

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
Senate Appropriations Committee Substitute Adopted 7/13/95
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Short Title: '95 Expansion/Cap. Approp.

(Public)

Sponsors:

Referred to: Pensions and Retirement/Insurance/State Personnel

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

1 Sec. 1.1. This act shall be known and cited as "The Expansion and Capital
2 Improvements Appropriations Act of 1995".

3
4 **PART 2. EXPANSION - RECURRING/GENERAL FUND**

5
6 Sec. 2. Appropriations of recurring funds from the General Fund of the State
7 for the expansion of the State departments, institutions, and agencies, and for other
8 purposes as enumerated are made for the biennium ending June 30, 1997, according to
9 the schedule that follows.

10			
11	<u>Expansion - Recurring - General Fund</u>		<u>1995-96 1996-97</u>
12			
13	Judicial		\$3,057,886 \$3,282,475
14			
15	Office of the Governor		138,608 183,383
16			
17	Department of State Treasurer		4,448,000 4,448,000
18			
19	Department of Public Education		9,318,436 36,264,012
20			
21	University of North Carolina -		
22	Board of Governors		
23	Institutional Programs	486,460	4,105,059
24			
25	Department of Justice		651,264 651,264
26			
27	Department of Administration		348,704 348,704
28			
29	Department of Insurance		485,000 4,885,000
30			
31	Economic and Natural Resources		
32	Department of Commerce	267,041	267,041
33	Department of Environment, Health,		
34	and Natural Resources	3,080,839	3,080,839
35	Total Economic and Natural Resources		\$3,347,880 \$3,347,880
36			
37	Department of Human Resources		
38	Division of Aging	500,000	500,000
39	Office of the Secretary	1,500,000	1,500,000
40	Division of Social Services	920,000	920,000
41	Division of Services for the Blind	175,000	175,000
42	Division of Mental Health,		
43	Developmental Disabilities,		

1	and Substance Abuse Services	13,000,000	18,182,213
2	Division of Vocational Rehab	1,330,795	2,049,212
3	Division of Youth Services	991,371	1,610,541
4			
5	Total Department of Human Resources		\$18,417,166 \$24,936,966
6			
7			
8	Department of Correction		5,534,088 44,310,450
9			
10	Department of Revenue		3,196,311 2,971,115
11			
12	Department of State Auditor		103,271 103,271
13			
14	Department of Cultural Resources		155,673 155,673
15			
16	Department of Crime Control		
17	and Public Safety		200,542 199,872
18			
19	Office of State Controller		419,666 419,666
20			
21	Debt Service		15,031,552 24,369,052
22			
23	Reserve for Compensation Increase		101,136,570 101,136,570
24			
25	Department of Community Colleges		4,380,314 4,380,314
26			
27	GRAND TOTAL CURRENT OPERATIONS		
28	GENERAL FUND RECURRING		\$170,857,391 \$260,498,726
29			

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 purposes as enumerated are made for the biennium ending June 30, 1997, according to the schedule that follows.

38	<u>Expansion - Nonrecurring-</u>		
39	<u>- General Fund</u>		<u>1995-96 1996-97</u>
40			
41	Judicial		\$4,764,749 –
42			
43	Office of the Governor		1,559,571 –

1		
2	Department of Public Education	35,071,158 –
3		
4	University of North Carolina -	
5	Board of Governors	
6	Institutional Programs	10,400,000 –
7		
8	Department of Justice	182,246 –
9		
10		
11	Department of Administration	216,735 –
12		
13	Department of Insurance	1,290,000 –
14		
15	NATURAL AND ECONOMIC RESOURCES	
16	Department of Agriculture	500,000 –
17	Department of Commerce	5,100,000 1,300,000
18	NC Biotechnology Center	1,000,000 –
19	Rural Economic Dev. Center	3,800,000 –
20	Housing Finance Agency	2,000,000 –
21	Environment, Health, and	
22	Natural Resources	4,936,190 –
23	Total Natural & Economic Resources	\$17,336,190 \$1,300,000
24		
25	Department of Human Resources	
26	Division of Aging	175,000 –
27	Division of Child Development	300,000 –
28	Office of the Secretary	2,000,000 –
29	Division of Social Services	699,300 –
30	Division of Mental Health,	
31	Developmental Disabilities,	
32	and Substance Abuse Services	400,000 –
33	Total Department of Human Resources	\$3,574,300 –
34		
35	Department of Correction	1,778,631 808,932
36		
37	Department of Revenue	8,027,912 116,600
38		
39	Department of Cultural Resources	11,021,326 –
40		
41	Department of Crime Control	
42	and Public Safety	594,646 125,000
43		

1	Office of State Controller	2,686,457 –
2		
3	State Board of Elections	1,560,000 –
4		
5	Department of State Auditor	12,800 –
6		
7	Department of Community Colleges	4,051,317 –
8		
9	Reserve for Compensation Increase	3,521,609 –

10
 11 **GRAND TOTAL - CURRENT OPERATIONS-**
 12 **GENERAL FUND NONRECURRING** **\$107,649,647 \$2,350,532**

13
 14 **PART 4A. EXPANSION/CAPITAL/HIGHWAY FUND**

15
 16 Sec. 4A. Appropriations of funds from the Highway Fund of the State for the
 17 expansion of the Department of Transportation are made for the biennium ending June
 18 30, 1997, and for capital improvements for the 1995-96 fiscal year, according to the
 19 following schedule.

20	1995-96	1996-97	
21	A. EXPANSION PROJECTS		
22			
23	1. DOT Administration		\$8,086,537 \$8,636,463
24	2. Division of Highways		
25	a. Administration and		
26	Operations	102,849 102,849	
27	b. State Construction		
28	01. Reserve for Spot-Safety		
29	Projects		6,000,000 6,000,000
30	c. State Maintenance		
31	01. Urban System	420,000 4,347,777	
32	02. Contract Resurfacing	3,680,202 5,000,000	
33	3. Division of Motor Vehicles		5,452,112 4,482,898
34	4. State Aid for Public		
35	Transportation	5,800,000 5,800,000	
36	5. Reserve for Asphalt Plant		
37	Cleanup	1,000,000 1,000,000	
38	6. Reserve for Pay Increase		7,914,055 7,914,055
39	7. Reserve for PCB Cleanup		1,000,000
40	Appropriations to Other State		
41	Agencies		
42	a. Crime Control & Public Safety	<u>1,662,525</u> <u>1,035,175</u>	
43			

1	Total	\$41,118,280	\$44,319,217
2			
3	B. CAPITAL IMPROVEMENTS PROJECTS		
4	1.	Roof Replacements Statewide	\$ 432,900
5	2.	HVAC Replacements Statewide -	
6		DMV 123,800	
7	3.	Safety Upgrades Statewide - DMV	123,800
8	4.	Fire Alarm Renovations	
9		Materials and Test Lab,	
10		Raleigh, NC 72,800	
11	5.	Parking Lot Repairs Statewide -	
12		DMV 133,700	
13	6.	Roadside Environmental Warehouse	
14		Sylva, NC 463,000	
15	7.	District Engineer's Office	
16		Marion, NC 590,000	
17	8.	DMV/SHP Supplemental Funding	
18		Durham, NC 69,890	
19	9.	DMV/SHP Supplemental Funding	
20		Salisbury, NC 110,000	
21	10.	Equipment Shop	
22		Washington, NC 916,000	
23	11.	Equipment Shop	
24		Wentworth, NC 911,000	
25	12.	Equipment Shop	
26		Kinston, NC 916,000	
27	13.	Equipment Shop	
28		Meadows, NC 913,000	
29	14.	Materials and Test Lab	
30		Asheville, NC 389,000	
31	15.	DMV/SHP Addition and Renovation	
32		Morganton, NC 272,700	
33	16.	Exterior Renovation, Transportation	
34		Building, Raleigh, NC 169,900	
35	17.	Building and Land Purchase	
36		Williamston, NC 368,000	
37	18.	Electrical Upgrades Transportation	
38		Building, Raleigh, NC <u>1,922,100</u>	
39			
40	Total		\$8,897,590
41			
42	Fuel Tank Replacement - State Highway Patrol		
43	Provides funds for replacement of fuel		

1 tanks at 15 sites @ \$32,000 per site and
 2 \$20,000 for testing equipment. \$ 500,000

3
 4 **AVAILABILITY**

5 Sec. 4B. Section 5 of Chapter 324 of the 1995 Session Laws reads as
 6 rewritten:

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

9 (1) Composition of the 1995-97 beginning availability:

10 a.	Revenue collections in 1994-95 in (\$ Million)	
	excess of authorized estimates	\$192.00
11 b.	Unexpended appropriations	
12	during 1994-95 (reversions)	162.40
13 c.	Balance brought forward	<u>33.40</u>
14	Subtotal	387.80
15 d.	Transfer to Savings Reserve	96.90
16 e.	Transfer to Reserve	
17	for Repair and	
18	Renovations	<u>125.00</u>
19	Ending Fund Balance	\$ 165.9

21			
22		(\$ Million)	(\$ Million)
23		<u>1995-96</u>	<u>1996-97</u>
24 (2)	Beginning Unrestricted		
25	Fund Balance	\$ 165.9	\$ -
26			
27 (3)	Revenues Based on Existing Tax		
28	Structure	10,019.6	10,658.1
29			
30 (4)	94-95 Reserve for Tax		
31	Reductions	28.1	-

32 Changes:

33

34 1. Tax Changes

35 (a)	Personal Income	-235.0	-244.1
36 (b)	Intangibles Repeal	-124.4	-124.5
37 (c)	<u>H 396 Ports Tax Credit</u>	<u>-7</u>	<u>-7</u>
38	<u>H 55 Aquaculture Sales Tax</u>		
39	Exemption	<u>-1</u>	<u>-1</u>
40	<u>H 759 Nonprofit Home Sales</u>		
41	Tax Refunds	<u>-1.4</u>	<u>-1.4</u>
42	<u>H 223 Soft Drink Tax</u>	<u>-</u>	<u>-9.6</u>
43	<u>H 360 RR Diesel Sales Tax</u>		

1		<u>Exemption</u>	<u>-1.2</u>	<u>-1.5</u>		
2		<u>H 718 State Parks Trust Fund</u>	<u>=</u>	<u>-18.0</u>		
3		<u>S 202 Poultry Composting Credit</u>		<u>-3</u>	<u>-3</u>	
4		<u>Total Tax Changes</u>	<u>-363.1</u>	<u>-400.2</u>		
5						
6	2.	Local Sales Tax -				
7		Local Government Commission		1.5	1.5	
8	3.	Insurance Regulatory Charges			<u>3.7</u>	<u>3.7</u>
9				<u>5.4</u>	<u>4.2</u>	
10	4.	Treasurer's Banking Fees			<u>-7</u>	<u>-7</u>
11	5.	Disproportionate Share				
12		Receipts	106.9	117.7		
13	6.	Investment Income Electronic				
14		Fund Transfers	2.0	2.0		
15	<u>7.</u>	<u>S710 - Self-Insurance Guaranty Fund</u>			<u>-1.8</u>	<u>-1.8</u>
16	<u>8.</u>	<u>S611 - Increase Court Fees</u>			<u>8.5</u>	<u>8.5</u>
17	<u>9.</u>	<u>Reversions Sec. 26.1</u>			<u>.4</u>	<u>=</u>
18		Availability			<u>\$9,967.6</u>	<u>\$10,413.7</u>
19			<u>\$9,972.7</u>	<u>\$10,389.3"</u>		
20						

PART 6. GENERAL PROVISIONS

Requested by: Senators Plyler, Perdue, Odom

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.

Requested by: Senators Plyler, Perdue, Odom

AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED MOTOR VEHICLE

Sec. 6.1. (a) Pursuant to the provisions of G.S. 14-250, for the 1995-97 fiscal biennium, the General Assembly authorizes the use of private license tags on State-owned motor vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
Motor Vehicles	License and Theft	97
Justice	SBI Agents	277
Correction	Probation/Parole Surveillance	

1	Officers (intensive	
2	probation)	25
3	Crime Control and	
4	Public Safety	ALE Officers
5	Revenue	92
6	Capital Area	3
7	Police	2

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

- 10 (1) 54 among Agent I officers;
- 11 (2) 20 among Agent II officers;
- 12 (3) 1 to the Deputy Director;
- 13 (4) 12 to the District Offices/Extra Vehicles; and
- 14 (5) 5 to the Director, to be distributed at the Director's discretion.

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

17
 18 Requested by: Senators Plyler, Perdue, Odom

19 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED**
 20 **MOTOR VEHICLE**

21 Sec. 6.2. (a) G.S 18B-500(f) is repealed.

22 (b) G.S. 20-39(h) reads as rewritten:

23 "(h) The Commissioner, notwithstanding any other provision of this Chapter, may
 24 lawfully and to the extent necessary, provide local, State or federal law-enforcement
 25 officers on special undercover assignments with motor vehicle drivers licenses and motor
 26 vehicle registration plates under assumed names using false or fictitious addresses. Such
 27 registration plates shall only be used on publicly owned or leased vehicles. Requests for
 28 these licenses and registration plates shall be made to the Commissioner by the head of
 29 the local, State or federal law-enforcement agency and be accompanied by approval in
 30 writing from the Director of the State Bureau of Investigation upon a specific finding by
 31 the Director that the request is justified and necessary. The Director shall keep a record
 32 of all such licenses, registration plates, assumed names, false or fictitious addresses, and
 33 law-enforcement officers using the licenses or registration plates, and shall request the
 34 immediate return of any license or registration plate that is no longer necessary. Licenses
 35 and registration plates provided under this subsection shall expire six months after initial
 36 issuance or subsequent validation after the request for extension has been approved in
 37 writing by the Director of the State Bureau of Investigation. The head of the local, State
 38 or federal law-enforcement agency shall be responsible for the use of the licenses and
 39 registration plates and shall return them immediately to the Commissioner for
 40 cancellation upon either (i) their expiration, (ii) request of the Director of the State
 41 Bureau of Investigation, or (iii) request of the Commissioner. Failure to return a license
 42 or registration plates issued pursuant to this subsection shall be punished as a Class 2
 43 misdemeanor. At no time shall the number of valid licenses and registration plates issued

1 under this act exceed ~~one hundred, fifty,~~ and those issued shall be strictly monitored by
2 the Director. All of the private registration plates issued to special agents of the State
3 Bureau of Investigation under the Department of Justice and to alcohol law enforcement
4 agents under the Department of Crime Control and Public Safety, pursuant to G.S. 14-
5 250, may be fictitious plates and shall not be counted in the total number of fictitious
6 plates authorized by this subsection."

7 (c) G.S. 114-17.1 is repealed.
8

9 Requested by: Senators Plyler, Perdue, Odom

10 **DELETE DUPLICATIVE REPORT ON OVEREXPENDITURES OF FUNDS**

11 Sec. 6.3. G.S. 143-23(a1) reads as rewritten:

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

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

27 ~~If the total of all overexpenditures of a line item approved by the Director of the Budget~~
28 ~~for a fiscal year for the purposes set out in subdivisions (1) and (2) of this subsection~~
29 ~~exceeds ten percent (10%) of the line item amount in the budget enacted by the General~~
30 ~~Assembly, the Director of the Budget shall report monthly to the Joint Legislative~~
31 ~~Commission on Governmental Operations. The report shall include the reasons that make~~
32 ~~overexpenditures necessary and any unforeseen events necessitating overexpenditures~~
33 ~~that occurred after the budget was enacted by the General Assembly.~~

34 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
35 Commission on Governmental Operations, the Fiscal Research Division of the
36 Legislative Services Office, and the State Auditor the reason if the amount expended for
37 a purpose or program is more than the amount appropriated for it from all sources. If the
38 overexpenditure was authorized under subdivision (2) of this subsection, the Director of
39 the Budget shall identify in the report the unforeseen event that required the
40 overexpenditure."
41

42 Requested by: Senators Plyler, Perdue, Odom

43 **OVERREALIZED GENERAL FUND REVENUES**

1 Sec. 6.4. (a) If the Director of the Budget, the State Controller, and the Secretary
2 of Revenue jointly certify that General Fund revenue over collections in the 1994-95
3 fiscal year is in excess of the one hundred ninety-two million dollars (\$192,000,000)
4 reflected in the Budget Reform Statement in Section 4B of this act, the Director of the
5 Budget may use funds for the 1995-96 fiscal year to comply with court orders and to
6 match federal funds for the purposes specifically designated in this section, and such
7 funds are hereby appropriated:

- 8 (1) Compliance with court orders in the Willie M. and Thomas S. lawsuits
9 by the Department of Human Resources;
10 (2) State match for federal funds for the implementation of the the North
11 Carolina Client Access Network (NC CAN) program in the Department
12 of Human Resources;
13 (3) State match for federal funds for the implementation of the Electronic
14 Benefits Program in the Department of Human Resources; and
15 (4) State match for federal funds for the Global TransPark Training Center.

16 Prior to spending funds under this section, the Director of the Budget shall report on the
17 intended expenditures to the Joint Legislative Commission on Governmental Operations
18 and the Fiscal Research Division.

19 (b) If the Director of the Budget determines that no additional funds are needed for
20 the purposes designated in subsection (a) of this section, the Director of the Budget may
21 use any remaining funds to grant a bonus of up to three hundred dollars (\$300.00) per
22 employee to each permanent State employee or officer of the State, and each State-paid
23 public school employee or officer. If any such bonus is paid, all eligible persons shall
24 receive a bonus of the same amount, except that persons whose work is less than full time
25 shall receive a pro rata amount. The Director of the Budget shall determine any
26 eligibility requirements which may include a length of service requirement and shall
27 determine when the bonus is to be paid.

28

29 PART 7. SALARIES AND BENEFITS

30

31 Requested by: Senators Plyler, Perdue, Odom

32 GOVERNOR/COUNCIL OF STATE/SALARY INCREASES

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

34 "(a) The salary of the Governor shall be ~~ninety-seven thousand six hundred dollars~~
35 ~~(\$97,600)~~ ninety-eight thousand five hundred seventy-six dollars (\$98,576) annually,
36 payable monthly."

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

39

40 <u>Council</u>	of	<u>State</u>
41 <u>Annual Salary</u>		

42

1	Lieutenant			Governor
2	\$87,000			
3	Attorney			General
4	87,000			
5	Secretary		of	State
6	87,000			
7	State			Treasurer
8	87,000			
9	State			Auditor
10	87,000			
11	Superintendent	of	Public	Instruction
12	87,000			
13	Agriculture			Commissioner
14	87,000			
15	Insurance			Commissioner
16	87,000			
17	Labor			Commissioner
18	87,000			

19
20 Requested by: Senators Plyler, Perdue, Odom

21 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

22 Sec. 7.2. In accordance with G.S. 143B-9, the maximum annual salaries,
23 payable monthly, for the nonelected heads of the principal State departments for the
24 1995-96 and 1996-97 fiscal years are:

25	<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
26		
27		
28	Secretary of Administration	\$85,000
29	Secretary of Correction	85,000
30	Secretary of Cultural Resources	85,000
31	Secretary of Commerce	85,000
32	Secretary of Environment, Health, and Natural Resources	85,000
33	Secretary of Human Resources	85,000
34	Secretary of Revenue	85,000
35	Secretary of Transportation	85,000
36	Secretary of Crime Control and Public Safety	85,000

37
38 Requested by: Senators Plyler, Perdue, Odom

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

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

42	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
43		

1		
2	Chairman, Alcoholic Beverage Control Commission	\$ 77,365
3	State Controller	108,271
4	Commissioner of Motor Vehicles	77,365
5	Commissioner of Banks	77,365
6	Chairman, Employment Security Commission	77,365
7	State Personnel Director	85,000
8	Chairman, Parole Commission	70,643
9	Members of the Parole Commission	65,220
10	Chairman, Industrial Commission	69,510
11	Members of the Industrial Commission	67,817
12	Chairman of the Utilities Commission	81,381
13	Commissioner of the Utilities Commission	80,381
14	Executive Director, Agency for Public Telecommunications	65,220
15	General Manager, Ports Railway Commission	58,893
16	Director, Museum of Art	79,274
17	Executive Director, Wildlife Resources Commission	66,773
18	Executive Director, North Carolina Housing Finance Agency	95,746
19	Executive Director, North Carolina Agricultural Finance Authority	75,302
20	Director, Office of Administrative Hearings	76,500

21

Requested by: Senators Plyler, Perdue, Odom

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

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

26

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>	
27		
28		
29	Chief Justice, Supreme Court	\$98,576
30	Associate Justice, Supreme Court	96,000
31	Chief Judge, Court of Appeals	93,600
32	Judge, Court of Appeals	92,000
33	Judge, Senior Regular Resident Superior Court	89,500
34	Judge, Superior Court	87,000
35	Chief Judge, District Court	79,000
36	Judge, District Court	76,500
37	District Attorney	80,600
38	Administrative Officer of the Courts	89,500
39	Assistant Administrative Officer of the Courts	75,160
40	Public Defender	80,600

41

42 (b) The district attorney or public defender of a judicial district, with the approval
 43 of the Administrative Officer of the Courts, shall set the salaries of assistant district

1 attorneys or assistant public defenders, respectively, in that district such that the average
2 salaries of assistant district attorneys or assistant public defenders in that district do not
3 exceed forty-nine thousand five hundred eighty dollars (\$49,580), and the minimum
4 salary of any assistant district attorney or assistant public defender is at least twenty-five
5 thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.

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

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

12
13 Requested by: Senator Rand

14 **REDEFINE SERVICE FOR PURPOSES OF LONGEVITY PAY FOR PUBLIC**
15 **DEFENDERS AND ASSISTANT DISTRICT ATTORNEYS**

16 Sec. 7.4A. (a) G.S. 7A-465(b) reads as rewritten:

17 "(b) The public defender shall be an attorney licensed to practice law in North
18 Carolina, and shall devote his full time to the duties of his office.

19 In lieu of merit and other increment raises paid to regular State employees, a public
20 defender shall receive as longevity pay an amount equal to four and eight-tenths percent
21 (4.8%) of the annual salary set forth in the Current Operations Appropriations Act
22 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
23 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
24 nineteen and two-tenths percent (19.2%) after 20 years of service. 'Service' means service
25 as a public ~~defender~~-defender, assistant public defender, justice or judge of the General
26 Court of Justice, or clerk of superior court."

27 (b) G.S. 7A-65(d) reads as rewritten:

28 "(d) In lieu of merit and other increment raises paid to regular State employees, an
29 assistant district attorney shall receive as longevity pay an amount equal to four and
30 eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations
31 Appropriations Act payable monthly after five years of service, nine and six-tenths
32 percent (9.6%) after 10 years of service, and fourteen and four-tenths percent (14.4%)
33 after 15 years of service. 'Service' means service as an assistant district ~~attorney~~-attorney
34 or as a district attorney."

35
36 Requested by: Senators Plyler, Perdue, Odom

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

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

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

42
43 Assistant Clerks and Head Bookkeeper

Annual Salary

1
 2 Minimum ~~\$21,126~~ \$21,549
 3 Maximum ~~37,406~~ 38,154

4
 5 Deputy Clerks Annual Salary

6 Minimum ~~\$16,891~~ \$17,229
 7 Maximum ~~28,813~~ 29,389."

8 (b) G.S. 7A-102(c) reads as rewritten:

9 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of
 10 the Courts shall establish an incremental salary plan for assistant clerks and for deputy
 11 clerks based on a series of salary steps corresponding to the steps contained in the Salary
 12 Plan for State Employees adopted by the Office of State Personnel, subject to a minimum
 13 and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant
 14 clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan
 15 based on satisfactory job performance as determined by each clerk. Notwithstanding the
 16 foregoing, if an assistant or deputy clerk's years of service in the office of superior court
 17 clerk would warrant an annual salary greater than the salary first established under this
 18 section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an
 19 annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that
 20 assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan,
 21 and shall remain eligible for a two-step increase each year as recommended by each clerk
 22 until that assistant or deputy clerk's annual salary corresponds to his number of years of
 23 service. Any person covered by this subsection who would not receive a step increase in
 24 fiscal year ~~1994-95-1995-96~~ because that person is at the top of the salary range as it
 25 existed for fiscal year ~~1993-94-1994-95~~ shall receive a salary increase to the maximum
 26 annual salary provided by subsection (c1) of this section."
 27

28 Requested by: Senators Plyler, Perdue, Odom

29 **MAGISTRATES' PAY PLAN**

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

31 "(1) A full-time magistrate shall be paid the annual salary indicated in the
 32 table set out in this subdivision. A full-time magistrate is a magistrate
 33 who is assigned to work an average of not less than 40 hours a week
 34 during the term of office. The Administrative Officer of the Courts shall
 35 designate whether a magistrate is full-time. Initial appointment shall be
 36 at the entry rate. A magistrate's salary shall increase to the next step
 37 every two years on the anniversary of the date the magistrate was
 38 originally appointed for increases to Steps 1 through 3, and every four
 39 years on the anniversary of the date the magistrate was originally
 40 appointed for increases to Steps 4 through 6.
 41

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

Step Level	Annual Salary
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: Senators Plyler, Perdue, Odom

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: Senators Plyler, Perdue, Odom

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."

1 Requested by: Senators Plyler, Perdue, Odom

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

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

4 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
5 of ~~two hundred thirty-two dollars (\$232.00)~~ two hundred thirty-seven dollars (\$237.00)
6 per week, plus subsistence at the same daily rate provided for members of the General
7 Assembly, plus mileage at the rate provided for members of the General Assembly for
8 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
9 serve during sessions of the General Assembly and at such time prior to the convening of,
10 and subsequent to adjournment or recess of, sessions as may be authorized by the
11 Legislative Services Commission. The reading clerks shall serve during sessions only."
12

13 Requested by: Senators Plyler, Perdue, Odom

14 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

15 Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of
16 nonelected employees of the General Assembly in effect for fiscal year 1994-95 by two
17 percent (2%). Nothing in this act limits any of the provisions of G.S. 120-32.
18

19 Requested by: Senators Plyler, Perdue, Odom

20 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

21 Sec. 7.12. The Director of the Budget shall transfer from the Reserve for
22 Salary Increases created in this act for fiscal year 1995-96 funds to the Department of
23 Community Colleges necessary to provide an average annual salary increase of two
24 percent (2%), including funds for the employer's retirement and social security
25 contributions, commencing July 1, 1995, for all permanent full-time community college
26 institutional personnel supported by State funds. The State Board of Community
27 Colleges shall establish guidelines for providing their salary increases to community
28 college institutional personnel. Salary funds shall be used to provide an average annual
29 salary increase of two percent (2%) to all full-time employees and part-time employees
30 on a pro rata basis.
31

32 Requested by: Senators Plyler, Perdue, Odom

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

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

1 purpose other than for salary increases and necessary employer contributions provided by
2 this section.

3
4 Requested by: Senators Plyler, Perdue, Odom

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

6 Sec. 7.14. (a) The salaries in effect June 30, 1995, of all permanent full-time State
7 employees whose salaries are set in accordance with the State Personnel Act, and who are
8 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
9 1995, unless otherwise provided by this act, by two percent (2%).

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

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

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

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

29 (f) No person may receive a salary increase under G.S. 126-7 during the 1995-
30 96 fiscal year, and no State employee or officer shall receive a merit increment during the
31 1995-96 and 1996-97 fiscal years except as otherwise provided by this act.

32
33 Requested by: Senators Plyler, Perdue, Odom

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

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

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

1 (c) The salary increases provided in this Part are to be effective July 1, 1995, do
2 not apply to persons separated from State service due to resignation, dismissal, reduction
3 in force, death, or retirement, whose last workday is prior to July 1, 1995, or to
4 employees involved in final written disciplinary procedures. The employee shall receive
5 the increase on a current basis when the final written disciplinary procedure is resolved.

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

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

14 Any remaining appropriations for legislative salary increases not required for
15 that purpose may be used to supplement the Salary Adjustment Fund. First priority for
16 the use of these funds shall be to support the salary range revision approved for Dental
17 Hygienist in October 1993.

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

20
21 Requested by: Senators Plyler, Perdue, Odom

22 **LAW ENFORCEMENT SALARIES EQUALIZED**

23 Sec. 7.15A. The Office of State Personnel shall adjust the salaries of law
24 enforcement positions in Marine Fisheries and Wildlife Resources so that the average
25 salaries of these employees are the same as the average salaries of members of the
26 Highway Patrol in the same salary grade. Within each salary grade, each position shall
27 receive the same percentage increase, except that no salary shall be increased above the
28 top of the range.

29
30 Requested by: Senators Plyler, Perdue, Odom

31 **SALES TAX TRANSFER FOR WILDLIFE RESOURCES COMMISSION** 32 **SALARY INCREASES**

33 Sec. 7.15B. Effective July 1, 1995, G.S. 105-164.44B reads as rewritten:
34 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
35 **fishing supplies and equipment.**

36 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
37 from the State sales and use tax net collections received by the Department of Revenue
38 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
39 Wildlife Resources Fund, one fourth of the amount transferred the preceding fiscal year
40 plus or minus the percentage of that amount by which the total collection of State sales
41 and use taxes increased or decreased during the preceding fiscal year-year plus the cost
42 of any legislative salary increase for employees of the Wildlife Resources Commission.
43

1 Requested by: Senators Plyler, Perdue, Odom

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

3 Sec. 7.16. (a) Superintendents, Assistant Superintendents, Associate
4 Superintendents, Supervisors, Directors/Coordinators, and Finance Officers. – The
5 Director of the Budget may transfer from the Reserve for Salary Increases created in this
6 act for fiscal year 1995-96 funds necessary to provide a salary increase of two percent
7 (2%), including funds for the employer's retirement and social security contributions,
8 commencing July 1, 1995, for all superintendents, assistant superintendents, associate
9 superintendents, supervisors, and directors/coordinators whose salaries are supported
10 from the State's General Fund. These funds may not be used for any purpose other than
11 for the salary increase and necessary employer contributions provided by this subsection.

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

20 (c) The fiscal year 1994-95 pay rates adopted by local boards of education for
21 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
22 1995, to the extent that such rates of pay are supported by the allocation of State funds
23 from the State Board of Education. Local boards of education shall increase the rates of
24 pay for all school bus drivers who were employed during fiscal year 1994-95 and who
25 continue their employment for fiscal year 1995-96 by at least two percent (2%) on and
26 after July 1, 1995. The Director of the Budget may transfer from the salary increase
27 reserve fund created in this act for fiscal year 1995-96 funds necessary to provide the
28 salary increases for school bus drivers whose salaries are supported from the State's
29 General Fund in accordance with the provisions of this subsection.

30

31 Requested by: Senators Plyler, Perdue, Odom

32 **SCHOOL CENTRAL OFFICE SALARIES**

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

- 36 (1) School Administrator I: \$2,697 - \$4,338
37 (2) School Administrator II: \$2,862 - \$4,604
38 (3) School Administrator III: \$3,037 - \$4,886
39 (4) School Administrator IV: \$3,160 - \$5,084
40 (5) School Administrator V: \$3,287 - \$5,290
41 (6) School Administrator VI: \$3,488 - \$5,614
42 (7) School Administrator VII: \$3,629 - \$5,841

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

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

9 (1) Superintendent I (Up to 2,500 ADM): \$3,852 - \$6,199

10 (2) Superintendent II (2,501 - 5,000 ADM): \$4,088 - \$6,578

11 (3) Superintendent III (5,001 - 10,000 ADM): \$4,338 - \$6,981

12 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,604 - \$7,408

13 (5) Superintendent V (Over 25,000 ADM): \$4,886 - \$7,861

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

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

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

24 (d) Superintendents, assistant superintendents, associate superintendents,
25 directors/coordinators, supervisors, and finance officers with certification based on
26 academic preparation at the six-year degree level shall receive a salary supplement of one
27 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
28 for pursuant to this section. Superintendents, assistant superintendents, associate
29 superintendents, directors/coordinators, supervisors, and finance officers with
30 certification based on academic preparation at the doctoral degree level shall receive a
31 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
32 the compensation provided for under this section.

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

36
37 Requested by: Senators Plyler, Perdue, Odom

38 **TEACHER SALARY SCHEDULES**

39 Sec. 7.18. (a) The Director of the Budget may transfer from the Reserve for Salary
40 Increases for the 1995-96 fiscal year funds necessary to implement the teacher salary
41 schedule set out in subsection (b) of this section, including funds for the employer's
42 retirement and social security contributions and funds for annual longevity payments at
43 one percent (1%) of base salary for 10 to 14 years of State service, one and one-half

1 percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base
 2 salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base
 3 salary for 25 or more years of State service, commencing July 1, 1995, for all teachers
 4 whose salaries are supported from the State's General Fund. These funds shall be
 5 allocated to individuals according to rules adopted by the State Board of Education and
 6 the Superintendent of Public Instruction. The longevity payment shall be paid in a lump
 7 sum once a year.

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

12	Years of	1995-96
13	<u>Experience</u>	<u>Salary</u>
14	00	\$2,062
15	01	2,103
16	02	2,145
17	03	2,231
18	04	2,276
19	05	2,322
20	06	2,368
21	07	2,415
22	08	2,463
23	09	2,512
24	10	2,562
25	11	2,613
26	12	2,665
27	13	2,718
28	14	2,772
29	15	2,827
30	16	2,884
31	17	2,942
32	18	3,001
33	19	3,061
34	20	3,122
35	21	3,184
36	22	3,248
37	23	3,313
38	24	3,379
39	25	3,447
40	26	3,516
41	27	3,586
42	28	3,658
43	29	3,731

1 30+ 3,731
 2 (2) Beginning July 1, 1995, the following monthly salary schedule shall
 3 apply to certified personnel of the public schools who are classified as
 4 "G"teachers. The schedule contains 30 steps with each step
 5 corresponding to one year of teaching experience.

	<u>Years of Experience</u>		<u>1995-96 Salary</u>
8	00	\$2,191	
9	01	2,235	
10	02	2,280	
11	03	2,371	
12	04	2,418	
13	05	2,466	
14	06	2,515	
15	07	2,565	
16	08	2,616	
17	09	2,668	
18	10	2,721	
19	11	2,775	
20	12	2,831	
21	13	2,888	
22	14	2,946	
23	15	3,005	
24	16	3,065	
25	17	3,126	
26	18	3,189	
27	19	3,253	
28	20	3,318	
29	21	3,384	
30	22	3,452	
31	23	3,521	
32	24	3,591	
33	25	3,663	
34	26	3,736	
35	27	3,811	
36	28	3,887	
37	29	3,965	
38	30+	3,965	

39 (3) Certified public school teachers with certification based on academic
 40 preparation at the six-year degree level shall receive a salary supplement
 41 of one hundred twenty-six dollars (\$126.00) per month in addition to the
 42 compensation provided for certified personnel of the public schools who
 43 are classified as "G"teachers. Certified public school teachers with

1 certification based on academic preparation at the doctoral degree level
2 shall receive a salary supplement of two hundred fifty-three dollars
3 (\$253.00) per month in addition to the compensation provided for
4 certified personnel of the public schools who are classified as
5 "G"teachers.

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

12 Certified psychologists with certification based on academic preparation at the
13 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
14 (\$126.00) per month in addition to the compensation provided for certified psychologists.
15 Certified psychologists with certification based on academic preparation at the doctoral
16 degree level shall receive a salary supplement of two hundred fifty-three dollars
17 (\$253.00) per month in addition to the compensation provided for certified psychologists.

