, the sum of
10 seven hundred thirty seven thousand three hundred fifty dollars (\$737,350) shall be used
11 year for planning the construction of the Cattle and Livestock Exposition Center in
12 Alamance County. shall be placed in a reserve in the Department of Agriculture until
13 further allocated by the 1995 General Assembly, Regular Session 1996. The Center will
14 house livestock shows and exhibits, educational programs, and a laboratory for embryo
15 transfer research, semen evaluation, and livestock blood work."

16
17 **PART 25. DEPARTMENT OF COMMERCE**

18
19 Requested by: Representatives Mitchell, Weatherly

20 **INDUSTRIAL COMMISSION/FRAUD CHECK**

21 Sec. 25. (a) G. S. 97-88.2(b) reads as rewritten:

22 "(b) The Commission ~~shall refer all cases of suspected fraud and all violations~~
23 ~~related to workers' compensation claims, by or against insurers or self-funded employers,~~
24 ~~to the Department of Insurance to:~~ shall:

- 25 (1) Perform investigations regarding all cases of suspected fraud and all
26 violations related to workers' compensation claims, by or against
27 insurers or self-funded employers, and refer possible criminal violations
28 to the appropriate prosecutorial authorities;
29 (2) Conduct administrative violation proceedings; and
30 (3) Assess and collect penalties and restitution."

31 (b) Of the funds appropriated in this act to the Department of Commerce, the sum
32 of forty thousand dollars (\$40,000) for the 1995-96 fiscal year and the sum of forty
33 thousand dollars (\$40,000) for the 1996-97 fiscal year shall be used for the North
34 Carolina Industrial Commission to implement subsection (a) of this section.

35
36 Requested by: Representatives Mitchell, Weatherly

37 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

38 Sec. 25.1. (a) Of the funds appropriated in this act to the Department of
39 Commerce, the sum of two million dollars (\$2,000,000) for the 1995-96 fiscal year shall
40 be allocated to the Center for Community Self-Help to further a statewide program of
41 lending for home ownership throughout North Carolina. These funds will be leveraged
42 on a ten-to-one basis, generating at least ten dollars (\$10.00) of nontraditional home loans

1 for every one dollar (\$1.00) of State funds. Payments of principal shall be available for
2 further loans or loan guarantees.

3 (b) The Center for Community Self-Help shall submit, within 180 days after the
4 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 of
7 State funds to the State Auditor, in form and format prescribed by the State Auditor or his
8 designee. The Center for Community Self-Help shall make a written report by May 1 of
9 each year for the next three years to the General Assembly on the use of the funds
10 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 of the
17 revolving fund for economic development lending created by this appropriation for each
18 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: Representatives Mitchell, Weatherly

28 **BUDGET FLEXIBILITY/INTERNATIONAL TRADE DIVISION**

29 Sec. 25.2. Of the funds appropriated in this act to the Department of
30 Commerce, the sum of one hundred thousand dollars (\$100,000) for the 1995-96 fiscal
31 year shall be placed in a reserve to be used to cover devaluation of the dollar to a foreign
32 currency only if the devaluation is five percent (5%) or greater and shall be used to cover
33 increased expenses due to foreign country inflation only if the inflation is greater than
34 one percent (1%) per month. Funds allocated pursuant to this section shall be limited to a
35 maximum of forty thousand dollars (\$40,000) per office for the Department's
36 International Trade Division offices in Hong Kong, Tokyo, Dusseldorf, and Mexico City.

37
38 Requested by: Representatives Mitchell, Weatherly

39 **NCACTS REPORTING REQUIREMENT**

40 Sec. 25.3. Section 11.2 of Chapter 324 of the 1995 Session Laws reads as
41 rewritten:

42 "Sec. 11.2. The North Carolina Alliance for Competitive Technologies (NCACTS)
43 created by Executive Order No. 63 on September 26, 1994, is transferred from

1 the Department of Administration to the Department of Commerce. All positions,
2 property, unexpended balances of appropriations, allocations and other refunds, including
3 the functions of budgeting and purchasing, for NCACTS are transferred from the
4 Department of Administration to the Department of Commerce.

5 Beginning October 1, 1995, and quarterly thereafter, NCACTS shall report quarterly
6 on its ~~operations~~ operations, use of funds, and performance to the Joint Legislative
7 Commission on Governmental Operations and to the Fiscal Research Division."
8

9 Requested by: Representatives Mitchell, Weatherly

10 **ECONOMIC DEVELOPMENT PROGRAM RESERVE FUNDS ALLOCATION**

11 Sec. 25.4. (a) Funds appropriated in this act for the 1995-96 fiscal year to the
12 Department of Commerce, Economic Development Program Reserve, shall be allocated
13 as follows:

14 (1) By the Department of Commerce:

- 15 a. \$2,100,000 to the Industrial Recruitment Competitive Fund to
16 assist new and expanding businesses and industries;
17 b. \$300,000 to the Land Loss Prevention Project, Inc., to provide
18 free legal representation to low-income, financially distressed
19 small farmers;
20 c. \$250,000 to the Coalition of Farm and Rural Families, Inc., for
21 its Small Farm Economic Development Project; and

22 (2) \$1,000,000 to the North Carolina Biotechnology Center to expand the
23 special biotechnology program initiative for North Carolina's Public
24 Historically Black Universities and Pembroke State University; and

25 (3) By the Rural Economic Development Center, Inc.:

- 26 a. \$200,000 to the Minority Credit Union Support Center for
27 technical assistance to community-based minority credit unions,
28 and
29 b. \$350,000 to the Microenterprise Loan Program to support the
30 loan fund and operations of the Program.

31 (b) The Department of Commerce, the North Carolina Biotechnology Center,
32 and the Rural Economic Development Center, Inc., shall each report quarterly, beginning
33 October 1, 1995, to the Joint Legislative Commission on Governmental operations on the
34 uses of funds allocated. Non-State entities that receive funds pursuant to this section
35 shall provide to the Department of Commerce information requested by it to enable the
36 Department to prepare and submit its report to the Joint Legislative Commission on
37 Governmental Operations.
38

39 Requested by: Representatives Mitchell, Weatherly

40 **CLEVELAND COUNTY PARTICIPATION IN ECONOMIC DEVELOPMENT** 41 **COMMISSION**

42 Sec. 25.5. (a) G.S. 158-8.1(a) reads as rewritten:

1 provided to current employees of the agency or entity for the purposes
2 of professional development.

3 **"§ 96-32. Common follow-up information management system created; rules**
4 **authorized.**

5 (a) The Employment Security Commission of North Carolina shall develop,
6 implement, and maintain a common follow-up information management system for
7 tracking the employment status of current and former participants in State job training,
8 education, and placement programs. The system shall provide for the automated
9 collection, organization, dissemination, and analysis of data obtained from State-funded
10 programs that provide job training and education and job placement services to program
11 participants. In developing the system, the ESC shall ensure that data and information
12 collected from State agencies is confidential, not open for general public inspection, and
13 maintained and disseminated in a manner that protects the identity of individual persons
14 from general public disclosure.

15 (b) As part of the CFS, the ESC may develop a system for evaluating the
16 effectiveness of job training, education, and placement programs to determine if specific
17 program goals and objectives are attained and to determine placement and completion
18 rates for each program.

19 (c) The ESC shall adopt rules in accordance with Chapter 150B of the General
20 Statutes pertaining to the development and implementation of the CFS authorized under
21 this section. Rules shall address the following:

- 22 (1) Method of collection, organization, dissemination, and analysis of data
23 and information reported by State agencies subject to this Article.
- 24 (2) Provisions relating to reporting requirements, including submission
25 deadlines and forms of reporting.
- 26 (3) Provisions for ensuring confidentiality of information with respect to
27 identification of individuals about whom data is collected.
- 28 (4) Provisions ensuring that the only data collected on individuals is that
29 which is necessary to carry out the purposes for which the system is
30 maintained. Data collected may include the name, social security
31 number, race, sex, date of birth, and employment status of individual
32 program participants provided that information publicly disseminated is
33 done so in the aggregate and protects the confidentiality and identity of
34 individual program participants.
- 35 (5) Provisions ensuring that data and information collected is, insofar as
36 possible, accurate, current, and relevant to the purposes for which the
37 system was created.
- 38 (6) Provisions allowing for information compiled under this Article to be
39 shared with any other State, local, or federal agency that operates job
40 training, education, and placement programs, provided that the
41 confidentiality and identity of individuals is protected as provided under
42 this Article.

1 (7) Provisions for the calculation of placement rates for programs in which
2 a substantial number of participants do not have social security
3 numbers.

4 (8) Other rules necessary to carry out the purposes of this Article.

5 **"§ 96-33. State agencies required to provide information and data.**

6 (a) Every State agency and local government agency or entity that receives State
7 funds for the direct or indirect support of State job training, education, and placement
8 programs shall provide to the Employment Security Commission of North Carolina all
9 data and information available to or within the agency or entity's possession requested by
10 the ESC for input into the common follow-up information management system
11 authorized under this Article.

12 (b) Each agency or entity required to report information and data to the ESC under
13 this Article shall maintain true and accurate records of the information and data requested
14 by the ESC. The records shall be open to ESC inspection and copying at reasonable
15 times and as often as necessary. Each agency or entity shall further provide, upon request
16 by ESC, sworn or unsworn reports with respect to persons employed or trained by the
17 agency or entity, as deemed necessary by the ESC to carry out the purposes of this
18 Article. Information obtained by the ESC from the agency or entity shall be held by ESC
19 as confidential and shall not be published or open to public inspection other than in a
20 manner that protects the identity of individual persons and employers.

21 **"§ 96-34. Prohibitions on use of information collected.**

22 Data and information reported, collected, maintained, disseminated, and analyzed
23 may not be used by any State or local government agency or entity for purposes of
24 making personal contacts with current or former students or their employers or trainers.

25 **"§ 96-35. ESC report on common follow-up system activities.**

26 The Employment Security Commission of North Carolina shall present annually by
27 May 1 to the General Assembly and to the Governor a report of CFS activities for the
28 preceding calendar year. The report shall include information and evaluation of job
29 training, education, and placement programs for which data was reported by State and
30 local agencies subject to this Article. Evaluation of the programs shall be on the basis of
31 fiscal year data. ESC reports to the General Assembly shall be provided to the President
32 Pro Tempore of the Senate, the Speaker of the House of Representatives, the Legislative
33 Librarian, and the Director of Fiscal Research."

34
35 Requested by: Representatives Mitchell, Weatherly

36 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

37 Sec. 25.7. (a) The funds and interest thereon received from the case of the
38 United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds.
39 There is appropriated from the Special Reserve to the Department of Commerce the sum
40 of one million six hundred fifty thousand dollars (\$1,650,000) for the 1995-96 fiscal year
41 and the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1996-
42 97 fiscal year to be used for projects under the State Energy Conservation Plan.

1 (b) There is appropriated from funds and interest thereon received from the United
2 States Department of Energy's Stripper Well Litigation (MDL378) that remain in the
3 Special Reserve for Oil Overcharge Funds to the Department of Commerce the sum of
4 two million five hundred thousand dollars (\$2,500,000) for the 1995-96 fiscal year and
5 two million two hundred fifty thousand dollars (\$2,250,000) for the 1996-97 fiscal year
6 to be allocated for the Low Income Weatherization Program.

7 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after the
8 allocations made pursuant to subsections (a) and (b) of this section may be expended only
9 as authorized by the General Assembly. All interest or income accruing from all deposits
10 or investments of cash balances shall be credited to the Special Reserve Oil Overcharge
11 Funds.

12 (d) The funds and interest thereon received from the Diamond Shamrock
13 Settlement that remain in a reserve in the Office of State Budget and Management for the
14 Department of Commerce to administer the petroleum overcharge funds pursuant to
15 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to the
16 Department of Commerce on an as-needed basis.

17 (e) The Department of Commerce shall submit comprehensive annual reports
18 to the General Assembly by May 15, 1996, and January 31, 1997, which detail the use of
19 all Petroleum Overcharge Funds. Any State department or agency that has received
20 Petroleum Overcharge Funds shall provide all information requested by the Department
21 of Commerce for the purpose of preparing these reports.