18 (d) Certified personnel of the public schools who are: (i) classified as
19 "A"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed
20 as teachers for the first three pay periods of the 1995-96 school year shall receive a one-
21 time bonus of seven hundred forty-six dollars (\$746.00), payable at the third payroll
22 period of the 1995-96 school year. Certified personnel of the public schools who are: (i)
23 classified as "G"teachers; (ii) at the maximum of their pay range on June 30, 1995; and
24 (iii) employed as teachers for the first three pay periods of the 1995-96 school year, shall
25 receive a one-time bonus of seven hundred ninety-three dollars (\$793.00), payable at the
26 third payroll period of the 1995-96 school year. Certified personnel of the public schools
27 who are: (i) certified based on academic preparation at the six-year degree level; (ii) at
28 the maximum of their pay range on June 30, 1995; and (iii) employed as teachers for the
29 first three pay periods of the 1995-96 school year shall receive a one-time bonus of eight
30 hundred eighteen dollars (\$818.00), payable at the third payroll period of the 1995-96
31 school year. Certified personnel of the public schools who are: (i) certified based on
32 academic preparation at the doctoral degree level; (ii) at the maximum of their pay range
33 on June 30, 1995; and (iii) employed as teachers for the first three pay periods of the
34 1995-96 school year shall receive a one-time bonus of eight hundred forty-four dollars
35 (\$844.00), payable at the third payroll period of the 1995-96 school year.

36 (e) Certified personnel of the public schools who are: (i) classified as
37 psychologists with advanced degrees; (ii) at the maximum of their pay range on June 30,
38 1995; and (iii) employed as school psychologists for the first three pay periods of the
39 1995-96 school year, shall receive a one-time bonus of nine hundred one dollars
40 (\$901.00), payable at the third payroll period of the 1995-96 school year. Certified
41 personnel of the public schools who are: (i) classified as psychologists with doctoral
42 degrees; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed as
43 school psychologists for the first three pay periods of the 1995-96 school year, shall

1 receive a one-time bonus of nine hundred twenty-six dollars (\$926.00), payable at the
 2 third payroll period of the 1995-96 school year.

3
 4 Requested by: Senators Plyler, Perdue, Odom

5 **SCHOOL-BASED ADMINISTRATOR SALARIES**

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

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

15		Asst.							
16	Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI Prin. VII
17									
18	0	—	—	—	—	—	—	—	—
19	1	—	—	—	—	—	—	—	—
20	2	—	—	—	—	—	—	—	—
21	3	—	—	—	—	—	—	—	—
22	4	\$2,491	—	—	—	—	—	—	—
23	5	2,541	—	—	—	—	—	—	—
24	6	2,592	—	—	—	—	—	—	—
25	7	2,644	—	—	—	—	—	—	—
26	8	2,697	\$2,697	—	—	—	—	—	—
27	9	2,751	2,751	—	—	—	—	—	—
28	10	2,806	2,806	\$2,862	—	—	—	—	—
29	11	2,862	2,862	2,919	—	—	—	—	—
30	12	2,919	2,919	2,977	\$3,037	—	—	—	—
31	13	2,977	2,977	3,037	3,098	\$3,160	—	—	—
32	14	3,037	3,037	3,098	3,160	3,223	\$3,287	—	—
33	15	3,098	3,098	3,160	3,223	3,287	3,353	—	—
34	16	3,160	3,160	3,223	3,287	3,353	3,420	\$3,488	—
35	17	3,223	3,223	3,287	3,353	3,420	3,488	3,558	\$3,629
36	18	3,287	3,287	3,353	3,420	3,488	3,558	3,629	3,702
37	19	3,353	3,353	3,420	3,488	3,558	3,629	3,702	3,776
38	20	3,420	3,420	3,488	3,558	3,629	3,702	3,776	3,852
39	21	3,488	3,488	3,558	3,629	3,702	3,776	3,852	3,929
40	22	3,558	3,558	3,629	3,702	3,776	3,852	3,929	4,008
41	23	3,629	3,629	3,702	3,776	3,852	3,929	4,008	4,088
42	24	3,702	3,702	3,776	3,852	3,929	4,008	4,088	4,170
43	25	3,776	3,776	3,852	3,929	4,008	4,088	4,170	4,253

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

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

	Classification	Number of Teachers Supervised
20		
21		
22	Assistant Principal	
23	Principal I	Less than 11 Teachers
24	Principal II	11-21 Teachers
25	Principal III	22-32 Teachers
26	Principal IV	33-43 Teachers
27	Principal V	44-54 Teachers
28	Principal VI	55-65 Teachers
29	Principal VII	More than 65 Teachers
30		

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

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

37 (e) Principals and assistant principals with certification based on academic
 38 preparation at the six-year degree level shall be paid a salary supplement of one hundred
 39 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
 40 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

41 (f) There shall be no State requirement that superintendents in each local
 42 school unit shall receive in State-paid salary at least one percent (1%) more than the
 43 highest paid principal receives in State salary in that school unit: Provided, however, the

1 additional State-paid salary a superintendent who was employed by a local school
 2 administrative unit for the 1992-93 fiscal year received because of that requirement shall
 3 not be reduced because of this subsection for subsequent fiscal years that the
 4 superintendent is employed by that local school administrative unit so long as the
 5 superintendent is entitled to at least that amount of additional State-paid salary under the
 6 rules in effect for the 1992-93 fiscal year.

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

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

14 (2) If a principal is reassigned to a lower job classification because the
 15 principal is transferred to a school within a local school administrative
 16 unit with a smaller 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 lower job classification.

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

24 (i) Except as provided in subsection (h) of this section, the salary of a principal
 25 or assistant principal shall not be less for the 1995-96 fiscal year than it was for the 1993-
 26 94 fiscal year solely as a result of placement on the salary schedule established in this
 27 section.

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

<u>Classification</u>	<u>Bonus Amount</u>
Asst. Principal	\$851
Asst. Principal Advanced	876
Asst. Principal Doctorate	901
Principal I	1,041
Principal I Advanced	1,071
Principal I Doctorate	1,102
Principal II	1,105
Principal II Advanced	1,135
Principal II Doctorate	1,166
Principal III	1,173
Principal III Advanced	1,203

1 Principal III Doctorate 1,233
2 Principal IV 1,220
3 Principal IV Advanced 1,250
4 Principal IV Doctorate 1,281
5 Principal V 1,270
6 Principal V Advanced 1,300
7 Principal V Doctorate 1,330
8 Principal VI 1,347
9 Principal VI Advanced 1,378
10 Principal VI Doctorate 1,408
11 Principal VII 1,402
12 Principal VII Advanced 1,432
13 Principal VII Doctorate 1,463.

14 (k) The State Board of Education shall compile information on the total
15 number of years each assistant principal employed for the 1995-96 fiscal year has worked
16 as an assistant principal.

17

18 Requested by: Senators Plyler, Perdue, Odom

19 **STATE EMPLOYEE RIF RIGHTS/OPTIONS**

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

21 "**§ 126-7.1. Posting requirement; State employees receive priority consideration.**
22 **consideration; reduction-in-force rights.**

23 (a) All vacancies for which any State agency, department, or institution openly
24 recruit shall be posted within at least the following:

25 (1) The personnel office of the agency, department, or institution having the
26 vacancy; and

27 (2) The particular work unit of the agency, department, or institution having
28 the vacancy

29 in a location readily accessible to employees. If the decision is made, initially or at any
30 time while the vacancy remains open, to receive applicants from outside the recruiting
31 agency, department, or institution, the vacancy shall be listed with the Office of State
32 Personnel for the purpose of informing current State employees of such vacancy. The
33 State agency, department, or institution may not receive approval from the Office of State
34 Personnel to fill a job vacancy if the agency, department, or institution cannot prove to
35 the satisfaction of the Office of State Personnel that it complied with these posting
36 requirements. The agency, department, or institution which hires any person in violation
37 of these posting requirements shall pay such person when employment is discontinued as
38 a result of such violation for the work performed during the period of time between his
39 initial employment and separation.

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

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

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

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

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

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

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

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

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

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

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

30 (2) Is determined qualified for that position

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

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

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

8 (1) Training or education;

9 (2) Years of experience; and

10 (3) Other skills, knowledge, and abilities that bear a reasonable functional
11 relationship to the abilities and skills required in the job vacancy applied
12 for."

13 (b) This section becomes effective July 1, 1995.
14

15 Requested by: Senators Plyler, Perdue, Odom

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

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

18 "(6) Notwithstanding the provisions of G.S. 135-40.11, employees formerly
19 covered by the provisions of this section, other than retired employees,
20 who have been employed for 12 or more months by an employing unit
21 and whose jobs are eliminated because of a reduction, in total or in part,
22 in the funds used to support the job or its responsibilities, provided the
23 employees were covered by the Plan at the time of separation from
24 service resulting from a job elimination. Employees covered by this
25 subsection shall be covered for a period of up to 12 months following a
26 separation from service because of a job elimination."

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

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

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

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

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

40 Requested by: Senators Martin of Pitt, Warren, Kerr

41 **ASSIST VOLUNTEER SAFETY WORKERS**

42 Sec. 7.21A. (a) Article 87 of Chapter 58 of the General Statutes is amended by
43 adding a new section to read:

1 **"§ 58-87-10. Workers' Compensation for Volunteer Safety Workers.**

2 The State Fire and Rescue Commission shall provide workers' compensation benefits
3 to members of eligible fire departments and eligible rescue/EMS units. Chapter 97 of the
4 General Statutes governs the payment of benefits. Benefits are payable for compensable
5 injuries or deaths that occur on and after July 1, 1996. An eligible fire department or
6 rescue/EMS unit is a volunteer department or unit that is not part of a unit of local
7 government and is exempt from State income tax under G.S. 105-130.11.

8 Every eligible department and unit shall pay to the State Fire and Rescue Commission
9 an amount set annually by the Commission to ensure that the Commission will be able to
10 meet its payment obligations under this section. The amount shall be set as a per capita
11 fixed dollar amount for each member of the roster for every department and unit. The
12 payment shall be made to the Commission on or before July 1 of each year. If the
13 Commission does not receive an annual payment from an eligible department or unit by
14 July 1, then the department or unit that fails to make the payment will not be eligible for
15 workers' compensation coverage from the Fund for the fiscal year that begins that July 1.

16 The Commission shall contract with a third-party administrator to provide the benefit
17 payments. The contracting procedure is not subject to Article 3C of Chapter 143 of the
18 General Statutes. The Commission may adopt rules to implement this section."

19 (b) The first per member payment that eligible fire departments and rescue/EMS
20 units must make to the State Fire and Rescue Commission under G.S. 58-87-10 is
21 payable on or before July 1, 1996.

22 (c) G.S. 58-78-5(a) is amended by adding a new subdivision to read:

23 "(16) To provide workers' compensation benefits under G.S. 58-87-10, to
24 create a Volunteer Safety Workers' Compensation board to assist it
25 in performing this duty, and to reimburse the members of the
26 Commission's Volunteer Safety Workers' Compensation board in
27 accordance with G.S. 138-5 for travel and subsistence expenses
28 incurred by them."

29 (d) G.S. 58-86-35 reads as rewritten:

30 **"§ 58-86-35. Firemen's application for membership in fund; monthly payments by**
31 **members; payments credited to separate accounts of members.**

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

38 (e) G.S. 58-86-40 reads as rewritten:

39 **"§ 58-86-40. Rescue squad worker's application for membership in funds; monthly**
40 **payments by members; payments credited to separate accounts of**
41 **members.**

42 Those rescue squad workers eligible pursuant to G.S. 58-86-30 may ~~make application~~
43 apply to the board for membership. All persons who subsequently become rescue squad

1 workers may make application for membership.—Each eligible rescue squad worker upon
2 becoming a member shall pay the director of the fund the sum of ~~five-ten~~ dollars (~~\$5.00~~)
3 (~~\$10.00~~) per month. A ~~rescue squad worker who, on the date of the establishment of the~~
4 ~~fund, has service as a rescue squad worker certified by the Department of State Treasurer,~~
5 ~~may make a lump sum payment of five dollars (\$5.00) per month for each month of~~
6 ~~service as an eligible rescue squad worker as defined by G.S. 58-86-30, on or before~~
7 ~~December 31, 1983, for as many as 240 months together with interest at an annual rate of~~
8 ~~six percent (6%). The~~

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

12 (f) G.S. 58-86-45(b) reads as rewritten:

13 "(b) ~~Effective April 1, 1987, any~~ An eligible fireman or rescue squad worker who
14 ~~has not reached his thirty fifth birthday who is eligible and who is not yet 35 years old~~
15 ~~and has not previously elected to become a member may make application through apply~~
16 ~~to the board of trustees for membership in the fund at any time. The person shall Upon~~
17 ~~becoming a member, the worker must make a lump sum payment of five-ten~~ dollars
18 (~~\$5.00~~) (~~\$10.00~~) per month retroactively to the time ~~he~~ the worker first became eligible to
19 become a member, plus interest at an annual rate to be set by the board ~~of trustees,~~ for
20 each year of ~~his~~ retroactive payments. Upon making this lump sum payment, the ~~person~~
21 worker shall be given credit for all prior service in the same manner as if he the worker
22 ~~had made application applied for membership at the time he first became upon first~~
23 ~~becoming eligible. Any~~

24 ~~A member who has not reached his thirty fifth birthday is not yet 35 years old, who~~
25 ~~made application applied for membership subsequent to the time he was first eligible~~
26 ~~after first becoming eligible, and who did not receive credit for prior service may receive~~
27 ~~credit for such the prior service upon making a lump sum payment of five-ten~~ dollars
28 (~~\$5.00~~) (~~\$10.00~~) ~~per for each month since the worker first became eligible, retroactively~~
29 ~~to the time he first became eligible,~~ plus interest at an annual rate to be set by the board
30 ~~of trustees,~~ for each year of ~~his~~ retroactive payments. Upon making this lump sum
31 payment, the date of membership shall be the same as if ~~he~~ the worker had ~~made~~
32 ~~application applied for membership at the time he was first upon first becoming~~ eligible."

33 (g) G.S. 58-86-55 reads as rewritten:

34 "**§ 58-86-55. Monthly pensions upon retirement.**

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

42 Members shall pay ~~five-ten~~ dollars (~~\$5.00~~) (~~\$10.00~~) per month as required by G.S. 58-
43 86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue

1 squad member' shall receive a pension prior to July 1, 1983. No ~~person-member~~ shall be
2 entitled to a pension hereunder until ~~his~~ the member's official duties as a fireman or
3 rescue squad worker for which ~~he~~ the member is paid compensation shall have been
4 terminated and ~~he~~ the member shall have retired as such according to standards or rules
5 fixed by the board of trustees.

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

17 ~~Any A~~ member who is totally and permanently disabled for any cause, other than line
18 of duty, who leaves the fire or rescue squad service because of this disability and who has
19 at least 10 years of service with the pension fund, may be permitted to continue making a
20 monthly contribution of ~~five-ten~~ dollars ~~(\$5.00)~~ (\$10.00) to the fund until ~~he~~ the member
21 ~~has paid into the fund the sum of one thousand two hundred dollars (\$1,200).~~ made
22 contributions for a total of 240 months. The member shall upon attaining the age of 55
23 years be entitled to receive a pension as provided by this section. All applications for
24 disability are subject to the approval of the board who may appoint physicians to examine
25 and evaluate the disabled member prior to approval of ~~his~~ the application and annually
26 thereafter.

27 ~~Any A~~ member who, because his residence is annexed by a city under Part 2 or Part 3
28 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed
29 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of
30 the General Statutes, and because of such annexation is unable to perform as a fireman of
31 any status, and if the member has at least 10 years of service with the pension fund, may
32 be permitted to continue making a monthly contribution of ~~five-ten~~ dollars ~~(\$5.00)~~
33 (\$10.00) to the fund until ~~he~~ the member ~~has paid into the fund the sum of one thousand~~
34 ~~two hundred dollars (\$1,200).~~ made contributions for a total of 240 months. The member
35 upon attaining the age of 55 years and completion of such contributions shall be entitled
36 to receive a pension as provided by this section. Any application to make monthly
37 contributions under this section shall be subject to a finding of eligibility by the Board of
38 Trustees upon application of the member.

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

42 (h) G.S. 58-86-30 reads as rewritten:

1 **"§ 58-86-30. 'Eligible rescue squad worker' defined; determination and certification**
2 **of eligibility.**

3 'Eligible rescue squad worker' means ~~any~~ a person who is a member of a rescue or
4 emergency medical services squad who ~~that~~ is eligible for membership in the North
5 Carolina Association of Rescue and Emergency Medical Services, ~~Squads, Inc.~~, and who
6 has attended a minimum of 36 hours of training and meetings in the last calendar year.
7 Each rescue or emergency medical services squad ~~worker~~ eligible for membership in the
8 North Carolina Association of Rescue and Emergency Medical Services, ~~Squads, Inc.~~,
9 must file a roster certified by the secretary of the association of those rescue or
10 emergency medical services squad workers meeting the ~~association~~ requirements of this
11 section with the State Treasurer by January 1 of each calendar year.

12 'Eligible rescue squad worker' does not mean 'eligible fireman' as defined by G.S. 58-
13 86-25, nor may an 'eligible rescue squad worker' qualify also as an 'eligible fireman' in
14 order to receive double benefits available under this Article."

15 (i) The changes made to G.S. 58-86-45 and G.S. 58-86-55 by this Part do not
16 affect the credit received for service performed before July 1, 1995. The increase in
17 monthly pension contributions from five dollars (\$5.00) to ten dollars (\$10.00) in G.S.
18 58-86-55 does not affect the amount of monthly contributions made prior to July 1, 1995.

19 (j) The caption for Article 87 of Chapter 58 of the General Statutes reads as
20 rewritten:

21 **"ARTICLE 87.**

22 **~~"Volunteer Fire Department and Rescue/EMS Funds- Safety Workers Assistance."~~**

23 (k) G.S. 58-87-1(b) reads as rewritten:

24 "(b) A fire department is eligible for a grant under this section ~~if~~ if it meets all of
25 the following conditions:

- 26 (1) It serves a response area of 6,000 or less in ~~population;~~ population.
27 (2) It is all volunteer; and has no more than two paid members and
28 otherwise consists of volunteer members.
29 (3) It has been certified by the Department of Insurance.

30 In making the population determination under subdivision (1), the Department shall use
31 the ~~latest decennial U.S. Census population data.~~ most recent annual population estimates
32 certified by the State Planning Officer."

33 (l) G.S. 58-87-5(b) reads as rewritten:

34 "(b) A rescue or rescue/EMS unit is eligible for a grant under this section ~~if~~ if it
35 meets all of the following conditions:

- 36 (1) Repealed by Session Laws 1989 (Regular Session, 1990), c. 1066, s.
37 33(a), effective July 15, 1990.
38 (2) It is all volunteer, except that the rescue or rescue/EMS unit may have
39 paid members, not to exceed two positions, either full time or part time;
40 and has no more than two paid members and otherwise consists of
41 volunteer members.
42 (3) It has been recognized by the Department as an organization that
43 provides rescue or rescue and emergency medical ~~services; and services.~~

1 (4) It satisfies the eligibility criteria established by the Department under
2 subsection (a) of this section."

3 (m) Subsections (d) through (i) of this section become effective July 1, 1995.
4 The remainder of this section becomes effective upon ratification.

5
6 Requested by: Senators Plyler, Perdue, Odom

7 **1995 RETIREMENT BENEFITS ACT**

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

9 "(zz) From and after July 1, 1995, the retirement allowance to or on account of
10 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
11 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
12 135-5(o). Furthermore, from and after July 1, 1995, the retirement allowance to or on
13 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
14 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
15 payable as determined by the Board of Trustees based upon the number of months that a
16 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

18 "(p) From and after July 1, 1995, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
20 by two percent (2%) of the allowance payable on July 1, 1994. Furthermore, from and
21 after July 1, 1995, the retirement allowance to or on account of beneficiaries whose
22 retirement commenced after July 1, 1994, but before June 30, 1995, shall be increased by
23 a prorated amount of two percent (2%) of the allowance payable as determined by the
24 Board of Trustees based upon the number of months that a retirement allowance was paid
25 between July 1, 1994, and June 30, 1995."

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

27 "(j) In accordance with subsection (a) of this section, from and after July 1, 1995,
28 the retirement allowance to or on account of beneficiaries whose retirement commenced
29 on or before January 1, 1995, shall be increased by two percent (2%) of the allowance
30 payable on January 1, 1995. Furthermore, from and after July 1, 1995, the retirement
31 allowance to or on account of beneficiaries whose retirement commenced after January 1,
32 1995, but before June 30, 1995, shall be increased by a prorated amount of two percent
33 (2%) of the allowance payable as determined by the Board of Trustees based upon the
34 number of months that a retirement allowance was paid between January 1, 1995, and
35 June 30, 1995."

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

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

40 a. Notwithstanding any other provision of this Chapter, any
41 member who separates from service prior to the attainment of the
42 age of 60 years for any reason other than death or retirement for
43 disability as provided in G.S. 128-27(c), after completing 15 or

1 more years of creditable service, and who leaves his total
 2 accumulated contributions in said System shall have the right to
 3 retire on a deferred retirement allowance upon attaining the age
 4 of 60 years; provided that such member may retire only upon
 5 written application to the Board of Trustees setting forth at what
 6 time, not less than one day nor more than 90 days subsequent to
 7 the execution and filing thereof, he desires to be retired; and
 8 further provided that in the case of a member who so separates
 9 from service on or after July 1, 1967, the aforestated requirement
 10 of 15 or more years of creditable service shall be reduced to 12 or
 11 more years of creditable service; and further provided that in the
 12 case of a member who so separates from service on or after July
 13 1, 1971, or whose account is active on July 1, 1971, the
 14 aforestated requirement of 12 or more years of creditable service
 15 shall be reduced to five or more years of creditable service. Such
 16 deferred retirement allowance shall be computed in accordance
 17 with the service retirement provisions of this Article pertaining to
 18 a member who is not a law enforcement officer or eligible former
 19 law enforcement officer.

20 b. In lieu of the benefits provided in paragraph a of this subdivision,
 21 any member who separates from service prior to the attainment
 22 of the age of 60 years, for any reason other than death or
 23 retirement for disability as provided in G.S. 128-27(c), after
 24 completing 20 or more years of creditable service, and who
 25 leaves his total accumulated contributions in said System may
 26 elect to retire on an early retirement allowance upon attaining the
 27 age of 50 years or at any time thereafter; provided that such
 28 member may so retire only upon written application to the Board
 29 of Trustees setting forth at what time, not less than one day nor
 30 more than 90 days subsequent to the execution and filing thereof,
 31 he desires to be retired. Such early retirement allowance so
 32 elected shall be equal to the deferred retirement allowance
 33 otherwise payable at the attainment of the age of 60 years
 34 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

1 52 43
 2 51 46
 3 50 50b1. In lieu
 4 of the benefits provided in paragraphs a and b of this subdivision, any member who is a
 5 law enforcement officer at the time of separation from service prior to the attainment of
 6 the age of 50 years, for any reason other than death or disability as provided in this
 7 Article, after completing 15 or more years of creditable service in this capacity
 8 immediately prior to separation from service, and who leaves his total accumulated
 9 contributions in this System, may elect to retire on a deferred early retirement allowance
 10 upon attaining the age of 50 years or at any time thereafter; provided, that the member
 11 may commence retirement only upon written application to the Board of Trustees setting
 12 forth at what time, as of the first day of a calendar month, not less than one day nor more
 13 than 90 days subsequent to the execution and filing thereof, he desires to commence
 14 retirement. The deferred early retirement allowance shall be computed in accordance with
 15 the service retirement provisions of this Article pertaining to law enforcement officers.

16 b2. In lieu of the benefits provided in paragraphs a and b of this
 17 subdivision, any member who is a law enforcement officer at the
 18 time of separation from service prior to the attainment of the age
 19 of 55 years, for any reason other than death or disability as
 20 provided in this Article, after completing five or more years of
 21 creditable service in this capacity immediately prior to separation
 22 from service, and who leaves his total accumulated contributions
 23 in this System may elect to retire on a deferred service retirement
 24 allowance upon attaining the age of 55 years or at any time
 25 thereafter; provided, that the member may commence retirement
 26 only upon written application to the Board of Trustees setting
 27 forth at what time, as of the first day of a calendar month not less
 28 than one day nor more than 90 days subsequent to the execution
 29 and filing thereof, he desires to commence retirement. The
 30 deferred service retirement allowance shall be computed in
 31 accordance with the service retirement provisions of this Article
 32 pertaining to law enforcement officers.

33 b3. Deferred retirement allowance of members retiring on or after
 34 July 1, 1995. – In lieu of the benefits provided in paragraphs a.
 35 and b. of this subdivision, any member who separates from
 36 service prior to attainment of age 60 years, after completing 20 or
 37 more years of creditable service, and who leaves his total
 38 accumulated contributions in said System, may elect to retire on
 39 a deferred retirement allowance upon attaining the age of 50
 40 years or any time thereafter; provided that such member may so
 41 retire only upon written application to the Board of Trustees
 42 setting forth at what time, not less than one day nor more than 90
 43 days subsequent to the execution and filing thereof, he desires to

1 be retired. Such deferred retirement allowance shall be
2 computed in accordance with the service retirement provisions of
3 this Article pertaining to a member who is not a law enforcement
4 officer or an eligible former law enforcement officer.

5 c. Should a beneficiary who retired on an early or service
6 retirement allowance be reemployed, or otherwise engaged to
7 perform services, by an employer participating in the Retirement
8 System on a part-time, temporary, interim, or on fee-for-service
9 basis, whether contractual or otherwise, and if such beneficiary
10 earns an amount in any calendar year which exceeds fifty percent
11 (50%) of the reported compensation, excluding terminal
12 payments, during the 12 months of service preceding the
13 effective date of retirement, or twenty thousand dollars
14 (\$20,000), whichever is greater, as hereinafter indexed, then the
15 retirement allowance shall be suspended as of the first day of the
16 month following the month in which the reemployment earnings
17 exceed the amount above, for the balance of the calendar year.
18 The retirement allowance of the beneficiary shall be reinstated as
19 of January 1 of each year following suspension. The amount that
20 may be earned before suspension shall be increased on January 1
21 of each year by the ratio of the Consumer Price Index to the
22 Index one year earlier, calculated to the nearest tenth of a percent
23 (1/10 of 1%).

24 d. Should a beneficiary who retired on an early or service
25 retirement allowance be restored to service as an employee, then
26 the retirement allowance shall cease as of the first day of the
27 month following the month in which the beneficiary is restored
28 to service and the beneficiary shall become a member of the
29 Retirement System and shall contribute thereafter as allowed by
30 law at the uniform contribution payable by all members.

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

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

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

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

17 "(oo) From and after July 1, 1995, the retirement allowance to or on account of
18 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
19 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
20 128-27(k). Furthermore, from and after July 1, 1995, the retirement allowance to or on
21 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
22 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
23 payable as determined by the Board of Trustees based upon the number of months that a
24 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

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

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

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

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

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

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

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

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

14
15 Requested by: Senators Plyler, Perdue, Odom

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

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

19 "(b) Effective July 1, 1995, the State's employer contribution rates budgeted for
20 retirement and related benefits as a percentage of covered salaries for the 1995-96 fiscal
21 year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State
22 Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State Law
23 Enforcement Officers; (iii) ~~nine and ten hundredths percent (9.10%)~~ nine and eighteen
24 hundredths percent (9.18%) - University Employees' Optional Retirement Program; (iv)
25 twenty-two and sixty-five hundredths percent (22.65%) - Consolidated Judicial
26 Retirement System; and (v) twenty-three and twenty-seven hundredths percent (23.27%)
27 - Legislative Retirement System. Each of the foregoing contribution rates includes two
28 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
29 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
30 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
31 University Employees' Optional Retirement Program includes fifty-two hundredths
32 percent (0.52%) for the Disability Income Plan."

33
34 Requested by: Senators Plyler, Perdue, Odom

35 **FURTHER 1995 RETIREMENT BENEFITS**

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

37 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
38 ~~1994~~ 1994, but before July 1, 1995. - Upon retirement from service in accordance with
39 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
40 shall receive the following service retirement allowance:

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

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

1 completion of 30 years of creditable service, his early service
2 retirement allowance shall be equal to the greater of:

- 3 1. The service retirement allowance as computed under G.S.
4 135-5(b15)(2)a. but reduced by the sum of five-twelfths of
5 one percent (5/12 of 1%) thereof for each month by which
6 his retirement date precedes the first day of the month
7 coincident with or next following the month the member
8 would have attained his 60th birthday, plus one-quarter of
9 one percent (1/4 of 1%) thereof for each month by which
10 his 60th birthday precedes the first day of the month
11 coincident with or next following his 65th birthday; or
- 12 2. The service retirement allowance as computed under G.S.
13 135-5(b15)(2)a. reduced by five percent (5%) times the
14 difference between 30 years and his creditable service at
15 retirement; or
- 16 3. If the member's creditable service commenced prior to
17 July 1, 1994, the service retirement allowance provided by
18 G.S. 135-5(b14)(2)c.

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

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

23 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
24 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
25 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

- 29 a. If the member's service retirement date occurs on or after his
30 55th birthday, and completion of five years of creditable service
31 as a law enforcement officer, or after the completion of 30 years
32 of creditable service, the allowance shall be equal to one and
33 seventy-five hundredths percent (1.75%) of his average final
34 compensation, multiplied by the number of years of his
35 creditable service.
- 36 b. If the member's service retirement date occurs on or after his
37 50th birthday and before his 55th birthday with 15 or more years
38 of creditable service as a law enforcement officer and prior to the
39 completion of 30 years of creditable service, his retirement
40 allowance shall be equal to the greater of:

- 41 1. The service retirement allowance payable under G.S. 135-
42 5(b16)(1)a. reduced by one-third of one percent (1/3 of
43 1%) thereof for each month by which his retirement date

1 precedes the first day of the month coincident with or next
2 following the month the member would have attained his
3 55th birthday; or

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

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

11 a. If the member's service retirement date occurs on or after his
12 65th birthday upon the completion of five years of creditable
13 service or after the completion of 30 years of creditable service
14 or on or after his 60th birthday upon the completion of 25 years
15 of creditable service, the allowance shall be equal to one and
16 seventy-five hundredths percent (1.75%) of his average final
17 compensation, multiplied by the number of years of creditable
18 service.

19 b. If the member's service retirement date occurs after his 60th and
20 before his 65th birthday and prior to his completion of 25 years
21 or more of creditable service, his retirement allowance shall be
22 computed as in G.S. 135-5(b16)(2)a. but shall be reduced by one-
23 quarter of one percent (1/4 of 1%) thereof for each month by
24 which his retirement date precedes the first day of the month
25 coincident with or next following his 65th birthday.

26 c. If the member's early service retirement date occurs on or after
27 his 50th birthday and before his 60th birthday and after
28 completion of 20 years of creditable service but prior to the
29 completion of 30 years of creditable service, his early service
30 retirement allowance shall be equal to the greater of:

31 1. The service retirement allowance as computed under G.S.
32 135-5(b16)(2)a. but reduced by the sum of five-twelfths of
33 one percent (5/12 of 1%) thereof for each month by which
34 his retirement date precedes the first day of the month
35 coincident with or next following the month the member
36 would have attained his 60th birthday, plus one-quarter of
37 one percent (1/4 of 1%) thereof for each month by which
38 his 60th birthday precedes the first day of the month
39 coincident with or next following his 65th birthday; or

40 2. The service retirement allowance as computed under G.S.
41 135-5(b16)(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, 1994, 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. 135-5(b16)(2)b.

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

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

9 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
10 ~~1994.~~1994, but before July 1, 1995. – Upon retirement from service in accordance with
11 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
12 shall receive the following service retirement allowance:

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

16 a. If the member's service retirement date occurs on or after his
17 55th birthday, and completion of five years of creditable service
18 as a law enforcement officer, or after the completion of 30 years
19 of creditable service, the allowance shall be equal to one and
20 seventy-one hundredths percent (1.71%) of his average final
21 compensation, multiplied by the number of years of his
22 creditable service.

23 b. This allowance shall also be governed by the provisions of G.S.
24 128-27(b8)(2).

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

28 a. If the member's service retirement date occurs on or after his
29 65th birthday upon the completion of five years of creditable
30 service or after the completion of 30 years of creditable service
31 or on or after his 60th birthday upon the completion of 25 years
32 of creditable service, the allowance shall be equal to one and
33 seventy-one hundredths percent (1.71%) of his average final
34 compensation, multiplied by the number of years of creditable
35 service.

36 b. This allowance shall also be governed by the provisions of G.S.
37 128-27(b7)(2a), (2b), and (3)."

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

39 "(b15) Service Retirement Allowance of Members Retiring on or After July 1,
40 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
41 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

- 1 c. If the member's early service retirement date occurs on or after
2 his 50th birthday and before his 60th birthday and after
3 completion of 20 years of creditable service but prior to the
4 completion of 30 years of creditable service, his early service
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance as computed under G.S.
7 128-27(b15)(2)a. but reduced by the sum of five-twelfths
8 of one percent (5/12 of 1%) thereof for each month by
9 which his retirement date precedes the first day of the
10 month coincident with or next following the month the
11 member would have attained his 60th birthday, plus one-
12 quarter of one percent (1/4 of 1%) thereof for each month
13 by which his 60th birthday precedes the first day of the
14 month coincident with or next following his 65th birthday;
15 or
- 16 2. The service retirement allowance as computed under G.S.
17 128-27(b15)(2)a. reduced by five percent (5%) times the
18 difference between 30 years and his creditable service at
19 retirement; or
- 20 3. If the member's creditable service commenced prior to
21 July 1, 1995, the service retirement allowance equal to the
22 actuarial equivalent of the allowance payable at the age of
23 60 years as computed in G.S. 128-27(b15)(2)b.
- 24 d. Notwithstanding the foregoing provisions, any member whose
25 creditable service commenced prior to July 1, 1965, shall not
26 receive less than the benefit provided by G.S. 128-27(b)."
27

28 Requested by: Senators Plyler, Perdue, Odom

29 **ADDITIONAL RETIREMENT BENEFITS**

30 Sec. 7.23A. (a) G.S. 135-5(m) reads as rewritten:

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

- 37 (1) a. The member had attained such age and/or creditable service to be
38 eligible to commence retirement with an early or service retirement
39 allowance, or
- 40 b. The member had obtained 20 years of creditable service in which
41 case the retirement allowance shall be computed in accordance
42 with ~~G.S. 135-5(b15)(1)b.~~ G.S. 135-5(b16)(1)b. or ~~G.S. 135-~~

1 5(b15)(2)e.,—G.S. 135-5(b16)(2)c., notwithstanding the
2 requirement of obtaining age 50.

3 (2) The member had designated as the principal beneficiary to receive a
4 return of his accumulated contributions one and only one person who
5 was living at the time of his death.

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

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

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

18 "(aaa) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1995. –
19 From and after July 1, 1995, the retirement allowance to or on account of beneficiaries on
20 the retirement rolls as of June 1, 1995, shall be increased by one and two-tenths of one
21 percent (1.2%) of the allowance payable on June 1, 1995. This allowance shall be
22 calculated on the allowance payable and in effect on June 30, 1995, so as not to be
23 compounded on any other increase granted by act of the 1995 General Assembly."

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

25 "(pp) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1995. –
26 From and after July 1, 1995, the retirement allowance to or on account of beneficiaries on
27 the retirement rolls as of June 1, 1995, shall be increased by six-tenths of one percent
28 (0.6%) of the allowance payable on June 1, 1995. This allowance shall be calculated on
29 the allowance payable and in effect on June 30, 1995, so as not to be compounded on any
30 other increase payable under subsection (k) of this section or otherwise granted by act of
31 the 1995 General Assembly.