22
23 Requested by: Representatives Mitchell, Weatherly

24 **PETROLEUM OVERCHARGE ATTORNEY FEES**

25 Sec. 25.8. (a) Unless prohibited by federal law, rule, or regulation or
26 preexisting settlement agreement, no later than October 1, 1989, the North Carolina
27 Attorney General shall direct the withdrawal of all funds received in the cases of United
28 States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-
29 state for payment of attorney fees and reasonable expenses incurred in connection with
30 oil overcharge litigation authorized by the Attorney General. The Attorney General shall
31 deposit these funds, and all funds to be received from Petroleum Overcharge Funds in the
32 future for attorney fees and reasonable expenses, into the Special Reserve for Oil
33 Overcharge Funds.

34 (b) All attorney fees and reasonable expenses incurred in connection with oil
35 overcharge litigation shall be paid by the State Treasurer from Petroleum Overcharge
36 Funds that have been received by this State and deposited into the Special Reserve for Oil
37 Overcharge Funds.

38 (c) Notwithstanding any other provision of law, the Attorney General may
39 authorize the payment of attorney fees and reasonable expenses from the Special Reserve
40 for Oil Overcharge Funds without further action of the General Assembly, and funds are
41 hereby appropriated from the Special Reserve for Oil Overcharge Funds for the 1995-96
42 fiscal year and for the 1996-97 fiscal year for that purpose.

43

1 Requested by: Representatives Mitchell, Weatherly

2 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

3 Sec. 25.9. (a) There is appropriated from the Worker Training Trust Fund to the
4 Employment Security Commission of North Carolina the sum of five million eight
5 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964) for the 1995-
6 96 fiscal year and the sum of five million eight hundred thirty-nine thousand nine
7 hundred sixty-four dollars (\$5,839,964) for the 1996-97 fiscal year for the operation of
8 local offices.

9 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
10 Employment Security Administration Fund to the Employment Security Commission of
11 North Carolina, the sum of two million dollars (\$2,000,000) for the 1995-96 fiscal year
12 and the sum of two million dollars (\$2,000,000) for the 1996-97 fiscal year for
13 administration of the Veterans Employment Program, Employment Services Program,
14 and Unemployment Insurance Program.

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

18 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
19 Worker Training Trust Fund to the following agencies the following sums for the 1995-
20 96 and the 1996-97 fiscal years for the following purposes:

- 21 (1) \$2,400,000 for the 1995-96 fiscal year and \$2,400,000 for the 1996-97
22 fiscal year to the Department of Commerce, Division of Employment
23 and Training, for the Employment and Training Grant Program;
- 24 (2) \$1,000,000 for the 1995-96 fiscal year and \$1,000,000 for the 1996-97
25 fiscal year to the Department of Labor for customized training of the
26 unemployed and the working poor for specific jobs needed by
27 employers through the Department's Pre-Apprenticeship Division;
- 28 (3) \$1,528,067 for the 1995-96 fiscal year and \$1,528,067 for the 1996-97
29 fiscal year to the Department of Human Resources to assist welfare
30 recipients in gaining employment through the federally funded Job
31 Opportunities and Basic Skills Program in such a way as to gain the
32 maximum match of federal funds for the State dollars appropriated;
- 33 (4) \$1,746,000 for the 1995-96 fiscal year and \$1,746,000 for the 1996-97
34 fiscal year to the Department of Community Colleges to continue the
35 Focused Industrial Training Program;
- 36 (5) \$225,000 for the 1995-96 fiscal year and \$225,000 for the 1996-97
37 fiscal year to the Employment Security Commission for the
38 Occupational Information Coordinating Committee to develop and
39 operate an interagency system to track former participants in State
40 education and training programs; and
- 41 (6) \$300,000 for the 1995-96 fiscal year and \$300,000 for the 1996-97
42 fiscal year to the Department of Community Colleges for a training

1 program in entrepreneurial skills to be operated by North Carolina
2 REAL Enterprises.

3
4 Requested by: Representatives Mitchell and Weatherly

5 **ESC VOTER REGISTRATION FUNDS**

6 Sec. 25.10. (a) There is appropriated from the Worker Training Trust Fund to
7 the Department of Commerce, Employment Security Commission, the sum of three
8 hundred thousand dollars (\$300,000) for the 1996-97 fiscal year to carry out the
9 provisions of the National Voter Registration Act (P.L. 103-31).

10 (b) The Employment Security Commission shall report to the Joint Legislative
11 Commission on Governmental Operations and to the Fiscal Research Division no later
12 than 30 days before reconvening in 1996 of the 1995 Regular Session of the General
13 Assembly as to how the funds appropriated by subsection (a) of this section were
14 expended, specifically:

- 15 (1) Its methodology for charging costs against the appropriation;
16 (2) Detailing of the costs by categories;
17 (3) How much of the costs supplanted federal funds and how much were
18 incremental costs; and
19 (4) Whether employer contribution rates can be reduced to the extent that
20 federal funds were supplanted, and what State or federal legislation
21 would be required to make such rate reductions.

22 (c) Section 73 of Chapter 762 of the 1993 Session Laws reads as rewritten:

23 "Sec. 73. Sections 1 through 68 of this act become effective January 1, 1995, and
24 apply to all primaries and elections occurring on or after that date. The remainder of this
25 act is effective upon ratification and shall apply to all primaries and elections occurring
26 on or after the date of ratification. Prosecutions for, or sentences based on, offenses
27 occurring before the effective date of any section of this act are not abated or affected by
28 this act and the statutes that would be applicable to those prosecutions or sentences but
29 for the provisions of this act remain applicable to those prosecutions or sentences. G.S.
30 163-82.20(a)(3) and G.S. 163-82.20(b1) as enacted in Section 2 of this act expire ~~January~~
31 July 1, 1996."

32 (d) Section 16.1(b) of Chapter 769 of the 1993 Session Laws is extended
33 through December 31, 1995.

34
35 Requested by: Representatives Mitchell and Weatherly

36 **ALLOCATION OF MCNC REDUCTIONS IN FUNDS**

37 Sec. 25.11. Reductions in this act to funds appropriated in Chapter 324 of the
38 1995 Session Laws to MCNC shall be allocated by MCNC among the program categories
39 listed in Section 25.9(c) of Chapter 324 of the 1995 Session Laws. MCNC shall report
40 on the allocation of the reductions to the Joint Legislative Commission on Governmental
41 Operations within 30 days of the allocation.

1 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
2 **RESOURCES**

3
4 Requested by: Representatives Wilkins, Mitchell, Weatherly, H. Hunter

5 **STATEWIDE AQUATIC WEED ASSESSMENT**

6 Sec. 26. (a) Of the funds appropriated in this act to the Department of
7 Environment, Health, and Natural Resources, the sum of thirty thousand dollars
8 (\$30,000) for the 1995-96 fiscal year shall be used by the Department of Environment,
9 Health, and Natural Resources and the North Carolina Aquatic Weed Council to study
10 aquatic weed infestation on a statewide basis.

11 (b) The Department of Environment, Health, and Natural Resources and the North
12 Carolina Aquatic Weed Council shall report their findings to the Joint Legislative
13 Commission on Governmental Operations by March 15, 1996.

14 (c) The report shall identify relevant research related to the control and
15 eradication of noxious aquatic plants, include an assessment of the environmental and
16 economic impacts caused by infestation, an assessment of the impact of federal
17 regulations, and a discussion of the issues and options related to control and eradication,
18 enforcement and funding mechanisms. The report shall also include options to reduce or
19 eliminate aquatic weed infestation and a recommended statewide action plan. The report
20 shall consider funding issues and shall address both total budgetary requirements and
21 alternative sources of funding, including fees and other receipts.

22
23 Requested by: Representatives Holmes, Mitchell, Weatherly, Yongue

24 **WATERSHED FUNDS DO NOT REVERT**

25 Sec. 26.1. Subsection (b) of Section 107 of Chapter 561 of the 1993 Session
26 Laws reads as rewritten:

27 "(b) Where the actual costs are different from the estimated costs under subsection
28 (a) of this section, the Department may adjust the allocations among projects as needed.
29 If any projects listed in subsection (a) of this section are delayed and the budgeted State
30 funds cannot be used during the 1993-94 fiscal year, or if the projects listed in subsection
31 (a) of this section are accomplished at a lower cost, the Department may use the resulting
32 fund availability to fund:

33 (1) Corps of Engineers project feasibility studies, or

34 (2) Corps of Engineers projects whose schedules have advanced and require
35 State matching funds in fiscal year 1993-94, or

36 (3) State-local Water Resources Development Projects.

37 Funds—Funds, except those allocated in subdivisions (a)(14),(15),(16), and (17) of this
38 section, not expended or encumbered for these purposes shall revert to the General Fund
39 at the end of the 1994-95 fiscal year. The funds allocated in subdivisions
40 (a)(14),(15),(16), and (17) of this section shall not revert until June 30, 1997."

41
42 Requested by: Representative Culp

43 **RANDLEMAN DAM RESERVE RELEASE RESTRICTIONS**

1 Sec. 26.2. Subsection (c) of Section 8 of Chapter 777 of the 1993 Session
2 Laws reads as rewritten:

3 "(c) All funds appropriated in Chapter 769 of the 1993 Session Laws for the
4 construction of Randleman Dam shall revert to the General Fund on ~~October 1, 1996,~~
5 October 1, 1997, if construction has not begun before that date."
6

7 Requested by: Representative Baker

8 **TOWN FORK CREEK SOIL CONSERVATION PROJECT**

9 Sec. 26.3. (a) Of the funds appropriated in Section 41(a)(6) of Chapter 769 of the
10 1993 Session Laws for State-local projects, the sum of seven hundred fifty thousand
11 dollars (\$750,000) shall not revert until June 30, 1997. (These funds are to replace funds
12 originally appropriated for Town Fork Creek that were later reallocated as a grant to the
13 Pilot Mountain Foundation, Inc., for capital improvements.)

14 (b) The sum of four hundred thousand dollars (\$400,000) appropriated in Section
15 107(a)(16) of Chapter 561 of the 1993 Session Laws shall not revert until June 30, 1997.

16 (c) The funds appropriated in Chapter 480 of the 1985 Session Laws and Chapter
17 754 of the 1989 Session Laws for construction of the Town Fork Reservoir Project in
18 Stokes County, the funds appropriated in Section 107(a)(16) of Chapter 561 of the 1993
19 Session Laws, and the funds appropriated in Section 41(a)(6) of Chapter 769 of the 1993
20 Session Laws for State-local projects that do not revert shall be placed in a reserve
21 account. The funds in the reserve account shall not be expended or encumbered pending
22 the completion, without cost to the State, of all of the following:

- 23 (1) A project cost review including an updated engineering cost estimate of
24 the dam structure and associated costs.
- 25 (2) A cost estimate of the requirements imposed for habitat maintenance by
26 the Wildlife Commission.
- 27 (3) A review of the impact of watershed regulations under review by the
28 Department of Environment, Health, and Natural Resources.
- 29 (4) A review of the potential impact of the agreement with Forsyth County
30 on watershed access.
- 31 (5) A determination of the amount of funds required to be paid by Stokes
32 County and the approval of a majority of the voters of Stokes County in
33 a referendum to be held at the general election in November 1996.

34
35 Requested by: Representatives Mitchell, Weatherly, H. Hunter

36 **HEALTHY START FOUNDATION FUNDS**

37 Sec. 26.4. Of the funds appropriated in this act to the Department of
38 Environment, Health, and Natural Resources, the sum of two hundred thousand dollars
39 (\$200,000) for the 1995-96 fiscal year shall be allocated to the North Carolina Healthy
40 Start Foundation to support the programs and activities of the Governor's Commission on
41 Reduction of Infant Mortality. Funds allocated pursuant to this section shall be expended
42 first to support statewide planning, promotion, and coordination for the First Step
43 Campaign. Funds remaining after allocation for First Step shall be used to support other

1 programs and activities. The Healthy Start Foundation shall report on all of its programs
2 to the Joint Legislative Commission on Governmental Operations on or before March 1,
3 1996. The report shall include information on the Foundation's activities and
4 accomplishments during the past fiscal year, a list of the groups, organizations,
5 communities, and other recipients of assistance from the Foundation in the last 12
6 months, itemized expenditures during the past fiscal year with sources of funding,
7 planned activities, and accomplishments for at least the next 12 months, and itemized
8 anticipated expenditures with sources of funding for the next 12 months.