32 "(qq) From and after July 1, 1995, the retirement allowance to or on account of
33 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
34 by seven-tenths of one percent (0.7%) of the allowance payable on July 1, 1993, in
35 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1995, the retirement
36 allowance to or on account of beneficiaries whose retirement commenced after July 1,
37 1993, but before June 30, 1994, shall be increased by a prorated amount of seven-tenths
38 of one percent (0.7%) of the allowance payable as determined by the Board of Trustees
39 based upon the number of months that a retirement allowance was paid between July 1,
40 1993, and June 30, 1994.

41 (d) Effective October 1, 1995, G.S. 143-166.60(d) reads as rewritten:

1 "(d) The Boards of Trustees shall ~~promulgate~~ adopt such rules and regulations—as
2 are necessary to ~~establish~~ administer benefits under the Plan, within the availability of
3 funds, to provide:

4 (1) ~~An accident and sickness disability insurance benefit;~~

5 (2) A group life insurance benefit for participants employed by an employer
6 at the time of death, not to exceed ~~five~~ six thousand dollars (~~\$5,000~~;
7 \$6,000);

8 (3) A group life insurance benefit for participants who are eligible former
9 officers, not to exceed ~~four~~ six thousand dollars (~~\$4,000~~); (\$6,000); and

10 (4) An accidental line-of-duty insurance death benefit not to exceed two
11 thousand one hundred dollars (\$2,100) in total on account of the death
12 of a participant caused by an accident while in the actual performance of
13 duty as an officer."

14 (e) Subsection (d) of this section becomes effective October 1, 1995. The
15 remainder of this section becomes effective July 1, 1995.

16
17 Requested by: Senators Plyler, Perdue, Odom

18 **LRC STUDY CIVILIANIZATION**

19 Sec. 7.23B. Section 8.3 of Chapter 324 of the 1995 Session Laws reads as
20 rewritten:

21 "Sec. 8.3. The Legislative Research Commission may study issues related to
22 civilianizing certain State government law enforcement functions and positions, including
23 the appropriate use of nonsworn, noncertified personnel in positions for which sworn
24 status is not cost-effective or required. This study shall include the recommendations
25 made by the Government Performance Audit Committee on civilianization to the 1993
26 General Assembly.

27 The Legislative Research Commission may study what positions should be included
28 in the salary continuation provisions of G.S. 143-166.13(a).

29 The Legislative Research Commission may make an interim report, including any
30 legislative recommendations, to the 1995 General Assembly, Regular Session 1996, and
31 shall make a final report, including any legislative recommendations, to the 1997 General
32 Assembly."

33
34 Requested by: Senators Plyler, Perdue, Odom

35 **STUDY OF FEDERAL RETIREES' CLAIMS AGAINST THE STATE**

36 Sec. 7.23C. (a) There is established in the General Assembly a Legislative Study
37 Committee on Federal Retirees' Claims against the State. This Committee shall study the
38 issue of federal retirees' claims against the State for income tax paid on their retirement
39 benefits for tax years 1985 through 1988. As part of the study, the Committee shall
40 consider ways to compensate these federal retirees for taxes paid.

41 (b) The Committee shall be composed of 12 members appointed as follows:

- 1 (1) Six members appointed by the Speaker of the House of Representatives,
2 three of whom shall be members of the House of Representatives at the
3 time of their appointment; and
4 (2) Six members appointed by the President Pro Tempore of the Senate,
5 three of whom shall be members of the Senate at the time of their
6 appointment.

7 The Speaker of the House of Representatives and the President Pro Tempore of
8 the Senate shall each select a legislative member from their appointments to serve as
9 cochair of the committee. Meetings shall be called at the will of the cochairs.

10 All members shall serve at the will of their appointing officer. Unless removed
11 or unless resigning, members shall serve until the committee has made its report.
12 Vacancies in membership shall be filled by the appropriate appointing officer.

13 (c) The Committee may contract for consultant services as provided by G.S. 120-
14 32.02. Upon approval of the Legislative Services Commission, the Legislative
15 Administrative Officer shall assign professional and clerical staff to assist in the work of
16 the Committee. The professional staff shall include the appropriate staff from the Fiscal
17 Research, Research, and Legislative Drafting Divisions of the Legislative Services Office
18 of the General Assembly. Clerical staff shall be furnished to the Committee through the
19 offices of House of Representatives and Senate Supervisors of Clerks. The expenses of
20 employment of the clerical staff shall be borne by the Committee. The Committee may
21 meet in the Legislative Building or the Legislative Office Building upon the approval of
22 the Legislative Services Commission. The Committee, while in the discharge of official
23 duties, may exercise all the powers provided under the provisions of G.S. 120-19 through
24 G.S. 120-19.4, including the power to request all officers, agents, agencies, and
25 departments of the State to provide any information and any data within their possession
26 or ascertainable from their records, and the power to subpoena witnesses.

27 Members of the Committee shall receive per diem, subsistence, and travel
28 allowances as follows:

- 29 (1) Committee members who are members of the General Assembly, at the
30 rate established in G.S. 120-3.1;
31 (2) Committee members who are officials or employees of the State or of
32 local government agencies, at the rate established in G.S. 138-6; and
33 (3) All other Committee members, at the rate established in G.S. 138-5.

34 (d) The Committee shall report the results of its study and its recommendations to
35 the 1997 General Assembly within a week of its convening.

36
37 Requested by: Senators Warren, Plyler, Perdue, Odom

38 **RESTORE THE PROVISION FOR PURCHASE OF OUT-OF-STATE SERVICE**
39 **IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**
40 **AND THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**

41 Sec. 7.23D. (a) G.S. 128-26 is amended by adding a new subsection to read:

42 "(j2) Notwithstanding any other provision of this Chapter, any member and any
43 retired member as herein described may purchase creditable service previously rendered

1 to any state, territory, or other governmental subdivision of the United States other than
2 this State by paying a total lump-sum payment determined as follows:

3 (1) For members who completed 10 years of prior and current membership
4 service, and retired members who completed 10 years of prior and
5 current membership service prior to retirement, and whose current
6 membership began on or before January 1, 1988, and who make such
7 purchase within three years after first becoming eligible, the cost shall
8 be an amount equal to the monthly compensation the member earned
9 when he first entered current membership service, times the employee
10 contribution rate at that time, times the months of service to be
11 purchased, times two, with sufficient interest added thereto so as to
12 equal the full cost of allowing such service, plus an administrative fee to
13 be set by the Board of Trustees.

14 (2) For members who complete five years of prior and current membership
15 service, and retired members who complete five years of prior and
16 current membership service prior to retirement, and eligible members
17 and retired members covered by subdivision (1) of this subsection,
18 whose current membership began on or before January 1, 1988, but who
19 did not or do not make such purchase within three years after first
20 becoming eligible, the cost shall be an amount equal to the full liability
21 of the service credits calculated on the basis of the assumptions used for
22 the purposes of the actuarial valuation of the System's liabilities and
23 shall take into account the retirement allowance arising on account of
24 the additional service credits commencing at the earliest age at which
25 the member could retire on an unreduced allowance, as determined by
26 the Board of Trustees upon the advice of the consulting actuary, plus an
27 administrative fee to be set by the Board of Trustees. Notwithstanding
28 the foregoing provisions of this subsection that provide for the purchase
29 of service credits, the term 'full liability' includes assumed
30 postretirement allowance increases, as determined by the Board of
31 Trustees, from the earliest age at which a member could retire on an
32 unreduced service retirement allowance.

33 Creditable service under this subsection shall be allowed only at the rate of one year of
34 out-of-state service for each two years of service in this State, with a maximum allowable
35 of 10 years of out-of-state service. Such service is limited to full-time service which
36 would be allowable under the laws governing this System. Credit will be allowed only if
37 no benefit is allowable in another public retirement system as a result of the service."

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

39 "(11) Notwithstanding any other provision of this Chapter, any member and any
40 retired member as herein described may purchase creditable service previously rendered
41 to any state, territory, or other governmental subdivision of the United States other than
42 this State by paying a total lump-sum payment determined as follows:

- 1 (1) For members who completed 10 years of membership service, and
2 retired members who completed 10 years of membership service prior
3 to retirement, whose current membership began on or before July 1,
4 1981, and who make such purchase within three years after first
5 becoming eligible, the cost shall be an amount equal to the monthly
6 compensation the member earned when he first entered current
7 membership service, times the employee contribution rate at that time,
8 times the months of service to be purchased, times two, with sufficient
9 interest added thereto so as to equal the full cost of allowing such
10 service, plus an administrative fee to be set by the Board of Trustees.
- 11 (2) For members who complete five years of membership service, and
12 retired members who complete five years of membership service prior
13 to retirement, and eligible members and retired members covered by
14 subdivision (1) of this subsection, whose current membership began on
15 or before July 1, 1981, but who did not or do not make such purchase
16 within three years after first becoming eligible, the cost shall be an
17 amount equal to the full liability of the service credits calculated on the
18 basis of the assumptions used for the purposes of the actuarial valuation
19 of the System's liabilities and shall take into account the retirement
20 allowance arising on account of the additional service credits
21 commencing at the earliest age at which the member could retire on an
22 unreduced allowance, as determined by the Board of Trustees upon the
23 advice of the consulting actuary, plus an administrative fee to be set by
24 the Board of Trustees. Notwithstanding the foregoing provisions of this
25 subsection that provide for the purchase of service credits, the term 'full
26 liability' includes assumed postretirement allowance increases, as
27 determined by the Board of Trustees, from the earliest age at which a
28 member could retire on an unreduced service retirement allowance.
- 29 Creditable service under this subsection shall be allowed only at the rate of one year of
30 out-of-state service for each two years of current membership service in this State, with a
31 maximum allowable of 10 years of out-of-state service. Such service is limited to full-
32 time service which would be allowable under the laws governing this System. Credit will
33 be allowed only if no benefit is allowable in another public retirement system as a result
34 of the service."

35
36 Requested by: Senators Plyler, Perdue, Odom

37 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED WELLNESS**
38 **BENEFITS**

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

40 "(e) Routine Diagnostic Examinations. – The Plan will pay one hundred percent
41 (100%) of allowable charges for routine diagnostic examinations and tests, including Pap
42 smears, breast, colon, rectal, and prostate exams, X rays, mammograms, blood and blood
43 pressure checks, urine tests, tuberculosis tests, and general health checkups that are

1 medically necessary for the maintenance and improvement of individual health but no
2 more often than once every three years for covered individuals to age 40 years, once
3 every two years for covered individuals to age 50 years, and once a year for covered
4 individuals age 50 years and older, unless a more frequent occurrence is warranted by a
5 medical condition when such charges are incurred in a medically supervised facility.
6 Provided, however, that charges for such examinations and tests are not covered by the
7 Plan when they are incurred to obtain or continue employment, to secure insurance
8 coverage, to comply with legal proceedings, to attend schools or camps, to meet travel
9 requirements, to participate in athletic and related activities, or to comply with
10 governmental licensing requirements. The maximum amount payable under this
11 subsection for a covered individual is one hundred fifty dollars (\$150.00) per fiscal year.

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

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

16 "s. Routine Diagnostic Examinations: Allowable charges for routine
17 diagnostic examinations and tests, including Pap smears, breast,
18 colon, rectal, and prostate exams, X rays, mammograms, blood
19 and blood pressure checks, urine tests, tuberculosis tests, and
20 general health checkups that are medically necessary for the
21 maintenance and improvement of individual health but no more
22 often than once every three years for covered individuals to age
23 40 years, once every two years for covered individuals to age ~~55~~
24 50 years, and once a year for covered individuals age ~~55-50~~
25 and older, unless a more frequent occurrence is warranted by a
26 medical condition when such charges are incurred in a medically
27 supervised facility. Provided, however, that charges for such
28 examinations and tests are not covered by the Plan when they are
29 incurred to obtain or continue employment, to secure insurance
30 coverage, to comply with legal proceedings, to attend schools or
31 camps, to meet travel requirements, to participate in athletic and
32 related activities or to comply with governmental licensing
33 requirements. ~~The maximum amount payable under this~~
34 ~~subdivision is one hundred fifty dollars (\$150.00) per fiscal~~
35 ~~year."~~

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

37
38 Requested by: Senators Plyler, Perdue, Odom

39 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED LIFETIME**
40 **BENEFIT**

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

42 "**§ 135-40.9. Maximum benefits.**

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

3
4 Requested by: Senators Plyler, Perdue, Odom

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

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

7 "f. Dental Services: Oral surgery, including extraction of teeth,
8 necessitated because of medical treatment. Dental surgery and
9 appliances for mouth, jaw, and tooth restoration necessitated
10 because of external violent and accidental means, such as the
11 impact of moving body, vehicle collision, or fall occurring while
12 an individual is covered under G.S. 135-40.3. No benefits are
13 provided in connection with injury incurred in the act of
14 chewing, nor for damage or breakage of an appliance such as
15 bridge or denture being cleaned or otherwise not in normal
16 mouth usage at the time of accident, nor for appliances for
17 orthodontic treatment when a class of malocclusion, other than
18 orthognathic, or cross bite has been diagnosed. Benefits for
19 temporomandibular joint (TMJ) dysfunction appliance therapy
20 are limited to cases where the TMJ dysfunction has been
21 diagnosed as solely resulting from accidental means as certified
22 by the attending practitioner and approved by the Claims
23 Processor.

24 Benefits shall include extractions, fillings, crowns, bridges, or
25 other necessary therapeutic and restorative techniques and
26 appliances to reasonably restore condition and function to that
27 existing immediately prior to the accident. Injury or breakage of
28 existing appliances such as bridges and dentures is limited to
29 repair of such appliances unless certified as damaged beyond
30 repair."

31
32 Requested by: Senators Plyler, Perdue, Odom

33 **STATE EMPLOYEE HEALTH BENEFIT PLAN/WAIVER OF INPATIENT**
34 **HOSPITAL CERTIFICATION PENALTY**

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

36 "f. Prior to admission for scheduled inpatient hospitalization, the
37 admitting physician shall contact the Plan and secure approval
38 certification for an inpatient admission, including a length of
39 stay, based upon clinical criteria established by the medical
40 community, before any in-hospital benefits are allowed under
41 G.S. 135-40.8(a). Immediately following an emergency or
42 unscheduled inpatient hospitalization, the admitting physician
43 shall contact the Plan and secure approval certification for the

1 admission's length of stay before any in-hospital benefits are
2 allowed under G.S. 135-40.8(a). Effective January 1, 1987,
3 failure to secure certification, or denial of certification, shall
4 result in in-hospital benefits being allowed at the rate maximum
5 amount of out-of-pocket expenses established by G.S. 135-
6 40.8(b). Denial of certification by the Plan shall be made only
7 after contact with the admitting physician and shall be subject to
8 appeal to the Executive Administrator and Board of Trustees.
9 Inpatient hospital admission and length of stay certifications
10 required by this subdivision do not apply to inpatient admissions
11 outside of the United States. While approval certification for
12 inpatient admissions is required to be initiated by the admitting
13 physician, the employee or individual covered by the Plan shall
14 be responsible for insuring that the required certification is
15 secured. Failure to secure certification for inpatient
16 hospitalization shall not result in a penalty to the employee or
17 individual when approval would have been given if requested."
18

19 Requested by: Senators Plyler, Perdue, Odom

20 **STATE EMPLOYEE HEALTH BENEFIT PLAN/RETIREE PREMIUMS BASED**
21 **ON RETIREMENT SERVICE CREDIT**

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

23 "(2) Retired teachers, State employees, members of the General Assembly,
24 and retired State law enforcement officers who retired under the Law
25 Enforcement Officers' Retirement System prior to January 1, 1985. For
26 employees first hired on and after October 1, 1995, and members of the
27 General Assembly first taking office on and after October 1, 1995,
28 future coverage as retired employees and retired members of the
29 General Assembly is subject to a requirement that the future retiree have
30 20 or more years of retirement service credit in order to be covered by
31 the provisions of this subdivision."

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

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

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

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

42 "(11) Retired teachers, State employees, and members of the General
43 Assembly with less than 10 years of retirement service credit,

1 provided they were first hired or took office on or after October 1,
2 1995."

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **STATE EMPLOYEE HEALTH BENEFIT PLAN/PLAN YEAR CHANGED**

6 Sec. 7.28A. (a) G.S. 135-40.1(7a) reads as rewritten:

7 "(7a) Fiscal Year. – The period beginning July 1 and ending on June 30 of
8 the succeeding January 1 and ending on December 30 of the same
9 calendar year."

10 (b) Notwithstanding G.S. 135-40.1(7a), the period July 1, 1995, through
11 December 31, 1995, is a fiscal year for the purpose of Article 3 of Chapter 135 of the
12 General Statutes. For the fiscal year established by this subsection, any dollar amounts
13 set for a fiscal year under that Article shall be applied as half that amount.

14
15 Requested by: Senators Plyler, Perdue, Odom

16 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED CHIROPRACTIC**
17 **BENEFITS**

18 Sec. 7.28B. G.S. 135-40.6(8)n. reads as rewritten:

19 "n. Chiropractic Services: Limited to the alignment of the spine and
20 releasing of pressure by manipulation in accordance with the
21 definitions in G.S. 90-143. Maximum benefits for x-rays,
22 manipulations, and modalities shall be ~~one thousand dollars~~
23 ~~(\$1,000)~~ two thousand dollars (\$2,000) per fiscal year."

24
25 Requested by: Senators Plyler, Perdue, Odom

26 **STATE EMPLOYEE HEALTH BENEFIT PLAN/DIRECT PAYMENT OF**
27 **LICENSED MARRIAGE AND FAMILY THERAPISTS**

28 Sec. 7.28C. (a) G.S. 135-40.7A(c) reads as rewritten:

29 "(c) Notwithstanding any other provision of this Part, provisions for benefits for
30 necessary care and treatment of chemical dependency under this Part shall provide for
31 benefit payments for the following providers of necessary care and treatment of chemical
32 dependency:

33 (1) The following units of a general hospital licensed under Article 5 of
34 General Statutes Chapter 131E:

- 35 a. Chemical dependency units in facilities licensed after October 1,
36 1984;
37 b. Medical units;
38 c. Psychiatric units; and

39 (2) The following facilities licensed after July 1, 1984, under Article 2
40 of General Statutes Chapter 122C:

- 41 a. Chemical dependency units in psychiatric hospitals;
42 b. Chemical dependency hospitals;
43 c. Residential chemical dependency treatment facilities;

- 1 d. Social setting detoxification facilities or programs;
2 e. Medical detoxification facilities or programs; and
3 (3) Duly licensed physicians and duly licensed practicing psychologists,
4 certified clinical social workers, licensed marriage and family
5 therapists, certified clinical specialists in psychiatric and mental
6 health nursing, and certified professionals working under the direct
7 supervision of such physicians or psychologists in facilities
8 described in (1) and (2) above and in day/night programs or
9 outpatient treatment facilities licensed after July 1, 1984, under
10 Article 2 of General Statutes Chapter 122C.

11 Provided, however, that nothing in this subsection shall prohibit the Plan from requiring
12 the most cost effective treatment setting to be utilized by the person undergoing
13 necessary care and treatment for chemical dependency."

14 (b) G.S. 135-40.7B(c) reads as rewritten:

15 "(c) Notwithstanding any other provisions of this Part, the following providers are
16 authorized to provide necessary care and treatment for mental illness under this section:

- 17 (1) Licensed psychiatrists;
18 (2) Licensed or certified doctors of psychology;
19 (3) Certified clinical social workers;
20 (3b) Licensed marriage and family therapists;
21 (4) Psychiatric nurses;
22 (5) Other social workers under the direct employment and supervision
23 of a licensed psychiatrist or licensed doctor of psychology;
24 (6) Psychological associates with a master's degree in psychology under
25 the direct employment and supervision of a licensed psychiatrist or
26 licensed or certified doctor of psychology;
27 (7) Licensed psychiatric hospitals and licensed general hospitals
28 providing psychiatric treatment programs; and
29 (8) Certified residential treatment facilities, community mental health
30 centers, and partial hospitalization facilities."

31 (c) This section becomes effective July 1, 1995, and applies to claims for
32 payment or reimbursement for services rendered on or after that date.

34 PART 8. GENERAL ASSEMBLY

35
36 Requested by: Senator Warren

37 CONFIDENTIALITY OF DOCUMENTS USED TO PREPARE FISCAL NOTES

38 Sec. 8.2. Effective upon ratification, G.S. 120-131.1(a) as enacted by Section
39 8.1 of Chapter 324 of the 1995 Session laws reads as rewritten:

40 "(a) A request made to an employee of a State agency other than the General
41 Assembly by an employee of the Fiscal Research Division for assistance in the
42 preparation of a fiscal note is confidential. An employee of a State agency other than the
43 General Assembly who receives such a request or who learns of such a request made to

1 another employee of his or her agency shall reveal the existence of the request only to
2 other employees of the agency to the extent that it is necessary to respond to the request,
3 and to the employee's supervisor and to the Office of State Budget and Management. All
4 documents prepared by the employee in response to the request of the Fiscal Research
5 Division are also confidential and shall be kept confidential in the same manner as the
6 original ~~request.~~ request, except that documents submitted to the Fiscal Research
7 Division in response to the request cease to be confidential under this section when the
8 Fiscal Research Division releases a fiscal note based on the documents."
9

10 Requested by: Senator Martin of Pitt

11 **STUDY JOB TRAINING PROGRAMS**

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

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

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

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

1 (6) To conduct public hearings to receive citizen, State agency, and local
2 government comment and experience with the job training programs;

3 (7) To conduct other studies or activities to aid the Commission in carrying
4 out its purpose and duties; and

5 (8) To ensure program evaluation and accountability for all workforce
6 development programs and to create a comprehensive statewide focus
7 on workforce development

8 (d) The Commission shall make an interim report on its progress to the 1995
9 General Assembly, the Joint Legislative Commission on Governmental Operations, and
10 the Joint Legislative Education Oversight Committee not later than May 1, 1996, and
11 shall present its final report of findings and recommendations to the 1997 General
12 Assembly, the Joint Legislative Commission on Governmental Operations, and the Joint
13 Legislative Education Oversight Committee, upon its convening. The report shall
14 identify each job training program operating in this State as of January 1, 1995, and shall
15 recommend whether each program should be expanded, continued without change,
16 abolished, consolidated with another program, or otherwise modified.

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

21 (f) The Commission may use available clerical employees of the General
22 Assembly, with the approval of the Legislative Services Commission. The Commission
23 may, with the consent of the Legislative Services Commission, use employees of the
24 Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting,
25 and Public Information Divisions of the Legislative Services Commission.

26 (g) Notwithstanding G.S. 96-5(f), there is appropriated from the Worker
27 Training Trust Fund to the General Assembly the sum of twenty-five thousand dollars
28 (\$25,000) for the 1995-96 fiscal year and the sum of twenty-five thousand dollars
29 (\$25,000) for the 1996-97 fiscal year to implement this section.

30 31 **PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT**

32
33 Requested by: Senator Warren

34 **LOCAL FIRE PROTECTION FUNDS**

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

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

42 (1) Fire protection grant history by political subdivision;

43 (2) Inequities in the current grant process;

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

7
8 Requested by: Senators Perdue, Martin of Pitt, Plyler, Odom, Rand

9 **OSBM STUDY STATE-OWNED AIRCRAFT MODIFIED**

10 Sec. 10.1. Section 10.4 of Chapter 324 of the 1995 Session Laws reads as
11 rewritten:

12 "Sec. 10.4. The Office of State Budget and Management shall study the use of State-
13 owned ~~aircraft~~ aircraft, including associated and ancillary equipment such as aerial
14 photographic cameras and related instrumentation, and shall report the results of its study
15 to the Joint Legislative Commission on Governmental Operations on or before April 1,
16 1996. The study shall include consideration of the following:

- 17 (1) For each Department, the number and type of aircraft, the number of
18 pilots, and the number and type of support personnel for aircraft.
19 (2) For each Department, the budget for aircraft, the source of funding for
20 aircraft, the number of hours the aircraft is available, and the number of
21 hours the aircraft is used.
22 (3) The feasibility and desirability of consolidating any or all State-owned
23 aircraft operations.
24 (4) The feasibility and desirability of sharing of aircraft by Departments.
25 (5) The feasibility and desirability of Departments' contracting for aircraft
26 services rather than owning their own aircraft.
27 (6) Compilation and review of Departments' policies regarding authorized
28 passengers on the aircraft and which Departmental personnel is
29 responsible for determining which passengers are authorized."
30

31 **PART 11. DEPARTMENT OF ADMINISTRATION**

32
33 Requested by: Senator Warren

34 **COST SHARING OF THE PERSONNEL MANAGEMENT INFORMATION**
35 **SYSTEM**

36 Sec. 11. The Office of State Personnel shall develop a proposed schedule of
37 fees or charges to be paid by each department and university to cover data processing
38 costs that exceed the appropriation made by the General Assembly for maintenance of the
39 system. The Office of State Personnel shall present the recommendation for the fee
40 schedule to the Joint Appropriations Subcommittee on General Government and to the
41 Fiscal Research Division during the 1996 Regular Session of the 1995 General
42 Assembly. Departments and universities shall have on-line access to all data on their
43 employees and positions, as well as access to public information on all State employees.

1
2 Requested by: Senator Warren

3 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM/STUDY**

4 Sec. 11.1. The Office of State Budget and Management shall develop a plan
5 for a workers' compensation cost containment program designed to reduce the cost to
6 State government of workers' compensation claims filed by State employees. The Office
7 of State Budget and Management shall consult with the Office of State Personnel in
8 developing the plan. The plan shall include recommendations regarding all of the
9 following: an appropriate process of competitive bidding, the feasibility of having a third-
10 party administrator to manage claims processing, the services that would be provided by
11 a third-party administrator including the determination of compensability and related
12 questions, incident reporting analysis, incident investigation, medical case management,
13 disability management, and information management. The plan shall also include
14 recommendations regarding the reimbursement of a third-party administrator. The plan
15 shall further be based on the premise that lapsed salary funds from the salary accounts of
16 State agencies shall not be used for the purpose of paying workers' compensation claims
17 of employees of the participating agencies.

18 On or before April 1, 1996, the Office of State Budget and Management shall
19 submit the plan to the Joint Legislative Commission on Governmental Operations and the
20 Fiscal Research Division.

21
22 Requested by: Senator Warren

23 **GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES**

24 Sec. 11.2. The Department of Human Resources shall continue to provide the
25 current office space for the four regional offices of the Governor's Advocacy Council for
26 Persons with Disabilities or office space that is comparable to that now used by the
27 Council.

28
29 Requested by: Senator Plyler

30 **CONSOLIDATE GRANTS PROCESS FOR CENTERS FOR VICTIMS OF**
31 **DOMESTIC VIOLENCE**

32 Sec. 11.3.(a) Federal and State grant funds are available for centers for victims
33 of domestic violence and the North Carolina Coalition Against Domestic Violence.
34 However, an applicant must apply to the Department of Human Resources to obtain a
35 grant funded by federal funds and to the Council on the Status of Women, Department of
36 Administration, to obtain a grant funded by State funds. To eliminate the needless
37 duplication of time, effort, and review, the Department of Administration and the
38 Department of Human Resources shall develop and implement a consolidated grant
39 application form and process for centers for victims of domestic violence and the North
40 Carolina Coalition Against Domestic Violence. The forms and process shall be
41 developed and implemented by July 1, 1996.

42 (b) The Fiscal Research Division shall study the feasibility of consolidating the
43 function of administering the federal and State grants for centers for victims of domestic

1 violence and the North Carolina Coalition Against Domestic Violence and shall report to
2 the 1995 General Assembly, 1996 Regular Session, regarding its findings and
3 recommendations.

4 5 **PART 11A. DEPARTMENT OF INSURANCE**

6
7 Requested by: Senator Warren

8 **DECREASE CONSUMER PROTECTION FUND**

9 Sec. 11A. (a) G.S. 58-2-215 reads as rewritten:

10 **"§ 58-2-215. Consumer Protection Fund.**

11 (a) A special fund is created in the Office of the State Treasurer, to be known as
12 the Department of Insurance Consumer Protection Fund. The Fund shall be placed in an
13 interest bearing account and any interest or other income derived from the Fund shall be
14 credited to the Fund. Moneys in the Fund shall only be spent pursuant to warrants drawn
15 by the Commissioner on the Fund through the State Treasurer. The Fund shall be subject
16 to the provisions of the Executive Budget Act; except that the provisions of Article 3C of
17 Chapter 143 of the General Statutes do not apply to subdivision (b)(1) of this section.

18 (b) All moneys credited to the Fund shall be used only to pay the following
19 expenses incurred by the Department:

20 (1) For the purpose of retaining outside actuarial and economic consultants,
21 legal counsel, and court reporting services in the review and analysis of
22 rate filings, in conducting all hearings, and through any final
23 adjudication.

24 (2) In connection with any delinquency proceeding under Article 30 of this
25 Chapter, for the purpose of locating and recovering the assets of or any
26 other obligations or liabilities owed to or due an insurer that has been
27 placed under such proceeding.

28 (3) In connection with any civil litigation, other than under Chapter 150B of
29 the General Statutes or any appeal from an order of the Commissioner
30 or his deputies, that is commenced against the Commissioner or his
31 deputies and that arises out of the performance of their official duties,
32 for the purpose of retaining outside consultants, legal counsel, and court
33 reporting services to defend such litigation.

34 (c) Moneys appropriated by the General Assembly shall be deposited in the Fund
35 and shall become a part of the continuation budget of the Department of Insurance. Such
36 continuation budget amount shall equal the actual expenditures drawn from the Fund
37 during the prior fiscal year plus the official inflation rate designated by the Director of the
38 Budget in the preparation of the State Budget for each ensuing fiscal year; provided that
39 if interest income on the Fund exceeds the amount yielded by the application of the
40 official inflation rate, such continuation budget amount shall be the actual expenditures
41 drawn from the ~~Fund~~ Fund, except that the appropriation for the 1995-96 fiscal year shall
42 not exceed the sum of seven hundred fifty thousand dollars (\$750,000) and for the 1996-
43 97 fiscal year shall not exceed the sum of two hundred fifty thousand dollars (\$250,000).

1 In the event the amount in the Fund exceeds ~~one million dollars (\$1,000,000) at the end~~
2 ~~of any fiscal year, two hundred fifty thousand dollars (\$250,000) at the end of any fiscal~~
3 ~~year, beginning with the 1995-96 fiscal year, such excess shall revert to the General~~
4 ~~Fund.~~

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

8 (b) Section 31 of Chapter 1069 of the 1989 Session Laws, Regular Session
9 1990, reads as rewritten:

10 "Sec. 31. Section 23 of this act does not apply to the 1990 automobile rate filing
11 made pursuant to Article 36 of Chapter 58 of the General Statutes. Section 27 of this act
12 shall expire at the end of the 1993-94 fiscal year and Section 28 shall become effective
13 upon the expiration of Section 27. ~~If the General Assembly does not appropriate or~~
14 ~~transfer funds in accordance with Sections 1, 22, 26, 27, or 28 of this act for a fiscal year,~~
15 ~~Sections 1 through 14 and Sections 23 through 30 of this act shall expire on the day after~~
16 ~~the General Assembly adjourns without making the appropriations or transfers; and the~~
17 ~~statutes amended by Sections 2 through 14, 23, and 26 shall read as they did immediately~~
18 ~~prior to the effective date of this act."~~

19
20 Requested by: Senator Warren

21 **AUDITS OF STATISTICAL AGENCIES AND RATING ORGANIZATIONS TO** 22 **VERIFY THE COLLECTION OF DATA**

23 Sec. 11A.1. Of the funds appropriated to the Department of Insurance for the
24 1995-96 fiscal year, the sum of seven hundred seventy-five thousand dollars (\$775,000)
25 shall be used to retain professional services to conduct audits required to verify the
26 collection of data related to private passenger automobile insurance by statistical agencies
27 and rating organizations or their member companies. The Department of Insurance shall
28 implement a bidding procedure for contracting with professionals similar to the
29 competitive bidding procedure under Article 3 of Chapter 143 of the General Statutes.

30 31 **PART 12. CULTURAL RESOURCES**

32
33 Requested by: Senator Warren

34 **REPEAL CAPITOL PRESERVATION COMMISSION**

35 Sec. 12. (a) Chapter 682 of the 1993 Session Laws is repealed.

36 (b) G.S. 121-9 is amended by adding a new subsection, which reenacts the law
37 as it existed prior to July 1, 1995:

38 "(h) Preservation and Custodial Care of State Capitol. – The rotunda, corridors, and
39 stairways of the first floor of the State Capitol and all portions of the second, third, and
40 loft floors of the said building shall be placed in the custody of the Department of
41 Cultural Resources; and the Department shall, subject to the availability of funds for the
42 purpose, care for and administer these areas for the edification of present and future
43 generations. The aforesaid areas shall be preserved as historic shrines and shall be

1 maintained insofar as practicable as they shall appear following the restoration of the
 2 Capitol. The Department of Cultural Resources is authorized to deny the use of the
 3 legislative chambers for meetings in order that they, with their historic furnishings, may
 4 be better preserved for posterity; provided, however, that the General Assembly may hold
 5 therein such sessions as it may by resolution deem proper.

6 The Department of Cultural Resources is hereby entrusted with the responsibilities
 7 herein specified as being the agency with the experience best qualified to preserve and
 8 administer historic properties in a suitable manner. However, for the purposes of carrying
 9 out the provisions of this section, it is hereby directed that such cooperation and
 10 assistance shall be made available to the said Department of Cultural Resources and such
 11 labor supplied, as may be feasible, by the Department of Administration.

12 The offices and working areas of the first floor as well as all washrooms and the
 13 exterior of the Capitol shall remain under the jurisdiction of the Department of
 14 Administration: Provided, however, that the Department of Administration shall seek the
 15 advice of the Department of Cultural Resources in matters relating to any alteration,
 16 renovation, and furnishing of said offices and areas."

17 (c) This section is effective upon ratification.

18
 19 Requested by: Senator Warren

20 **TECHNICAL CORRECTION/EXECUTIVE MANSION CURATOR**
 21 **TRANSFERRED**

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

24 "Sec. 11.1. The position of Executive Mansion Curator (~~position number 4129-0101-~~
 25 ~~0006-125~~)(position number 4149-0101-0006-125) is transferred from the Department of
 26 Administration to the Department of Cultural Resources. This transfer will permit the
 27 Department of Cultural Resources to better maintain the historical personal properties of
 28 the Executive Mansion. This provision does not affect, in any way, the jurisdiction of the
 29 Department of Administration over the Executive Mansion and its grounds."

30
 31 Requested by: Senator Warren

32 **NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES**
 33 **REDUCED**

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

	1995-96	1996-97
41 (1230) Archives and History	(\$90,618) R	(\$90,618)
42 R		

1		-3.00	-3.00
2	(1241) Historic Sites	(\$77,452) R	(\$77,452)
3	R		
4		-3.00	-3.00
5	(1270) Museum of History	(\$269,322) R	(\$269,322)
6	R		
7		-9.50	-9.50
8	(1320) Museum of Art	(\$29,495) R	(\$29,495)
9	R		
10		-1.00	-1.00

11
12 Requested by: Senator Warren

13 HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS

14 Sec. 12.3. (a) Funds allocated in Section 5.3 of Chapter 324 of the 1995
15 Session Laws to the Office of State Budget and Management for the Repairs and
16 Renovations Fund may be used to make needed repairs and renovations at the State
17 Historic Sites and other historic sites.