9
10 Requested by: Representatives Mitchell and Weatherly

11 **ABSTINENCE UNTIL MARRIAGE EDUCATION FUNDS**

12 Sec. 26.5. (a) Of the funds appropriated in Section 2 of Chapter 324 of the
13 1995 Session Laws to the Department of Environment, Health, and Natural Resources for
14 health programs, the sum of up to fifty thousand dollars (\$50,000) for the 1995-96 fiscal
15 year may be used to fund a sex education curriculum that promotes abstinence until
16 marriage. Systems that apply for these funds may receive up to two thousand five
17 hundred dollars (\$2,500) each. Nothing shall prohibit a school system from receiving
18 private funds to provide this curriculum.

19 (b) All applications for grants for funds prescribed in subsection (a) of this
20 section shall contain a detailed description of the curriculum to be offered and a full set of
21 materials to be used. Prior to making any grants, the Department shall review all
22 curriculum descriptions and materials and shall use the results of this review in
23 determining whether to award grants. If any of the initial school systems that apply for
24 grants are rejected by the review process, other school systems may apply.

25 (c) The Department shall report on the status and funding of the abstinence
26 until marriage education curriculum to the House Appropriations Subcommittee on
27 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
28 Economic Resources, and to the Joint Legislative Commission on Governmental
29 Operations by May 1, 1996.

30
31 Requested by: Representatives Mitchell, Weatherly, Redwine, H. Hunter

32 **BEAVER DAMAGE CONTROL FUNDS**

33 Sec. 26.6. (a) Subsection (b) of Section 69 of Chapter 1044 of the 1991 Session
34 Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws and by
35 Section 27.3 of Chapter 769 of the 1993 Session Laws, reads as rewritten:

36 "(b) The Beaver Damage Control Advisory Board shall develop a pilot program to
37 control beaver damage on private and public lands. Bladen, Brunswick, Carteret,
38 Chatham, Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax, Hertford,
39 Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Vance,
40 Warren, Washington, Wayne, and Wilson Counties shall participate in the pilot program.
41 The Beaver Damage Control Advisory Board shall act in an advisory capacity to the
42 Wildlife Resources Commission in the implementation of the program. In developing the
43 program, the Board shall:

- 1 (1) Orient the program primarily toward public health and safety and
2 toward landowner assistance, providing some relief to landowners
3 through beaver control and management rather than eradication;
- 4 (2) Develop a priority system for responding to complaints about beaver
5 damage;
- 6 (3) Develop a system for documenting all activities associated with beaver
7 damage control, so as to facilitate evaluation of the program;
- 8 (4) Provide educational activities as a part of the program, such as printed
9 materials, on-site instructions, and local workshops;
- 10 (5) Provide for the hiring of personnel necessary to implement beaver
11 damage control activities, administer the pilot program, and set salaries
12 of personnel;
- 13 (6) Evaluate the costs and benefits of the program that might be applicable
14 elsewhere in North Carolina.

15 No later than September 30, 1994 and again upon the conclusion of the pilot program
16 on June 30, ~~1995~~, ~~1996~~, the Board shall issue a report to the Wildlife Resources
17 Commission on the program to date, including recommendations on the feasibility of
18 continuing the program in participating counties and the desirability of expanding the
19 program into other counties. The Wildlife Resources Commission shall prepare a plan to
20 implement a statewide program to control beaver damage on private and public lands.
21 No later than January 1, 1995, the Wildlife Resources Commission shall present its plan
22 in a report to the House Appropriations Subcommittee on Natural and Economic
23 Resources and the Senate Appropriations Committee on Natural and Economic
24 Resources."

25 (b) Subsection (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as
26 amended by Section 111 of Chapter 561 of the 1993 Session Laws and by Section 27.3 of
27 Chapter 769 of the 1993 Session Laws, reads as rewritten:

28 "(h) Subsections (a) through (d) of this section expire June 30, ~~1995~~, ~~1996~~."

29 (c) Section 7 of Chapter 358 of the 1995 Session Laws is repealed.

30 (d) Of the funds appropriated from the General Fund to the Wildlife Resources
31 Commission for the 1995-96 fiscal year, there is allocated the sum of three hundred fifty
32 thousand dollars (\$350,000) to provide the State share necessary to continue the beaver
33 damage control pilot program established by Section 69 of Chapter 1044 of the 1991
34 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws and
35 Section 27.3 of the 1993 Session Laws, in Bladen, Brunswick, Carteret, Chatham,
36 Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax, Hertford, Johnston,
37 Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Vance, Warren,
38 Washington, Wayne, and Wilson Counties, provided the sum of twenty-five thousand
39 dollars (\$25,000) in federal funds is available in each fiscal year to provide the federal
40 share. These funds shall be matched by four thousand dollars (\$4,000) of local funds in
41 each fiscal year from each of the 26 participating counties.

42

43 PART 27. CAPITAL AND SPECIAL PROVISIONS

1
2 Requested by: Representatives Holmes, Creech, Esposito

3 **NORTH CAROLINA INFORMATION HIGHWAY FUNDS**

4 Sec. 27. The funds appropriated in this act to the Office of the State Controller
5 for the operation of the North Carolina Information Highway shall be used only for costs
6 incurred by the Office of the State Controller related to the operations and support of the
7 North Carolina Information Highway. No funds appropriated in this act shall be
8 expended to pay Minimum Monthly Usage charges for North Carolina Information
9 Highway services until such time as the Controller certifies to the General Assembly that
10 the network is capable of performing all services for which the State has contracted and
11 that the network equipment and service providers are capable of providing full and
12 adequate support for the network's functions and to all qualified users. The Controller
13 shall report to the General Government Appropriations Subcommittees for the Senate and
14 the House of Representatives regarding the costs incurred by the Office of the State
15 Controller related to the operations and support of the North Carolina Information
16 Highway. For purposes of this section the term "North Carolina Information Highway"
17 means the new, high-capacity optical fiber network that uses SONET transmission
18 technology and ATM switching.

19
20 Requested by: Representatives Holmes, Creech, Esposito

21 **DATA PROCESSING RESERVE**

22 Sec. 27.1. Funds appropriated in the Data Processing Reserve shall be
23 distributed to user agencies for the purpose of making payments to the State Information
24 Processing System for line-item object code 3800 charges. No funds shall be used for
25 personnel or equipment purchases.

26 The Office of State Controller and the Office of State Budget and Management
27 shall jointly study the State Computer Center demand estimates and shall submit to the
28 1995 General Assembly, Regular Session 1996, by May 1, 1996, a comprehensive report
29 detailing projected cost needs for the 1996-97 fiscal year and the funding source for those
30 needs in excess of the level funded in Chapter 324 of the 1995 Session Laws, the
31 Continuation Budget Appropriations Act of 1995, and in this act.

32
33 Requested by: Representatives Holmes, Creech, Esposito

34 **APPALACHIAN STATE UNIVERSITY'S MASTER OF SCHOOL**
35 **ADMINISTRATION PROGRAM CONTINUED**

36 Sec. 27.2. (a) G.S. 116-74.21(b) reads as rewritten:

37 "(b) No more than ~~seven~~eight school administrator programs shall be established
38 under the competitive proposal program. In selecting campus sites, the Board of
39 Governors shall be sensitive to the racial, cultural, and geographic diversity of the State.
40 Special priority shall be given to the following factors: (i) the historical background of
41 the institutions in training educators; (ii) the ability of the sites to serve the geographic
42 regions of the State, such as, the far west, the west, the triad, the piedmont, and the east;

1 and, (iii) whether the type of roads and terrain in a region make commuting difficult. A
2 school administrator program may provide for instruction at one or more campus sites."

3 (b) The Board of Governors of The University of North Carolina shall continue
4 the Master of School Administrators program at Appalachian State University as one of
5 the eight school administrator programs established pursuant to G.S. 116-74.21.

6
7 Requested by: Representatives Holmes, Creech, Esposito

8 **PIEDMONT SPORTS AND ENTERTAINMENT FACILITIES STUDY**
9 **COMMISSION**

10 Sec. 27.3. Section 28.21 of Chapter 769 of the 1993 Session Laws, Regular
11 Session 1994, reads as rewritten:

12 "Sec. 28.21. (a) The Piedmont Sports and Entertainment Study Commission is
13 created. The Commission shall consist of 35 members. The boards of county
14 commissioners of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Randolph,
15 Rockingham, Stokes, Surry, and Yadkin Counties shall, each, appoint two members of
16 the Commission; one of whom shall be a county commissioner of that county and one of
17 whom is a resident of that county recommended by the chamber of commerce serving
18 that county. Eleven members shall be appointed by the Chair of the Commission. The
19 chair and vice-chair of the Piedmont State Legislative Caucus, as the Caucus existed
20 during the ~~1994-1995~~ Regular Session, shall be ex officio members of the Commission
21 and shall serve, respectively, as the chair and vice-chair of the Commission.

22 (b) The Commission shall study the need for and feasibility of creating regional
23 sports and entertainment facilities to serve the Piedmont area of the State; and, if the
24 Commission determines the facilities are needed and their creation feasible, the best
25 method to establish an Authority to implement these facilities.

26 (c) The Commission shall submit a report of its findings and recommendations
27 to the General Assembly on or before the first day of the 1995 General ~~Assembly~~
28 Assembly, Regular Session 1996, by filing the report with the President Pro Tempore of
29 the Senate and the Speaker of the House of Representatives. Upon filing its report, the
30 Commission shall terminate.

31 (d) The Commission may meet at any time upon the call of the chair. The
32 Commission may meet, with the approval of the Legislative Services Commission, in the
33 State Legislative Building or the Legislative Office Building.

34 (e) Notwithstanding any other provision of law, members of the Commission shall
35 receive no per diem compensation, but shall receive reimbursement of subsistence and
36 travel expenses, as provided by law.

37 (f) The Commission may contract for professional, clerical, or consultant services.
38 The Department of Commerce shall assign professional and clerical staff to assist in the
39 work of the Commission.

40 (g) When a vacancy occurs in the membership of the Commission, the vacancy
41 shall be filled by the original appointing authority employing the same criteria as used in
42 the original appointment.

1 (h) From the funds appropriated to the Department of Commerce for fiscal year
2 ~~1994-95, 1995-96,~~ the sum of twenty-five thousand dollars (\$25,000) shall be used for
3 the expenses of the Commission."
4

5 Requested by: Representatives Holmes, Creech, Esposito

6 **DELIVERY OF WARRANTS AND DISBURSEMENTS FOR NON-STATE**
7 **ENTITIES**

8 Sec. 27.4. G.S. 143-3.2(a) reads as rewritten:

9 "**§ 143-3.2. Issuance of warrants upon State Treasurer. Treasurer; delivery of**
10 **warrants and disbursements for non-State entities.**

11 (a) The State Controller shall have the exclusive responsibility for the issuance of
12 all warrants for the payment of money upon the State Treasurer. All warrants upon the
13 State Treasurer shall be signed by the State Controller, who before issuing them shall
14 determine the legality of payment and the correctness of the accounts. All warrants
15 issued for non-State entities shall be delivered by the appropriate agency to the entity's
16 legally designated recipient by United States mail or its equivalent, including electronic
17 funds transfer.

18 When the State Controller finds it expedient to do so because of a State agency's size
19 and location, the State Controller may authorize a State agency to make expenditures
20 through a disbursing account with the State Treasurer. The State Controller shall
21 authorize the Judicial Department and the General Assembly to make expenditures
22 through such disbursing accounts. All disbursements made to non-State entities shall be
23 delivered by the appropriate agency to the entity's legally designated recipient by United
24 States mail or its equivalent, including electronic funds transfer. All deposits in these
25 disbursing accounts shall be by the State Controller's warrant. A copy of each voucher
26 making withdrawals from these disbursing accounts and any supporting data required by
27 the State Controller shall be forwarded to the Office of the State Controller monthly or as
28 otherwise required by the State Controller. Supporting data for a voucher making a
29 withdrawal from one of these disbursing accounts to meet a payroll shall include the
30 amount of the payroll and the employees whose compensation is part of the payroll.

31 A central payroll unit operating under the Office of the State Controller may make
32 deposits and withdrawals directly to and from a disbursing account. The disbursing
33 account shall constitute a revolving fund for servicing payrolls passed through the central
34 payroll unit.