18 (b) There is established the Historic Sites Repairs and Renovations Review
19 Committee. The Committee shall consist of the following members: The three co-chairs
20 of the Senate Appropriations and Base Budget Committee and the three co-chairs of the
21 House of Representatives Appropriations Committee. The Office of State Budget and
22 Management shall submit its proposal for the use of funds from the Repairs and
23 Renovations Fund for historic sites to the Committee before submitting the proposal to
24 the Joint Legislative Commission on Governmental Operations in accordance with
25 Section 5.3 of Chapter 324 of the 1995 Session Laws.

26
27 Requested by: Senator Warren

28 GRANTS TO PUBLIC LIBRARIES

29 Sec. 12.4. (a) Funds in the amount of three million dollars (\$3,000,000)
30 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
31 year shall be used as grants-in-aid for public libraries to assist in the purchase of books or
32 for construction costs of public libraries and public school libraries. The Secretary of
33 Cultural Resources shall award grants authorized by this section.

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

37
38 Requested by: Senator Warren

39 GRANTS TO LOCAL MUSEUMS

40 Sec. 12.5. (a) Funds in the amount of two million dollars (\$2,000,000)
41 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
42 year shall be used as grants-in-aid for local museums. The Secretary of Cultural
43 Resources may require a match by non-State funds as deemed appropriate.

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

4
5 Requested by: Senator Warren

6 **ROANOKE ISLAND COMMISSION**

7 Sec. 12.6. (a) G.S. 143B-131.1 reads as rewritten:

8 **"§ 143B-131.1. Commission established.**

9 There is established the Roanoke Island Commission. The Commission shall be an
10 independent commission, but shall be located within the Department of Cultural
11 Resources for organizational, budgetary, and administrative historic resource
12 management, organizational, and budgetary purposes."

13 (b) G.S. 143B-131.2 reads as rewritten:

14 **"§ 143B-131.2. Roanoke Island Commission —~~Powers~~ Purpose, powers, and duties.**

15 (a) The Commission is created to combine various existing entities in the spirit of
16 cooperation for a cohesive body to protect, preserve, develop, and interpret the historical
17 and cultural assets of Roanoke Island. The Commission is further created to operate and
18 administer the Elizabeth II State Historic Site and Visitor Center, the Elizabeth II, Ice
19 Plant Island, and all other properties under the administration of the Department of
20 Cultural Resources located on Roanoke Island having historical significance to the State
21 of North Carolina, Dare County, or the Town of Manteo, except as otherwise determined
22 by the Commission.

23 (b) The Commission ~~may~~ shall have the following powers and duties:

24 (1) ~~Advise~~ To advise the Secretary of Transportation and adopt rules on
25 matters pertaining to, affecting, and encouraging restoration,
26 preservation, and enhancement of the ~~appearance and appearance,~~
27 maintenance, and aesthetic quality of U.S. Highway 64/264 and N.C.
28 400 travel corridors on Roanoke ~~Island.~~ Island and the grounds on Ice
29 Plant Island.

30 (2) ~~Advise the Secretary of the Department of Cultural Resources and adopt~~
31 ~~rules on matters pertinent to the operation and maintenance of~~ To
32 operate the Elizabeth II State Historic Site and Visitor Center and the
33 Elizabeth II as permanent memorials commemorating the Roanoke
34 Voyages, 1584-1587.

35 (3) ~~Advise the Secretary of the Department of Cultural Resources and adopt~~
36 ~~rules on matters pertinent to~~ To supervise the development of Ice Plant
37 Island and to manage future ~~facilities in cooperation with the~~
38 Department of Cultural Resources. facilities.

39 (4) ~~Advise~~ To advise the Secretary of the Department of Cultural Resources
40 on matters pertinent to historical and cultural events on Roanoke Island.

41 (5) With the assistance of the Department of Cultural Resources, to
42 identify, preserve, and protect properties located on Roanoke Island
43 having historical significance to the State of North Carolina, Dare

- 1 County, or the Town of Manteo consistent with applicable State laws
2 and ~~Department~~ rules.
- 3 (6) ~~Make recommendations to the Secretary of the Department of Cultural~~
4 ~~Resources for establishing and providing a proper~~ To establish and
5 ~~collect a charge for admission to the ship, and for the maintenance and~~
6 ~~operation of the ship, the visitor center, and the grounds as a permanent~~
7 ~~memorial and exhibit.~~ any property or event operated by the
8 Commission.
- 9 (7) ~~Solicit~~ To solicit and accept gifts, grants, and donations.
- 10 (8) ~~Cooperate~~ To cooperate with the Secretary and Department of Cultural
11 Resources, the Secretary and Department of Transportation, the
12 Secretary and Department of Environment, Health, and Natural
13 Resources, and other governmental agencies, officials, and entities, and
14 provide them with assistance and advice.
- 15 (9) ~~Adopt~~ To adopt and enforce such bylaws, rules, ~~regulations,~~ and
16 guidelines that the Commission deems to be reasonably necessary in
17 order to carry out its powers and duties. Chapter 150B of the General
18 Statutes does not apply to the adoption of rules by the Commission.
- 19 (10) ~~Establish~~ To establish and maintain a "~~Roanoke Island Commission~~
20 ~~Fund~~" separate fund composed of moneys which may come into its
21 hands from gifts, donations, grants, or bequests, which funds will be
22 used by the Commission for purposes of carrying out its duties and
23 purposes herein set forth. The Commission may also establish a reserve
24 fund to be maintained and used for contingencies and emergencies.
- 25 (11) By cooperative arrangement with other agencies, groups, individuals,
26 and other entities, to coordinate and schedule historical and cultural
27 events on Roanoke Island.
- 28 (12) Make recommendations to the Secretary of Cultural Resources
29 concerning personnel and budgetary matters.
- 30 (13) ~~Acquire~~ To acquire real and personal property by purchase, gift,
31 bequest, devise, and exchange.
- 32 (14) To administer the Roanoke Island Commission Fund and the Roanoke
33 Island Commission Endowment Fund as provided in G.S. 143B-131.8.
- 34 (b) ~~Contract Authority.~~ ~~The Commission may~~
35 (15) To procure supplies, services, and property as appropriate and may to
36 enter into contracts, leases, or other legal agreements consistent with
37 State laws and Department rules to carry out the purposes of this Part
38 and duties of the Commission."
- 39 (c) Part 27A of Article 2 of Chapter 143B of the General Statutes is amended by
40 adding the following sections:
41 **"§ 143B-131.8. Roanoke Island Commission Fund; Roanoke Island Commission**
42 **Endowment Fund.**

1 (a) The Roanoke Island Commission Fund is established as a nonreverting Fund
2 and shall be administered by the Roanoke Island Commission. Seventy-five percent
3 (75%) of the revenues collected from any property operated by the Roanoke Island
4 Commission shall be credited to the Fund. In addition, gifts, donations, grants, or
5 bequests received by the Commission for the purpose of carrying out its duties and
6 purposes may also be deposited in the Fund.

7 The funds in the Roanoke Island Commission Fund shall be used for the expenses of
8 the Roanoke Island Commission and the operation and maintenance of properties
9 operated by the Commission.

10 (b) The Roanoke Island Commission Endowment Fund is established as a
11 nonreverting Fund and shall be administered by the Commission. Twenty-five percent
12 (25%) of the revenue collected from any property operated by the Roanoke Island
13 Commission shall be credited to the Fund. Until July 1, 2000, the revenues credited to
14 the Roanoke Island Commission Endowment Fund and the interest earned on the revenue
15 shall be held in reserve to create the principal for the Fund.

16 On and after July 1, 2000, eighty percent (80%) of the interest generated by the
17 principal in the Roanoke Island Commission Endowment Fund shall be used by the
18 Roanoke Island Commission to carry out its duties and purposes as set out by this Part.
19 The Roanoke Island Commission may also use those interest funds for capital
20 expenditures for the properties operated by the Commission.

21 **"§ 143B-131.9. Roanoke Island Commission staff.**

22 The Commission shall appoint and fix the salary of an Executive Director to serve at
23 its pleasure and may hire other employees. Employees of the Commission who were
24 transferred from the Department of Cultural Resources as of July 1, 1995, and who were
25 subject to the State Personnel Act, Chapter 126 of the General Statutes, at the time of the
26 transfer shall continue to be subject to that act. Employees of the Commission who were
27 transferred but were not subject to the State Personnel Act at the time of transfer are not
28 subject to the State Personnel Act. Employees of the Commission who were not
29 transferred are not subject to the State Personnel Act unless the Commission designates
30 the employee's position as subject to the State Personnel Act when the employee is hired.
31 Once designated, a position remains subject to the State Personnel Act unless exempted
32 in accordance with that act.

33 **"§ 143B-131.10. Exceptions.**

34 Notwithstanding G.S. 143-28, the following provisions do not apply to this Part: G.S.
35 143-16.3 and G.S. 143-23."

36 (d) The personnel, personal property, and unexpended balances of appropriations,
37 allocations, or other funds for the Elizabeth II State Historic Site and Visitor Center, the
38 Elizabeth II, and the Roanoke Island Commission are transferred from the Department of
39 Cultural Resources to the Roanoke Island Commission.

40 (e) This section is effective upon ratification.

41
42 **PART 13. STATE BOARD OF ELECTIONS**

1 Requested by: Senator Warren

2 **STATEWIDE COMPUTERIZED VOTER REGISTRATION**

3 Sec. 13.2. (a) The State Board of Elections shall not encumber or expend any
4 funds from the reserve fund created by Section 16(b) of Chapter 762 of the 1993 Session
5 Laws prior to the adjournment sine die of the 1995 General Assembly, Regular Session.

6 (b) To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-
7 82.13 or Section 16 of Chapter 769 of the 1993 Session Laws, this section prevails to the
8 extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 762 of
9 the 1993 Session Laws remains in effect.

10

11 **PART 15. COLLEGES AND UNIVERSITIES.**

12

13 Requested by: Senators Plexico, Winner

14 **MEHARRY MEDICAL COLLEGE**

15 Sec. 15. The Board of Governors of The University of North Carolina shall
16 develop and implement a plan to recruit and attract graduates of Meharry Medical
17 College who are North Carolina residents for whom State financial support was provided
18 to Meharry Medical College. The Board's plan shall include informing the students of
19 the State support, providing information about medical residency opportunities in North
20 Carolina, and any other relevant information about opportunities for medical and dental
21 practice in North Carolina. The Office of Rural Health and the Area Health Education
22 Centers shall assist the Board in developing and implementing the plan. The Board shall
23 include State-supported graduates of Meharry Medical College in its monitoring report
24 required by G.S. 143-613(d) on primary care physicians. Meharry Medical College shall
25 supply information necessary for the Board to comply with this section.

26

27 Requested by: Senators Plexico, Winner

28 **SCHOOL OF SCIENCE AND MATHEMATICS**

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

30 "(b) Students. –

31 (1) Admission of Students. – The School shall admit students in accordance
32 with criteria, standards, and procedures established by the Board of
33 Trustees. To be eligible to be considered for admission, an applicant
34 must be a legal resident of the State, as defined by G.S. ~~116-143.1~~; 116-
35 143.1(a)(1); eligibility to remain enrolled in the School shall terminate
36 at the end of any school year during which a student becomes a
37 nonresident of the State. The Board of Trustees shall ensure, insofar as
38 possible without jeopardizing admission standards, that an equal
39 number of qualified rising high school juniors is admitted to the
40 program and to the residential summer institutes in science and
41 mathematics from each of North Carolina's congressional districts. In
42 no event shall the deviation in the number of rising high school juniors
43 offered admission to the program from each of North Carolina's

1 congressional districts deviate more than three percentage points from
2 the average number per district who are offered admission.

3 (2) School Attendance. – Every parent, guardian, or other person in this
4 State having charge or control of a child who is enrolled in the School
5 and who is less than 16 years of age shall cause such child to attend
6 school continuously for a period equal to the time which the School
7 shall be in session. No person shall encourage, entice, or counsel any
8 child to be unlawfully absent from the School. Any person who aids or
9 abets a student's unlawful absence from the School shall, upon
10 conviction, be guilty of a Class 3 misdemeanor. The Director of the
11 School shall be responsible for implementing such additional policies
12 concerning compulsory attendance as shall be adopted by the Board of
13 Trustees, including regulations concerning lawful and unlawful
14 absences, permissible excuses for temporary absences, maintenance of
15 attendance records, and attendance counseling.

16 (3) Student Discipline. – Rules of conduct governing students of the School
17 shall be established by the Board of Trustees. The Director, other
18 administrative officers, and all teachers, substitute teachers, voluntary
19 teachers, teacher aides and assistants, and student teachers in the School
20 may use reasonable force in the exercise of lawful authority to restrain
21 or correct pupils and maintain order."
22

23 Requested by: Senators Plexico, Winner, Kerr

24 **UNC VISUAL IMPAIRMENT TEACHER TRAINING CURRICULUM**

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

29 (1) To collaboratively devise an appropriate curriculum for the training of
30 teachers to work with visually impaired students.

31 (2) To seek foundation grants to support the cooperative program of teacher
32 education.

33 (3) To work together in the implementation and operation of the program
34 providing the needed training experiences for students from those states
35 that become a part of the consortium.

36 (b) The school of education designated by the Board of Governors of The
37 University of North Carolina to establish the interstate consortium shall try to recruit one
38 university from each of the states in the southeastern United States. The program
39 developed by the interstate consortium shall be operated at the school of education
40 designated by the Board of Governors to undertake the project and shall utilize
41 technology for long-distance learning within the State and among the other states in the
42 consortium. The program shall be funded by all states participating in the consortium in
43 addition to grants obtained by the consortium.

1 (c) The program designed by the consortium shall be implemented collaboratively
2 with the North Carolina Department of Human Resources through the Division of
3 Services for the Blind. The Governor Morehead School shall be used as a clinical site for
4 the students in the program. The program shall be designed to meet certification
5 requirements that are set by the licensing agencies in the states participating in the
6 consortium. The program shall offer a masters degree in visual impairments and shall
7 also offer courses for special education teachers to enable them to extend their
8 certification to include visual impairments.

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

12
13 Requested by: Senators Plexico, Winner, Hoyle

14 **UNC CAPITAL IMPROVEMENT PRIORITIES**

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

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

23
24 Requested by: Senators Plexico, Winner, Warren

25 **ECU MEDICAL SCHOOL RECEIPTS**

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

28 **"§ 116-36.6. East Carolina University School of Medicine; Medicare receipts.**

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

33 (1) The portion of the Medicare reimbursement generated through the effort
34 and expense of the School of Medicine's Medical Faculty Practice Plan
35 shall be transferred to the appropriate Medical Faculty Practice Plan
36 account within the School of Medicine. The Medical Faculty Practice
37 Plan shall assume responsibility for any of these funds that subsequently
38 must be refunded due to final audit settlements.

39 (2) The funds from this source budgeted by the General Assembly as part of
40 the School of Medicine's general fund budget code shall be credited to
41 that code as a receipt.

42 (3) The remainder of the funds shall be transferred to a special fund account
43 on deposit with the State Treasurer. This special fund account shall be

1 used for any necessary repayment of Medicare funds due to final audit
2 settlements for funds allocated under subdivision (2) of this subsection.
3 When the amount of these reimbursement funds has been finalized by
4 audit for each year, those funds remaining in the special fund shall be
5 available for specific capital improvement projects for the East Carolina
6 University School of Medicine. Requests by East Carolina University
7 for use of these funds shall be made to the Board of Governors of The
8 University of North Carolina. Approval of projects by the Board of
9 Governors shall be reported to the Joint Legislative Commission on
10 Governmental Operations, and the reports shall include projected costs
11 and sources of funds for operation of the approved projects."
12

13 Requested by: Senators Plexico, Winner

14 **STATE EDUCATION ASSISTANCE AUTHORITY/FEDERAL MATCHING**
15 **FUNDS**

16 Sec. 15.5. Funds appropriated in Chapter 324 of the 1995 Session Laws to the
17 Board of Governors of The University of North Carolina for use by the State Education
18 Assistance Authority to match federal grants under the Federal State Student Incentive
19 Grant program shall remain available to assist needy students in meeting postsecondary
20 education expenses irrespective of the receipt by the State Education Assistance
21 Authority of any federal funds for such purpose. In the event federal funds are not
22 available for such purposes, the eligibility for funds under this section shall be limited to
23 resident students attending a constituent institution of The University of North Carolina, a
24 community college as defined by G.S. 115D-2(2), or a private institution as defined by
25 G.S. 116-22(1).
26

27 Requested by: Senators Perdue, Plexico, Rand, Winner, Odom, Plyler

28 **MILITARY PERSONNEL/BUDGETING OF SUMMER SCHOOL CREDIT**
29 **HOURS**

30 Sec. 15.6. For State budget purposes, credit hours taken in summer school at a
31 constituent institution of The University of North Carolina by military personnel as
32 defined in G.S. 116-143.3(a) and G.S. 116-143.3(b) shall be budgeted as resident credit
33 hours.
34

35 Requested by: Senators Plexico, Winner

36 **REPORTS ON UNC VENDING FACILITIES**

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

38 **"§ 116-36.4. Vending facilities.**

39 ~~The Board of Governors shall, not later than October 1 of each year, review an~~
40 ~~itemized annual report in a format to be determined by the Office of State Budget and~~
41 ~~Management. Each institution shall provide to the director of the Budget and the State~~
42 Auditor such information as they may from time to time require concerning the use of net
43 proceeds from operations of vending facilities for the previous fiscal year under G.S.

1 116-36.1. Net proceeds may be used only as authorized by the Board of Governors, but
2 this section does not authorize expenditures for purposes not otherwise authorized by
3 law. ~~The report shall be itemized by campus and by authorized purpose. The Board shall~~
4 ~~also review an annual report from the UNC Hospitals, monitoring compliance with G.S.~~
5 ~~143-12.1(f1). A copy of the report shall be provided to the Fiscal Research Division of~~
6 ~~the Legislative Services Office."~~

7
8 Requested by: Senators Plexico, Winner

9 **ALLIED HEALTH PROFESSIONS**

10 Sec. 15.8. Of the funds provided to the Board of Governors for expansion
11 funding through receipts, the amount of one million seven hundred thousand dollars
12 (\$1,700,000) each fiscal year of the biennium shall be allocated each year for expansion
13 of program offerings and enrollment for training of allied health professionals.

14
15 Requested by: Senators Plexico, Winner

16 **AHEC PRIMARY CARE**

17 Sec. 15.9. Of the funds provided to the Board of Governors of The University
18 of North Carolina for expansion funding through receipts for University Institutional
19 Programs, the sum of two million dollars (\$2,000,000) shall be allocated for the 1995-96
20 fiscal year and two million five hundred thousand dollars (\$2,500,000) shall be allocated
21 for the 1996-97 fiscal year for Area Health Education Centers for initiatives in primary
22 care and training of mid-level practitioners.

23
24 Requested by: Senators Odom, Perdue, Plyler, Plexico, Rand, Winner

25 **SELECTION OF DISTINGUISHED PROFESSORS**

26 Sec. 15.12. G. S. 116-41.18 is amended by adding a new subsection to read:

27 "(a1) No rule shall prevent the constituent institutions of The University of
28 North Carolina from selecting holders of Distinguished Professorships
29 from among existing faculty members or newly hired faculty members."

30
31 Requested by: Senator Martin of Guilford

32 **NORTH CAROLINA A & T STATE UNIVERSITY APPLIED**
33 **MANUFACTURING AND EDUCATION CENTER**

34 Sec. 15.13. Funds in the amount of three million five hundred thousand dollars
35 (\$3,500,000) were appropriated in Section 6 of Chapter 561 of the 1993 Session Laws to
36 the Board of Governors for the Applied Manufacturing and Education Center at North
37 Carolina Agricultural and Technical State University. The remainder of those funds may
38 be used by North Carolina Agricultural and Technical State University for the 1995-96
39 fiscal year and for the 1996-97 fiscal year for capital, operating, and equipment expenses
40 of the Piedmont Triad Center for Advanced Manufacturing.

41
42 Requested by: Senator Perdue

43 **OVERHEAD RECEIPTS**

1 Sec. 15.14. The General Assembly intends to complete the elimination of the
2 use of overhead receipts derived from reimbursement of indirect costs on contracts and
3 grants as an offset to General Fund appropriations for The University of North Carolina
4 in fiscal year 1997-98, as stated in Section 2(a) of Chapter 936 of the 1989 Session Laws.
5 The continuation budget prepared by the Director of the Budget for the 1997-99
6 biennium shall not include any overhead receipts as offsets to General Fund current
7 operations appropriations for any of the constituent institutions of The University of
8 North Carolina.

9
10 Requested by: Senator Rand

11 **ACADEMIC ENHANCEMENT FUNDS**

12 Sec. 15.15. (a) Notwithstanding G.S. 116-143, the Board of Trustees of a
13 constituent institution designated as a Research University I campus of The University of
14 North Carolina may increase tuition at the constituent institution by an amount not to
15 exceed five hundred dollars (\$500.00) per full-time student per regular term academic
16 year. All additional revenues derived from these tuition increases shall remain for use on
17 that campus and are in addition to the operating budgets approved by the General
18 Assembly. If the Board of Trustees of an institution increases tuition, the chancellor must
19 allocate a minimum of thirty-five percent (35%) of the funds provided by the tuition
20 increase for need-based financial aid. The balance of the funds may be allocated for
21 faculty salaries or library budgets.

22 (b) Notwithstanding G.S. 116-143, the Board of Trustees of a constituent
23 institution of The University of North Carolina which has a professional school (law,
24 medicine, dentistry, pharmacy, and veterinary medicine) or masters degree in Business
25 Administration may increase tuition for students in the professional school by an amount
26 not to exceed three thousand dollars (\$3,000) per full-time nonresident student per
27 regular term academic year or by an amount not to exceed five hundred dollars (\$500.00)
28 per full-time resident student per regular term academic year. If the Board of Trustees of
29 an institution increases tuition for students in a professional school, the funds provided by
30 the increase shall remain on that campus and be used to enhance that professional school.
31 In no case shall a student attending a professional school be subject to a tuition increase
32 allowable under this section greater than the amounts stated in this subsection.

33 (c) Once a Board of Trustees decides to increase tuition at a constituent institution,
34 the institution shall notify the Board of Governors, the Office of State Budget and
35 Management, and the Fiscal Research Division of the amount of increase, additional
36 receipts anticipated, and the allocation of the funds among various programs in a format
37 prescribed by the Board of Governors of The University of North Carolina.

38
39 Requested by: Senator Winner

40 **UNC/UNIFORM REVERSION RATE**

41 Sec. 15.16. G.S. 116-30.3 reads as rewritten:
42 **"§ 116-30.3. Reversions.**

1 (a) ~~Of the General Fund current operations appropriations credit balance~~
2 ~~remaining at the end of each fiscal year in each budget code of a special responsibility~~
3 ~~constituent institution at the close of a fiscal year, institution, except for the budget code~~
4 ~~of the Area Health Education Centers of the University of North Carolina at Chapel Hill,~~
5 ~~any amount greater than the percentage of the General Fund appropriations historically~~
6 ~~reverted to the State treasury over the preceding five fiscal years, multiplied by the~~
7 ~~General Fund appropriations for that budget code, two percent (2%) of the General Fund~~
8 ~~appropriation for that fiscal year may be carried forward by the institution to the next~~
9 ~~fiscal year and may be used for one-time expenditures that will not impose additional~~
10 ~~financial obligations on the State. Of the General Fund current operations appropriations~~
11 ~~credit balance remaining in the budget code of the Area Health Education Centers of the~~
12 ~~University of North Carolina at Chapel Hill, any amount greater than one percent (1%) of~~
13 ~~the General Fund appropriation for that fiscal year may be carried forward in that budget~~
14 ~~code to the next fiscal year and may be used for one-time expenditures that will not~~
15 ~~impose additional financial obligations on the State. However, the amount carried~~
16 ~~forward under this section shall not exceed two and one-half percent (2 1/2%) of the~~
17 ~~General Fund appropriation. The historic reversion percentage shall be determined by the~~
18 ~~Director of the Budget, after making adjustments for allotment reductions made to meet~~
19 ~~revenue shortfalls and to force credit balances during the preceding five fiscal years~~
20 ~~under the authority set forth in G.S. 143-25. The Director of the Budget, under the~~
21 ~~authority set forth in G.S. 143-25, shall establish the General Fund current operations~~
22 ~~credit balance remaining in each budget code of each institution.~~

23 (b) ~~Any special responsibility constituent institution that does not revert a~~
24 ~~percentage of the General Fund appropriations for the budget code equal to the five year~~
25 ~~historic reversion rate established in this section. An institution shall cease to be a special~~
26 ~~responsibility constituent institution under the following circumstances:~~

27 (1) ~~An institution, other than the Area Health Education Centers of the~~
28 ~~University of North Carolina, does not revert at least two percent (2%)~~
29 ~~of its General Fund current operations credit balance remaining in each~~
30 ~~budget code of that institution, or~~

31 (2) ~~The Area Health Education Centers of the University of North Carolina~~
32 ~~at Chapel Hill does not revert at least one percent (1%) of its General~~
33 ~~Fund current operations credit balance remaining in its budget code.~~

34 ~~unless the Board of Governors finds that the low reversion rate is due to adverse and~~
35 ~~unforeseen conditions. In this instance, However, if the Board of Governors finds that~~
36 ~~the low reversion rate is due to adverse and unforeseen conditions, the Board may allow~~
37 ~~the institution to remain a special responsibility constituent institution for one year to~~
38 ~~come into conformity with this section. The Board may make this exception only one~~
39 ~~time for any special responsibility constituent institution, and shall report these~~
40 ~~exceptions to the Joint Legislative Commission on Governmental Operations."~~

41
42 Requested by: Senators Plexico, Winner, and Hoyle

43 **UNC MISSION**

1 Sec. 15.17. G.S. 116-1 reads as rewritten:

2 **"§ 116-1. Purpose.**

3 (a) In order to foster the development of a well-planned and coordinated system of
4 higher education, to improve the quality of education, to extend its benefits and to
5 encourage an economical use of the State's resources, the University of North Carolina is
6 hereby redefined in accordance with the provisions of this Article.

7 (b) The University of North Carolina is a public, multicampus university dedicated
8 to the service of North Carolina and its people. It encompasses the 16 diverse constituent
9 institutions and other educational, research, and public service organizations. Each
10 shares in the overall mission of the university. That mission is to discover, create,
11 transmit, and apply knowledge to address the needs of individuals and society. This
12 mission is accomplished through instruction, which communicates the knowledge and
13 values and imparts the skills necessary for individuals to lead responsible, productive,
14 and personally satisfying lives; through research, scholarship, and creative activities,
15 which advance knowledge and enhance the educational process; and through public
16 service, which contributes to the solution of societal problems and enriches the quality of
17 life in the State. In the fulfillment of this mission, the university shall seek an efficient
18 use of available resources to ensure the highest quality in its service to the citizens of the
19 State.

20 Teaching and learning constitute the primary service that the university renders to
21 society. Teaching, or instruction, is the primary responsibility of each of the constituent
22 institutions. The relative importance of research and public service, which enhance
23 teaching and learning, varies among the constituent institutions, depending on their
24 overall missions."

25
26 Requested by: Senator Plexico

27 **UNC-ASHEVILLE/KELLOGG CENTER FUNDS**

28 Sec. 15.18. Of the funds appropriated to the Board of Governors of The
29 University of North Carolina for capital improvements the sum of five hundred thousand
30 dollars (\$500,000) for the 1995-96 fiscal year shall be used for the Kellogg Center at the
31 University of North Carolina at Asheville as a repository of mountain crafts.

32
33 Requested by: Senators Kerr, Winner, Plexico

34 **NCSU FORESTRY GENETICIST FUNDS**

35 Sec. 15.19. Of the funds provided through receipts to the Board of Governors
36 of The University of North Carolina the sum of one hundred fifty thousand dollars
37 (\$150,000) for the 1995-96 fiscal year and the sum of one hundred fifty thousand dollars
38 (\$150,000) for the 1996-97 fiscal year shall be used for North Carolina State University
39 to establish and maintain a forestry geneticist position and support services dedicated to
40 the development and use of the best genetic stock from the North Carolina Christmas tree
41 industry.

42
43 Requested by: Senator Plexico

UNC TELEVISION TOWER REPAIR FUNDS

Sec. 15.20. Of the funds allocated to the Board of Governors of The University of North Carolina in Section 5.3 of Chapter 324 of the 1995 Session Laws for the 1995-96 fiscal year, at least five hundred thousand dollars (\$500,000) shall be used to repair the University of North Carolina television tower in Columbia.

PART 16. COMMUNITY COLLEGES

Requested by: Senators Plexico, Winner

CONTINUING BUDGET CONCEPT MODIFIED

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

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

Requested by: Senators Plexico, Winner

RECEIPT ADJUSTMENT

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

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

Requested by: Senators Plexico, Winner

MISSION OF THE COMMUNITY COLLEGE SYSTEM

Sec. 16.7. The fundamental mission of the North Carolina Community College System is to provide job training programs in the State; therefore, the General Assembly hereby designates the North Carolina Community College System as the presumptive deliverer of job training programs in the State.

If the United States Congress allocates funds under the Job Training Partnership Act in a block grant, it is the intent of the General Assembly to transfer the responsibility for administering those funds from the Department of Commerce to the Department of Community Colleges.

1
2 Requested by: Senator Perdue

3 **COORDINATION OF EFFORTS TO COORDINATE JOB TRAINING**
4 **PROGRAMS**

5 Sec. 16.8. The Governor shall direct all State agencies to compile a list of all
6 State and federal funds in their budgets for workforce preparedness and to prepare a plan
7 for cooperating with the Community College System in its mission as the presumptive
8 deliverer of job training programs in the State. The Governor shall report on the
9 information received from State agencies to the Joint Legislative Education Oversight
10 Committee prior to March 1, 1996.

11
12 Requested by: Senator Perdue

13 **COMPREHENSIVE PLAN FOR DELIVERY OF JOB TRAINING**

14 Sec. 16.9. The Community College System is designated the presumptive
15 deliverer of job training. The Community College System shall develop strategies for
16 cooperating with other State State agencies in the performance of this role. The State
17 Board of Community Colleges shall review the facility and equipment needs of the
18 Community College System. The State Board shall submit to the State Education
19 Cabinet for its review prior to March 1, 1996, its report on those needs and on its
20 strategies for cooperating with other State agencies to be the presumptive deliverer of job
21 training programs. After that review, the State Board shall report the results of its study
22 to the Joint Legislative Education Oversight Committee by March 15, 1996.

23
24 **PART 17. PUBLIC SCHOOLS**

25
26 Requested by: Senators Winner, Plexico

27 **EXCEPTIONAL CHILDREN FUNDS**

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

- 30 (1) Each local school administrative unit shall receive for academically
31 gifted children the sum of \$680.21 per child for three and nine-tenths
32 percent (3.9%) of the 1994-95 actual average daily membership in the
33 local school administrative unit, regardless of the number of children
34 identified as academically gifted in the local school administrative unit.
35 The total number of children for which funds shall be allocated pursuant
36 to this subdivision is 44,609 for the 1995-96 school year.
- 37 (2) Each local school administrative unit shall receive for exceptional
38 children other than academically gifted children the sum of \$2,040.63
39 per child for the lesser of (i) all children who are identified as
40 exceptional children other than academically gifted children or (ii)
41 twelve and five-tenths percent (12.5%) of the 1994-95 actual average
42 daily membership in the local school administrative unit. The maximum

1 number of children for which funds shall be allocated pursuant to this
2 subdivision is 131,642 for the 1995-96 school year.

- 3 (3) Each local school administrative unit in which more than twelve and
4 five-tenths percent (12.5%) of the 1994-95 actual average daily
5 membership are identified as exceptional children other than
6 academically gifted children shall receive \$427.35 per child in excess of
7 the twelve and five-tenths percent (12.5%). These funds shall be used
8 only for nonrecurring expenditures and other expenditures for
9 exceptional children other than academically gifted children that do not
10 impose future obligations on the State or local governments.

11 The dollar amounts allocated under this subsection for exceptional children shall also
12 increase in accordance with legislative salary increments for personnel who serve
13 exceptional children.

14 (b) If House Bill 6 of the 1995 General Assembly is enacted, the State Board of
15 Education shall transfer part of these funds to a new allotment category for central office
16 administrators, in accordance with the provisions of House Bill 6.

17 (c) The State Board of Education shall evaluate and review (i) the current
18 process and criteria for designating students as children with special needs and (ii) the
19 adequacy of State funding for children with special needs. The State Board shall report
20 the results of its evaluation and review to the Joint Legislative Education Oversight
21 Committee prior to March 15, 1996.

22
23 Requested by: Senator Winner, Plexico

24 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES/SMALL SCHOOL**
25 **SYSTEM SUPPLEMENTAL FUNDING**

26 Sec. 17.1. (a) **Funds for supplemental funding.** – The General Assembly finds
27 that it is appropriate to provide supplemental funds in low-wealth counties to allow those
28 counties to enhance the instructional program and student achievement; therefore, of the
29 funds appropriated to Aid to Local School Administrative Units, the sum of forty-four
30 million seven hundred eighty-three thousand eight hundred nine dollars (\$44,783,809) for
31 the 1995-96 fiscal year and the sum of forty-four million seven hundred eighty-three
32 thousand eight hundred nine dollars (\$44,783,809) for the 1996-97 fiscal year shall be
33 used for supplemental funds for schools.

34 (b) **Use of funds for supplemental funding.** – Local school administrative units
35 shall use funds received pursuant to this section only to provide instructional positions,
36 instructional support positions, teacher assistant positions, clerical positions, instructional
37 supplies and equipment, staff development, and textbooks; Provided, however, local
38 school administrative units may also use up to ten percent (10%) of these funds for salary
39 supplements for instructional personnel and instructional support personnel.

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

- 41 (1) "Anticipated county property tax revenue availability" means the county
42 adjusted property tax base multiplied by the effective State average tax
43 rate.

- 1 (2) "Anticipated total county revenue availability" means the sum of the
2 a. Anticipated county property tax revenue availability,
3 b. Local sales and use taxes received by the county that are levied
4 under Chapter 1096 of the 1967 Session Laws or under
5 Subchapter VIII of Chapter 105 of the General Statutes,
6 c. Food stamp exemption reimbursement received by the county
7 under G.S. 105-164.44C,
8 d. Homestead exemption reimbursement received by the county
9 under G.S. 105-277.1A,
10 e. Inventory tax reimbursement received by the county under G.S.
11 105-275.1 and G.S. 105-277A,
12 f. Intangibles tax distribution and reimbursement received by the
13 county under G.S. 105-213 and G.S. 105-213.1, and
14 g. Fines and forfeitures deposited in the county school fund
15 for the most recent year for which data are available.
- 16 (3) "Anticipated total county revenue availability per student" means the
17 anticipated total county revenue availability for the county divided by
18 the average daily membership of the county.
- 19 (4) "Anticipated State average revenue availability per student" means the
20 sum of all anticipated total county revenue availability divided by the
21 average daily membership for the State.
- 22 (5) "Average daily membership" means average daily membership as
23 defined in the North Carolina Public Schools Allotment Policy Manual,
24 adopted by the State Board of Education. If a county contains only part
25 of a local school administrative unit, the average daily membership of
26 that county includes all students who reside within the county and
27 attend that local school administrative unit.
- 28 (6) "County adjusted property tax base" shall be computed as follows:
29 a. Subtract the present-use value of agricultural land, horticultural
30 land, and forestland in the county, as defined in G.S. 105-277.2,
31 from the total assessed real property valuation of the county,
32 b. Adjust the resulting amount by multiplying by a weighted
33 average of the three most recent annual sales assessment ratio
34 studies,
35 c. Add to the resulting amount the:
36 1. Present-use value of agricultural land, horticultural land,
37 and forestland, as defined in G.S. 105-277.2,
38 2. Value of property of public service companies,
39 determined in accordance with Article 23 of Chapter 105
40 of the General Statutes, and
41 3. Personal property value for the county.