35 The State Controller may use a facsimile signature machine in affixing his signature
36 to warrants.

37 (b) The State Treasurer may impose on an agency a fee of fifteen dollars (\$15.00)
38 for each check drawn against the agency's disbursing account that causes the balance in
39 the account to be in overdraft or while the account is in overdraft. The financial officer
40 shall pay the fee from non-State or personal funds to the General Fund to the credit of the
41 miscellaneous non-tax revenue account by the agency."
42

43 Requested by: Representatives Holmes, Creech, Esposito

LOCAL HISTORICAL ORGANIZATIONS GRANTS

Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of two million dollars (\$2,000,000) shall be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums, or local governmental entities on a competitive basis in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to encourage, through the use of grants-in-aid, the protection, preservation, and interpretation of historic assets with local or regional significance. Priority consideration shall be given to the local historical organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

Requested by: Representatives Holmes, Creech, Esposito

LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS

Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of two million dollars (\$2,000,000) shall be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local governmental entities on a competitive basis in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to support and promote, through the use of grants-in-aid, local cultural and artistic organizations with local or regional significance. Priority consideration shall be given to the local cultural or artistic organization's educational objectives. Grants shall be limited to amounts of one hundred thousand dollars (\$100,000) or less.

Requested by: Representatives Holmes, Creech, Esposito

LEGISLATIVE SPECIAL STUDIES SUBCOMMITTEE

Sec. 27.7.(a) The General Assembly finds that:

- (1) The Government Performance audit provided the General Assembly with an opportunity to conduct in-depth analyses into the management systems, programs, and services throughout State Government.
- (2) This process gave the General Assembly increased flexibility to monitor and evaluate State government.
- (3) The experience proved beneficial and highlighted the value of having a committee, staffed by professionals, that has:
 - a. Experience and versatility to conduct in-depth program evaluations of large complex State-funded programs.
 - b. Flexibility to focus on a wide range of issues that are not constrained by traditional departmental or budgeting boundaries.
 - c. Capacity to focus on the State's major management systems (personnel, purchasing, financial management, information systems) that traditionally are not analyzed on a systematic basis.

- 1 d. Time to research "Best Practice" standards in governmental
2 operations throughout the country that could benefit North
3 Carolina.
4 e. Skill to develop an Information Resource Management function
5 that searches and maintains databases on State and local
6 government trends and emerging issues that can be used for
7 research.

8 (b) Article 13 of Chapter 120 of the General Statutes is amended by adding the
9 following new sections to read:

10 **"§ 120-80. Legislative Special Studies Subcommittee established.**

11 There is established the Legislative Special Studies Subcommittee of the
12 Commission. The subcommittee shall consist of the President Pro Tempore of the
13 Senate, Speaker of the House of Representatives, four Senators appointed by the
14 President Pro Tempore of the Senate, and four Representatives appointed by the Speaker
15 of the House of Representatives. The President Pro Tempore of the Senate and the
16 Speaker of the House of Representatives shall serve as cochairs of the Subcommittee.

17 **"§ 120-81. Duties and powers.**

18 Subject to the approval of the cochairs of the Commission the Subcommittee may:

- 19 (1) Exercise the powers and duties of the Commission under G.S. 120-76
20 with respect to evaluation of State agency programs.
21 (2) Evaluate program issues that are not constrained by traditional
22 departmental or budgeting boundaries.
23 (3) Analyze on a systematic basis the State's major management systems.
24 (4) Conduct long-term financial analyses of the General Fund and Highway
25 Fund;
26 (5) Maintain databases on State and local government trends and emerging
27 issues.
28 (6) Conduct specialized audits as directed by the General Assembly
29 (7) Contract, as necessary, for consulting services needed in carrying out
30 the duties and responsibilities of the Subcommittee."

31 (c) In developing a work plan for the 1995-97 biennium, the subcommittee
32 may consider these and other topics:

- 33 (1) Medicaid and health care costs.
34 (2) Federal, State, and local financing relationship.
35 (3) State's Purchasing System.
36 (4) Workers' Compensation for State Employees.
37 (5) General Fund asset review.
38 (6) Regulatory process.
39 (7) State's personnel system.
40 (8) Capital budgeting.
41 (9) Highway Fund financial model.

1 (d) The Special Studies Subcommittee of the Commission may elect to request
2 executive or judicial branch participation, where appropriate, in studies it selects to
3 undertake during the biennium.

4 (e) There is established a Special Studies Unit to serve as staff to the
5 Legislative Special Studies Subcommittee of the Joint Legislative Commission on
6 Governmental Operations. A director and staff for the Unit shall be selected by the
7 President Pro Tempore of the Senate and the Speaker of the House of Representatives. In
8 addition to serving as staff to the Subcommittee, the Special Studies Unit may assist and
9 support existing General Assembly staff in analyzing current operations and identifying
10 alternative strategies.

11 (f) Of the funds appropriated in this act to the General Assembly for the 1995-
12 97 biennium the sum of five hundred thousand dollars (\$500,000) shall be allocated for
13 the 1995-96 fiscal year and the sum of two hundred fifty thousand dollars (\$250,000)
14 shall be allocated for the 1996-97 fiscal year to implement this section.

15
16 Requested by: Representative Creech, Holmes, Esposito, Redwine

17 **IMPROVEMENT OF THE ADMINISTRATIVE RULES**
18 **PROCESS/LEGISLATIVE OVERSIGHT/FISCAL ACCOUNTABILITY**

19 Sec. 27.8. LEGISLATION IMPROVING THE ADMINISTRATIVE RULES
20 PROCESS

21 LEGISLATIVE OVERSIGHT

22 (a) Chapter 120 of the General Statutes is amended by adding a new Article to
23 read:

24 **"ARTICLE 12K.**

25 **"JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT**
26 **COMMITTEE.**

27 **"§ 120-70.100. Creation and membership of Joint Legislative Administrative**
28 **Procedure Oversight Committee.**

29 (a) The Joint Legislative Administrative Procedure Oversight Committee is
30 established. The Committee consists of 16 members as follows:

31 (1) Eight members of the Senate appointed by the President Pro Tempore of
32 the Senate, at least three of whom are members of the minority party.

33 (2) Eight members of the House of Representatives appointed by the
34 Speaker of the House of Representatives, at least three of whom are
35 members of the minority party.

36 (b) Members of the Committee shall serve a term of two years beginning on 15
37 January of each odd-numbered year. Members may complete a term of service on the
38 Committee even if they do not seek reelection or are not reelected to the General
39 Assembly, but resignation or removal from service in the General Assembly constitutes
40 resignation or removal from service on the Committee. A member continues to serve
41 until the member's successor is appointed. A vacancy shall be filled within 30 days by
42 the officer who made the original appointment.

43 **"§ 120-70.101. Purpose and powers of Committee.**

1 The Joint Legislative Administrative Procedure Oversight Committee has the
2 following powers and duties:

- 3 (1) To review rules to which the Rules Review Commission has objected to
4 determine if statutory changes are needed to enable the agency to fulfill
5 the intent of the General Assembly.
- 6 (2) To receive reports prepared by the Rules Review Commission
7 containing the text and a summary of each rule approved by the
8 Commission.
- 9 (3) To prepare and make available to members of the General Assembly
10 one or more notebooks that contain the administrative rules that have
11 been approved by the Rules Review Commission and reported to the
12 Committee.
- 13 (4) To review State regulatory programs to determine if the programs
14 overlap, have conflicting goals, or could be simplified and still achieve
15 the purpose of the regulation.
- 16 (5) To review the rule-making process to determine if the procedures for
17 adopting rules give the public adequate notice of and information about
18 proposed rules.
- 19 (6) To review any other concerns about administrative law to determine if
20 statutory changes are needed.
- 21 (7) To report to the General Assembly at the beginning of each regular
22 session concerning the Committee's activities and any recommendations
23 for statutory changes.

24 **"§ 120-70.102. Organization of Committee.**

25 (a) The President Pro Tempore of the Senate and the Speaker of the House of
26 Representatives shall each designate a cochair of the Joint Legislative Administrative
27 Procedure Oversight Committee. The Committee shall meet at least once a quarter and
28 may meet at other times upon the joint call of the cochairs.

29 (b) A quorum of the Committee is nine members. No action may be taken except
30 by a majority vote at a meeting at which a quorum is present. While in the discharge of
31 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
32 and G.S. 120-19.1 through G.S. 120-19.4.

33 (c) Members of the Committee receive subsistence and travel expenses as
34 provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees
35 in accordance with G.S. 120-32.02. The Committee may meet in the Legislative
36 Building or the Legislative Office Building upon the approval of the Legislative Services
37 Commission. The Legislative Services Commission, through the Legislative
38 Administrative Officer, shall assign professional staff to assist the Committee in its work.
39 Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of
40 the Senate and of the House of Representatives shall assign clerical staff to the
41 Committee. The expenses for clerical employees shall be paid by the Committee.

42 **"§ 120-70.103. Exercise of duty to maintain a notebook of approved rules.**

1 With the approval of the Legislative Services Commission, the Joint Legislative
2 Administrative Procedure Oversight Committee may delegate to the Legislative Library
3 the duty to maintain a notebook containing rules approved by the Rules Review
4 Commission. Whether the notebook is maintained by the Committee or by the
5 Legislative Library, rules shall be filed in the notebook in accordance with the numbering
6 system used in the North Carolina Administrative Code."

7 AGENCY FISCAL NOTE REQUIRED BEFORE PUBLISHING PROPOSED
8 PERMANENT RULE CHANGE OF SUBSTANTIAL ECONOMIC IMPACT

9 (b) G.S. 150B-21.4 is amended by adding two new subsections to read:

10 "(b1) Substantial Economic Impact. – Before an agency publishes in the North
11 Carolina Register the proposed text of a permanent rule change that would have a
12 substantial economic impact and that is not identical to a federal regulation that the
13 agency is required to adopt, the agency shall obtain a fiscal note for the proposed rule
14 change from the Office of State Budget and Management or prepare a fiscal note for the
15 proposed rule change and have the note approved by that Office. If an agency requests
16 the Office of State Budget and Management to prepare a fiscal note for a proposed rule
17 change, that Office shall prepare the note within 90 days after receiving a written request
18 for the note. If the Office of State Budget and Management fails to prepare a fiscal note
19 within this time period, the agency proposing the rule change may prepare a fiscal note.
20 A fiscal note prepared in this circumstance does not require approval of the Office of
21 State Budget and Management.

22 If an agency prepares the required fiscal note, the agency shall submit the note to the
23 Office of State Budget and Management for review. The Office of State Budget and
24 Management shall review the fiscal note within 14 days after it is submitted and either
25 approve the note or inform the agency in writing of the reasons why it does not approve
26 the fiscal note. After addressing these reasons, the agency may submit the revised fiscal
27 note to that Office for its review. If an agency is not sure whether a proposed rule change
28 would have a substantial economic impact, the agency may ask the Office of State
29 Budget and Management to determine whether the proposed rule change has a substantial
30 economic impact.

31 As used in this subsection, the term 'substantial economic impact' means an aggregate
32 financial impact on all persons affected of at least five million dollars (\$5,000,000) in a
33 12-month period.

34 (b2) Content. – A fiscal note required by subsection (b1) of this section shall
35 contain the following:

36 (1) A description of the persons who would be affected by the proposed
37 rule change.

38 (2) A description of the types of expenditures that persons affected by the
39 proposed rule change would have to make to comply with the rule and
40 an estimate of these expenditures.

41 (3) A description of the purpose and benefits of the proposed rule change.

42 (4) An explanation of how the estimate of expenditures was computed."

43 PROCEDURES FOR ADOPTING RULES

1 (c) G.S. 150B-21.1 reads as rewritten:

2 **"§ 150B-21.1. Procedure for adopting a temporary rule.**

3 (a) Adoption. – An agency may adopt a temporary rule without prior notice or
4 hearing or upon any abbreviated notice or hearing the agency finds practical when it finds
5 that adherence to the notice and hearing requirements of this Part would be contrary to
6 the public interest and that the immediate adoption of the rule is required by one or more
7 of the following:

- 8 (1) A serious and unforeseen threat to the public health, safety, or welfare.
- 9 (2) The effective date of a recent act of the General Assembly or the United
10 States Congress.
- 11 (3) A recent change in federal or State budgetary policy.
- 12 (4) A federal regulation.
- 13 (5) A court order.
- 14 (6) The need for the rule to become effective the same date as the State
15 Medical Facilities Plan approved by the Governor, if the rule addresses
16 a matter included in the State Medical Facilities Plan.

17 An agency ~~must~~shall prepare a written statement of its findings of need for a
18 temporary rule. The statement ~~must~~shall be signed by the head of the agency adopting
19 the rule.