- 1 (7) " County adjusted property tax base per square mile" means the county
2 adjusted property tax base divided by the number of square miles of
3 land area in the county.
- 4 (8) " County wealth as a percentage of State average wealth" shall be
5 computed as follows:
- 6 a. Compute the percentage that the county per capita income is of
7 the State per capita income and weight the resulting percentage
8 by a factor of five-tenths,
- 9 b. Compute the percentage that the anticipated total county revenue
10 availability per student is of the anticipated State average revenue
11 availability per student and weight the resulting percentage by a
12 factor of four-tenths,
- 13 c. Compute the percentage that the county adjusted property tax
14 base per square mile is of the State adjusted property tax base per
15 square mile and weight the resulting percentage by a factor of
16 one-tenth,
- 17 d. Add the three weighted percentages to derive the county wealth
18 as a percentage of the State average wealth.
- 19 (9) " Effective county tax rate" means the actual county tax rate multiplied
20 by a weighted average of the three most recent annual sales assessment
21 ratio studies.
- 22 (10) " Effective State average tax rate" means the average of effective county
23 tax rates for all counties.
- 24 (10a) For the 1995-96 fiscal year, "local current expense funds" means the
25 most recent county current expense appropriations to public schools, as
26 reported by counties in the annual county financial information report to
27 the State Treasurer. For the 1996-97 fiscal year, "local current expense
28 funds" means the most recent county current expense appropriations to
29 public schools, as reported by local boards of education in the audit
30 report filed with the Secretary of the Local Government Commission
31 pursuant to G.S. 115C-447.
- 32 (11) " Per capita income" means the average for the most recent three years
33 for which data are available of the per capita income according to the
34 most recent report of the United States Department of Commerce,
35 Bureau of Economic Analysis, including any reported modifications for
36 prior years as outlined in the most recent report.
- 37 (12) " Sales assessment ratio studies" means sales assessment ratio studies
38 performed by the Department of Revenue under G.S. 105-289(h).
- 39 (13) For the 1995-96 fiscal year, "State average current expense
40 appropriations per student" means the most recent State total of county
41 current expense appropriations to public schools, as reported by
42 counties in the annual county financial information report to the State
43 Treasurer. For the 1996-97 fiscal year, "State average current expense

1 appropriations per student" means the most recent State total of county
2 current expense appropriations to public schools, as reported by local
3 boards of education in the audit report filed with the Secretary of the
4 Local Government Commission pursuant to G.S. 115C-447.

5 (14) " State average adjusted property tax base per square mile" means the
6 sum of the county adjusted property tax bases for all counties divided by
7 the number of square miles of land area in the State.

8 (14a) " Supplant" means to decrease local per student current expense
9 appropriations from one fiscal year to the next fiscal year.

10 (15) " Weighted average of the three most recent annual sales assessment
11 ratio studies" means the weighted average of the three most recent
12 annual sales assessment ratio studies in the most recent years for which
13 county current expense appropriations and adjusted property tax
14 valuations are available. If real property in a county has been revalued
15 one year prior to the most recent sales assessment ratio study, a
16 weighted average of the two most recent sales assessment ratios shall be
17 used. If property has been revalued the year of the most recent sales
18 assessment ratio study, the sales assessment ratio for the year of
19 revaluation shall be used.

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

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

33 The funds for the local school administrative units located in whole or in part
34 in the county shall be allocated to each local school administrative unit, located in whole
35 or in part in the county, based on the average daily membership of the county's students
36 in the school units.

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

40 (f) **Formula for distribution of supplemental funding pursuant to this**
41 **section only.** – The formula in this section is solely a basis for distribution of
42 supplemental funding for low-wealth counties and is not intended to reflect any measure
43 of the adequacy of the educational program or funding for public schools. The formula is

1 also not intended to reflect any commitment by the General Assembly to appropriate any
2 additional supplemental funds for low-wealth counties.

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

18 (h) **Nonsupplant requirement.** – A county in which a local school
19 administrative unit receives funds under this section shall use the funds to supplement
20 local current expense funds and shall not supplant local current expense funds. For the
21 1995-97 fiscal biennium, the State Board of Education shall not allocate funds under this
22 section to a county found to have used these funds to supplant local per student current
23 expense funds. The State Board of Education shall make a finding that a county has used
24 these funds to supplant local current expense funds in the prior year, or the year for which
25 the most recent data are available, if:

- 26 (1) The current expense appropriation of the county for the current year is
27 less than ninety-five percent (95%) of the average of the local current
28 expense appropriations for the three prior fiscal years; and
29 (2) The county cannot show (i) that it has remedied the deficiency in
30 funding, or (ii) that extraordinary circumstances caused the county to
31 supplant local current expense funds with funds allocated under this
32 section.

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

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

37 (j) **Department of Revenue reports.** – The Department of Revenue shall
38 provide to the Department of Public Instruction a preliminary report for the current fiscal
39 year of the assessed value of the property tax base for each county prior to March 1 of
40 each year and a final report prior to May 1 of each year. The reports shall include for
41 each county the annual sales assessment ratio and the taxable values of (i) total real
42 property, (ii) the portion of total real property represented by the present-use value of
43 agricultural land, horticultural land, and forestland as defined in G.S. 105-277.2, (iii)

1 property of public service companies determined in accordance with Article 23 of
2 Chapter 105 of the General Statutes, and (iv) personal property.

3 Sec. 17.2. (a) **Funds for small school systems.** – Except as provided in subsection
4 (b) of this section, the State Board of Education shall allocate funds appropriated for
5 small school system supplemental funding (i) to each county school administrative unit
6 with an average daily membership of less than 3,150 students and (ii) to each county
7 school administrative unit with an average daily membership of from 3,150 to 4,000
8 students if the county in which the local school administrative unit is located has a county
9 adjusted property tax base per student that is below the State adjusted property tax base
10 per student and if the total average daily membership of all local school administrative
11 units located within the county is from 3,150 to 4,000 students. The allocation formula
12 shall:

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

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

34 (b) **Nonsupplant requirement.** – A county in which a local school administrative
35 unit receives funds under this section shall use the funds to supplement local current
36 expense funds and shall not supplant local current expense funds. For the 1995-97 fiscal
37 biennium, the State Board of Education shall not allocate funds under this section to a
38 county found to have used these funds to supplant local per student current expense
39 funds. The State Board of Education shall make a finding that a county has used these
40 funds to supplant local current expense funds in the prior year, or the year for which the
41 most recent data are available, if:

- 1 (1) The current expense appropriation of the county for the current year is
2 less than ninety-five percent (95%) of the average of the local current
3 expense appropriations for the three prior fiscal years; and
4 (2) The county cannot show (i) that it has remedied the deficiency in
5 funding, or (ii) that extraordinary circumstances caused the county to
6 supplant local current expense funds with funds allocated under this
7 section.

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

9 (c) **Phase-out provision.** – If a local school administrative unit becomes ineligible
10 for funding under this formula solely because of an increase in population or an increase
11 in the county adjusted property tax base per student of the county in which the local
12 school administrative unit is located, funding for that unit shall be phased-out over a two
13 year period. For the first year of ineligibility, the unit shall receive the same amount it
14 received for the prior fiscal year. For the second year of ineligibility, it shall receive half
15 of that amount.

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

- 17 (1) "Average daily membership" means within two percent (2%) of the
18 average daily membership as defined in the North Carolina Public
19 Schools Allotment Policy Manual, adopted by the State Board of
20 Education.
21 (2) " County adjusted property tax base per student" means the total
22 assessed property valuation for each county, adjusted using a weighted
23 average of the three most recent annual sales assessment ratio studies,
24 divided by the total number of students in average daily membership
25 who reside within the county.
26 (2a) For the 1995-96 fiscal year, "local current expense funds" means the
27 most recent county current expense appropriations to public schools, as
28 reported by counties in the annual county financial information report to
29 the State Treasurer. For the 1996-97 fiscal year, "local current expense
30 funds" means the most recent county current expense appropriations to
31 public schools, as reported by local boards of education in the audit
32 report filed with the Secretary of the Local Government Commission
33 pursuant to G.S. 115C-447.
34 (3) " Sales assessment ratio studies" means sales assessment ratio studies
35 performed by the Department of Revenue under G.S. 105-289(h).
36 (4) " State adjusted property tax base per student" means the sum of all
37 county adjusted property tax bases divided by the total number of
38 students in average daily membership who reside within the State.
39 (4a) " Supplant" means to decrease local per student current expense
40 appropriations from one fiscal year to the next fiscal year.
41 (5) " Weighted average of the three most recent annual sales assessment
42 ratio studies" means the weighted average of the three most recent
43 annual sales assessment ratio studies in the most recent years for which

1 county current expense appropriations and adjusted property tax
2 valuations are available. If real property in a county has been revalued
3 one year prior to the most recent sales assessment ratio study, a
4 weighted average of the two most recent sales assessment ratios shall be
5 used. If property has been revalued the year of the most recent sales
6 assessment ratio study, the sales assessment ratio for the year of
7 revaluation shall be used.

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

11
12 Requested by: Senators Winner, Plexico

13 **SCHOOL TECHNOLOGY RESERVE**

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

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

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

41 Two or more local school administrative units may jointly expend
42 funds to develop their individual local school technology plans, for staff

1 development, or to implement their individual local school technology
2 plans.

3
4 Requested by: Senators Winner, Plexico

5 **EDUCATION EXPENDITURE REPORT DUE DATE**

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

7 "(b) On or before ~~February 15~~ May 1 of each year the Local Government
8 Commission shall furnish to the General Assembly a report of the level of each county's
9 appropriations for public school capital outlay (including retirement of indebtedness
10 incurred and monies reserved for these purposes), include the amount each county has
11 provided for public school capital outlay for a period including at a minimum the most
12 recent five fiscal years, estimates of public school facility needs, the proportion of
13 revenue from taxes collected under Article 40 of this Chapter that has been provided for
14 public school capital outlay purposes (including retirement of indebtedness incurred and
15 monies reserved for these purposes), the proportion of revenue collected under this
16 Article that has been expended for a public school capital outlay purposes (including
17 retirement of indebtedness incurred and monies reserved for these purposes), and any
18 other factors it deems relevant to carrying out the intent stated in subsection (a) of this
19 section."
20

21 Requested by: Senators Winner, Plexico

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

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

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

27 "Sec. 6. A joint report of progress made to develop a system to provide an exchange
28 of information shall be made to the Joint Legislative Education Oversight Committee no
29 later than February 15, ~~1993, and annually thereafter.~~ 1996."
30

31 Requested by: Senators Winner, Plexico

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

34 Sec. 17.7. Of the funds appropriated to State Aid to Local School
35 Administrative Units, the State Board of Education shall allocate the sum of nine million
36 three hundred eighteen thousand four hundred thirty-six dollars (\$9,318,436) for the
37 1995-96 fiscal year and the sum of ten million six hundred sixty-five thousand three
38 hundred forty-one dollars (\$10,665,220) for the 1996-97 fiscal year to local school
39 administrative units. Of these funds:

40 (1) The sum of \$2,917,575 for the 1995-96 fiscal year and the sum of
41 \$2,917,575 for the 1996-97 fiscal year shall be used for textbooks;

- 1 (2) The sum of \$6,400,861 for the 1995-96 fiscal year and the sum of
2 \$7,747,645 for the 1996-97 fiscal year shall be used to reduce the
3 funded allotment ratio to one teacher for every 23 students in first grade.
4

5 Requested by: Senators Winner, Plexico

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

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

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

20 The Technical Assistance Centers shall remain a part of the Department of Public
21 Instruction but shall be funded solely by receipts from local boards of education and from
22 other non-State sources. If no such funds are available for a Technical Assistance Center,
23 that Center shall be abolished or consolidated with another Center by the State Board.
24 The State Board shall establish a management structure for the Technical Assistance
25 Centers that enables superintendents, principals, and teachers from the local school
26 administrative units to be served by the Centers to have input into the priorities and
27 personnel decisions at the Centers."
28

29 Requested by: Senators Winner, Plexico

30 **ALTERNATIVE LEARNING PROGRAMS**

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

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

1 support services for students and their families. A program also may be
2 provided under contract with a local, private, nonprofit 501(c)(3)
3 corporation. Services may also include appropriate measures to
4 correct disruptive behavior, teach responsibility, good citizenship, and
5 respect for rules and authority.

6 An alternative learning program should have a well-defined
7 mission, offer appropriate educational opportunities, and hold high
8 expectations for staff and students. The goals of the program should
9 target ~~The goals of the alternative school programs should be to~~ (i)
10 ~~reduce the school dropout rate~~ reducing school dropout rates through
11 improved student attendance, behavior, and educational achievement;
12 and (ii) achievement. When appropriate, programs should increase
13 successful school-to-work transitions for students through educationally
14 linked job 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 preference to applications from underserved areas or
37 areas with high incidences of juvenile crime."

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

39 "**§ 115C-238.47. Program evaluation; reporting requirements.**

40 (a) ~~The Department of Public Instruction~~ State Board of Education shall develop
41 and implement an evaluation system, ~~under the direction of the State Board of Education,~~
42 system that will assess the efficiency and effectiveness of the Intervention/Prevention
43 Grant Program. The ~~Department~~ State Board shall design this system to:

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

16 (a1) Before its annual report on February 15, 1996, and annually thereafter, the
17 Board shall provide an opportunity for local program administrators, and particularly
18 alternative learning program administrators and educators, to comment on the evaluation
19 system. The Board shall consider these comments in any proposed modification to the
20 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,~~ February 15, 1996, and annually thereafter to the
27 General Assembly and to the Joint Legislative Education Oversight Committee on (i) the
28 implementation of the program, (ii) the results of the program evaluation, (iii) how the
29 funds appropriated by the General Assembly for the program are being used, (iv)
30 additional funds required to implement the program, ~~and~~ (v) any necessary modifications
31 to the ~~program-~~program, and (vi) comments received from local program administrators,
32 and particularly alternative learning program administrators and educators, concerning
33 the evaluation 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 State Board of Education shall coordinate the
8 efforts of its specialists and, to the extent possible, of specialists in other public and
9 private agencies to provide coordinated assistance to alternative learning programs in
10 local school administrative units. The specialists should include, but are not limited to,
11 those in the areas of dropout prevention, drug abuse prevention, in-school suspension,
12 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 subsection (e) of this section, shall solicit comments from
21 other alternative school educators in the State, and may consult with representatives of
22 the 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) The funds appropriated in this act for the 1995-96 fiscal year to State Aid
27 to Local School Administrative Units for alternative learning programs shall be used for
28 start-up costs for new or expanded programs to implement alternative learning programs.
29 These funds shall be available to a local school administrative unit for one year only.

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

33 (h) The funds appropriated in this act for the 1996-97 fiscal year to State Aid
34 to Local School Administrative Units for alternative learning programs shall be used by
35 the State Board to increase the Alternative Schools/At-Risk Student Allotment.

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

39 (i) The State Board of Education, working with local school administrative
40 units, shall develop a plan to provide access to alternative schools for secondary students
41 in all local school administrative units. In developing the plan, the State Board shall
42 consider redirecting existing funds for drop-out prevention, including federal funds,
43 intervention/prevention grant funds, and other State funds.

1
2 Requested by: Senators Winner, Plexico

3 **SCHOOL-BASED INCENTIVE AWARD FUNDS**

4 Sec. 17.10. (a) The State Board of Education shall use funds appropriated for
5 the 1995-96 fiscal year for school-based awards to establish a school-based incentive
6 award pilot program in up to 10 local school administrative units. The State Board of
7 Education may include all or part of the schools in a local school administrative unit.

8 (b) The State Board shall set goals for individual schools in local school
9 administrative units participating in the pilot program. Individual schools that exceed
10 those goals shall receive incentive grants in amounts set by the State Board.

11 A school may use these incentive funds in accordance with a plan that has
12 been:

- 13 (1) Developed by the school improvement team;
14 (2) Submitted to the principal, assistant principals, instructional personnel,
15 instructional support personnel, and teacher assistants assigned to that
16 school for their review and vote in the same manner that a school
17 improvement plan is approved under G.S. 115C-238.3(b1); and
18 (3) Approved by the local board of education.

19 The local board of education shall approve the plan developed by the school
20 unless the plan involves expenditures of funds that are not for a public purpose or that are
21 otherwise unlawful.

22 (c) The State Board of Education shall report plans for expanding the School-
23 Based Award Program on a statewide basis to the Joint Legislative Education Oversight
24 Committee by January 15, 1996.

25
26 Requested by: Senators Winner, Plexico

27 **FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING**
28 **STANDARDS**

29 Sec. 17.11. The National Board for Professional Teaching Standards (NBPTS)
30 was established in 1987 as an independent, nonprofit organization to establish high
31 standards for teachers' knowledge and performance and for development and operation of
32 a national voluntary system to assess and certify teachers who meet those standards. In
33 order to apply for the NBPTS certification process, teachers must have three years or
34 more of teaching experience, be currently teaching, have graduated from an accredited
35 college or university, and hold a valid State teaching license. Upon successful
36 completion of a year-long process of developing a portfolio of student work and
37 videotapes of teaching/learning activities for NBPTS review and then participating in
38 NBPTS assessment center simulation exercises, including performance-based activities
39 and a content knowledge examination, teachers may become NBPTS-certified.

40 Of the funds appropriated to the Department of Public Instruction in this act,
41 the sum of:

- 42 (1) Two hundred thirty thousand dollars (\$230,000) for the 1995-96 fiscal
43 year shall be used to pay for the National Board for Professional

1 Teaching Standards (NBPTS) participation fee and for up to three days
2 of approved paid leave for teachers participating in the NBPTS program
3 during the 1995-96 school year for State-paid teachers who (i) have
4 completed three years of teaching in North Carolina schools operated by
5 local boards of education, the Department of Human Resources, the
6 Department of Correction, or The University of North Carolina, or
7 affiliated with The University of North Carolina, prior to application for
8 NBPTS certification, and (ii) who have not previously received State
9 funds for participating in any certification area in the NBPTS program.
10 Teachers participating in the program shall take paid leave only with the
11 approval of their supervisors.

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

- 20 (2) Two hundred forty-five thousand five hundred eighty-two dollars
21 (\$245,582) shall be used for an annual bonus of four percent (4%) of the
22 teacher's State-paid salary for the 10-month school year for State-paid
23 teachers who (i) completed three years of teaching in North Carolina
24 schools operated by local boards of education, the Department of
25 Human Resources, the Department of Correction, or The University of
26 North Carolina prior to application for NBPTS certification and (ii)
27 complete the NBPTS certification process. The bonus for each fiscal
28 year shall be paid at the end of each full school year that the teacher
29 teaches full-time in a North Carolina school operated by local boards of
30 education, the Department of Human Resources, the Department of
31 Correction, or The University of North Carolina. Teachers shall
32 continue this bonus as long as they retain NBPTS certification.

33
34 Requested by: Senators Winner, Plexico

35 **FUNDS TO REDUCE CLASS SIZE IN GRADE 1**

36 Sec. 17.12. The funds appropriated in this act to reduce class size in first grade
37 shall be allocated by the State Board of Education to local school administrative units on
38 the basis of one teacher for every 23 students in first grade. Local school administrative
39 units shall use these funds (i) to reduce class size in first grade to 23 or fewer students or
40 (ii) to hire reading teachers within kindergarten through third grade or otherwise reduce
41 the student-teacher ratio within kindergarten through third grade.

42 For the purpose of calculating the maximum allowable class size for first
43 grade, the ratio of teachers to students shall be 1 to 26.

1
2 Requested by: Senators Albertson, Winner, Plexico

3 **TEACHER VACATION LEAVE FOR ADOPTIVE PARENTS**

4 Sec. 17.13. G.S. 115C-302 is amended by adding a new subsection to read:

5 "(f) A teacher may use annual leave, personal leave, or leave without pay to care
6 for a newborn child or for a child placed with the teacher for adoption or foster care. The
7 leave may be for consecutive workdays during the first 12 months after the date of birth
8 or placement of the child, unless the the teacher and local board of education agree
9 otherwise.

10 The total of all such leave time shall be no more than 12 weeks."

11
12 Requested by: Senator Perdue

13 **CONTINUE MORATORIUM ALGEBRA I RULE**

14 Sec. 17.14. Section 3 of Chapter 371 of the 1995 Session Laws reads as
15 rewritten:

16 "Sec. 3. This act is effective upon ~~ratification, and expires on June 30, 1997.~~
17 ratification."

18
19 Requested by: Senators Winner, Plexico

20 **RESERVE FOR EDUCATION PURPOSES/USES OF FUNDS**

21 Sec. 17.15. The Director of the Budget shall allocate funds transferred to the
22 Reserve for Education Purposes pursuant to Section 27.10A of this act as follows:

23 (1) Two-thirds of the funds shall be allocated to the State Board of
24 Education. These funds shall be allocated by the State Board of
25 Education to the credit of local school administrative units for textbooks
26 and school technology.

27 (2) One-third of the funds shall be allocated to the Department of
28 Community Colleges. The State Board of Community Colleges shall
29 allocate these funds to community colleges for equipment and
30 technology.

31
32 Requested by: Senator Perdue

33 **PUBLIC SCHOOL PLAN**

34 Sec. 17.16. The State Board of Education shall develop a plan to coordinate its
35 vocational education and job-training efforts with the Community College System. The
36 plan shall include a review of the public schools' facility and equipment needs
37 specifically related to vocational education and job training and an outline of necessary
38 modifications to existing public school policies. The State Board shall submit the results
39 of its study for review to the State Education Cabinet. After that review, the State Board
40 shall report the results of its study to the Joint Legislative Education Oversight
41 Committee by March 1, 1996.

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

1
2 Requested by: Senator Hoyle

3 **NORTHEASTERN REGIONAL AIRPORT MATCHING FUNDS**

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

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

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

16
17 Requested by: Senator Hoyle

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

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

- 23 (1) Whether the time period after which a lien can be satisfied on a motor
24 vehicle for unpaid repair, towing, or storing charges should be
25 shortened, and whether any other time periods relating to liens on towed
26 and stored motor vehicles should be shortened;
- 27 (2) Whether the amount of time that a vehicle can be left on the property of
28 another person, including a business engaged in automobile repair,
29 towing, or storage, before that vehicle is considered to be abandoned
30 should be shortened;
- 31 (3) Whether the cost of towing should be included in the amount of a lien;
- 32 (4) Whether new procedures should be established for disposal of low-value
33 vehicles to satisfy liens;
- 34 (5) Whether the last registered owner of an abandoned vehicle that has been
35 towed and stored should be charged with a traffic offense, should be
36 liable for any restitution, or should be penalized in any other manner;
37 and
- 38 (6) Other issues related to the towing and storage of motor vehicles and
39 liens on those vehicles.

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

43

1 Requested by: Senator Hoyle

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

4 Sec. 18.1A. G.S. 136-18(13) reads as rewritten:

5 "(13) The Department of Transportation ~~is authorized and empowered to~~ may
6 construct and maintain all walkways and driveways within the Mansion
7 Square in the City of Raleigh and the Western Residence of the
8 Governor in the City of Asheville including the approaches connecting
9 with the city streets, and any funds expended therefor shall be a charge
10 against general maintenance."
11

12 Requested by: Senator Hoyle

13 **PURCHASE OF CENTURY CENTER CAMPUS FACILITY**

14 Sec. 18.3. Revenue collected into the Highway Trust Fund in excess of the
15 certified budget for the fiscal year ending June 30, 1995, may be reserved and used, to the
16 extent necessary, by the Department of Transportation to acquire the capital facility
17 known as the Century Center Campus.
18

19 Requested by: Senator Hoyle

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

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

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

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

36 The Joint Legislative Transportation Oversight Committee may report its
37 findings on this matter to the 1995 General Assembly, Regular Session 1996.
38

39 Requested by: Senator Hoyle

40 **RESERVE FOR SPOT-SAFETY PROJECTS**

41 Sec. 18.5. Funds appropriated in this act to the Reserve for Spot-Safety
42 Projects shall be used statewide for spot-safety projects as approved by the Secretary of
43 the Department of Transportation.

1
2 Requested by: Senator Hoyle

3 **ORGANIZATIONAL AND BUSINESS PRACTICES STUDY OF THE DIVISION**
4 **OF MOTOR VEHICLES**

5 Sec. 18.14. The Department of Transportation shall conduct a study of the
6 Division of Motor Vehicles.

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

10 The Department of Transportation shall report its findings and
11 recommendations based on this study to the Joint Legislative Transportation Oversight
12 Committee no later than March 31, 1996 for transmittal to the 1995 General Assembly,
13 Regular Session 1996.

14
15 Requested by: Senator Hoyle

16 **INCREASE ALLOCATION TO WILDLIFE RESOURCES COMMISSION**

17 Sec. 18.16. G.S. 105-449.126, as enacted by Chapter 390 of the 1995 Session
18 Laws, reads as rewritten:

19 "**§ 105-449.126. Distribution of part of Highway Fund allocation to Wildlife**
20 **Resources Fund.**

21 The Secretary shall credit to the Wildlife Resources Fund one-sixth of one percent
22 (1/6 of 1%) of the amount that is allocated to the Highway Fund under G.S. 105-449.125
23 and is from the excise tax on ~~gasoline or blended fuel that contains gasoline.~~ motor fuel.
24 Revenue credited to the Wildlife Resources Fund under this section may be used only for
25 the boating and water safety activities described in G.S. 75A-3(c). The Secretary must
26 credit revenue to the Wildlife Resources Fund on an annual basis."

27
28 Requested by: Senator Hoyle

29 **VISITOR CENTER OPERATIONAL FUNDS**

30 Sec. 18.17. G.S. 20-79.7(c)(2), as rewritten by Section 18.7 of Chapter 324 of
31 the 1995 Session Laws, reads as rewritten:

32 "(2) From the funds remaining in the Special Registration Plate Account
33 after the deductions in accordance with subdivision (1) of this
34 subsection, there is appropriated from the Special Registration Plate
35 Account the sum of ~~four hundred fifty thousand dollars (\$450,000)~~ five
36 hundred twenty-five thousand dollars (\$525,000) for the 1995-96 fiscal
37 year to provide operating assistance for the Visitor and Welcome
38 Centers:

- 39 a. on U.S. Highway 17 in Camden County, (\$75,000);
40 b. on U.S. Highway 17 in Brunswick County, (\$75,000);
41 c. on U.S. Highway 441 in Macon County, (\$75,000);
42 d. in the Town of Boone, Watauga County, (\$75,000);
43 e. on U.S. Highway 29 in Caswell County, (\$75,000); ~~and~~

- 1 f. on U.S. Highway 70 in Carteret County, (\$75,000); and
2 g. on U.S. Highway 64 in Tyrrell County, (\$75,000)."
3

4 Requested by: Senator Hoyle

5 **BRANCH AGENT TRANSACTION RATE**

6 Sec. 18.18. Section 155 of the 1993 Session Laws, as amended by Section
7 20.1 of Chapter 769 of the 1993 Session Laws, reads as rewritten:

8 "Sec. 155. The Division of Motor Vehicles of the Department of Transportation shall
9 compensate a contractor with whom it has a contract under G.S. 20-63(h) at the rate of
10 ~~one dollar (\$1.00)~~ one dollar and twenty cents (\$1.20) for each transaction performed in
11 accordance with the requirements set by the Division. A transaction is any of the
12 following activities:

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

30 Performance at the same time of any combination of the items that are listed within
31 each subdivision or are listed within subdivisions (1) through (8) of this section is a
32 single transaction. Performance of the item listed in subdivision (9) of this section in
33 combination with any other items listed in this section is a separate transaction."
34

35 **PART 19. DEPARTMENT OF CORRECTION**

36
37 Requested by: Senators Ballance, Parnell

38 **PRIVATE PRISON BEDS**

39 Sec. 19. G.S. 148-37(g), as enacted by Section 19.10 of Chapter 324 of the
40 1995 Session Laws, reads as rewritten:

41 "(g) The Secretary of Correction may contract with private for-profit or nonprofit
42 firms for the provision and operation of two or more confinement facilities totaling up to
43 1,000 beds in the State to house State prisoners when to do so would most economically

1 and effectively promote the purposes served by the Department of Correction. This
2 1,000-bed limitation shall not apply to the 500 beds in private substance abuse treatment
3 centers authorized by the General Assembly prior to July 1, 1995. Contracts entered
4 under the authority of this subsection shall be for a period not to exceed 10 years, shall be
5 renewable from time to time for a period not to exceed 10 years, and are subject to the
6 approval of the Council of State and the Department of Administration, after consultation
7 with the Joint Legislative Commission on Governmental Operations. The Secretary of
8 Correction shall enter contracts under this subsection only if funds are appropriated for
9 this purpose by the General Assembly. Contracts entered under the authority of this
10 subsection may be subject to any requirements for the location of the confinement
11 facilities set forth by the General Assembly in appropriating those funds.

12 Contracts made under the authority of this subsection may provide the State with an
13 option to purchase the confinement facility or may provide for the purchase of the
14 confinement facility by the State. Contracts made under the authority of this subsection
15 shall state that plans and specifications for private confinement facilities shall be
16 furnished to and reviewed by the Office of State Construction. The Office of State
17 Construction shall inspect and review each project during construction to ensure that the
18 project is suitable for habitation and to determine whether the project would be suitable
19 for future acquisition by the State. The Department of Correction may give preference to
20 facilities intended for joint county and State use where such facilities are developed by
21 public/private partnerships and financed by tax-exempt bond issues, and where such
22 facilities offer general terms and conditions favorable to the State in the competitive
23 bidding process pursuant to Article 8 of Chapter 143 of the General Statutes. All
24 contracts for the housing of State prisoners in private confinement facilities shall require
25 a minimum of ten million dollars (\$10,000,000) of occurrence-based liability insurance
26 and shall hold the State harmless and provide reimbursement for all liability arising out of
27 actions caused by operations and employees of the private confinement facility.

28 Prisoners housed in private confinement facilities pursuant to this subsection shall
29 remain subject to the rules adopted for the conduct of persons committed to the State
30 prison system. The Secretary of Correction may review and approve the design and
31 construction of private confinement facilities before housing State prisoners in these
32 facilities. The rules regarding good time, gain time, and earned credits, discipline,
33 classification, extension of the limits of confinement, transfers, housing arrangements,
34 and eligibility for parole shall apply to inmates housed in private confinement facilities
35 pursuant to this subsection. The operators of private confinement facilities may adopt
36 any other rules as may be necessary for the operation of those facilities with the written
37 approval of the Secretary of Correction. Custodial officials employed by a private
38 confinement facility are agents of the Secretary of Correction and may use those
39 procedures for use of force authorized by the Secretary of Correction to defend
40 themselves, to enforce the observance of discipline in compliance with confinement
41 facility rules, to secure the person of a prisoner, and to prevent escape. Private firms
42 under this subsection shall employ inmate disciplinary and grievance policies of the
43 North Carolina Department of Correction."

1
2 Requested by: Senator Ballance

3 **EXTERNAL CONSULTANT TO EVALUATE DOC SUBSTANCE ABUSE**
4 **PROGRAMS**

5 Sec. 19.1. Of the funds appropriated to the Department of Correction for the
6 1995-96 fiscal year, the Department shall use up to twenty-five thousand dollars
7 (\$25,000) to hire an external consultant to evaluate the DART prison substance abuse
8 program and private substance abuse programs funded by the Department as follows:

- 9 (1) Evaluate the appropriateness of the treatment methodology used for
10 those programs;
11 (2) Evaluate the cost-effectiveness of those programs, with an emphasis on
12 the number and type of staff employed; and
13 (3) Evaluate the effectiveness of those programs in reducing recidivism and
14 drug dependency, if such data is available, or develop evaluation
15 standards and a process for conducting such evaluations and reporting
16 the results.

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

20
21 Requested by: Senator Ballance

22 **NOTICE OF COMMUTATIONS**

23 Sec. 19.3. (a) G.S 147-16 reads as rewritten:

24 "**§ 147-16. Records kept; certain original applications ~~preserved.~~ preserved; notice**
25 **of commutations.**

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

- 27 (1) A register of all applications for pardon, or for commutation of any
28 sentence, with a list of the official signatures and recommendations in
29 favor of such application.
30 (2) An account of all his official expenses and disbursements, including the
31 incidental expenses of his department, and the rewards offered by him
32 for the apprehension of criminals.

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

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

- 41 (1) The victim or victims of the crime for which the sentence was imposed;
42 (2) The victims' spouse, children, and parents;

- 1 (3) Any other members of the victims' family who request in writing to be
2 notified; and
3 (4) The Chairs of the Joint Legislative Corrections Oversight Committee."
4 (b) This section is effective upon ratification.

5
6 Requested by: Senator Ballance

7 **REIMBURSE COUNTIES FOR EXTRAORDINARY MEDICAL COSTS FOR**
8 **INMATES AWAITING TRANSFER TO STATE PRISON SYSTEM**

9 Sec. 19.4. The Secretary of Correction may use funds appropriated to the
10 Department of Correction for medical services to reimburse counties for extraordinary
11 medical costs, as defined in G.S. 148-32.1(a), incurred by inmates housed in local
12 confinement facilities awaiting transfer in the State prison system.

13
14 Requested by: Senators Ballance, Parnell

15 **CREATE NEW OFFENSE CLASS AND PUNISHMENT ROW FOR**
16 **MISDEMEANOR ASSAULTS/CREATE FELONY OFFENSE OF ASSAULT ON**
17 **A LAW ENFORCEMENT OFFICER/INCREASE PENALTIES FOR**
18 **POSSESSION OF A FIREARM BY A FELON/LENGTHEN MINIMUM**
19 **SENTENCES FOR FELONY OFFENSE CLASSES B2, C, AND D/AUTHORIZE**
20 **ACTIVE SENTENCE FOR PRIOR RECORD LEVELS I AND II OF FELONY**
21 **OFFENSE CLASS H/MAKE AIRPORT OBSTRUCTIONS ILLEGAL/LOWER**
22 **FOOD STAMP FRAUD FELONY THRESHOLD/INCREASE PENALTY FOR**
23 **FIRST DEGREE SEXUAL EXPLOITATION OF MINOR/INCREASE PENALTY**
24 **FOR PROMOTING PROSTITUTION OF MINOR**

25 Sec. 19.5. (a) Funds appropriated in this act to construct 1,384 prison beds shall
26 increase prison capacity to the level necessary to provide for the increases in criminal
27 penalties provided for in this section and the following section.

28 (b) G.S. 14-33 reads as rewritten:

29 **"§ 14-33. Misdemeanor assaults, batteries, and affrays, simple and aggravated;**
30 **punishments.**

31 (a) Any person who commits a simple assault or a simple assault and battery or
32 participates in a simple affray is guilty of a Class 1 misdemeanor.

33 (b) Unless his conduct is covered under some other provision of law providing
34 greater punishment, any person who commits any assault, assault and battery, or affray is
35 guilty of a Class 1 misdemeanor if, in the course of the assault, assault and battery, or
36 affray, he:

- 37 (1) ~~Inflicts, or attempts to inflict, serious injury upon another person or uses~~
38 ~~a deadly weapon;~~
39 (2) ~~Assaults a female, he being a male person at least 18 years of age;~~
40 (3) ~~Assaults a child under the age of 12 years;~~
41 (4) through (7) Repealed by Session Laws 1991, c. 525, s. 1;
42 (8) ~~Assaults an officer or employee of the State or of any political~~
43 ~~subdivision of the State, a company police officer certified pursuant to~~

1 the provisions of Chapter 74E of the General Statutes, or a campus
2 police officer certified pursuant to the provisions of Chapter 17C or
3 Chapter 116 of the General Statutes, when the officer or employee is
4 discharging or attempting to discharge his official duties; or

- 5 (9) Commits an assault and battery against a sports official when the sports
6 official is discharging or attempting to discharge official duties at a
7 sports event, or immediately after the sports event at which the sports
8 official discharged official duties. A 'sports official' is a person at a
9 sports event who enforces the rules of the event, such as an umpire or
10 referee, or a person who supervises the participants, such as a coach. A
11 'sports event' includes any interscholastic or intramural athletic activity
12 in a primary, middle, junior high, or high school, college, or university,
13 any organized athletic activity sponsored by a community, business, or
14 nonprofit organization, any athletic activity that is a professional or
15 semiprofessional event, and any other organized athletic activity in the
16 State.

- 17 ~~(10) Assaults a school bus driver, school bus monitor, or school employee~~
18 ~~who is boarding the school bus or who is on the school bus.~~

19 (c) Unless the conduct is covered under some other provision of law providing
20 greater punishment, any person who commits any assault, assault and battery, or affray is
21 guilty of a Class A1 misdemeanor if, in the course of the assault, assault and battery, or
22 affray, he or she:

- 23 (1) Inflicts serious injury upon another person or uses a deadly weapon;
24 (2) Assaults a female, he being a male person at least 18 years of age;
25 (3) Assaults a child under the age of 12 years;
26 (4) Assaults an officer or employee of the State or any political subdivision
27 of the State, when the officer or employee is discharging or attempting
28 to discharge his official duties; or
29 (5) Assaults a school bus driver, school bus monitor, or school employee
30 who is boarding the school bus or who is on the school bus."

31 (c) Article 8 of Chapter 14 of the General Statutes is amended by adding a new
32 section to read:

33 **"§ 14-33.2. Habitual misdemeanor assault.**

34 A person commits the offense of habitual misdemeanor assault if that person violates
35 any of the provisions of G.S. 14-33(c) or G.S. 14-34 and has been convicted of five or
36 more prior misdemeanor convictions, two of which were assaults. A person convicted of
37 violating this section is guilty of a Class H felony."

38 (d) G.S. 14-34 reads as rewritten:

39 **"§ 14-34. Assaulting by pointing gun.**

40 If any person shall point any gun or pistol at any person, either in fun or otherwise,
41 whether such gun or pistol be loaded or not loaded, he shall be guilty of a Class ~~A1~~
42 misdemeanor."

43 (e) G.S. 15A-1332(c) reads as rewritten:

1 "(c) Presentence Commitment for Study. – When the court desires more detailed
2 information as a basis for determining the sentence to be imposed than can be provided
3 by a presentence investigation, the court may commit a defendant to the Department of
4 Correction for study for the shortest period necessary to complete the study, not to exceed
5 90 days, if that defendant has been charged with or convicted of any felony or a Class A1
6 or Class 1 misdemeanor crime or crimes for which he may be imprisoned for more than
7 six months and if he consents. The period of commitment must end when the study is
8 completed, and may not exceed 90 days. The Department must conduct a complete study
9 of a defendant committed to it under this subsection, inquiring into such matters as the
10 defendant's previous delinquency or criminal experience, his social background, his
11 capabilities, his mental, emotional and physical health, and the availability of resources
12 or programs appropriate to the defendant. Upon completion of the study or the end of the
13 90-day period, whichever occurs first, the Department of Correction must release the
14 defendant to the sheriff of the county in which his case is docketed. The Department
15 must forward the study to the clerk in that county, including whatever recommendations
16 the Department believes will be helpful to a proper resolution of the case. When a
17 defendant is returned from a presentence commitment for study, the conditions of pretrial
18 release which obtained for the defendant before the commitment continue until judgment
19 is entered, unless the conditions are modified under the provisions of G.S. 15A-534(e)."

20 (f) G.S. 15A-1340.14(b) reads as rewritten:

21 "(b) Points. – Points are assigned as follows:

22 (1) For each prior felony Class A conviction, 10 points.

23 (1a) For each prior felony Class B1 conviction, 9 points.

24 (2) For each prior felony Class B2, C, or D conviction, 6 points.

25 (3) For each prior felony Class E, F, or G conviction, 4 points.

26 (4) For each prior felony Class H or I conviction, 2 points.

27 (5) For each prior Class A1 or Class 1 misdemeanor conviction, 1 point,
28 except that convictions for Class 1 misdemeanor offenses under Chapter
29 20 of the General Statutes, other than conviction for misdemeanor death
30 by vehicle (G.S. 20-141.4(a2)), shall not be assigned any points for
31 purposes of determining a person's prior record for felony sentencing.

32 (6) If all the elements of the present offense are included in the prior
33 offense, 1 point.

34 (7) If the offense was committed while the offender was on probation or
35 parole, or while the offender was serving a sentence of imprisonment, or
36 while the offender was on escape from a correctional institution while
37 serving a sentence of imprisonment, 1 point.

38 For purposes of determining prior record points under this subsection, a conviction for
39 a first degree rape or a first degree sexual offense committed prior to the effective date of
40 this subsection shall be treated as a felony Class B1 conviction, and a conviction for any
41 other felony Class B offense committed prior to the effective date of this subsection shall
42 be treated as a felony Class B2 conviction."

43 (g) G.S. 15A-1340.23 reads as rewritten:

"§ 15A-1340.23. Punishment limits for each class of offense and prior conviction level.

(a) Offense Classification; Default Classifications. – The offense classification is as specified in the offense for which the sentence is being imposed. If the offense is a misdemeanor for which there is no classification, it is as classified in G.S. 14-3.

(b) Fines. – Any judgment that includes a sentence of imprisonment may also include a fine. Additionally, when the defendant is other than an individual, the judgment may consist of a fine only. If a community punishment is authorized, the judgment may consist of a fine only. Unless otherwise provided for a specific offense, the maximum fine that may be imposed is two hundred dollars (\$200.00) for a Class 3 misdemeanor and one thousand dollars (\$1,000) for a Class 2 misdemeanor. The amount of the fine for a Class 1 misdemeanor and a Class A1 misdemeanor is in the discretion of the court.

(c) Punishment for Each Class of Offense and Prior Conviction Level; Punishment Chart Described. – Unless otherwise provided for a specific offense, the authorized punishment for each class of offense and prior conviction level is as specified in the chart below. Prior conviction levels are indicated by the Roman numerals placed horizontally on the top of the chart. Classes of offenses are indicated by the Arabic numbers placed vertically on the left side of the chart. Each grid on the chart contains the following components:

- (1) A sentence disposition or dispositions: 'C' indicates that a community punishment is authorized; 'I' indicates that an intermediate punishment is authorized; and 'A' indicates that an active punishment is authorized; and
- (2) A range of durations for the sentence of imprisonment: any sentence within the duration specified is permitted.

PRIOR CONVICTION LEVELS

MISDEMEANOR

OFFENSE CLASS	<u>LEVEL I</u> No Prior Convictions	<u>LEVEL II</u> One to Four Prior Convictions	<u>LEVEL III</u> Five or More Prior Convictions
---------------	--	--	--

<u>A1</u>	<u>1-60 days C/I/A</u>	<u>1-75 days C/I/A</u>	<u>1-150 days C/I/A,</u> <u>except as</u> <u>provided in</u>
-----------	------------------------	------------------------	--

subsection (d)

1	1-45 days C	1-45 days C/I/A	1-120 days C/I/A
2	1-30 days C	1-45 days C/I	1-60 days C/I/A
3	1-10 days C	1-15 days C/I	1-20 days C/I/A."

(h) G.S. 15A-1343.1 reads as rewritten:

"§ 15A-1343.1. Criteria for selection and sentencing to IMPACT.

1 The criteria for selecting and sentencing youthful offenders to the Intensive
2 Motivational Program of Alternative Correctional Treatment as provided under G.S.
3 15A-1343(b1)(2a) shall be as follows:

- 4 (1) The offender must be between the ages of 16 and 25;
- 5 (2) The offender must be convicted of a Class 1 ~~misdemeanor~~
6 misdemeanor, Class A1 misdemeanor, or a felony.
- 7 (3) The offender must submit to a medical evaluation by a physician
8 approved by his probation or parole officer and must be certified by the
9 physician to be medically fit for program participation;
- 10 (4) The offender must not previously have served an active sentence in
11 excess of 120 days for an offense not subject to Article 81B of this
12 Chapter or of 30 days for an offense subject to Article 81B of this
13 Chapter."

14 (i) G.S. 14-34.2 reads as rewritten:

15 **"§ 14-34.2. Assault with a firearm or other deadly weapon upon governmental
16 officers or employees, company police officers, or campus police officers.**

17 ~~Any~~ Unless a person's conduct is covered under some other provision of law
18 providing greater punishment, any person who commits an assault with a firearm or any
19 other deadly weapon upon an officer or employee of the State or of any political
20 subdivision of the State, a company police officer certified pursuant to the provisions of
21 Chapter 74E of the General Statutes, or a campus police officer certified pursuant to the
22 provisions of Chapter 17C or Chapter 116 of the General Statutes, in the performance of
23 his duties shall be guilty of a Class F felony."

24 (j) Article 8 of Chapter 14 of the General Statutes is amended by adding a new
25 section to read:

26 **"§ 14-34.5. Assault with a firearm on a law enforcement officer.**

27 Any person who commits an assault with a firearm upon a law enforcement officer in
28 the performance of his or her duties is guilty of a Class E felony."

29 (k) G.S. 14-415.1(a) reads as rewritten:

30 "(a) It shall be unlawful for any person who has been convicted of any crime set out
31 in subsection (b) of this section to purchase, own, possess, or have in his custody, care, or
32 control any handgun or other firearm with a barrel length of less than 18 inches or an
33 overall length of less than 26 inches, or any weapon of mass death and destruction as
34 defined in G.S. 14-288.8(c), within five years from the date of such conviction, or the
35 unconditional discharge from a correctional institution, or termination of a suspended
36 sentence, probation, or parole upon such conviction, whichever is later.

37 Every person violating the provisions of this section shall be punished as a Class ~~H~~G
38 felon.

39 Nothing in this subsection would prohibit the right of any person to have possession
40 of a firearm within his own home or on his lawful place of business."

41 (l) G.S. 15A-1340.17(c) reads as rewritten:

42 "(c) Punishments for Each Class of Offense and Prior Record Level; Punishment
43 Chart Described. – The authorized punishment for each class of offense and prior record

1 level is as specified in the chart below. Prior record levels are indicated by the Roman
 2 numerals placed horizontally on the top of the chart. Classes of offense are indicated by
 3 the letters placed vertically on the left side of the chart. Each cell on the chart contains
 4 the following components:

- 5 (1) A sentence disposition or dispositions: 'C' indicates that a community
 6 punishment is authorized; 'I' indicates that an intermediate punishment
 7 is authorized; 'A' indicates that an active punishment is authorized; and
 8 'Life Imprisonment Without Parole' indicates that the defendant shall be
 9 imprisoned for the remainder of the prisoner's natural life.
- 10 (2) A presumptive range of minimum durations, if the sentence of
 11 imprisonment is neither aggravated or mitigated; any minimum term of
 12 imprisonment in that range is permitted unless the court finds pursuant
 13 to G.S. 15A-1340.16 that an aggravated or mitigated sentence is
 14 appropriate. The presumptive range is the middle of the three ranges in
 15 the cell.
- 16 (3) A mitigated range of minimum durations if the court finds pursuant to
 17 G.S. 15A-1340.16 that a mitigated sentence of imprisonment is
 18 justified; in such a case, any minimum term of imprisonment in the
 19 mitigated range is permitted. The mitigated range is the lower of the
 20 three ranges in the cell.
- 21 (4) An aggravated range of minimum durations if the court finds pursuant
 22 to G.S. 15A-1340.16 that an aggravated sentence of imprisonment is
 23 justified; in such a case, any minimum term of imprisonment in the
 24 aggravated range is permitted. The aggravated range is the higher of the
 25 three ranges in the cell.

26
 27 **PRIOR RECORD LEVEL**

	I	II	III	IV	V	VI	
	0 Pts	1-4 Pts	5-8 Pts		9-14 Pts	15-18 Pts	19+ Pts
A	Life Imprisonment or Death as Established by Statute						
	A	A	A	A	A	A	DISPOSITION
	240-300	288-360		336-420		384-480	Life Imprisonment Aggravated
							Without Parole
B1	192-240	230-288		269-336	307-384	346-433	384-480 PRESUMPTIVE
	144-192	173-230		202-269	230-307	260-346	288-384
							Mitigated
	A	A	A	A	A	A	DISPOSITION
	135-169	163-204		190-238	216-270	243-304	270-338
							Aggravated

1	B2	108-135	130-163	152-190	173-216	194-243	216-270	PRESUMPTIVE
2		81-108	98-130	114-152	130-173	146-194	162-216	
3		Mitigated						
4		<u>157-196</u>	<u>189-237</u>	<u>220-276</u>	<u>251-313</u>	<u>282-353</u>	<u>313-392</u>	
5		Aggravated						
6	B2	<u>125-157</u>	<u>151-189</u>	<u>176-220</u>	<u>201-251</u>	<u>225-282</u>	<u>251-313</u>	PRESUMPTIVE
7		<u>94-125</u>	<u>114-151</u>	<u>132-176</u>	<u>151-201</u>	<u>169-225</u>	<u>188-251</u>	
8		Mitigated						
9								
10		A	A	A	A	A	A	DISPOSITION
11		63-79	86-108	100-125	115-144	130-162	145-181	Aggravated
12	C	50-63	69-86	80-100	92-115	104-130	116-145	PRESUMPTIVE
13		38-50	52-69	60-80	69-92	78-104	87-116	Mitigated
14		<u>73-92</u>	<u>100-125</u>	<u>116-145</u>	<u>133-167</u>	<u>151-188</u>	<u>168-210</u>	Aggravated
15	C	<u>58-73</u>	<u>80-100</u>	<u>93-116</u>	<u>107-133</u>	<u>121-151</u>	<u>135-168</u>	PRESUMPTIVE
16		<u>44-58</u>	<u>60-80</u>	<u>70-93</u>	<u>80-107</u>	<u>90-121</u>	<u>101-135</u>	Mitigated
17								
18		A	A	A	A	A	A	DISPOSITION
19		55-69	66-82	89-111	101-126	115-144	126-158	Aggravated
20	D	44-55	53-66	71-89	81-101	92-115	101-126	PRESUMPTIVE
21		33-44	40-53	53-71	61-81	69-92	76-101	Mitigated
22		<u>64-80</u>	<u>77-95</u>	<u>103-129</u>	<u>117-146</u>	<u>133-167</u>	<u>146-183</u>	Aggravated
23	D	<u>51-64</u>	<u>61-77</u>	<u>82-103</u>	<u>94-117</u>	<u>107-133</u>	<u>117-146</u>	PRESUMPTIVE
24		<u>38-51</u>	<u>46-61</u>	<u>61-82</u>	<u>71-94</u>	<u>80-107</u>	<u>88-117</u>	Mitigated
25								
26		I/A	I/AA	A	A	A	A	DISPOSITION
27		25-31	29-36	34-42	46-58	53-66	59-74	Aggravated
28	E	20-25	23-29	27-34	37-46	42-53	47-59	PRESUMPTIVE
29		15-20	17-23	20-27	28-37	32-42	35-47	Mitigated
30								
31		I/A	I/AI/A	A	A	A	A	DISPOSITION
32		16-20	19-24	21-26	25-31	34-42	39-49	Aggravated
33	F	13-16	15-19	17-21	20-25	27-34	31-39	PRESUMPTIVE
34		10-13	11-15	13-17	15-20	20-27	23-31	Mitigated
35								
36		I/A	I/AI/A	I/A	A	A	A	DISPOSITION
37		13-16	15-19	16-20	20-25	21-26	29-36	Aggravated
38	G	10-13	12-15	13-16	16-20	17-21	23-29	PRESUMPTIVE
39		8-10	9-12	10-13	12-16	13-17	17-23	Mitigated
40								
41		C/I/A	I/A	I/A	I/A	A	A	DISPOSITION
42		6-8	8-10	10-12	11-14	15-19	20-25	Aggravated
43	H	5-6	6-8	8-10	9-11	12-15	16-20	PRESUMPTIVE

1	4-5	4-6	6-8	7-9	9-12	12-16	Mitigated		
2									
3		C	C/II	I/A	I/A	I/A	DISPOSITION		
4	6-8	6-8	6-8	8-10	9-11	10-12	Aggravated		
5	I 4-6	4-6	4-6	5-6	6-8	7-9	8-10	PRESUMPTIVE	
6	3-4	3-4	4-5	4-6	5-7	6-8	Mitigated		

(m) Chapter 63 of the General Statutes is amended by adding a new section to read:

"§ 63-37.1. Airport obstructions illegal.

Any person, other than the owner or operator of an airport, who intentionally obstructs the lawful takeoff and landing operations and patterns of aircraft at an existing public or private airport shall be guilty of a Class 1 misdemeanor."

(n) G.S. 108A-53(a) reads as rewritten:

"(a) Any person, whether provider or recipient or person representing himself as such, who knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of making a willfully false statement or representation or by impersonation or by failing to disclose material facts or in any manner not authorized by this Part or the regulations issued pursuant thereto, transfers with intent to defraud any food stamps or authorization cards to which he is not entitled in the amount of ~~two thousand dollars (\$2,000)~~ one thousand dollars (\$1,000) or less shall be guilty of a Class 1 misdemeanor. Whoever knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of making a willfully false statement or representation or by impersonation or by failing to disclose material facts or in any manner not authorized by this Part or the regulations issued pursuant thereto, transfers with intent to defraud any food stamps or authorization cards to which he is not entitled in an amount more than ~~two thousand dollars (\$2,000)~~ one thousand dollars (\$1,000) shall be guilty of a Class I felony."

(o) G.S. 14-190.16(d) reads as rewritten:

"(d) Punishment and Sentencing. – Violation of this section is a Class ~~E~~D felony."

(p) G.S. 14-190.18(c) reads as rewritten:

"(c) Punishment and Sentencing. – Violation of this section is a Class ~~F~~D felony."

(q) This section becomes effective December 1, 1995, and applies to offenses committed on or after that date.

Requested by: Senator Gulley

FELONY TO COMMIT ASSAULT ON EMERGENCY SERVICES PERSONNEL

Sec. 19.6. (a) G.S. 14-288.9 reads as rewritten:

"§ 14-288.9. Assault on emergency personnel; punishments.

(a) An assault upon emergency personnel is an assault upon any person coming within the definition of 'emergency personnel' which is ~~committed in an area~~: committed:

(1) In an area in which a declared state of emergency exists; or

(2) Within the immediate vicinity ~~of~~ in which a riot is occurring or is ~~imminent~~: imminent; or

1 (3) While emergency personnel is discharging or attempting to discharge
2 official duties.

3 (b) The term 'emergency personnel' includes law-enforcement officers, firemen,
4 ambulance attendants, emergency medical services technicians, utility workers, doctors,
5 nurses, and other persons lawfully engaged in providing essential services during the
6 emergency.

7 (c) Any person who commits an assault upon emergency personnel is guilty of a
8 Class 1 misdemeanor. Any person who commits an assault upon emergency personnel
9 with or through the use of any dangerous weapon or substance shall be punished as a
10 ~~Class F~~ Class I felon.

11 (d) Any person who commits an assault upon emergency personnel with or
12 through the use of a firearm shall be punished as a Class F felon."

13 (b) This section becomes effective December 1, 1995, and applies to offenses
14 committed on or after that date.

15
16 Requested by: Senator Ballance

17 **HARRIET'S HOUSE FUNDS**

18 Sec. 19.7. Of the funds appropriated to the Department of Correction, the sum
19 of two hundred thousand dollars (\$200,000) for the 1995-96 fiscal year and the sum of
20 two hundred thousand dollars (\$200,000) for the 1996-97 fiscal year shall be used to
21 support the programs of Harriet's House, a transitional home for female ex-offenders and
22 their children. Harriet House shall report quarterly to the Joint Legislative Commission
23 on Governmental Operations on the expenditure of State appropriations and on the
24 effectiveness of the program including information on the number of clients served and
25 the number of clients who successfully complete the Harriet's House program.

26
27 Requested by: Senator Ballance

28 **DEPARTMENT OF CORRECTION/DEPARTMENT OF HUMAN RESOURCES**
29 **JOINT PLAN/RESERVE FOR SUBSTANCE ABUSE TREATMENT PILOT**
30 **PROGRAM FOR PAROLEES AND PROBATIONERS**

31 Sec. 19.8. (a) The balance of the five hundred eighty-three thousand dollars
32 (\$583,000) appropriated in Chapter 24 of the Session Laws of the 1994 Extra Session to
33 the Department of Correction for the 1994-95 fiscal year for an intensive out-patient
34 substance abuse treatment pilot program for parolees and probationers with serious
35 substance abuse histories shall not revert at the end of the fiscal year but shall remain in
36 the Department for that purpose. The Department of Correction and the Department of
37 Human Resources shall jointly report on the development and implementation of the pilot
38 program to the Chairs of the Senate and House Appropriations Committees and the
39 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
40 Safety not later than May 15, 1996.

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

42
43 Requested by: Senator Ballance

EXEMPTION FROM LICENSURE AND CERTIFICATE OF NEED

1 Sec. 19.9. (a) Inpatient chemical dependency or substance abuse facilities that
2 provide services exclusively to inmates of the Department of Correction shall be exempt
3 from licensure by the Department of Human Resources under Chapter 122C of the
4 General Statutes. If an inpatient chemical dependency or substance abuse facility
5 provides services both to inmates of the Department of Correction and to members of the
6 general public, the portion of the facility that serves inmates shall be exempt from
7 licensure.

8
9 (b) Any person who contracts to provide inpatient chemical dependency or
10 substance abuse services to inmates of the Department of Correction may construct and
11 operate a new chemical dependency or substance abuse facility for that purpose without
12 first obtaining a certificate of need from the Department of Human Resources pursuant to
13 Article 9 of Chapter 131E of the General Statutes. However, a new facility or addition
14 developed for that purpose without a certificate of need shall not be licensed pursuant to
15 Chapter 122C of the General Statutes and shall not admit anyone other than inmates
16 unless the owner or operator first obtains a certificate of need.

17 (c) This section applies to existing facilities, as well as future facilities contracting
18 with the Department of Correction.

19
20 Requested by: Senator Ballance

CORRECTIONS OVERSIGHT STUDY SALARY CONTINUATION

21
22 Sec. 19.10. (a) The Joint Legislative Corrections Oversight Committee shall
23 study the salary continuation program in the Department of Correction provided for in
24 Article 12B of Chapter 143 of the General Statutes. The Committee shall review:

- 25 (1) The numbers and types of positions in the Department of Correction
26 currently receiving the benefit;
- 27 (2) The number and types of accidents occurring for which employees
28 receive salary continuation;
- 29 (3) The application of this benefit to accidents and injuries on the job;
- 30 (4) The application of this benefit to certified positions and not to non-
31 certified positions;
- 32 (5) The costs of this benefit to the Department and methods for reducing
33 future costs.

34 (b) The Joint Legislative Corrections Oversight Committee shall report its findings
35 and recommendations to the 1995 General Assembly, 1996 Regular Session.

36
37 Requested by: Senator Ballance

DART AFTERCARE FUNDS

38
39 Sec. 19.11. Funds appropriated in this act to the Department of Correction for
40 a Drug Alcohol Recovery Treatment (DART) aftercare program shall be used to contract
41 for up to three pilot programs statewide to provide aftercare services, including
42 counseling and job referral services, for DART DWI offenders and other offenders who
43 have completed a DART program in the Division of Prisons.

1 The Department of Correction shall report on the pilot programs to the Chairs
2 of the Senate and House Appropriations Committees and the Chairs of the Senate and
3 House Appropriations Subcommittees on Justice and Public Safety by May 15, 1996.
4 The report shall include information on the number of clients served, the quality of
5 services, the cost-effectiveness of the services, and the benefits of the programs to
6 offenders.

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

10 Requested by: Senators Ballance, Parnell

11 **EMERGENCY MANAGEMENT FUNDS SHALL NOT REVERT**

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

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

20 **PART 21. JUDICIAL DEPARTMENT**

22 Requested by: Senator Ballance

23 **INCREASE MAXIMUM ALLOWABLE MAGISTRATES FOR CURRITUCK, 24 PASQUOTANK AND SURRY COUNTIES/DIVIDE DISTRICT COURT 25 DISTRICT 9**

26 Sec. 21.1. (a) Article 18 of Chapter 7A of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 7A-200. District and set of districts defined; chief district court judges and their
29 authority.**

30 (a) In this section:

31 (1) 'District' means any district court district established by G.S. 7A-133
32 which consists exclusively of one or more entire counties;

33 (2) 'Set of districts' means any set of two or more district court districts
34 established under G.S. 7A-133, none of which consists exclusively of
35 one or more entire counties, but both or all of which include territory
36 from the same county or counties and together comprise all of the
37 territory of that county or those counties; and

38 (3) 'Chief district court judge' means in the case of a set of districts, the
39 chief district court judge for those districts, designated by the chief
40 justice from among the district court judges for the districts in the set of
41 districts.

(b) Whenever by law a duty is imposed upon the chief district court judge, it means for a set of districts the chief district court judge designated under subsection (a)(3) of this section."

(b) Article 14 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"§ 7A-149. Jurisdiction; sessions.

(a) Notwithstanding any other provision of law, a district court judge of a district court district which is in a set of districts as defined by G.S. 7A-200 has jurisdiction in the entire county or counties in which the district is located to the same extent as if the district encompassed the entire county, and has jurisdiction in the entire set of districts to the same extent as if the district encompassed the entire set of districts.

(b) All sessions of district court shall be for an entire county, whether that county comprises or is located in a district or in a set of districts as defined in G.S. 7A-200, and at each session all matters and proceedings arising anywhere in the county may be heard.

(c) All clerks of court for a county have jurisdiction over the entire county, notwithstanding that the county may be part of a set of districts."

(c) G.S. 7A-133 reads as rewritten:

"§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional seats of court, by counties.

(a) Each district court district shall have the numbers of judges ~~and each county within the district shall have the numbers of magistrates and additional seats of court,~~ as set forth in the following table:

District	Judges	County	Magistrates		Seats of Court
			Min.	Max.	
1	4	Camden	1	2	
		Chowan	2	3	
		Currituck	1	2	
		Dare	3	8	
		Gates	2	3	
		Pasquotank	3	4	
		Perquimans	2	3	
		Martin	5	8	
2	3	Beaufort	4	8	
		Tyrrell	1	3	
		Hyde	2	4	
		Washington	3	4	
3A	3	Pitt	10	12	Ayden
		Farmville			
3B	4	Craven	7	10	Havelock
		Pamlico	2	3	
		Carteret	5	8	

1	4	6	Sampson	6	8		
2					Duplin	9	11
3					Jones	2	3
4					Onslow	8	14
5	5	6	New Hanover	6	11		
6					Pender	4	6
7	6A	2	Halifax	9	14	Roanoke	
8							Rapids,
9							Scotland Neck
10	6B	3	Northampton	5	6		
11					Bertie	4	5
12					Hertford	5	6
13	7	6	Nash	7	10	Rocky Mount	
14					Edgecombe	4	6
15					Wilson	4	6
16	8	5	Wayne	5	11	Mount Olive	
17					Greene	2	4
18					Lenoir	4	10
19	9	4	Granville	3	7		La Grange
20					(part of Vance	3	5
21					see subsection (b))		
22					Warren	3	4
23					Franklin	3	6
24	9A	2	Person	3	4		
25					Caswell	2	5
26	9B	1	Warren				
27					(part of Vance		
28					see subsection (b))		
29	10	12	Wake	12	20	Apex,	
30							Wendell,
31							Fuquay-
32							Varina,
33							Wake Forest
34	11	6	Harnett	7	11	Dunn	
35					Johnston	10	12
36							Benson,
37							Clayton
38					Lee	4	6
39	12	6	Cumberland	10	17		
40	13	4	Bladen	4	6		
41					Brunswick	4	7
42					Columbus	6	8
43	14	5			Durham	8	12
							Tabor City

1	15A	3	Alamance	7	10	Burlington			
2	15B	3	Orange	4	11	Chapel Hill			
3						Chatham	3	8	Siler City
4	16A	2	Scotland	3	5				
5						Hoke	4	5	
6	16B	5	Robeson	8	16	Fairmont,			
7									Maxton,
8									Pembroke,
9									Red Springs,
10									Rowland,
11									St. Pauls
12	17A	2				Rockingham	4	9	Reidsville,
13									Eden,
14									Madison
15	17B	3	Stokes	2	5				
16						Surry	5	8	Mt. Airy
17	18	10	Guilford	20	26	High Point			
18	19A	3	Cabarrus	5	9	Kannapolis			
19	19B	3	Montgomery	2	4				
20						Randolph	5	8	Liberty
21	19C	3	Rowan	5	10				
22	20	6	Stanly	5	6				
23						Union	4	6	
24						Anson	4	5	
25						Richmond	5	6	Hamlet
26						Moore	5	8	Southern
27									Pines
28	21	7	Forsyth	3	15	Kernersville			
29	22	7	Alexander	2	3				
30						Davidson	7	10	Thomasville
31						Davie	2	3	
32						Iredell	4	9	Mooresville
33	23	3	Alleghany	1	2				
34						Ashe	3	4	
35						Wilkes	4	6	
36						Yadkin	3	5	
37	24	3	Avery	3	4				
38						Madison	4	5	
39						Mitchell	3	4	
40						Watauga	4	6	
41						Yancey	2	4	
42	25	7	Burke	4	7				
43						Caldwell	4	7	

1				Catawba		6	10	Hickory
2	26	14	Mecklenburg	15	26			
3	27A	5	Gaston	11	20			
4	27B	4	Cleveland	5	8			
5				Lincoln		4	6	
6	28	5	Buncombe	6	15			
7	29	4	Henderson	4	6			
8				McDowell		3	5	
9				Polk		3	4	
10				Rutherford		6	8	
11				Transylvania		2	4	
12	30	4	Cherokee	3	4			
13				Clay		1	2	
14				Graham		2	3	
15				Haywood		5	7	Canton
16				Jackson		3	4	
17				Macon		3	4	
18				Swain		2	3	

19 (b) For district court districts of less than a whole county, or with part or all of one
 20 county with part of another, the composition of the district is as follows:

21 (1) District Court District 9 consists of Franklin and Granville Counties and
 22 the remainder of Vance County not in District Court District 9B.

23 (2) District Court District 9B consists of Warren County and East
 24 Henderson I, North Henderson I, North Henderson II, Middleburg,
 25 Townsville, and Williamsboro Precincts of Vance County.

26 Precinct boundaries as used in this section for Vance County are those shown on maps
 27 on file with the Legislative Services Office on May 1, 1991, and for other counties are
 28 those reported by the United States Bureau of the Census under Public Law 94-171 for
 29 the 1990 Census in the IVTD Version of the TIGER files.