20 ~~An agency must begin rule-making proceedings for a permanent rule by the day it~~
21 ~~adopts a temporary rule. An agency begins rule-making proceedings for a permanent rule~~
22 ~~by submitting to the Codifier of Rules written notice of its intent to adopt a permanent~~
23 ~~rule.~~

24 (b) Review. – When an agency adopts a temporary rule it ~~must~~shall submit the
25 ~~rule, rule and the agency's written statement of its findings of the need for the rule, and~~
26 ~~the notice of intent to adopt a permanent rule~~ to the Codifier of Rules. Within one
27 business day after an agency submits a temporary rule, the Codifier of Rules ~~must~~shall
28 review the agency's written statement of findings of need for the rule to determine
29 whether the statement of need meets the criteria listed in subsection (a). In reviewing the
30 statement, the Codifier of Rules may consider any information submitted by the agency
31 or another person. If the Codifier of Rules finds that the statement meets the criteria, the
32 Codifier of Rules ~~must~~shall notify the head of the agency and enter the rule in the North
33 Carolina Administrative Code.

34 If the Codifier of Rules finds that the statement does not meet the criteria, the Codifier
35 of Rules ~~must~~shall immediately notify the head of the agency. The agency may
36 supplement its statement of need with additional findings or submit a new statement. If
37 the agency provides additional findings or submits a new statement, the Codifier of Rules
38 ~~must~~shall review the additional findings or new statement within one business day after
39 the agency submits the additional findings or new statement. If the Codifier of Rules
40 again finds that the statement does not meet the criteria listed in subsection (a), the
41 Codifier of Rules ~~must~~shall immediately notify the head of the agency.

42 If an agency decides not to provide additional findings or submit a new statement
43 when notified by the Codifier of Rules that the agency's findings of need for a rule do not

1 meet the required criteria, the agency ~~must~~shall notify the Codifier of Rules of its
2 decision. The Codifier of Rules ~~must~~shall then enter the rule in the North Carolina
3 Administrative Code on the sixth business day after receiving notice of the agency's
4 decision.

5 (c) Standing. – A person aggrieved by a temporary rule adopted by an agency may
6 file an action for declaratory judgment in Wake County Superior Court pursuant to
7 Article 26 of Chapter 1 of the General Statutes. In the action, the court shall determine
8 whether the agency's written statement of findings of need for the rule meets the criteria
9 listed in subsection (a) and whether the rule meets the standards in G.S. 150B-21.9 that
10 apply to review of a permanent rule. The court ~~may~~shall not grant an ex parte temporary
11 restraining order.

12 Filing a petition for rule making or a request for a declaratory ruling with the agency
13 that adopted the rule is not a prerequisite to filing an action under this subsection. A
14 person who files an action for declaratory judgment under this subsection ~~must~~shall
15 serve a copy of the complaint on the agency that adopted the rule being contested, the
16 Codifier of Rules, and the Commission.

17 (d) Effective Date and Expiration. – A temporary rule becomes effective on the
18 date specified in G.S. 150B-21.3. A temporary rule expires on the earliest of the
19 following dates:

20 (1) The date specified in the rule or 180 days from the date the rule
21 becomes effective, whichever comes first. rule.

22 (2) The effective date of the permanent rule adopted to replace the
23 temporary rule, if the Commission approves the permanent rule.

24 (3) The date the Commission returns to an agency a permanent rule the
25 agency adopted to replace the temporary rule, if the Commission objects
26 to the permanent rule.

27 (e) Publication. – When the Codifier of Rules enters a temporary rule in the North
28 Carolina Administrative Code, the Codifier shall publish the rule in the North Carolina
29 Register. Publication of a temporary rule in the North Carolina Register serves as a
30 notice of rule-making proceedings for a permanent rule that does not differ substantially
31 from the published temporary rule."

32 (d) G.S. 150B-21.2 reads as rewritten:

33 "**§ 150B-21.2. Procedure for adopting a permanent rule.**

34 (a) Steps. – Before an agency adopts a permanent rule, it shall take the following
35 actions:

36 (1) Publish a notice of rule-making proceedings in the North Carolina
37 Register, unless the proposed rule is substantially the same as a
38 temporary rule published in the North Carolina Register.

39 (2) When required by G.S. 150B-21.4, prepare or obtain a fiscal note for the
40 proposed rule.

41 (3) Publish the text of the proposed rule in the North Carolina Register.

42 (4) When required by subsection (e) of this section, hold a public hearing
43 on the proposed rule after publication of the proposed text of the rule.

1 (5) Accept oral or written comments on the proposed rule as required by
2 subsection (f) of this section.

3 Notice.—~~Before an agency adopts a permanent rule, it must publish notice of its intent to~~
4 ~~adopt a permanent rule in the North Carolina Register and as required by any other law.~~
5 ~~The notice published in the North Carolina Register must include all of the following:~~

6 (1) ~~Either the text of the proposed rule or a statement of the subject matter~~
7 ~~of the proposed rule making.~~

8 (2) ~~A short explanation of the reason for the proposed action.~~

9 (3) ~~A citation to the law that gives the agency the authority to adopt the~~
10 ~~proposed rule, if the notice includes the text of the proposed rule, or a~~
11 ~~citation to the law that gives the agency the authority to adopt a rule on~~
12 ~~the subject matter of the proposed rule making, if the notice includes~~
13 ~~only a statement of the subject matter of the proposed rule making.~~

14 (4) ~~The proposed effective date of the proposed rule, if the notice includes~~
15 ~~the text of the proposed rule, or the proposed effective date of a rule~~
16 ~~adopted on the subject matter of the proposed rule making, if the notice~~
17 ~~includes only a statement of the subject matter of the proposed rule~~
18 ~~making.~~

19 (5) ~~The date, time, and place of any public hearing scheduled on the~~
20 ~~proposed rule or subject matter of the proposed rule making.~~

21 (6) ~~Instructions on how a person may demand a public hearing on a~~
22 ~~proposed rule if the notice does not schedule a public hearing on the~~
23 ~~proposed rule and subsection (c) requires the agency to hold a public~~
24 ~~hearing on the proposed rule when requested to do so.~~

25 (7) ~~The period of time during which and the person to whom written~~
26 ~~comments may be submitted on the proposed rule or subject matter of~~
27 ~~the proposed rule making.~~

28 (8) ~~If a fiscal note has been prepared for the proposed rule or will be~~
29 ~~prepared when a rule is proposed on the subject matter of the proposed~~
30 ~~rule making, a statement that a copy of the fiscal note can be obtained~~
31 ~~from the agency.~~

32 (b) Notice of Rule-Making Proceedings. – A notice of rule-making proceedings
33 published in the North Carolina Register shall include all of the following:

34 (1) A statement of the subject matter of the proposed rule making.

35 (2) A short explanation of the reason for the proposed action.

36 (3) A citation to the law that gives the agency the authority to adopt a rule
37 on the subject matter of the proposed rule making.

38 (4) The person to whom questions or written comments may be submitted
39 on the subject matter of the proposed rule making.

40 Publication in the North Carolina Register of an agency's rule-making agenda satisfies
41 the requirements of this subsection if the agenda includes the information required by this
42 subsection.

1 (c) Text After Notice of Rule-Making Proceedings. – A notice of the proposed text
2 of a rule shall include all of the following:

- 3 (1) The text of the proposed rule.
4 (2) A short explanation of the reason for the proposed rule.
5 (3) A citation to the law that gives the agency the authority to adopt the
6 rule.
7 (4) The proposed effective date of the rule.
8 (5) The date, time, and place of any public hearing scheduled on the rule.
9 (6) Instructions on how a person may demand a public hearing on a
10 proposed rule if the notice does not schedule a public hearing on the
11 proposed rule and subsection (e) of this section requires the agency to
12 hold a public hearing on the proposed rule when requested to do so.
13 (7) The period of time during which and the person to whom written
14 comments may be submitted on the proposed rule.
15 (8) If a fiscal note has been prepared for the rule, a statement that a copy of
16 the fiscal note can be obtained from the agency.

17 An agency shall not publish the proposed text of a rule until at least 60 days after the
18 date the notice of rule-making proceedings for the proposed rule was published in the
19 North Carolina Register.

20 ~~(b)~~ (d) Mailing List. – An agency ~~must~~ shall maintain a mailing list of persons who
21 have requested notice of rule making. When an agency publishes ~~a rule-making notice in~~
22 ~~the North Carolina Register, Register a notice of rule-making proceedings or the text of a~~
23 proposed rule, it must shall mail a copy of the notice or text to each person on the mailing
24 list who has requested notice of rule-making proceedings on the ~~rule or the~~ subject matter
25 ~~for rule making~~ described in the ~~notice.~~ notice or the rule affected. An agency may
26 charge an annual fee to each person on the agency's mailing list to cover copying and
27 mailing costs.

28 ~~(e)~~ (e) Hearing. – An agency ~~must~~ shall hold a public hearing on a rule it proposes
29 to adopt ~~in two circumstances and may hold a public hearing in other circumstances.~~
30 ~~When an agency is required to hold a public hearing on a proposed rule or decides to hold~~
31 ~~a public hearing on a proposed rule when it is not required to do so, the agency must~~
32 ~~publish in the North Carolina Register a notice of the date, time, and place of the public~~
33 ~~hearing. The hearing date of a public hearing held after the agency publishes notice of~~
34 ~~the hearing in the North Carolina Register must be at least 15 days after the date the~~
35 ~~notice is published.~~

36 An agency must hold a public hearing on a rule it proposes to adopt in the following
37 two circumstances:

- 38 (1) The agency publishes a statement of the subject matter of the proposed
39 rule making in the notice in the North Carolina Register.
40 (2) The if the agency publishes the text of the
41 proposed rule in the notice in the North Carolina Register and all the following apply:
42 a.(1) The notice of rule-making proceedings does not schedule a public
43 hearing on the proposed rule.

1 ~~b.(2)~~ ~~Within 15 days after the notice is published, the~~ The agency receives a
2 written request for a public hearing on the proposed rule. rule within 15
3 days after the notice of rule-making proceedings is published.

4 ~~e.~~ ~~The proposed rule is not part of a rule-making proceeding the agency~~
5 initiated by publishing a statement of the subject matter of proposed rule
6 making.

7 ~~d.(3)~~ ~~The proposed text is not a changed version of proposed text the agency~~
8 previously published in the course of rule-making proceedings but did
9 not adopt.

10 An agency may hold a public hearing on a proposed rule in other circumstances.
11 When an agency is required to hold a public hearing on a proposed rule or decides to hold
12 a public hearing on a proposed rule when it is not required to do so, the agency shall
13 publish in the North Carolina Register a notice of the date, time, and place of the public
14 hearing. The hearing date of a public hearing held after the agency publishes notice of
15 the hearing in the North Carolina Register shall be at least 15 days after the date the
16 notice is published.

17 ~~(d)~~ ~~Text After Subject Matter Notice.~~ ~~When an agency publishes notice of the~~
18 ~~subject matter of proposed rule making in the North Carolina Register, it must~~
19 ~~subsequently publish in the North Carolina Register the text of the rule it proposes to~~
20 ~~adopt as a result of the public hearing and of any comments received on the subject~~
21 ~~matter. An agency may not publish the proposed text of a rule for which it published a~~
22 ~~subject matter notice before the public hearing on the subject matter.~~

23 ~~(e)~~ ~~(f) Comments.~~ ~~– An agency shall accept comments on a notice of proposed~~
24 ~~rule-making proceedings published in the North Carolina Register until the text of the~~
25 ~~proposed rule that results from the notice is published. An agency shall accept comments~~
26 ~~on the text of a proposed rule that is published in the North Carolina Register and that~~
27 ~~requires a fiscal note under G.S. 150B-21.4(b1) for at least 60 days after the text is~~
28 ~~published or until the date of any public hearing held on the proposed rule, whichever is~~
29 ~~longer. An agency must shall accept comments on the text of a any other proposed rule~~
30 ~~published in the North Carolina Register for at least 30 days after the text is published or~~
31 ~~until the date of any public hearing held on the proposed rule, whichever is longer. An~~
32 ~~agency must accept comments on a statement of the subject matter of proposed rule~~
33 ~~making until the public hearing on the subject matter. An agency must shall consider~~
34 fully all written and oral comments received.

35 ~~(f)~~ ~~(g) Adoption.~~ ~~– An agency may shall not adopt a rule until the time for~~
36 ~~commenting on the proposed text of the rule has elapsed and may shall not adopt a rule if~~
37 ~~more than 12 months have elapsed since the end of the time for commenting on the~~
38 ~~proposed text of the rule. An agency may shall not adopt a rule that differs substantially~~
39 ~~from the text of a proposed rule published in the North Carolina Register unless the~~
40 ~~agency publishes the text of the proposed different rule in the North Carolina Register~~
41 ~~and accepts comments on the proposed different rule for the time set in subsection (e)-(f)~~
42 of this section.