30 (c) Each county shall have the numbers of magistrates and additional seats of
 31 district court, as set forth in the following table:

32				<u>Additional</u>
33			<u>Magistrates</u>	<u>Seats of</u>
34	<u>County</u>	<u>Min.-Max.</u>	<u>Court</u>	
35				
36	<u>Camden</u>	<u>1</u>	<u>2</u>	
37	<u>Chowan</u>	<u>2</u>	<u>3</u>	
38	<u>Currituck</u>	<u>1</u>	<u>3</u>	
39	<u>Dare</u>	<u>3</u>	<u>8</u>	
40	<u>Gates</u>	<u>2</u>	<u>3</u>	
41	<u>Pasquotank</u>	<u>3</u>	<u>5</u>	
42	<u>Perquimans</u>	<u>2</u>	<u>3</u>	
43	<u>Martin</u>	<u>5</u>	<u>8</u>	

1	<u>Beaufort</u>	<u>4</u>	<u>8</u>	
2	<u>Tyrrell</u>	<u>1</u>	<u>3</u>	
3	<u>Hyde</u>	<u>2</u>	<u>4</u>	
4	<u>Washington</u>		<u>3</u>	<u>4</u>
5	<u>Pitt</u>	<u>10</u>	<u>12</u>	<u>Farmville</u>
6				<u>Ayden</u>
7	<u>Craven</u>	<u>7</u>	<u>10</u>	<u>Havelock</u>
8	<u>Pamlico</u>	<u>2</u>	<u>3</u>	
9	<u>Carteret</u>	<u>5</u>	<u>8</u>	
10	<u>Sampson</u>	<u>6</u>	<u>8</u>	
11	<u>Duplin</u>	<u>9</u>	<u>11</u>	
12	<u>Jones</u>	<u>2</u>	<u>3</u>	
13	<u>Onslow</u>	<u>8</u>	<u>14</u>	
14	<u>New Hanover</u>	<u>6</u>	<u>11</u>	
15	<u>Pender</u>	<u>4</u>	<u>6</u>	
16	<u>Halifax</u>	<u>9</u>	<u>14</u>	<u>Roanoke</u>
17				<u>Rapids,</u>
18				<u>Scotland Neck</u>
19	<u>Northampton</u>	<u>5</u>	<u>6</u>	
20	<u>Bertie</u>	<u>4</u>	<u>5</u>	
21	<u>Hertford</u>	<u>5</u>	<u>6</u>	
22	<u>Nash</u>	<u>7</u>	<u>10</u>	<u>Rocky Mount</u>
23	<u>Edgecombe</u>	<u>4</u>	<u>6</u>	<u>Rocky Mount</u>
24	<u>Wilson</u>	<u>4</u>	<u>6</u>	
25	<u>Wayne</u>	<u>5</u>	<u>11</u>	<u>Mount Olive</u>
26	<u>Greene</u>	<u>2</u>	<u>4</u>	
27	<u>Lenoir</u>	<u>4</u>	<u>10</u>	<u>La Grange</u>
28	<u>Granville</u>	<u>3</u>	<u>7</u>	
29	<u>Vance</u>	<u>3</u>	<u>5</u>	
30	<u>Warren</u>	<u>3</u>	<u>4</u>	
31	<u>Franklin</u>	<u>3</u>	<u>6</u>	
32	<u>Person</u>	<u>3</u>	<u>4</u>	
33	<u>Caswell</u>	<u>2</u>	<u>5</u>	
34	<u>Wake</u>	<u>12</u>	<u>20</u>	<u>Apex,</u>
35				<u>Wendell,</u>
36				<u>Fuquay-</u>
37				<u>Varina,</u>
38				<u>Wake Forest</u>
39	<u>Harnett</u>	<u>7</u>	<u>11</u>	<u>Dunn</u>
40	<u>Johnston</u>	<u>10</u>	<u>12</u>	<u>Benson,</u>
41				<u>Clayton,</u>
42				<u>Selma</u>
43	<u>Lee</u>	<u>4</u>	<u>6</u>	

1	<u>Cumberland</u>	<u>10</u>	<u>17</u>	
2	<u>Bladen</u> 4	<u>6</u>		
3	<u>Brunswick</u>	<u>4</u>	<u>7</u>	
4	<u>Columbus</u> 6	<u>8</u>	<u>Tabor City</u>	
5	<u>Durham</u> 8	<u>12</u>		
6	<u>Alamance</u> 7	<u>10</u>	<u>Burlington</u>	
7	<u>Orange</u> 4	<u>11</u>	<u>Chapel Hill</u>	
8	<u>Chatham</u> 3	<u>8</u>	<u>Siler City</u>	
9	<u>Scotland</u> 3	<u>5</u>		
10	<u>Hoke</u> 4 <u>5</u>			
11	<u>Robeson</u> 8	<u>16</u>	<u>Fairmont,</u>	
12				<u>Maxton,</u>
13				<u>Pembroke,</u>
14				<u>Red Springs,</u>
15				<u>Rowland,</u>
16				<u>St. Pauls</u>
17	<u>Rockingham</u>	<u>4</u>	<u>9</u>	<u>Reidsville,</u>
18				<u>Eden,</u>
19				<u>Madison</u>
20	<u>Stokes</u> 2 <u>5</u>			
21	<u>Surry</u> 5 <u>9</u>	<u>Mt. Airy</u>		
22	<u>Guilford</u> 20	<u>26</u>	<u>High Point</u>	
23	<u>Cabarrus</u> 5	<u>9</u>	<u>Kannapolis</u>	
24	<u>Montgomery</u>	<u>2</u>	<u>4</u>	
25	<u>Randolph</u> 5	<u>8</u>	<u>Liberty</u>	
26	<u>Rowan</u> 5	<u>10</u>		
27	<u>Stanly</u> 5 <u>6</u>			
28	<u>Union</u> 4 <u>6</u>			
29	<u>Anson</u> 4 <u>5</u>			
30	<u>Richmond</u>	<u>5</u>	<u>6</u>	<u>Hamlet</u>
31	<u>Moore</u> 5 <u>8</u>	<u>Southern</u>		
32				<u>Pines</u>
33	<u>Forsyth</u> 3	<u>15</u>	<u>Kernersville</u>	
34	<u>Alexander</u>	<u>2</u>	<u>3</u>	
35	<u>Davidson</u> 7	<u>10</u>	<u>Thomasville</u>	
36	<u>Davie</u> 2 <u>3</u>			
37	<u>Iredell</u> 4 <u>9</u>	<u>Mooreville</u>		
38	<u>Alleghany</u>	<u>1</u>	<u>2</u>	
39	<u>Ashe</u> 3 <u>4</u>			
40	<u>Wilkes</u> 4	<u>6</u>		
41	<u>Yadkin</u> 3	<u>5</u>		
42	<u>Avery</u> 3 <u>4</u>			
43	<u>Madison</u> 4	<u>5</u>		

1	<u>Mitchell</u>	<u>3</u>	<u>4</u>	
2	<u>Watauga</u>	<u>4</u>	<u>6</u>	
3	<u>Yancey</u>	<u>2</u>	<u>4</u>	
4	<u>Burke</u>	<u>4</u>	<u>7</u>	
5	<u>Caldwell</u>	<u>4</u>	<u>7</u>	
6	<u>Catawba</u>	<u>6</u>	<u>10</u>	<u>Hickory</u>
7	<u>Mecklenburg</u>	<u>15</u>	<u>26</u>	
8	<u>Gaston</u>	<u>11</u>	<u>20</u>	
9	<u>Cleveland</u>	<u>5</u>	<u>8</u>	
10	<u>Lincoln</u>	<u>4</u>	<u>6</u>	
11	<u>Buncombe</u>	<u>6</u>	<u>15</u>	
12	<u>Henderson</u>	<u>4</u>	<u>6</u>	
13	<u>McDowell</u>	<u>3</u>	<u>5</u>	
14	<u>Polk</u>	<u>3</u>	<u>4</u>	
15	<u>Rutherford</u>	<u>6</u>	<u>8</u>	
16	<u>Transylvania</u>	<u>2</u>	<u>4</u>	
17	<u>Cherokee</u>	<u>3</u>	<u>4</u>	
18	<u>Clay</u>	<u>1</u>	<u>2</u>	
19	<u>Graham</u>	<u>2</u>	<u>3</u>	
20	<u>Haywood</u>	<u>5</u>	<u>7</u>	<u>Canton</u>
21	<u>Jackson</u>	<u>3</u>	<u>4</u>	
22	<u>Macon</u>	<u>3</u>	<u>4</u>	
23	<u>Swain</u>	<u>2</u>	<u>3.</u> "	

24 (d) The Governor shall appoint the additional district court judge for District Court
 25 District 9B authorized by subsection (c) of this section. A successor shall be elected in
 26 the 1998 general election for a four-year term commencing the first Monday in December
 27 1998.

28 (e) Subsections (c) and (d) of this section become effective October 1, 1995,
 29 or 15 days after the date upon which those subsections are approved under Section 5 of
 30 the Voting Rights Act of 1965, whichever is later. Subsections (a) and (b) of this section
 31 become effective October 1, 1995.

32 (f) The provisions of this section are severable. If any provision of this section
 33 is held invalid by a court of competent jurisdiction, the invalidity does not affect other
 34 provisions of the section that can be given effect without the invalid provision.
 35

36 Requested by: Senator Ballance

37 **RECIDIVISM STUDY**

38 Sec. 21.2. The North Carolina Sentencing and Policy Advisory Commission
 39 shall contract with an external consultant to study recidivism of criminal offenders
 40 assigned to community correctional programs or released from prison. The community
 41 correctional programs to be studied shall include Treatment Alternative to Street Crime
 42 (TASC), Community Penalties Program, Community Service, and all supervised

1 probation and parole programs. The study shall identify those offenders rearrested within
2 two years or more after assignment to a program or release from prison.

3 Of the funds appropriated to the Judicial Department for the 1995-97
4 biennium, the Department may use up to fifty thousand dollars (\$50,000) during the
5 1995-97 biennium to contract with an external consultant for this study. The Department
6 shall provide the consultant's report to the Chairs of the Senate and House Appropriations
7 Committees and the Chairs of the Senate and House Appropriations Subcommittees on
8 Justice and Public Safety by May 1, 1996.

9
10 Requested by: Senator Ballance

11 **INDIGENT PERSONS' ATTORNEY FEE FUND**

12 Sec. 21.3. (a) Effective July 1, 1995, the Administrative Office of the Courts shall
13 each year of the 1995-97 biennium reserve funds for capital cases and for transcripts,
14 professional examinations, and expert witness fees from the Indigent Persons' Attorney
15 Fee Fund. The remaining available funds in the Indigent Persons' Attorney Fee Fund
16 shall be allotted for adult, juvenile, and guardian ad litem cases for the 1995-96 and
17 1996-97 fiscal years to each judicial district in which the superior and district court
18 districts are coterminous, and otherwise by county, according to the caseload of indigent
19 persons who were not represented by the public defender in the districts or counties
20 during 1994-95 and 1995-96 respectively.

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

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

33 (b) If the funds allotted pursuant to subsection (a) of this section are depleted in a
34 district or county prior to the end of the fiscal year, the Administrative Office of the
35 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
36 the same manner as provided in subsection (a) of this section. However, if necessary and
37 appropriate due to unusual and unanticipated circumstances occurring in the current year,
38 the Administrative Office of the Courts may allocate funds to a district or county in a
39 manner calculated to result in the reasonably fair distribution of remaining funds. Such
40 funds shall be subject to the limitations and directions set out in subsection (a) of this
41 section.

42 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a
43 district or county prior to the end of the fiscal year, the Administrative Office of the

1 Courts is authorized to resume payments in such districts or counties only if and when it
2 is reasonably determined that the total projected expenditures will be less than the total
3 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

4
5 Requested by: Senator Ballance

6 **DISPUTE SETTLEMENT FUNDS**

7 Sec. 21.5. (a) Of the three hundred eight thousand five hundred dollars (\$308,500)
8 appropriated in this act for each fiscal year of the 1995-97 biennium for new and
9 additional funding for dispute settlement centers, twenty-five thousand dollars (\$25,000)
10 shall be allocated for new funding for the Sandhills Mediation Center and ten thousand
11 dollars (\$10,000) shall be allocated for new funding for the Dispute Settlement Center of
12 Moore County. The remaining funds for each fiscal year shall be allocated for additional
13 funding as follows:

- 14 (1) \$5,000 for the Alamance County Dispute Settlement Center;
- 15 (2) \$25,000 for the Charlotte/Mecklenburg Community Relations
16 Committee/Dispute Settlement Program;
- 17 (3) \$10,000 for the Cumberland County Dispute Resolution Center;
- 18 (4) \$10,000 for The Dispute Settlement Center of Cape Fear;
- 19 (5) \$20,000 for the Dispute Settlement Center of Durham, Inc.;
- 20 (6) \$13,500 for the Henderson County Dispute Settlement Center;
- 21 (7) \$10,000 for The Mediation Center in Buncombe County;
- 22 (8) \$30,000 for the Mediation Center of Eastern Carolina to expand into
23 Craven and Carteret Counties;
- 24 (9) \$15,000 for the Mediation Center of Gaston County, Inc.;
- 25 (10) \$15,000 for Mediation Services of Forsyth County;
- 26 (11) \$23,000 for Mediation Services of Guilford County;
- 27 (12) \$44,000 for the Mountain Dispute Settlement Center;
- 28 (13) \$25,000 for the Orange County Dispute Settlement Center;
- 29 (14) \$13,000 for the Transylvania Dispute Settlement Center; and
- 30 (15) \$15,000 for the Robeson County Dispute Resolution Center.

31 (b) The provisions of subsection (c) of Section 21.5 of Chapter 324 of the 1995
32 Session Laws shall not apply to the Robeson County Dispute Resolution Center during
33 the 1995-97 biennium.

34
35 Requested by: Senator Ballance

36 **DRUG TREATMENT COURTS/FUNDS IN RESERVE**

37 Sec. 21.6. (a) Chapter 7A of the General Statutes is amended by adding a new
38 Subchapter to read:

39 **"SUBCHAPTER XIV. DRUG TREATMENT COURTS.**

40 **"ARTICLE 62.**

41 **"NORTH CAROLINA DRUG TREATMENT COURT ACT.**

42 **"§ 7A-790. Short title.**

1 This Article shall be known and may be cited as the 'North Carolina Drug Treatment
2 Court Act of 1995'.

3 **"§ 7A-791. Purpose.**

4 The General Assembly recognizes that a critical need exists in this State for criminal
5 justice system programs that will reduce the incidence of drug use and drug addiction and
6 crimes committed as a result of drug use and drug addiction. It is the intent of the
7 General Assembly by this Article to create a program to facilitate the creation of drug
8 treatment court pilot programs in a minimum of two judicial districts.

9 **"§ 7A-792. Goals.**

10 The goals of the drug treatment court programs funded under this Article include the
11 following:

- 12 (1) To reduce alcoholism and other drug dependencies among offenders;
- 13 (2) To reduce recidivism;
- 14 (3) To reduce the drug-related court workload;
- 15 (4) To increase the personal, familial, and societal accountability of
16 offenders; and
- 17 (5) To promote effective interaction and use of resources among criminal
18 justice personnel and community agencies.

19 **"§ 7A-793. Establishment of Program.**

20 The North Carolina Drug Treatment Court Program is established in the
21 Administrative Office of the Courts to facilitate the creation of drug treatment court
22 programs and the funding of pilot drug treatment court programs. Drug treatment court
23 programs funded pursuant to this Article shall be operated consistent with the guidelines
24 promulgated by the Director of the Administrative Office of the Courts in consultation
25 with the State Drug Treatment Court Advisory Committee established in G.S. 7A-795. In
26 promulgating the guidelines, the Director and the Advisory Committee shall consider the
27 Substance Abuse and the Courts Action Plan and other recommendations of the
28 Substance Abuse and the Courts State Task Force.

29 **"§ 7A-794. Fund administration.**

30 The Drug Treatment Court Program Fund is created in the Administrative Office of
31 the Courts and is administered by the Director of the Administrative Office of the Courts
32 in consultation with the State Drug Treatment Court Advisory Committee. The Director
33 of the Administrative Office of the Courts shall award grants from this Fund and
34 implement drug treatment court programs in a minimum of two judicial districts. Grants
35 shall be awarded based upon the general guidelines set forth by the Director of the
36 Administrative Office of the Courts and the State Drug Treatment Court Advisory
37 Committee.

38 **"§ 7A-795. State Drug Treatment Court Advisory Committee.**

39 The State Drug Treatment Court Advisory Committee is established to develop
40 guidelines for the drug treatment court program and to monitor programs wherever they
41 are implemented. The Committee shall be chaired by the Director of the Administrative
42 Office of the Courts or the Director's designee and shall consist of not less than seven

1 members appointed by the Director and broadly representative of the courts, corrections,
2 and substance abuse treatment communities.

3 **"§ 7A-796. Local drug treatment court management committee.**

4 Each judicial district choosing to establish a drug treatment court or applying to
5 participate in a funded pilot program shall form a local drug treatment court management
6 committee, which may consist of some or all of the following:

- 7 (1) A judge of the superior court;
- 8 (2) A judge of the district court;
- 9 (3) A district attorney or assistant district attorney;
- 10 (4) A public defender or assistant public defender in judicial districts served
11 by a public defender;
- 12 (5) A member of the private criminal defense bar;
- 13 (6) A clerk of superior court;
- 14 (7) The trial court administrator in judicial districts served by a trial court
15 administrator;
- 16 (8) A probation officer;
- 17 (9) A local law enforcement officer;
- 18 (10) A representative of the local community college;
- 19 (11) A representative of the treatment providers;
- 20 (12) The local program director provided for in G.S. 7A-798; and
- 21 (13) Any other persons selected by the local management committee.

22 Each local drug treatment court management committee shall be convened by the
23 senior resident superior court judge, who shall then appoint a chair from the membership
24 of the committee.

25 The local drug treatment court management committee shall develop local guidelines
26 and procedures, not inconsistent with the State guidelines, that are necessary for the
27 operation and evaluation of the local drug treatment court.

28 **"§ 7A-797. Eligible population; drug treatment court procedures.**

29 The Director of the Administrative Office of the Courts, in conjunction with the State
30 Drug Treatment Court Advisory Committee, shall develop criteria for eligibility and
31 other procedural and substantive guidelines for drug treatment court operation.

32 **"§ 7A-798. Drug treatment court grant application; local program director.**

33 (a) Grant applications for the pilot programs shall be submitted to the Director of
34 the Administrative Office of the Courts, in such form and with such information as the
35 Director may require consistent with the provisions of this Article. Grants shall be
36 awarded to two or more judicial districts that submit the most comprehensive and feasible
37 plans for the implementation and operation of a drug treatment court. The Director shall
38 award and administer grants in accordance with any laws made for that purpose,
39 including appropriations acts and provisions in appropriations acts, and may adopt rules
40 for the implementation, operation, and monitoring of grant-funded programs.

41 (b) Grant applications shall specify a local program director who shall be
42 responsible for local administration of the project. Grant funds may be used to fund a
43 full-time or part-time local program director position. The local program director may be

1 an employee of the grant recipient, an employee of the court, or a grant-established
 2 position under the senior resident superior court judge or chief district court judge.

3 **"§ 7A-799. Treatment not guaranteed.**

4 Nothing contained in this Article shall confer a right or an expectation of a right to
 5 treatment for a defendant or offender within the criminal justice system.

6 **"§ 7A-800. Payment of costs of treatment program.**

7 Each defendant shall contribute to the cost of the substance abuse treatment received
 8 in the drug treatment court program, based upon guidelines developed by the local drug
 9 treatment court management committee.

10 **"§ 7A-801. Plan for evaluation.**

11 Each grant application requesting funding for the pilot program shall include a
 12 method for evaluating the pilot program's effectiveness, based upon the goals stated in
 13 G.S. 7A-792. Each funded program shall submit evaluation reports to the Administrative
 14 Office of the Courts as requested. Additionally, the Administrative Office of the Courts
 15 shall be responsible for developing an evaluation model on the State level to compare the
 16 effectiveness of all pilot programs and shall submit a report to the General Assembly by
 17 May 1, 1998."

18 (b) Funds to implement and evaluate the pilot programs established under the
 19 North Carolina Drug Treatment Court Act shall be allocated from the reserve of eight
 20 hundred thousand dollars (\$800,000) created in Section 41 of Chapter 24 of the Session
 21 Laws of the 1994 Extra Session. These funds shall be used primarily to provide
 22 substance abuse treatment, but the sum of forty-three thousand seven hundred seventy-
 23 five dollars (\$43,775) for the 1995-96 fiscal year and the sum of fifty-two thousand five
 24 hundred fifty-one thousand dollars (\$52,551) for the 1996-97 fiscal year may be used to
 25 fund one program administrator position.

26 (c) Subsection (a) of this section becomes effective July 1, 1995, and expires June
 27 30, 1998. The remainder of this section becomes effective October 1, 1995.

28
 29 Requested by: Senator Ballance

30 **ADD ADDITIONAL ASSISTANT DISTRICT ATTORNEYS**

31 Sec. 21.7. G.S. 7A-60(a1) reads as rewritten:

32 "(a1) The counties of the State are organized into prosecutorial districts, and each
 33 district has the counties and the number of full-time assistant district attorneys set forth in
 34 the following table:

			No. of Full-Time Asst. District
Prosecutorial			
	District	Counties	Attorneys
	1	Camden, Chowan, Currituck,	7 8
		Dare, Gates, Pasquotank,	
		Perquimans	
	2	Beaufort, Hyde, Martin,	4
		Tyrrell, Washington	
	3A	Pitt	6 7

1	3B	Carteret, Craven, Pamlico	6
2	4	Duplin, Jones, Onslow, 10	
3		Sampson	
4	5	New Hanover, Pender	9
5	6A	Halifax	3
6	6B	Bertie, Hertford, 3	
7		Northampton	
8	7	Edgecombe, Nash, Wilson	10
9	8	Greene, Lenoir, Wayne	8
10	9	Franklin, Granville, 7 <u>8</u>	
11		Vance, Warren	
12	9A	Person, Caswell	2
13	10	Wake	19 <u>20</u>
14	11	Harnett, Johnston, Lee	9
15	12	Cumberland	12
16	13	Bladen, Brunswick, Columbus	6
17	14	Durham	9
18	15A	Alamance	6
19	15B	Orange, Chatham	5
20	16A	Scotland, Hoke	3
21	16B	Robeson	7
22	17A	Rockingham	4
23	17B	Stokes, Surry	4
24	18	Guilford	17 <u>18</u>
25	19A	Cabarrus	4
26	19B	Montgomery, Randolph	5
27	19C	Rowan	4
28	20	Anson, Moore, Richmond, 11 <u>12</u>	
29		Stanly, Union	
30	21	Forsyth	12
31	22	Alexander, Davidson, Davie, 11	
32		Iredell	
33	23	Alleghany, Ashe, Wilkes, 4	
34		Yadkin	
35	24	Avery, Madison, Mitchell, 3	
36		Watauga, Yancey	
37	25	Burke, Caldwell, Catawba	11
38	26	Mecklenburg	23
39	27A	Gaston	8
40	27B	Cleveland, 5	
41		Lincoln	
42	28	Buncombe	8
43	29	Henderson, McDowell, Polk, 8	

1 Rutherford, Transylvania
2 30 Cherokee, Clay, Graham, ~~6-7~~
3 Haywood, Jackson, Macon,
4 Swain."
5

6 Requested by: Senator Ballance

7 **ESTABLISH MEDIATED SETTLEMENT CONFERENCES IN CIVIL ACTIONS**
8 **IN SUPERIOR COURT**

9 Sec. 21.8. (a) Chapter 7A of the General Statutes is amended by adding the
10 following new sections to read:

11 **"§ 7A-38.1. Mediated settlement conferences in superior court civil actions.**

12 (a) Purpose. The General Assembly finds that a system of court-ordered mediated
13 settlement conferences should be established to facilitate the settlement of superior court
14 civil actions and to make civil litigation more economical, efficient, and satisfactory to
15 litigants and the State. Therefore, this section is enacted to require parties to superior
16 court civil actions and their representatives to attend a pretrial, mediated settlement
17 conference conducted pursuant to this section and pursuant to rules of the Supreme Court
18 adopted to implement this section.

19 (b) Definitions. As used in this section:

20 (1) 'Mediated settlement conference' means a pretrial, court-ordered
21 conference of the parties to a civil action and their representatives
22 conducted by a mediator.

23 (2) 'Mediation' means an informal process conducted by a mediator with the
24 objective of helping parties voluntarily settle their dispute.

25 (3) 'Mediator' means a neutral person who acts to encourage and facilitate a
26 resolution of a pending civil action. A mediator does not make an
27 award or render a judgment as to the merits of the action.

28 (c) Rules of procedure. The Supreme Court may adopt rules to implement this
29 section.

30 (d) Statewide implementation. Mediated settlement conferences authorized by this
31 section shall be implemented in all judicial districts as soon as practicable, as determined
32 by the Director of the Administrative Office of the Courts.

33 (e) Cases selected for mediated settlement conferences. The senior resident
34 superior court judge of any participating district may order a mediated settlement
35 conference for any superior court civil action pending in the district. The senior resident
36 superior court judge may by local rule order all cases, not otherwise exempted by the
37 Supreme Court rule, to mediated settlement conference.

38 (f) Attendance of parties. The parties to a superior court civil action in which a
39 mediated settlement conference is ordered, their attorneys and other persons or entities
40 with authority, by law or by contract, to settle the parties' claims shall attend the mediated
41 settlement conference unless excused by rules of the Supreme Court or by order of the
42 senior resident superior court judge. Nothing in this section shall require any party or

1 other participant in the conference to make a settlement offer or demand which it deems
2 is contrary to its best interests.

3 (g) Sanctions. Any person required to attend a mediated settlement conference
4 who, without good cause, fails to attend in compliance with this section and the rules
5 adopted under this section, shall be subject to any appropriate monetary sanction imposed
6 by a resident or presiding superior court judge, including the payment of attorneys' fees,
7 mediator fees, and expenses incurred in attending the conference. If the court imposes
8 sanctions, it shall do so, after notice and a hearing, in a written order, making findings of
9 fact and conclusions of law. An order imposing sanctions shall be reviewable upon
10 appeal where the entire record as submitted shall be reviewed to determine whether the
11 order is supported by substantial evidence.

12 (h) Selection of mediator. The parties to a superior court civil action in which a
13 mediated settlement conference is to be held pursuant to this section shall have the right
14 to designate a mediator. Upon failure of the parties to designate a mediator within the
15 time established by the rules of the Supreme Court, a mediator shall be appointed by the
16 senior resident superior court judge.

17 (i) Promotion of other settlement procedures. Nothing in this section is intended
18 to preclude the use of other dispute resolution methods within the superior court. Parties
19 to a superior court civil action are encouraged to select other available dispute resolution
20 methods. The senior resident superior court judge, at the request of and with the consent
21 of the parties, may order the parties to attend and participate in any other settlement
22 procedure authorized by rules of the Supreme Court or by the local superior court rules,
23 in lieu of attending a mediated settlement conference. Neutral third parties acting
24 pursuant to this section shall be selected and compensated in accordance with such rules
25 or pursuant to agreement of the parties. Nothing in this section shall prohibit the parties
26 from participating in, or the court from ordering, other dispute resolution procedures,
27 including arbitration to the extent authorized under State or federal law.

28 (j) Immunity. Mediator and other neutrals acting pursuant to this section shall
29 have judicial immunity in the same manner and to the same extent as a judge of the
30 General Court of Justice, except that mediators and other neutrals may be disciplined in
31 accordance with enforcement procedures adopted by the Supreme Court pursuant to
32 subsection (j) of this section.

33 (k) Costs of mediated settlement conference. Costs of mediated settlement
34 conferences shall be borne by the parties. Unless otherwise ordered by the court or
35 agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties.
36 For purposes of this section, multiple parties shall be considered one party when they are
37 represented by the same counsel. The rules adopted by the Supreme Court implementing
38 this section shall set out a method whereby parties found by the court to be unable to pay
39 the costs of the mediated settlement conference are afforded an opportunity to participate
40 without cost.

41 (l) Inadmissibility of negotiations. Evidence of statements made and conduct
42 occurring in a mediated settlement conference shall not be subject to discovery and shall
43 be inadmissible in any proceeding in the action or other actions on the same claim.

1 However, no evidence otherwise discoverable shall be inadmissible merely because it is
2 presented or discussed in a mediated settlement conference.

3 No mediator shall be compelled to testify or produce evidence concerning statements
4 made and conduct occurring in a mediated settlement conference in any civil proceeding
5 for any purpose, except proceedings for sanctions under this section, disciplinary
6 hearings before the State Bar or any agency established to enforce standards of conduct
7 for mediators, and proceedings to enforce laws concerning juvenile or elder abuse.

8 (m) Right to jury trial. Nothing in this section or the rules adopted by the Supreme
9 Court implementing this section shall restrict the right to jury trial.

10 **"§ 7A-38.2. Regulation of mediators.**

11 (a) The Supreme Court is authorized to adopt standards for the certification and
12 conduct of mediators who participate in the mediated settlement conference program
13 established pursuant to G.S. 7A-38.1. The standards may also regulate mediator training
14 programs. The Supreme Court may adopt procedures for the enforcement of those
15 standards.

16 (b) The administration of mediator certification, regulation of mediator conduct,
17 and decertification shall be conducted through the Dispute Resolution Commission,
18 established under the Judicial Department. The rules and regulations governing the
19 operation of the Commission shall be adopted by the Supreme Court. The Commission
20 shall be administered under the direction and supervision of the Director of the
21 Administrative Office of the Courts. The Commission shall exercise all of its duties
22 independently of the Director, except all management functions shall be performed under
23 the direction and supervision of the Director.

24 (c) The Dispute Resolution Commission shall consist of nine members: two
25 judges appointed by the Chief Justice of the Supreme Court; two mediators certified to
26 conduct mediated settlement conferences appointed by the Chief Justice of the Supreme
27 Court; two practicing attorneys who are not certified as mediators appointed by the
28 President of the North Carolina State Bar; and three citizens knowledgeable about
29 mediation, one of whom shall be appointed by the Governor, one by the Speaker of the
30 House of Representatives, and one by the President Pro Tempore of the Senate.
31 Members shall serve four-year terms, except that one judge, one mediator, one attorney,
32 and the citizen member appointed by the Governor, shall be appointed for an initial term
33 of two years. Members may serve no more than two consecutive terms. The Chief
34 Justice shall designate one of the judge members to serve as chair for a two-year term.

35 (d) An administrative fee, not to exceed two hundred dollars (\$200.00), may be
36 charged by the Administrative Office of the Courts to applicants for certification and
37 annual renewal of certification for mediators and mediation training programs operated
38 under this Article. The fees collected may be used by the Director of the Administrative
39 Office of the Courts to establish and maintain the operations of the Commission and its
40 staff."

41 (b) G.S. 7A-38(o) reads as rewritten:

42 "(o) Report on pilot program. The Administrative Office of the Courts shall file a
43 written report with the General Assembly on the evaluation of the pilot program on or

1 ~~before May 1, 1995. The pilot program shall terminate on June 30, 1995. Continuation~~
 2 ~~and funding of the pilot program. Notwithstanding the above, the termination date of the~~
 3 ~~pilot program is extended to October 1, 1995. The Administrative Office of the Courts is~~
 4 ~~authorized to use funds available to the Judicial Department from July 1, 1995, to~~
 5 ~~October 1, 1995, for the purpose of operating the program."~~

6 (c) Effective October 1, 1995, G.S. 7A-38 is repealed.

7 (d) Of the funds appropriated to the Judicial Department for the 1995-96 fiscal
 8 year, the sum of sixty thousand seventeen dollars (\$60,017) shall be used to support the
 9 operation of the Dispute Resolution Commission. Any fees collected pursuant to G.S.
 10 7A-38.2(d) shall be placed in a reserve and may not be expended until the 1996-97 fiscal
 11 year.

12 (e) Subsection (b) of this section is effective upon ratification. Subsection (d)
 13 of this section becomes effective July 1, 1995. The remainder of this section becomes
 14 effective October 1, 1995, and shall apply, after the Supreme Court has adopted rules
 15 implementing this act, to all superior court civil actions filed in any county after the date
 16 this program is implemented in that county. This act also applies to all previously filed
 17 actions which are or have been specifically ordered to a mediated settlement conference
 18 by a senior resident superior court judge under G.S. 7A-38 prior to its repeal.

19 Requested by: Senator Ballance

20 **ESTABLISH AN ADDITIONAL SUPERIOR COURT JUDGESHIP AND FIVE**
 21 **ADDITIONAL ASSISTANT DISTRICT ATTORNEY POSITIONS FOR THE**
 22 **MECKLENBURG COUNTY DRUG COURT PROGRAM**

23 Sec. 21.9. (a) G.S. 7A-41(a) reads as rewritten:

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

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
	2	Beaufort, Hyde, Martin, Tyrrell, Washington	1
	3A	Pitt	2
	3B	Carteret, Craven, Pamlico	2

1	4A	Duplin, Jones,	1
2		Sampson	
3	4B	Onslow	1
4	5	New Hanover,	3
5		Pender	
6	6A	Halifax	1
7	6B	Bertie, Hertford,	1
8		Northampton	
9	7A	Nash	1
10	7B	(part of Wilson,	1
11		part of Edgecombe,	
12		see subsection (b))	
13	7C	(part of Wilson,	1
14		part of Edgecombe,	
15		see subsection (b))	
16	8A	Lenoir and Greene	1
17	8B	Wayne	1
18	Second 9	Franklin, Granville,	2
19		Vance, Warren	
20	9A	Person, Caswell	1
21	10A	(part of Wake,	2
22		see subsection (b))	
23	10B	(part of Wake,	2
24		see subsection (b))	
25	10C	(part of Wake,	1
26		see subsection (b))	
27	10D	(part of Wake,	1
28		see subsection (b))	
29	11	Harnett, Johnston,	2
30		Lee	
31	12A	(part of Cumberland,	1
32		see subsection (b))	
33	12B	(part of Cumberland,	1
34		see subsection (b))	
35	12C	(part of Cumberland,	2
36		see subsection (b))	
37	13	Bladen, Brunswick,	2
38		Columbus	
39	14A	(part of Durham,	1
40		see subsection (b))	
41	14B	(part of Durham,	3
42		see subsection (b))	
43	15A	Alamance	2

1	15B	Orange, Chatham	1
2	16A	Scotland, Hoke	1
3	16B	Robeson	2
4	Third 17A	Rockingham	2
5	17B	Stokes, Surry	2
6	18A	(part of Guilford,	1
7		see subsection (b))	
8	18B	(part of Guilford,	1
9		see subsection (b))	
10	18C	(part of Guilford,	1
11		see subsection (b))	
12	18D	(part of Guilford,	1
13		see subsection (b))	
14	18E	(part of Guilford,	1
15		see subsection (b))	
16	19A	Cabarrus	1
17	19B	Montgomery,	1
18		Randolph	
19	19C	Rowan	1
20	20A	Anson, Moore,	2
21		Richmond	
22	20B	Stanly, Union	2
23	21A	(part of Forsyth,	1
24		see subsection (b))	
25	21B	(part of Forsyth,	1
26		see subsection (b))	
27	21C	(part of Forsyth,	1
28		see subsection (b))	
29	21D	(part of Forsyth,	1
30		see subsection (b))	
31	22	Alexander, Davidson,	2
32		Davie, Iredell	
33	23	Alleghany, Ashe,	1
34		Wilkes, Yadkin	
35	Fourth 24	Avery, Madison,	1
36		Mitchell,	
37		Watauga, Yancey	
38	25A	Burke, Caldwell	2
39	25B	Catawba	2
40	26A	(part of Mecklenburg,	2 <u>3</u>
41		see subsection (b))	
42	26B	(part of Mecklenburg,	2
43		see subsection (b))	

1	26C	(part of Mecklenburg,	2
2		see subsection (b))	
3	27A	Gaston	2
4	27B	Cleveland, Lincoln	2
5	28	Buncombe	2
6	29	Henderson,	2
7		McDowell, Polk,	
8		Rutherford,	
9		Transylvania	
10	30A	Cherokee, Clay,	1
11		Graham, Macon,	
12		Swain	
13	30B	Haywood, Jackson	1"

14 (b) Effective July 1, 1995, the Governor shall appoint the superior court judge for
 15 District 26A authorized by subsection (a) of this section, whose term shall expire
 16 December 31, 1996. The judge's successor shall be elected in the 1996 general election.

17 (c) G.S. 7A-60(a1), as amended by Section 21.7 of this act, reads as rewritten:

18 "(a1) The counties of the State are organized into prosecutorial districts, and each
 19 district has the counties and the number of full-time assistant district attorneys set forth in
 20 the following table:

			No. of Full-Time Asst. District
Prosecutorial District	Counties	Attorneys	
24	1	Camden, Chowan, Currituck, 8	
25		Dare, Gates, Pasquotank,	
26		Perquimans	
27	2	Beaufort, Hyde, Martin, 4	
28		Tyrrell, Washington	
29	3A	Pitt 7	
30	3B	Carteret, Craven, Pamlico 6	
31	4	Duplin, Jones, Onslow, 10	
32		Sampson	
33	5	New Hanover, Pender 9	
34	6A	Halifax 3	
35	6B	Bertie, Hertford, 3	
36		Northampton	
37	7	Edgecombe, Nash, Wilson	10
38	8	Greene, Lenoir, Wayne 8	
39	9	Franklin, Granville, 8	
40		Vance, Warren	
41	9A	Person, Caswell 2	
42	10	Wake	20
43	11	Harnett, Johnston, Lee 9	

1	12	Cumberland	12
2	13	Bladen, Brunswick, Columbus	6
3	14	Durham	9
4	15A	Alamance	6
5	15B	Orange, Chatham	5
6	16A	Scotland, Hoke	3
7	16B	Robeson	7
8	17A	Rockingham	4
9	17B	Stokes, Surry	4
10	18	Guilford	18
11	19A	Cabarrus	4
12	19B	Montgomery, Randolph	5
13	19C	Rowan	4
14	20	Anson, Moore, Richmond,	12
15		Stanly, Union	
16	21	Forsyth	12
17	22	Alexander, Davidson, Davie,	11
18		Iredell	
19	23	Alleghany, Ashe, Wilkes,	4
20		Yadkin	
21	24	Avery, Madison, Mitchell,	3
22		Watauga, Yancey	
23	25	Burke, Caldwell, Catawba	11
24	26	Mecklenburg	23 <u>28</u>
25	27A	Gaston	8
26	27B	Cleveland,	5
27		Lincoln	
28	28	Buncombe	8
29	29	Henderson, McDowell, Polk,	8
30		Rutherford, Transylvania	
31	30	Cherokee, Clay, Graham,	7
32		Haywood, Jackson, Macon,	
33		Swain."	

34
35 Requested by: Senators Ballance, Rand

36 **CRIMINAL CASE MANAGEMENT FUNDS**

37 Sec. 21.10. Of the funds appropriated to the Judicial Department for the 1995-
38 97 biennium, the Administrative Office of the Courts shall use the sum of fifty thousand
39 dollars (\$50,000) for the 1995-96 fiscal year and the sum of fifty thousand dollars
40 (\$50,000) for the 1996-97 fiscal year to establish a criminal case management pilot
41 program in the Twelfth and Thirteenth Judicial Districts to help reduce the backlog of
42 court cases and resolve new court cases quicker. A case management facilitator position
43 shall be added to the district attorney's office in both of those judicial districts to help

1 implement the pilot program and the positions shall be filled after consultation with the
2 Senior Resident Superior Court Judges in both of those judicial districts.