1 An adopted rule differs substantially from a proposed rule if it does one or more of the
2 following:

- 3 (1) Affects the interests of persons who, based on either the notice
4 ~~published in the North Carolina Register of rule-making proceedings or~~
5 the proposed text of the rule, rule published in the North Carolina
6 Register, could not reasonably have determined that the rule would
7 affect their interests.
- 8 (2) Addresses a subject matter or an issue that is not addressed in the
9 proposed text of the rule.
- 10 (3) Produces an effect that could not reasonably have been expected based
11 on the proposed text of the rule.

12 When an agency adopts a rule, it ~~may~~shall not take subsequent action on the rule without
13 following the procedures in this Part.

14 ~~(g)~~ (h) Explanation. – An agency ~~must~~shall issue a concise written statement
15 explaining why the agency adopted a rule if, within 30 days after the agency adopts the
16 rule, a person asks the agency to do so. The explanation ~~must~~shall state the principal
17 reasons for and against adopting the rule and ~~must~~shall discuss why the agency rejected
18 any arguments made or considerations urged against the adoption of the rule.

19 ~~(h)~~ (i) Record. – An agency ~~must~~shall keep a record of a rule-making proceeding.
20 The record ~~must~~shall include all written comments received, a transcript or recording of
21 any public hearing held on the rule, and any written explanation made by the agency for
22 adopting the rule."

23 RULES REVIEW COMMISSION ROLE STRENGTHENED

24 (e) G.S. 150B-21.3 reads as rewritten:

25 "§ 150B-21.3. Effective date of rules.

26 (a) Temporary Rule. – A temporary rule becomes effective on the date the
27 Codifier of Rules enters the rule in the North Carolina Administrative Code.

28 (b) Permanent Rule. – A permanent rule approved by the Commission becomes
29 effective ~~five business days after the Commission delivers the rule to the Codifier of~~
30 ~~Rules, unless the agency adopting the rule specifies a later effective date. If the agency~~
31 ~~specifies a later effective date, the rule becomes effective on that date. on the thirty-first~~
32 legislative day of the next regular session of the General Assembly that begins at least 25
33 days after the date the Commission approved the rule, unless a later effective date applies
34 under this subsection. If a bill that specifically disapproves the rule is introduced in either
35 house of the General Assembly before the thirty-first legislative day of that session, the
36 rule becomes effective on the earlier of either the day an unfavorable final action is taken
37 on the bill or the day that session of the General Assembly adjourns without ratifying a
38 bill that specifically disapproves the rule. If the agency adopting the rule specifies a later
39 effective date than the date that would otherwise apply under this subsection, the later
40 date applies. A permanent rule that is not approved by the Commission ~~becomes~~
41 ~~effective five business days after the agency adopting the rule delivers the rule to the~~
42 ~~Codifier of Rules, unless the agency adopting the rule specifies a later effective date. If~~
43 ~~the agency specifies a later effective date, the rule becomes effective on that date. or that~~

1 is specifically disapproved by a bill ratified by the General Assembly before it becomes
2 effective does not become effective.

3 A bill specifically disapproves a rule if it contains a provision that refers to the rule by
4 appropriate North Carolina Administrative Code citation and states that the rule is
5 disapproved. Notwithstanding any rule of either house of the General Assembly, any
6 member of the General Assembly may introduce a bill during the first 30 legislative days
7 of any regular session to disapprove a rule that has been approved by the Commission
8 and that either has not become effective or has become effective by executive order under
9 subsection (c) of this section.

10 (c) Executive Order Exception. – The Governor may, by executive order, make
11 effective a permanent rule that has been approved by the Commission and has not
12 become effective under subsection (b) of this section upon finding that it is necessary that
13 the rule become effective in order to protect public health, safety, or welfare. A rule
14 made effective by executive order becomes effective on the date the order is issued or at a
15 later date specified in the order. When the Codifier of Rules enters in the North Carolina
16 Administrative Code a rule made effective by executive order, the entry shall reflect this
17 action.

18 A rule that is made effective by executive order remains in effect unless it is
19 specifically disapproved by the General Assembly in a bill ratified on or before the day of
20 adjournment of the regular session of the General Assembly that begins at least 25 days
21 after the date the executive order is issued. A rule that is made effective by executive
22 order and that is specifically disapproved by a bill ratified by the General Assembly is
23 repealed as of the date specified in the bill. If a rule that is made effective by executive
24 order is not specifically disapproved by a bill ratified by the General Assembly within the
25 time set by this subsection, the Codifier of Rules shall note this in the North Carolina
26 Administrative Code.

27 (d) Legislative Day and Day of Adjournment. – As used in this section:

28 (1) A 'legislative day' is a day on which either house of the General
29 Assembly convenes in regular session.

30 (2) The 'day of adjournment' of a regular session held in an odd-numbered
31 year is the day the General Assembly adjourns by joint resolution for
32 more than 10 days.

33 (3) The 'day of adjournment' of a regular session held in an even-numbered
34 year is the day the General Assembly adjourns sine die.

35 (e) (e) OSHA Standard. – A permanent rule concerning an occupational safety and
36 health standard that is adopted by the Occupational Safety and Health Division of the
37 Department of Labor and is identical to a federal regulation promulgated by the Secretary
38 of the United States Department of Labor becomes effective on the date the Division
39 delivers the rule to the Codifier of Rules, unless the Division specifies a later effective
40 date. If the Division specifies a later effective date, the rule becomes effective on that
41 date."

42 (e1) G.S. 150B-21.9(a) reads as rewritten:

1 "(a) Standards. – The Commission ~~must~~shall determine whether a rule meets all of
2 the following criteria:

- 3 (1) It is within the authority delegated to the agency by the General
4 Assembly.
5 (2) It is clear and unambiguous.
6 (3) It is reasonably necessary to fulfill a duty delegated to the agency by the
7 General ~~Assembly.~~Assembly, when considered in light of the
8 cumulative effect of all rules adopted by the agency related to the
9 specific purpose for which the rule is proposed and the legislative intent
10 of the General Assembly in delegating the duty.

11 The Commission may determine if a rule submitted to it was adopted in accordance
12 with Part 2 of this Article. The Commission may ask the Office of State Budget and
13 Management to determine if a rule has a substantial economic impact and is therefore
14 required to have a fiscal note. The Commission shall ask the Office of State Budget and
15 Management to make this determination if a fiscal note was not prepared for a rule and
16 the Commission receives a written request for a determination of whether the rule has a
17 substantial economic impact.

18 The Commission ~~must~~shall notify the agency that adopted the rule if it determines
19 that a rule was not adopted in accordance with Part 2 of this Article and ~~must~~shall return
20 the rule to the agency. Entry of a rule in the North Carolina Administrative Code after
21 review by the Commission is conclusive evidence that the rule was adopted in
22 accordance with Part 2 of this Article."

23 (e2) G.S. 150B-21.11 reads as rewritten:

24 **"§ 150B-21.11. Procedure when Commission approves permanent rule.**

25 When the Commission approves a permanent rule, it ~~must~~shall notify the agency that
26 adopted the rule of the Commission's ~~approval and~~approval, deliver the approved
27 rule to the Codifier of ~~Rules.~~Rules, and include the text of the approved rule and a
28 summary of the rule in its next report to the Joint Legislative Administrative Procedure
29 Oversight Committee. ~~The Commission must deliver an approved rule by the end of the~~
30 month in which the Commission approved the rule, unless the agency asks the
31 Commission to delay the delivery of the rule."

32 (e3) G.S. 150B-21.12 reads as rewritten:

33 **"§ 150B-21.12. Procedure when Commission objects to a permanent rule.**

34 (a) Action. – When the Commission objects to a permanent rule, it ~~must~~shall send
35 the agency that adopted the rule a written statement of the objection and the reason for
36 the objection. The agency that adopted the rule ~~must~~shall take one of the following
37 actions:

- 38 (1) Change the rule to satisfy the Commission's objection and submit the
39 revised rule to the Commission.
40 (2) Submit a written response to the Commission indicating that the agency
41 has decided not to change the rule.

42 (b) Time Limit. – An agency that is not a board or commission ~~must~~shall take
43 one of ~~these~~the actions listed in subsection (a) of this section within 30 days after

1 receiving the Commission's statement of objection. A board or commission ~~must~~shall
2 take one of these actions within 30 days after receiving the Commission's statement of
3 objection or within 10 days after the board or commission's next regularly scheduled
4 meeting, whichever comes later.

5 (c) Changes. – When an agency changes a rule in response to an objection by the
6 Commission, the Commission ~~must~~shall determine whether the change satisfies the
7 Commission's objection. If it does, the Commission ~~must~~shall approve the rule. If it
8 does not, the Commission ~~must~~shall send the agency a written statement of the
9 Commission's continued objection and the reason for the continued objection.

10 (d) Return of Rule. – A rule to which the Commission has objected remains under
11 review by the Commission until the agency that adopted the rule decides not to satisfy the
12 Commission's objection and makes a written request to the Commission to return the rule
13 to the agency. When the Commission returns a rule to which it has objected, it ~~may send~~
14 ~~to the President of the Senate and each member of the General Assembly a report of its~~
15 ~~objection to the rule.~~shall notify the Codifier of Rules of its action and shall send a copy
16 of the record of the Commission's review of the rule to the Joint Legislative
17 Administrative Procedure Oversight Committee in its next report to that Committee. The
18 record of review consists of the rule, the Commission's letter of objection to the rule, the
19 agency's written response to the Commission's letter, and any other relevant documents
20 before the Commission when it decided to object to the rule.

21 (b) Entry In Code.—When the Commission returns a rule to which it has objected
22 to the agency that adopted the rule, the Commission ~~must~~ notify the Codifier of Rules of
23 its action and of the basis of the Commission's objection. An agency whose rule is
24 returned may file the rule with the Codifier of Rules. When the Codifier of Rules enters
25 in the North Carolina Administrative Code a rule to which the Commission objected, the
26 entry ~~must~~ reflect the Commission's objection and ~~must~~ state the standard on which the
27 Commission based its objection."

28 (e4) G.S. 150B-21.15 is repealed. This subsection does not abate any action or
29 appeal brought under G.S. 150B-21.15 prior to the effective date of this section.

30 RULES REVIEW COMMISSION'S MONTHLY REPORT TO JOINT
31 LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT
32 COMMITTEE

33 (f) Part 3 of Article 2B of Chapter 150B of the General Statutes is amended by
34 adding a new section to read:

35 "**§ 150B-21.16. Report to Joint Legislative Administrative Procedure Oversight**
36 **Committee.**

37 The Commission shall make monthly reports to the Joint Legislative Administrative
38 Procedure Oversight Committee. The reports are due by the last day of the month. A
39 report shall include the rules approved by the Commission at its meeting held in the
40 month in which the report is due and the rules the Commission returned to agencies
41 during that month after the Commission objected to the rule. A report shall include any
42 other information requested by the Joint Legislative Administrative Procedure Oversight
43 Committee. When the Commission sends a report to the Joint Legislative Administrative

1 Procedure Oversight Committee, the Commission shall send a copy of the report to the
2 Codifier of Rules."

3 PUBLISHING AND CODIFYING OF RULES

4 (g) G.S. 150B-21.17(a) reads as rewritten:

5 "(a) Content. – The Codifier of Rules ~~must~~shall publish the North Carolina
6 Register. The North Carolina Register ~~must~~shall be published at least two times a month
7 and ~~must~~shall contain the following:

8 (1) Temporary rules entered in the North Carolina Administrative Code.

9 ~~(1a) Notices of proposed adoptions rule-making proceedings, the text of~~
10 ~~proposed rules. rules, and the text of permanent rules approved by the~~
11 Commission.

12 (2) Notices of receipt of a petition for municipal incorporation, as required
13 by G.S. 120-165.

14 (3) Executive orders of the Governor.

15 (4) Final decision letters from the United States Attorney General
16 concerning changes in laws that affect voting in a jurisdiction subject to
17 section 5 of the Voting Rights Act of 1965, as required by G.S. 120-
18 30.9H.

19 (5) Orders of the Tax Review Board issued under G.S. 105-241.2.

20 (6) Other information the Codifier determines to be helpful to the public."

21 (g1) G.S. 150B-21.19 reads as rewritten:

22 "**§ 150B-21.19. Requirements for including rule in Code.**

23 To be acceptable for inclusion in the North Carolina Administrative Code, a rule
24 ~~must~~shall:

25 (1) Cite the law under which the rule is adopted.

26 (2) Be signed by the head of the agency or the rule-making coordinator for
27 the agency that adopted the rule.

28 (3) Be in the physical form specified by the Codifier of Rules.

29 (4) Have been ~~reviewed~~approved by the Commission, if the rule is a
30 permanent rule."

31 CHANGES IN EXEMPTIONS FROM RULE MAKING

32 (h) G.S. 150B-1(d) reads as rewritten:

33 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to
34 the following:

35 (1) The Commission.

36 (2) The North Carolina Low-Level Radioactive Waste Management
37 Authority in administering the provisions of G.S. 104G-10 and G.S.
38 104G-11.

39 (3) The North Carolina Hazardous Waste Management Commission in
40 administering the provisions of G.S. 130B-13 and G.S. 130B-14.

41 (4) The Department of Revenue, ~~except that Parts 3 and 4 of Article 2A~~
42 ~~apply to the Department.~~with respect to the notice and hearing
43 requirements contained in Part 2 of Article 2A.

1 (5) The North Carolina Global TransPark Authority with respect to the
2 acquisition, construction, operation, or use, including fees or charges, of
3 any portion of a cargo airport complex.

4 (6) The Department of Correction, with respect to matters relating solely to
5 persons in its custody or under its supervision, including prisoners,
6 probationers, and parolees."

7 CONFORMING CHANGES

8 (i) [Employment Security Commission] G.S. 96-4(b) reads as rewritten:

9 "(b) Regulations and General and Special Rules. – General and special rules may be
10 adopted, amended, or rescinded by the Commission only after public hearing or
11 opportunity to be heard thereon, of which proper notice has been given by mail to the last
12 known address in cases of special rules, or by publication as herein provided, and by one
13 publication as herein provided as to general rules. The Commission shall not take final
14 action on a general or special rule that has a substantial economic impact, as defined in
15 G.S. 150B-21.4(b1), until 60 days after the Office of State Budget and Management has
16 prepared a fiscal note for the rule. General rules shall become effective 10 days after
17 filing with the Secretary of State and publication in one or more newspapers of general
18 circulation in this State. Special rules shall become effective 10 days after notification to
19 or mailing to the last known address of the individuals or concerns affected thereby.
20 Before the adoption, amendment, or repeal of any permanent regulation, the Commission
21 shall publish notice of the public hearing and offer any person an opportunity to present
22 data, opinions, and arguments. The notice shall be published in one or more newspapers
23 of general circulation in this State at least 10 days before the public hearing and at least
24 20 days prior to the proposed effective date of the proposed permanent regulation. The
25 published notice of public hearing shall include the time and place of the public hearing;
26 a statement of the manner in which data, opinions, and arguments may be submitted to or
27 before the Commission; a statement of the terms or substance of the proposed regulation;
28 a statement of whether a fiscal note has been or will be prepared for the proposed
29 regulation; and the proposed effective date of the regulation. Any permanent regulation
30 adopted after following the above procedure shall become effective on its effective date
31 and after it is published in the manner provided for in subsection (c) as well as such
32 additional publication as the Commission deems appropriate. Additionally, the
33 Commission shall provide notice of adoption by mail to the last known addresses of all
34 persons who submitted data, opinions, or arguments to the Commission with respect to
35 the regulation. Temporary regulations may be adopted, amended, or rescinded by the
36 Commission and shall become effective in the manner and at the time prescribed by the
37 Commission but shall remain in force for no longer than 120 days."

38 (i2) [Industrial Commission] G.S. 97-80(a) reads as rewritten:

39 "(a) The Commission may make rules, not inconsistent with this Article, for
40 carrying out the provisions of this Article. The Commission shall request the Office of
41 State Budget and Management to prepare a fiscal note for a proposed new or amended
42 rule that has a substantial economic impact, as defined in G.S. 150B-21.4(b1). The

1 Commission shall not take final action on a proposed rule change that has a substantial
2 economic impact until at least 60 days after the fiscal note has been prepared.

3 Processes, procedure, and discovery under this Article shall be as summary and
4 simple as reasonably may be."

5 (i3) [Department of Revenue] G.S. 105-262 reads as rewritten:

6 "**§ 105-262. Rules.**

7 (a) The Secretary of Revenue may adopt rules needed to administer a tax collected
8 by the Secretary or to fulfill another duty delegated to the Secretary. The Tax Review
9 Board shall review a new rule or a change to a rule before it is filed in the North Carolina
10 Administrative Code.

11 (b) The Secretary shall ask the Office of State Budget and Management to prepare
12 a fiscal note for a proposed new rule or a proposed change to a rule that has a substantial
13 economic impact, as defined in G.S. 150B-21.4(b1). The Secretary shall not take final
14 action on a proposed rule change that has a substantial economic impact until at least 60
15 days after the fiscal note has been prepared."

16 (i4) G.S.143-214.7(c) reads as rewritten:

17 " (c) ~~The Commission shall hold public hearings in accordance with~~
18 ~~Article 2 of Chapter 150B. Prior to implementation of the rules, the Administrative Rules~~
19 ~~Review Commission shall review the rule pursuant to G.S. 143B-30.2 to determine~~
20 ~~whether the rule:~~

21 (1) ~~Is within the authority delegated to the agency by the General~~
22 ~~Assembly;~~

23 (2) ~~Is clear and unambiguous;~~

24 (3) ~~Is reasonably necessary to enable the administrative agency to perform a~~
25 ~~function assigned to it by statute or to enable or facilitate the~~
26 ~~implementation of a program or policy in aid of which the rule was~~
27 ~~adopted.~~

28 Chapter 150B of the General Statutes governs adoption of rules by the Commission."

29 (i5) [Building Code Council] G.S. 143-138(a) reads as rewritten:

30 "(a) Preparation and Adoption. – The Building Code Council is hereby empowered
31 to prepare and adopt, in accordance with the provisions of this Article, a North Carolina
32 State Building Code. Prior to the adoption of this Code, or any part thereof, the Council
33 shall hold at least one public hearing. A notice of such public hearing shall be given once
34 a week for two successive calendar weeks in a newspaper published in Raleigh, said
35 notice to be published the first time not less than 15 days prior to the date fixed for said
36 hearing. The Council may hold such other public hearings and give such other notice as
37 it may deem necessary.

38 The Council shall request the Office of State Budget and Management to prepare a
39 fiscal note for a proposed Code change that has a substantial economic impact, as defined
40 in G.S. 150B-21.4(b1). The Council shall not take final action on a proposed Code
41 change that has a substantial economic impact until at least 60 days after the fiscal note
42 has been prepared."

1 (i6) G.S. 143-215(c), 143-215(d), 143-215.107(f), and 143-215.107(g) are
2 repealed.

3 (i7) Notwithstanding G.S. 120-70.100(b), as enacted by subsection (a) of this
4 section, the terms of initial members of the Joint Legislative Administrative Procedure
5 Oversight Committee shall begin upon appointment and shall end on January 15, 1997.

6 (j) This section becomes effective October 1, 1995, and applies to all rules for
7 which a notice of rule making is published in the North Carolina Register on or after that
8 date and to rule and Building Code changes that are initiated on or after that date and that
9 are not subject to the rule-making procedures set out in Article 2A of Chapter 150B of the
10 General Statutes.

11
12 Requested by: Representatives Justus, Thompson

13 **WESTERN JUSTICE ACADEMY**

14 Sec. 27.9. Of the funds appropriated to the Department of Justice in this act for
15 the 1995-97 biennium, the sum of one million four hundred seventy thousand dollars
16 (\$1,470,000) shall be used for design and planning and the purchase of real property for
17 the Western Justice Academy at a site to be located at Edneyville in Henderson County.

18
19 Requested by: Representatives Justus, Thompson

20 **CONSOLIDATION OF PRISON FACILITIES/PRISON CONSTRUCTION**

21 Sec. 27.10. (a) In order to continue the recommendations of the Government
22 Performance Audit Committee pertaining to the consolidation of smaller prison units in
23 Western North Carolina into a lesser number of facilities, the Department of Correction
24 shall develop and implement plans to close Avery Correctional Center, Watauga
25 Correctional Center, and Yancey Correctional Center and replace them with a facility to
26 be constructed at a site in Avery and Mitchell Counties.

27 (b) The Office of State Construction of the Department of Administration may
28 contract for and supervise all aspects of administration, technical assistance, design,
29 construction, or demolition of prison facilities in order to implement the providing of
30 prison facilities under the provisions of this act.

31 The facilities authorized under this act shall be constructed in accordance with
32 the provisions of general law applicable to the construction of State facilities. If the
33 Secretary of Administration, after consultation with the Secretary of Correction, finds
34 that the delivery of prison facilities must be expedited for good cause, the Office of State
35 Construction of the Department of Administration shall be exempt from the following
36 statutes and rules implementing those statutes, to the extent necessary to expedite
37 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
38 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
39 408.7.

40 Prior to exercising the exemptions allowable under this section, the Secretary
41 of Administration shall give reasonable notice in writing of the Department's intent to
42 exercise the exemptions to the Speaker of the House, the President Pro Tempore of the
43 Senate, the Chairs of the House and Senate Appropriations Committees, the Chairs of the

1 House and Senate Appropriations Subcommittees on Justice and Public Safety, the Chairs
2 of the Joint Legislative Corrections Oversight Committee, and the Fiscal Research
3 Division. The written notice shall contain at least the following information: (i) the
4 specific statutory requirement or requirements from which the Department intends to
5 exempt itself; (ii) the reason the exemption is necessary to expedite delivery of prison
6 facilities; (iii) the way in which the Department anticipates the exemption will expedite
7 the delivery of prison facilities; and (iv) a brief summary of the proposed contract for the
8 project which is to be exempted.

9 The Office of State Construction of the Department of Administration shall
10 have a verifiable ten percent (10%) goal for participation by minority and women-owned
11 businesses. All contracts for the design, construction, or demolition of prison facilities
12 shall include a penalty for failure to complete the work by a specified date.

13 The Office of State Construction of the Department of Administration shall
14 involve the Department of Correction in all aspects of the projects to the extent that such
15 involvement relates to the Department's program needs and to its responsibility for the
16 care of the prison population.

17 (c) The Office of State Construction of the Department of Administration shall
18 provide quarterly reports to the Chairs of the Appropriations Committee and the Base
19 Budget Committee in the Senate, the Chairs of the Appropriations Committee in the
20 House, the Joint Legislative Commission on Governmental Operations, the Chairs of the
21 Joint Legislative Corrections Oversight Committee, and the Fiscal Research Division as
22 to any changes in projects and allocations made under this act. The report shall include
23 any changes in the projects and allocations made pursuant to this act, information on
24 which contractors have been selected, what contracts have been entered into, the
25 projected and actual occupancy dates of facilities contracted for, the number of beds to be
26 constructed on each project, the location of each project, and the projected and actual cost
27 of each project.

28 The Department of Insurance and the Department of Correction shall report
29 quarterly to the Joint Legislative Commission on Governmental Operations on their
30 involvement in the prison construction program.

31
32 Requested by: Representatives Gardner, Hayes

33 **DETENTION CENTER CAPITAL FUNDING**

34 Sec. 27.11. Of the funds for capital improvements appropriated to the Division
35 of Youth Services, Department of Human Resources, in this act, the sum of two hundred
36 forty-eight thousand dollars (\$248,000) shall be used to begin to plan, site select, build, or
37 renovate a single, centrally located detention center for boundovers.

38
39 Requested by: Representatives Mitchell, Weatherly

40 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

41 Sec. 27.12. (a) Of the funds appropriated in this act to the Department of
42 Environment, Health, and Natural Resources for the 1995-96 fiscal year, the sum of one
43 million eight hundred sixty-five thousand dollars (\$1,865,000) shall be used for water

1 resources development projects and the sum of two hundred thousand dollars (\$200,000)
2 shall be used for small watershed projects. The Department shall allocate funds for the
3 following projects whose estimated costs are as indicated:

- | | | | |
|----|-------|-----------------------------------|-------------|
| 4 | (1) | Wilmington Harbor | \$374,000 |
| 5 | | Deepening Study | |
| 6 | | | |
| 7 | (2) | Jordan Lake Water Supply | 130,000 |
| 8 | | Repayment | |
| 9 | | | |
| 10 | (3) | Wilmington Harbor | 500,000 |
| 11 | | 38-ft. Navigation | |
| 12 | | Maintenance Dredging | |
| 13 | | | |
| 14 | (4) | Aquatic Plant Control | 150,000 |
| 15 | | (Statewide) includes | |
| 16 | | Lake Gaston | |
| 17 | | | |
| 18 | (5) | Rollinson Channel | 160,000 |
| 19 | | Maintenance, Dare County | |
| 20 | | | |
| 21 | (6) | Wilmington Harbor Channel | 72,000 |
| 22 | | Widening | |
| 23 | | | |
| 24 | (7) | State-Local Projects | 199,000 |
| 25 | | | |
| 26 | (8) | Repayment to New Hanover | 130,000 |
| 27 | | County Spoil Disposal Area | |
| 28 | | | |
| 29 | (9) | Dare County Beaches | 100,000 |
| 30 | | Feasibility Study | |
| 31 | | | |
| 32 | (10) | Planning Assistance to | 50,000 |
| 33 | | Communities | |
| 34 | | | |
| 35 | (11) | Limestone Creek Watershed Project | 40,000 |
| 36 | | Duplin County | |
| 37 | | | |
| 38 | (12) | Deep Creek Watershed Project | 160,000 |
| 39 | | Yadkin County | |
| 40 | | | |
| 41 | Total | | \$2,065,000 |
| 42 | | | |

1 (b) Where the actual costs are different from the estimated costs under subsection
2 (a) of this section, the Department may adjust the allocations among projects as needed.
3 If any projects listed in subsection (a) of this section are delayed and the budgeted State
4 funds cannot be used during the 1995-96 fiscal year, or if the projects listed in subsection
5 (a) of this section are accomplished at a lower cost, the Department may use the resulting
6 fund availability to fund any of the following:

- 7 (1) Corps of Engineers project feasibility studies.
- 8 (2) Corps of Engineers projects whose schedules have advanced and require
9 State matching funds in fiscal year 1995-96.
- 10 (3) State-local Water Resources Development Projects.
- 11 (4) Soil Conservation Projects whose schedules have advanced and require
12 State matching funds in fiscal year 1995-96.

13 Funds not expended or encumbered for these purposes shall revert to the General
14 Fund at the end of the 1996-97 fiscal year.

15 (c) The Department shall make quarterly reports on the use of these funds to the
16 Joint Legislative Commission on Governmental Operations, the Fiscal Research
17 Division, and the Office of State Budget and Management. Each report shall include all
18 of the following:

- 19 (1) All projects listed in this section.
- 20 (2) The estimated cost of each project.
- 21 (3) The date that work on each project began or is expected to begin.
- 22 (4) The date that work on each project was completed or is expected to be
23 completed.
- 24 (5) The actual cost of each project.

25 The quarterly reports shall also show those projects advanced in schedule, those
26 projects delayed in schedule, and an estimate of the amount of funds expected to revert to
27 the General Fund.

28 29 **PART 28. GENERAL CAPITAL AND MISCELLANEOUS BUDGET** 30 **PROVISIONS**

31
32 Requested by: Representatives Holmes, Creech, Esposito

33 **PROCEDURES FOR DISBURSEMENT**

34 Sec. 28. The appropriations made by the 1995 General Assembly for capital
35 improvements shall be disbursed for the purposes provided by this act. Expenditure of
36 funds shall not be made by any State department, institution, or agency, until an allotment
37 has been approved by the Governor as Director of the Budget. The allotment shall be
38 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
39 143 of the General Statutes. Prior to the award of construction contracts for projects to
40 be financed in whole or in part with self-liquidating appropriations, the Director of the
41 Budget shall approve the elements of the method of financing of those projects including
42 the source of funds, interest rate, and liquidation period. Provided, however, that if the
43 Director of the Budget approves the method of financing a project, the Director shall

1 report that action to the Joint Legislative Commission on Governmental Operations at its
2 next meeting.

3 Where direct capital improvement appropriations include the purpose of
4 furnishing fixed and movable equipment for any project, those funds for equipment shall
5 not be subject to transfer into construction accounts except as authorized by the Director
6 of the Budget. The expenditure of funds for fixed and movable equipment and
7 furnishings shall be reviewed and approved by the Director of the Budget prior to
8 commitment of funds.

9 Capital improvement projects authorized by the 1995 General Assembly shall
10 be completed, including fixed and movable equipment and furnishings, within the limits
11 of the amounts of the direct or self-liquidating appropriations provided, except as
12 otherwise provided in this act.

13

14 Requested by: Representatives Holmes, Creech, Esposito

15 **RESERVE FOR ADVANCE PLANNING**

16 Sec. 28.1. The Office of State Budget and Management shall report to the
17 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
18 Division on how it intends to spend funds from the Reserve for Advance Planning at least
19 45 days before it spends the funds.

20 The Office of State Budget and Management shall also report the results of
21 any project on which it uses funds from the Reserve for Advance Planning to the Joint
22 Legislative Commission on Governmental Operations and to the Fiscal Research
23 Division.

24

25 Requested by: Representatives Holmes, Creech, Esposito

26 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

27 Sec. 28.2. When each capital improvement project appropriated by the 1995
28 General Assembly, other than those projects under the Board of Governors of The
29 University of North Carolina, is placed under a construction contract, direct
30 appropriations shall be encumbered to include all costs for construction, design,
31 investigation, administration, movable equipment, and a reasonable contingency.
32 Unencumbered direct appropriations remaining in the project budget shall be placed in a
33 project reserve fund credited to the Office of State Budget and Management. Funds in
34 the project reserve may be used for emergency repair and renovation projects at State
35 facilities with the approval of the Director of the Budget. The project reserve fund may
36 be used, at the discretion of the Director of the Budget, to allow for award of contracts
37 where bids exceed appropriated funds, if those projects supplemented were designed
38 within the scope intended by the applicable appropriation or any authorized change in it,
39 and if, in the opinion of the Director of the Budget, all means to award contracts within
40 the appropriation were reasonably attempted. At the discretion of the Director of the
41 Budget, any balances in the project reserve fund shall revert to the original source.

42

43 Requested by: Representatives Holmes, Creech, Esposito

PROJECT COST INCREASE

Sec. 28.3. 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.

Requested by: Representatives Holmes, Creech, Esposito

NEW PROJECT AUTHORIZATION

Sec. 28.4. Upon the request of the administration of any State agency, department, or institution, the Governor may authorize the construction of a capital improvement project not specifically authorized by the General Assembly if such project is to be funded by gifts, federal or private grants, special fund receipts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, or self-liquidating indebtedness. Provided, however, that if the Director of the Budget authorizes the construction of such a capital improvement project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Requested by: Representatives Holmes, Creech, Esposito

ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS

Sec. 28.5. Funds that become available by gifts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or private grants, receipts becoming a part of special funds by act of the General Assembly or any other funds available to a State department or institution may be utilized for advance planning through the working drawing phase of capital improvement projects, upon approval of the Director of the Budget. The Director of the Budget may make allocations from the Advance Planning Fund for advance planning through the working drawing phase of capital improvement projects, except that this revolving fund shall not be utilized by the Board of Governors of The University of North Carolina or the State Board of Community Colleges.

Requested by: Representatives Holmes, Creech, Esposito

APPROPRIATIONS LIMITS/REVERSION OR LAPSE

Sec. 28.6. Except as permitted in previous sections of this act, the appropriations for capital improvements made by the 1995 General Assembly may be expended only for specific projects set out by the 1995 General Assembly and for no other purpose. Construction of all capital improvement projects enumerated by the 1995 General Assembly shall be commenced, or self-liquidating indebtedness with respect to

1 them shall be incurred, within 12 months following the first day of the fiscal year in
2 which the funds are available. If construction contracts on those projects have not been
3 awarded or self-liquidating indebtedness has not been incurred within that period, the
4 direct appropriation for those projects shall revert to the original source, and the self-
5 liquidating appropriation shall lapse; except that direct appropriations may be placed in a
6 reserve fund as authorized in this act. This deadline with respect to both direct and self-
7 liquidating appropriations may be extended with the approval of the Director of the
8 Budget up to an additional 12 months if circumstances and conditions warrant such
9 extension.

10
11 Requested by: Representatives Holmes, Creech, Esposito

12 EXECUTIVE BUDGET ACT APPLIES

13 Sec. 28.7. The provisions of the Executive Budget Act, Chapter 143, Article 1
14 of the General Statutes are reenacted and shall remain in full force and effect and are
15 incorporated in this act by reference.

16
17 Requested by: Representatives Holmes, Creech, Esposito

18 COMMITTEE REPORT

19 Sec. 28.8. (a) The House Appropriations Committee Report on Expansion
20 Budget/Capital Budget, dated June 29, 1995, which was distributed in the Senate and
21 House of Representatives and used to explain this act, shall indicate action by the General
22 Assembly on this act and shall therefore be used to construe this act, as provided in G.S.
23 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of
24 this act.

25 (b) The budget enacted by the General Assembly for the maintenance of the
26 various departments, institutions, and other spending agencies of the State for the 1995-
27 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
28 and the State Accounting System Uniform Chart of Accounts set out in the
29 Administrative Policies and Procedures Manual of the Office of the State Controller.
30 This budget includes the appropriations made from all sources including the General
31 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
32 receipts.

33 The General Assembly amended the itemized budget requests submitted to the
34 General Assembly by the Director of the Budget and the Advisory Budget Commission,
35 in accordance with the steps that follow, and the line item detail in the budget enacted by
36 the General Assembly may be derived accordingly:

- 37 (1) Negative reserves set out in the submitted budget were deleted and the
38 totals were increased accordingly.
- 39 (2) The base budget was adjusted in accordance with the base budget cuts
40 and additions that were set out in the Senate and House Conference
41 Report on the Continuation Budget, dated June 21, 1995.

1 (3) Transfers of funds supporting programs were made in accordance with
2 the House and Senate Conference Report on the Continuation Budget,
3 dated June 21, 1995.

4 (4) The expansion budget items were added in accordance with the House
5 Appropriations Committee Report on Expansion Budget/Capital
6 Budget, dated June 28, 1995. Some of those expansion budget items
7 were in the budget submitted to the General Assembly by the Director
8 of the Budget and the Advisory Budget Commission.

9 Expansion budget items that were funded from new receipts are
10 included in the budget enacted by the General Assembly with program-
11 level detail.

12 The budget enacted by the General Assembly shall also be interpreted in
13 accordance with the special provisions in this act and in accordance with other
14 appropriate legislation.

15 In the event that there is a conflict between the line item budget certified by the
16 Director of the Budget and the budget enacted by the General Assembly, the budget
17 enacted by the General Assembly shall prevail.

18
19 Requested by: Representatives Holmes, Creech, Esposito

20 **MOST TEXT APPLIES ONLY TO 1995-97**

21 Sec. 28.9. Except for statutory changes or other provisions that clearly indicate
22 an intention to have effects beyond the 1995-97 fiscal biennium, the textual provisions of
23 this act apply only to funds appropriated for, and activities occurring during, the 1995-97
24 fiscal biennium.

25
26 Requested by: Representatives Holmes, Creech, Esposito

27 **1995-97 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

28 amended by this act, the provisions of Chapter 284 of the 1995 Session
29 Laws remain in effect.

30 (b) Notwithstanding any modifications by this act in the amounts appropriated,
31 except where expressly repealed or amended, the limitations and directions for the 1995-
32 97 fiscal year in Chapter 284 of the 1995 Session Laws, that applied to appropriations to
33 particular agencies or for particular purposes apply to the newly enacted appropriations
34 and budget reductions of this act for those same particular purposes.

35
36 Requested by: Representatives Holmes, Creech, Esposito

37 **EFFECT OF HEADINGS**

38 Sec. 28.11. The headings to the titles, parts, and sections of this act are a
39 convenience to the reader and are for reference only. The headings do not expand, limit,
40 or define the text of this act.

41
42 Requested by: Representatives Holmes, Creech, Esposito

43 **SEVERABILITY CLAUSE**

1 Sec. 28.12. If any section or provision of this act is declared unconstitutional
2 or invalid by the courts, it does not affect the validity of this act as a whole or any part
3 other than the part so declared to be unconstitutional or invalid.

4

5 Requested by: Representatives Holmes, Creech, Esposito

6 **EFFECTIVE DATE**

7 Sec. 28.13. Except as otherwise provided, this act becomes effective July 1,
8 1995.