3 The Administrative Office of the Courts shall report by May 1, 1996 to the
4 Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate
5 and House Appropriations Subcommittees on Justice and Public Safety on the
6 implementation of the pilot program.

7 8 **PART 22. DEPARTMENT OF JUSTICE**

9
10 Requested by: Senator Ballance

11 **ADDITIONAL STAFF FOR RECORD CHECKS**

12 Sec. 22. From the funds appropriated in this act to the Department of Justice,
13 Reserve for Criminal Records Checks, the Department of Justice may add one
14 Fingerprint Identification Technician II position and one-half of a Processing Assistant
15 III position for every 10,000 fingerprint record checks that are performed as a result of
16 legislation ratified during the 1995 Session. These positions shall be filled as needed
17 during the 1995-96 and 1996-97 fiscal years.

18 19 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

20
21 Requested by: Senator Martin of Guilford

22 **PHYSICIAN SERVICES**

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

31
32 Requested by: Senator Martin of Guilford

33 **AREA AUTHORITY BOARD TRAINING**

34 Sec. 23.3. Effective August 1, 1995, Part 2 of Article 4 of Chapter 122C of the
35 General Statutes is amended by inserting the following new section to read:

36 **"§ 122C-119.1. Area Authority board members' training.**

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

42
43 Requested by: Senator Martin of Guilford

CONFIDENTIAL CLIENT INFORMATION SHARING CLARIFIED

Sec. 23.4. Effective October 1, 1995, G.S. 122C-53(i) reads as rewritten:

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

Requested by: Senator Martin of Guilford

NONMEDICAID REIMBURSEMENT CHANGES

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

"Sec. 23.16. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. Hospitals that provide psychiatric inpatient care for Thomas S. class members or adults with mental retardation and mental illness may be paid an additional incentive payment not to exceed fifteen percent (15%) of their regular daily per diem reimbursement.

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

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

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

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</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

1 8 9,312 22,220 9,300

2

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

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

14 Income State Participation Client Participation
 15 (% of poverty)

16			
17	<u>0-100%</u>	<u>100%</u>	<u>0%</u>
18	<u>101-120%</u>	<u>95%</u>	<u>5%</u>
19	<u>121-140%</u>	<u>85%</u>	<u>15%</u>
20	<u>141-160%</u>	<u>75%</u>	<u>25%</u>
21	<u>161-180%</u>	<u>65%</u>	<u>35%</u>
22	<u>191-180%</u>	<u>65%</u>	<u>35%</u>
23	<u>201-220%</u>	<u>45%</u>	<u>55%</u>
24	<u>221-240%</u>	<u>35%</u>	<u>65%</u>
25	<u>241-260%</u>	<u>25%</u>	<u>75%</u>
26	<u>261-280%</u>	<u>15%</u>	<u>85%</u>
27	<u>281-300%</u>	<u>5%</u>	<u>95%</u>
28	<u>301%-over</u>	<u>0%</u>	<u>100%.</u>

29

30 The Department of Human Resources shall contract at, or as close as possible to,
 31 Medicaid rates for medical services provided to residents of State facilities of the
 32 Department."

33

34 Requested by: Senator Martin of Guilford

35 **LEGISLATIVE RESEARCH COMMISSION STUDY OF ISSUE OF THE**
 36 **POTENTIAL IMPACT OF FEDERAL BLOCK GRANT FUNDING AND OTHER**
 37 **FEDERAL ACTIONS ON MEDICAID ON NORTH CAROLINA**

38 Sec. 23.5A. The Legislative Research Commission may study the issue of the
 39 potential impact of federal block grant funding and other federal actions on Medicaid on
 40 North Carolina.

41 This study shall include:

- 1 (1) An examination of the potential impacts on all of North Carolina's
2 diverse populations effected by Medicaid and on all of North Carolina's
3 organizations that provide programs and services related to Medicaid;
4 (2) A determination of the fiscal and organizational adjustments that would
5 need to be made to balance each of the potential impacts;
6 (3) A recommendation of how best the General Assembly may address
7 Medicaid and related issues; and
8 (4) Any other Medicaid-related issues.

9 The Commission may make an interim report of its study, together with any
10 legislative proposals, to the 1995 General Assembly, Regular Session 1996, and may
11 make a final report of its study, together with any legislative proposals, to the 1997
12 General Assembly.

13
14 Requested by: Senator Martin of Guilford

15 **CLARIFICATION OF LIMITATIONS ON STATE ABORTION FUND**

16 Sec. 23.8A. Subsection (b) of Section 23.27 of Chapter 324 of the 1995
17 Session Laws reads as rewritten:

18 "(b) Eligibility for services of the State Abortion Fund shall be limited to women
19 whose income is below the federal poverty level, as revised annually, ~~or~~ and who are not
20 eligible for Medicaid. The State Abortion Fund shall be used to fund abortions only to
21 terminate pregnancies resulting from cases of rape or incest, or to terminate pregnancies
22 that, in the written opinion of one doctor licensed to practice medicine in North Carolina,
23 endanger the life of the mother."

24
25 Requested by: Senator Martin of Guilford

26 **CONTINUATION OF THE LEGISLATIVE STUDY OF THE EFFECT OF**
27 **FEDERAL BUDGETARY POLICY ON WELFARE REFORM**

28 Sec. 23.8B. (a) The Legislative Study Commission on Welfare Reform,
29 established by Section 47 of Chapter 24, 1993 Session Laws, Extra Session 1994, is
30 continued. Subsections (d) and (e) of Section 47 of Chapter 24, 1993 Session Laws,
31 Extra Session 1994, are repealed. The Commission's continued study shall focus on the
32 effects of federal budgetary policy on welfare reform.

33 (b) The continued Legislative Study Commission on Welfare Reform shall
34 submit a final report to the General Assembly on or before the first day of the 1995
35 General Assembly, Regular Session 1996, or on or before the first day of any extra
36 session of the 1995 General Assembly called specifically to address welfare reform.
37 Upon filing its final report, the Commission shall terminate, unless reauthorized by the
38 General Assembly.

39
40 Requested by: Senator Martin of Guilford

41 **CLARIFICATION OF AUTHORIZED ADDITIONAL USE OF HIV FOSTER**
42 **CARE FUNDS**

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

- 5 (1) To provide medical training in avoiding HIV transmission in the home;
6 and
7 (2) To transfer funds to the Department of Environment, Health, and
8 Natural Resources to create three social work positions within the
9 Department of Environment, Health, and Natural Resources, for the
10 eastern part of North Carolina to enable the case-managing of families
11 with HIV-infected children so that the children and the parents get
12 access to medical care and so that child protective services issues are
13 addressed rapidly and effectively. The three positions shall be
14 medically based and located:
15 a. One in the northeast, covering Northampton, Hertford, Halifax,
16 Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck,
17 Bertie, Wilson, Edgecombe, and Nash Counties;
18 b. One in the central east, covering Martin, Pitt, Washington,
19 Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and
20 Pamlico Counties; and
21 c. One in the southeast, covering New Hanover, Robeson,
22 Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen,
23 and Columbus Counties.

24
25 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

26 **ADULT CARE HOME REIMBURSEMENT RATE**

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

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

34 (c) Effective August 1, 1995, the Department of Human Resources may use the
35 remaining funds available from the State/County Special Assistance appropriation to
36 provide:

- 37 (1) Needed Medicaid-covered services, specifically one hour of personal
38 care services per day to all Medicaid-eligible residents and a maximum
39 of 50 additional hours per month of personal care services for residents
40 who require heavy care;
41 (2) Funds to the area mental health authorities to provide wraparound
42 services for adult home care residents with mental health conditions;

1 (3) Funds for the implementation of the provisions of G.S. 131D-4.1 and
2 G.S. 131D-4.2, including funds for necessary additional staff.

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

7
8 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

9 **ADULT CARE HOME ALLOCATION OF NONFEDERAL COST OF**
10 **MEDICAID PAYMENTS**

11 Sec. 23.11. Effective August 1, 1995, the State shall pay fifty percent (50%)
12 and the county shall pay fifty percent (50%) of the nonfederal costs of Medicaid services
13 paid to adult care home facilities. As Medicaid personal care requirements increase, the
14 county matching share shall be capped until it equals fifteen percent (15%) of the
15 nonfederal Medicaid personal care requirements.

16
17 Requested by: Senator Martin of Guilford

18 **DOMICILIARY CARE REPORT**

19 Sec. 23.11A. The Secretary of the Department of Human Resources shall
20 report quarterly, beginning October 1, 1995, to the Joint Legislative Commission on
21 Governmental Operations and the Fiscal Research Division of the Legislative Services
22 Office on the planning and status of implementation of the following:

- 23 (1) Rate setting and financing of domiciliary care, including the use of
24 Medicaid funds for personal care services;
- 25 (2) Quality assurance and enhancement of domiciliary care, including case
26 management for residents with special care needs, monitoring of
27 domiciliary care facilities and specialized training of direct care staff;
28 and
- 29 (3) The process for the evaluation of the Domiciliary Care Financing and
30 Quality Assurance Program.

31
32 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

33 **LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON**

34 Sec. 23.11B. The Special Alzheimer's Unit established in Wilson by funds
35 appropriated in this act shall serve only those clients who cannot be served by any similar
36 private facility.

37
38 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

39 **ALZHEIMER'S ASSOCIATION OF NORTH CAROLINA FUNDS**

40 Sec. 23.11C. Of the funds appropriated to the Division of Aging, Department
41 of Human Resources, in this act, the sum of one hundred thousand dollars (\$100,000) for
42 the 1995-96 fiscal year shall be divided equally among the four chapters of the
43 Alzheimer's Association of North Carolina, which are the Western Alzheimer's Chapter,

1 the Southern Piedmont Alzheimer's Chapter, the Eastern Alzheimer's Chapter, and the
2 Triad Alzheimer's Chapter. Each Chapter shall submit to the Division of Aging, for
3 approval, a plan for the use of these funds, prior to receipt of these funds.
4

5 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

6 **IN-HOME AIDE FUNDS**

7 Sec. 23.11D. Of the funds appropriated to the Division of Aging, Department
8 of Human Resources, in this act, the sum of five hundred thousand dollars (\$500,000) for
9 the 1995-96 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the
10 1996-97 fiscal year shall be allocated via the Home and Community Care Block Grant
11 and used to fund in-home aide services and caregiver support services. These funds shall
12 be used only for direct services.
13

14 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

15 **SERVICES TO OLDER AND DISABLED ADULTS, AT-RISK CHILDREN AND**
16 **YOUTH, AND FAMILIES**

17 Sec. 23.11E. Of the funds appropriated to the Department of Human
18 Resources in this act for the 1995-96 fiscal year, the sum of two million dollars
19 (\$2,000,000) shall be allocated as grants-in-aid to public and private nonprofit human
20 services organizations for programs that provide services, including vocational
21 rehabilitation services, to older and disabled adults, at-risk children and youth, and
22 families. Prior to any allocation, programs requesting funds shall submit a plan to the
23 Department detailing the use of these funds.
24

25 Requested by: Senators Plyler, Perdue, Odom, Martin of Guilford

26 **INDEPENDENT LIVING REHABILITATION FUNDS**

27 Sec. 23.11F. (a) The Division of Vocational Rehabilitation Services,
28 Department of Human Resources, shall implement the Independent Living Rehabilitation
29 Program statewide by establishing two new offices in Stanly and Pasquotank Counties in
30 1995-96 and one new office in Wake County in 1996-97 to facilitate Independent Living
31 Rehabilitation Program services in the 20 remaining unserved counties and by providing
32 adequate administrative support to existing offices and the new offices established
33 pursuant to this section.

34 (b) Any funds appropriated in this act for the 1995-96 fiscal year for the
35 purpose specified in subsection (a) of this section that are not required to be expended or
36 encumbered for this purpose may be used during the 1995-96 fiscal year for one-time
37 service purchases for Independent Living Rehabilitation Program clients waiting for
38 services in existing offices.
39

40 Requested by: Senators Martin of Guilford, Forrester

41 **PRIMARY CARE FUNDS**

42 Sec. 23.12. The Department of Human Resources may combine and allocate
43 funds appropriated for the Office of Rural Health and Resource Development for

1 recruitment and retention of primary care providers in medically underserved areas into
2 one Provider Incentive Fund. Funds in the Provider Incentive Fund may be allocated for
3 purposes of enhancing recruitment and retention of primary care providers in medically
4 underserved areas and for other purposes related to the enhancement of health services to
5 medically underserved communities.

6
7 Requested by: Senator Martin of Guilford

8 **MODIFIED WILDERNESS EDUCATION CAMP PROGRAM**

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

18
19 Requested by: Senator Martin of Guilford

20 **DETENTION FACILITY CONSTRUCTION FUNDS**

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

26
27 Requested by: Senator Martin of Guilford

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

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

38 (b) The Office of State Budget and Management shall perform a performance
39 audit of the private, nonprofit contract program at the end of this first year in accordance
40 with the United States General Accounting Office auditing standards. The Office of State
41 Budget and Management shall report the results of this audit to the General Assembly,
42 the Fiscal Research Division of the Legislative Services Office, and the Department of
43 Human Resources by December 1, 1996.

1 (c) From funds appropriated in Chapter 324 of the 1995 Session Laws for the
2 1995-96 fiscal year to the Division of Services for the Deaf and Hard of Hearing,
3 Department of Human Resources, for early intervention services, the Division shall
4 develop, with participation from the Department of Public Instruction, the Department of
5 Environment, Health, and Natural Resources, and Beginnings, Inc., (i) a comprehensive
6 plan for early intervention, outreach, evaluation, and training to serve deaf education
7 statewide and (ii) a plan to use the Central North Carolina School for the Deaf in
8 Greensboro as a statewide resource.

9
10 Requested by: Senator Martin of Guilford

11 **PERFORMANCE EVALUATION OF CARING PROGRAM FOR CHILDREN,**
12 **INC.**

13 Sec. 23.19A. The Office of State Budget and Management shall perform a
14 performance audit of the Caring Program for Children, Inc.'s program for providing
15 health care for children in accordance with the United States General Accounting Office
16 auditing standards and shall report the results of this audit to the Joint Legislative
17 Commission on Governmental Operations and to the Fiscal Research Division of the
18 Legislative Services Office by May 1, 1996.

19
20 Requested by: Senator Martin of Guilford

21 **BRAILLE LITERACY FUNDS**

22 Sec. 23.21. Of the funds appropriated in this act to the Division of Services for
23 the Blind, Department of Human Resources, the sum of one hundred seventy-five
24 thousand dollars (\$175,000) for the 1995-96 fiscal year and the sum of one hundred
25 seventy-five thousand dollars (\$175,000) for the 1996-97 fiscal year, shall be used for
26 braille literacy, for up to four professionals certified as teachers of the visually impaired
27 to assist local school administrative units primarily in rural areas of the State in providing
28 appropriate services for students who are visually impaired.

29
30 Requested by: Senator Martin of Guilford

31 **EMERGENCY BACKUP FOR HEART-LUNG BYPASS MACHINE**

32 Sec. 23.22. (a) The acquisition of a second heart-lung bypass machine by a
33 health service facility that has only one heart-lung bypass machine is exempt from the
34 requirements of Article 9 of Chapter 131E of the General Statutes, in order to ensure
35 appropriate coverage for emergencies. In no instance shall both machines be scheduled
36 for use simultaneously after the second machine is acquired.

37 (b) This section continues in effect until repealed.

38
39 Requested by: Senator Odom

40 **THOMAS S. LAWSUIT COMPLIANCE**

41 Sec. 23.23. The Department of Justice and the Department of Human
42 Resources shall pursue all administrative and legal options necessary to enable the State

1 to resolve the Thomas S. lawsuit in the most expeditious and cost-effective manner
2 possible and to seek elimination of the necessity for oversight by a special master.

3
4 Requested by: Senator Odom

5 **MENTAL HEALTH STUDY COMMISSION STUDY OF FUNDING FOR**
6 **SINGLE PORTAL OF ENTRY AND EXIT FOR AREA MENTAL HEALTH**
7 **AUTHORITIES**

8 Sec. 23.24. The Mental Health Study Commission shall study the issue of how
9 the mandate for a single portal of entry and exit for area mental health authorities should
10 be funded. The Commission shall include the results of this study in its report to the
11 1995 General Assembly, Regular Session 1996.

12
13 **PART 23A. HEALTH CARE REFORM**

14
15 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

16 **INSURANCE REFORM**

17 Sec. 23A.1. (a) Article 3 of Chapter 58 of the General Statutes is amended by
18 adding a new section to read:

19 **"§ 58-3-173. Guaranteed renewability; provisions.**

20 (a) As used in this section:

21 (1) 'Health benefit plan' means a plan covering a group of persons and in
22 the form of: an accident and health insurance policy or certificate; a
23 nonprofit hospital or medical service corporation contract; a health
24 maintenance organization subscriber contract; a plan provided by a
25 multiple employer welfare arrangement; or a plan provided by another
26 benefit arrangement, to the extent permitted by the Employee
27 Retirement Income Security Act of 1974, as amended, or by other
28 federal law or regulation. 'Health benefit plan' does not mean any of the
29 following kinds of insurance:

30 a. Accident

31 b. Credit

32 c. Disability income

33 d. Long-term or nursing home care

34 e. Medicare supplement

35 f. Specified disease

36 g. Dental or vision

37 h. Coverage issued as a supplement to liability insurance

38 i. Workers' compensation

39 j. Medical payments under automobile or homeowners

40 k. Hospital income or indemnity

41 l. Insurance under which benefits are payable with or without
42 regard to fault and that is statutorily required to be contained in
43 any liability policy or equivalent self-insurance.

- 1 (2) 'Insurer' includes an entity subject to Articles 49, 65, or 67 of this
2 Chapter.
- 3 (b) An insurer shall not modify any health benefit plan with respect to any insured
4 through riders, endorsements, or otherwise, in order to restrict or exclude coverage for
5 certain diseases or medical conditions otherwise covered by the health benefit plan.
- 6 (c) Renewal of the health benefit plans shall be guaranteed by the insurer except:
- 7 (1) For nonpayment of the required premium by the policyholder or
8 contract holder.
- 9 (2) For fraud or material misrepresentation by the policyholder or contract
10 holder.
- 11 (3) When the insurer ceases providing health benefit plans, provided notice
12 of the decision to cease providing health benefit plans is given to the
13 Commissioner and to the policyholder or contract holder six months
14 before the renewal of the health benefit plan would have taken effect."
- 15 (b) G.S. 58-50-130(a)(2) reads as rewritten:
16 "(2) In determining whether a preexisting-conditions provision applies to an
17 eligible employee or to a dependent, all health benefit plans shall credit
18 the time the person was covered under a previous group health benefit
19 plan if the previous coverage was continuous to a date not more than 60
20 days before the effective date of the new coverage, exclusive of any
21 applicable waiting period under the plan. As used in this subdivision
22 with respect to previous coverage, 'health benefit plan' is not limited to
23 plans subject to this act under G.S. 58-50-115."
- 24 (c) G.S. 58-51-80(b)(3) reads as rewritten:
25 "(3) Policies may contain a provision limiting coverage for preexisting
26 conditions. Preexisting conditions must be covered no later than 12
27 months after the effective date of coverage. Preexisting conditions are
28 defined as 'those conditions for which medical advice or treatment was
29 received or recommended or which could be medically documented
30 within the 12-month period immediately preceding the effective date of
31 the person's coverage.' Preexisting conditions exclusions may not be
32 implemented by any successor plan as to any covered persons who have
33 already met all or part of the waiting period requirements under any
34

~~prior group~~ previous plan. Credit must be given for that portion of the
35 waiting period which was met under the ~~prior~~ previous plan. As used in
36 this subdivision, a 'previous plan' includes any health benefit plan
37 provided by a health insurer, as those terms are defined in G.S. 58-51-
38 115, or any government plan or program providing health benefits or
39 health care. For employer groups of 50 or more ~~persons~~ persons and
40 for groups under subdivision (1a) of this subsection and under G.S. 58-
41 51-81: In determining whether a preexisting condition provision applies
42 to an eligible ~~employee~~ employee, association member, student, or to a
43 dependent, all health benefit plans shall credit the time the person was

1 covered under a previous ~~group health benefit~~ plan if the previous plan's
2 coverage was continuous to a date not more than 60 days before the
3 effective date of the new coverage, exclusive of any applicable waiting
4 period under the new coverage."

5 (d) G.S. 58-51-80(h) reads as rewritten:

6 "(h) Nothing contained in this section ~~shall be deemed applicable~~ applies to any
7 contract issued by any corporation defined in ~~Articles Article~~ 65 and 66 of this Chapter.
8 Subdivision (b)(3) of this section applies to MEWAs, as defined in G.S. 58-49-30(a)."

9 (e) G.S. 58-65-60(e)(2) reads as rewritten:

10 "(2) Employer master group contracts may contain a provision limiting
11 coverage for preexisting conditions. Preexisting conditions must be
12 covered no later than 12 months after the effective date of coverage.
13 Preexisting conditions are defined as 'those conditions for which
14 medical advice or treatment was received or recommended or which
15 could be medically documented within the 12-month period
16 immediately preceding the effective date of the person's coverage.'
17 Preexisting conditions exclusions may not be implemented by any
18 successor plan as to any covered persons who have already met all or
19 part of the waiting period requirements under any ~~prior group previous~~
20 plan. Credit must be given for that portion of the waiting period which
21 was met under the ~~prior previous~~ plan. As used in this subdivision, a
22 'previous plan' includes any health benefit plan provided by a health
23 insurer, as those terms are defined in G.S. 58-51-115, or any
24 government plan or program providing health benefits or health care.
25 For employer groups of 50 or more persons: In determining whether a
26 preexisting condition provision applies to an eligible employee or to a
27 dependent, all health benefit plans shall credit the time the person was
28 covered under a previous ~~group health benefit~~ plan if the previous
29 plan's coverage was continuous to a date not more than 60 days before
30 the effective date of the new coverage, exclusive of any applicable
31 waiting period under the new coverage."

32 (f) G.S. 58-67-85(c) reads as rewritten:

33 "(c) Employer master group contracts may contain a provision limiting coverage
34 for preexisting conditions. Preexisting conditions must be covered no later than 12
35 months after the effective date of coverage. Preexisting conditions are defined as 'those
36 conditions for which medical advice or treatment was received or recommended or which
37 could be medically documented within the 12-month period immediately preceding the
38 effective date of the person's coverage.' Preexisting conditions exclusions may not be
39 implemented by any successor plan as to any covered persons who have already met all
40 or part of the waiting period requirements under any ~~prior group previous~~ plan. Credit
41 must be given for that portion of the waiting period which was met under the ~~prior~~
42 previous plan. As used in this subsection, a 'previous plan' includes any health benefit
43 plan provided by a health insurer, as those terms are defined in G.S. 58-51-115, or any

1 government plan or program providing health benefits or health care. For employer
2 groups of 50 or more persons:—In determining whether a preexisting condition provision
3 applies to an eligible employee or to a dependent, all health benefit plans shall credit the
4 time the person was covered under a previous group health benefit plan if the previous
5 plan's coverage was continuous to a date not more than 60 days before the effective date
6 of the new coverage, exclusive of any applicable waiting period under the new coverage."

7 (g) G.S. 58-51-15(a)(2)b. reads as rewritten:

8 "b. ~~No claim for loss incurred or disability (as defined in the policy)~~
9 ~~commencing after two years from the date of issue of this policy~~
10 ~~shall be reduced or denied on the ground that a disease or~~
11 ~~physical condition not excluded from coverage by name or~~
12 ~~specific description effective on the date of loss had existed prior~~
13 ~~to the effective date of coverage of this policy.—This policy~~
14 ~~contains a provision limiting coverage for preexisting conditions.~~
15 ~~Preexisting conditions must be covered no later than one year~~
16 ~~after the effective date of coverage. Preexisting conditions are~~
17 ~~defined as 'those conditions for which medical advice or~~
18 ~~treatment was received or recommended or that could be~~
19 ~~medically documented within the one-year period immediately~~
20 ~~preceding the effective date of the person's coverage.'~~
21 ~~Preexisting conditions exclusions may not be implemented by~~
22 ~~any successor plan as to any covered persons who have already~~
23 ~~met all or part of the waiting period requirements under any~~
24 ~~previous plan. Credit must be given for that portion of the~~
25 ~~waiting period that was met under the previous plan. As used in~~
26 ~~this policy, the term 'previous plan' includes any health benefit~~
27 ~~plan provided by a health insurer, as those terms are defined in~~
28 ~~G.S. 58-51-115, or any government plan or program providing~~
29 ~~health benefits or health care. In determining whether a~~
30 ~~preexisting condition provision applies to an insured person, all~~
31 ~~health benefit plans must credit the time the person was covered~~
32 ~~under a previous plan if the previous plan's coverage was~~
33 ~~continuous to a date not more than 60 days before the effective~~
34 ~~date of the new coverage, exclusive of any applicable waiting~~
35 ~~period under the new coverage."~~

36 (h) G.S. 58-50-130(a)(5) reads as rewritten:

37 "(5) Notwithstanding any other provision of this Chapter, no small employer
38 carrier, insurer, subsidiary ~~or~~ of an insurer, or controlled individual of
39 an insurance holding company shall act as an administrator or claims
40 paying agent, as opposed to an insurer, on behalf of small groups which,
41 if they purchased insurance, would be subject to this section. ~~No small~~
42 ~~employer carrier, insurer, subsidiary of an insurer, or controlled~~
43 ~~individual of an insurance holding company shall provide stop loss,~~

1 ~~eatastrophic, or reinsurance coverage to small employers that does not~~
2 ~~comply with the underwriting, rating, and other applicable standards in~~
3 ~~this Act."~~
4

5 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

6 **MALPRACTICE CASES/ALTERNATIVE DISPUTE RESOLUTION**

7 Sec. 23A.2. The Administrative Office of the Courts shall study the efficiency
8 and effectiveness of requiring that parties to medical malpractice actions attempt to
9 resolve their dispute through alternative dispute resolution proceedings before proceeding
10 to trial. The study shall specifically address whether mandatory alternative dispute
11 resolution is appropriate for all medical malpractice cases.

12 The Administrative Office of the Courts shall report its findings and
13 recommendations to the General Assembly not later than May 1, 1996. The AOC shall
14 indicate in its report whether legislation is necessary to carry out its recommendations.

15
16 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

17 **NORTH CAROLINA HEALTH PLANNING COMMISSION**
18 **REORGANIZATION**

19 Sec. 23A.3. (a) G.S. 143-611 reads as rewritten:

20 **"§ 143-611. Commission established; members; terms of office; quorum;**
21 **compensation.**

22 (a) Establishment. – There is established the North Carolina Health Planning
23 Commission with the powers and duties specified in this Article. The Commission shall
24 be located within the Office of the Secretary, Department of Human Resources, for
25 organizational, budgetary, and administrative purposes.

26 (b) Membership and Terms. – The Commission shall consist of 16 members, as
27 follows:

28 (1) ~~The Governor;~~ Governor or the Governor's designee;

29 (2) The Lieutenant Governor;

30 (3) The Speaker of the House of Representatives;

31 (4) The President Pro Tempore of the Senate;

32 (5) ~~Five~~ Four members appointed by the Speaker of the House of
33 Representatives, at least two of whom are members of the House of
34 Representatives at the time of appointment; ~~appointed by the Speaker of~~
35 ~~the House of Representatives;~~

36 (6) ~~Five~~ Four members appointed by the President Pro Tempore of the
37 Senate, at least two of whom are members of the Senate at the time of
38 the appointment; ~~and appointed by the President Pro Tempore of the~~
39 ~~Senate; and~~

40 (7) ~~The following nonvoting members, ex officio:~~

41 a. ~~The Secretary of the Department of Environment, Health, and~~
42 ~~Natural Resources; and~~

43 b. ~~The Secretary of the Department of Human Resources.~~

1 (7a) Four members appointed by the Governor, two of whom shall be
2 members of the majority party in this State and two of whom shall be
3 members of the minority party in this State.

4 Members shall serve two-year terms. Vacancies in membership shall be filled by the
5 appointing authority in accordance with this section.

6 (c) Compensation. – The Commission members shall receive no salary as a result
7 of serving on the Commission but shall receive necessary subsistence and travel expenses
8 in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

9 (d) Meetings. – The Governor shall convene the Commission. Meetings shall be
10 held as often as necessary, but not less than six times a year.

11 (e) Quorum. – A majority of the voting members of the Commission shall
12 constitute a quorum for the transaction of business. The affirmative vote of a majority of
13 the members present at meetings of the Commission shall be necessary for action to be
14 taken by the Commission."

15 (b) G.S. 143-612 is repealed.

16 (c) Article 65 of Chapter 143 of the General Statutes is amended by adding the
17 following new section to read:

18 "**§ 143-612A. Powers and duties of the Commission.**

19 (a) Administrative Powers. – The Commission shall have the following
20 administrative powers:

21 (1) To appoint a director, who shall be exempt from the State Personnel
22 Act, and to employ other staff as it deems necessary, subject to the State
23 Personnel Act, and to fix their compensation;

24 (2) To enter into contracts to carry out the purposes of this Article;

25 (3) To conduct investigations and inquiries and compel the submission of
26 information and records the Commission deems necessary; and

27 (4) To accept grants, contributions, devises, bequests, and gifts for the
28 purpose of providing financial support to the Commission. Such funds
29 shall be retained by the Commission.

30 (b) Monitoring. – The Commission shall monitor health care reform efforts in the
31 State and shall report to the Governor and the General Assembly on the following:

32 (1) Cost-containment measures;

33 (2) Accessibility to health care in rural and medically underserved areas
34 through the enhancement of provider payments;

35 (3) Availability of affordable health insurance for small businesses,
36 including the Health Care Purchasing Alliances, to determine if these
37 are meeting the health insurance needs of small business employers and
38 their employees;

39 (4) Efforts to increase the purchasing power of government health
40 programs;

41 (5) How closely health expenditures for the public and private sectors relate
42 to the rate of real economic growth and determine the cumulative effect
43 on cost-containment; and

1 (6) The number of persons who lack access to primary care providers.
2 (c) Study. – The Commission shall study the following issues and may
3 recommend to the General Assembly actions to address these issues:

4 (1) The steps necessary to include the populations served by Medicaid,
5 including a statement of any necessary federal waivers;

6 (2) The steps necessary to obtain an exemption from the federal Employee
7 Retirement and Income Security Act (ERISA);

8 (3) Examine the roles of other existing publicly financed systems of health
9 coverage such as Medicare, federal employee health benefits, health
10 benefits for armed services members, the Veterans Administration, the
11 CHAMPUS program (10 U.S.C. § 1071 et seq.), and any other health
12 benefits currently mandated by State or federal law or funded by State
13 agencies;

14 (4) The means by which the delivery of health care will ensure that the
15 needs of special populations of eligible residents such as low-income
16 persons, people living in rural and underserved areas, and people with
17 disabilities and chronic or unusual medical needs will be met;

18 (5) The role of the existing county health care system in health care reform
19 efforts;

20 (6) Feasibility of consolidating the health care components of workers'
21 compensation and automobile insurance to avoid duplication of
22 coverage;

23 (7) The appropriate means of financing medical education and medical
24 research;

25 (8) The means by which North Carolina's need for long-term care services
26 can best be met, including an examination of the appropriateness and
27 availability of home- and community-based services;

28 (9) Methods to increase the number of mobile health care units that provide
29 services to communities that are underserved with respect to health care;

30 (10) The impact on health care cost and efficiency of rule changes made by
31 State and local government agencies pertaining to health care services.
32 The study shall include the impact of the frequency of such rule
33 changes;

34 (11) The impact of managed care on persons living in rural communities and
35 accessibility of these persons to health services within a reasonable
36 distance and length of time;

37 (12) Privatization of administrative, clinical, and mental health functions
38 performed by governmental agencies and entities;

39 (13) The impact of federal budget decisions on underserved and
40 underinsured populations;

41 (14) The need for additional primary care practitioners, including primary
42 care physicians, physician assistants, and family nurse practitioners;

- 1 (15) The appropriate method of collecting data for both quality assurance
2 and cost containment, and in guiding the proliferation of new medical
3 technologies;
- 4 (16) The need for additional benefits and population-based services to be
5 offered in the community, based on the established priorities for
6 improving community health status in the community;
- 7 (17) Quality of care currently provided and recommend necessary activities
8 to assure that health care is of sufficient quality to adequately serve the
9 health needs of the citizenry and to improve overall health status of the
10 State's population;
- 11 (18) Ways in which employer-based coverage may be maximized;
- 12 (19) Trends in the numbers of uninsured and underinsured persons and the
13 barriers to access by these persons;
- 14 (20) Ways to maintain emergency medical services when hospital beds are
15 reconfigured;
- 16 (21) Study effectiveness of different types of preventive health services;
- 17 (22) Study mechanisms to promote price competition through the
18 development of standardized benefits plans which shall be offered on a
19 guarantee-to-issue and guaranteed renewability basis. In conducting the
20 study, the Commission shall consider:
- 21 a. Whether such products should be available in the nongroup as
22 well as the group market;
- 23 b. The feasibility of offering parity for mental health and substance
24 abuse services in at least one of the standardized benefit plans;
- 25 c. The feasibility of offering full coverage of preventive services in
26 at least one of the standardized benefit plans; and
- 27 d. Mechanisms for periodic review of the products offered with the
28 elimination and replacement of any plans that have proven to be
29 unmarketable.
- 30 (d) Other Duties. – The Commission shall do the following and shall report to the
31 Governor and the General Assembly on the progress of these activities:
- 32 (1) Develop methods to ensure adequate primary care for all eligible
33 residents and appropriate compensation for primary care services to
34 achieve that end;
- 35 (2) Review and identify initiatives and incentives to enhance the practice of
36 primary care medicine in rural areas of the State;
- 37 (3) Identify or develop incentives to encourage diversification in health care
38 facilities in rural and other areas of the State; and
- 39 (4) Develop incentives and initiatives pertaining to the development of
40 community-based health networks in rural areas, including:
- 41 a. Review of existing community-based and provider-based health
42 networks;

1 b. Efforts that encourage community leaders and local health care
2 providers to work together to develop community-based health
3 networks; and

4 c. Development of health networks that emphasize health status in
5 the community;

6 (5) Develop cost assessments for the following:

7 a. Total expenditures;

8 b. Public expenditures including Medicaid and State Health Plan
9 benefits;

10 c. Private expenditures including amounts for traditional insurance,
11 HMOs, individual out-of-pocket and uncompensated care; and

12 d. Types of service including primary, secondary, or tertiary care,
13 physician, or hospital care.

14 In evaluating this data, the Commission shall determine the sectors of
15 the health care system that are growing the fastest, and shall educate the
16 public and government leaders about the real cost of delivering health
17 care to North Carolina's citizens;

18 (6) Assess the impact of the locum tenens program;

19 (7) Develop alternative ways of expanding coverage to uninsured persons;

20 (8) Determine the feasibility of establishing a procedure for the
21 development and issuance of report cards that are consistent statewide
22 and that enable consumers and payers to compare the quality and value
23 of services provided by different insurance carriers and health plans.
24 The study shall include an examination of information already collected
25 by private organizations providing quality review;

26 (9) Review current conflict-of-interest laws; and

27 (10) Review proposals on collaborative practice.

28 (e) Notwithstanding any other provision in this Article or Article 68A of Chapter
29 58 of the General Statutes, the Commission may develop its own health care proposals or
30 plans or make any other recommendations to the General Assembly.

31 (f) The Commission shall appoint such advisory, technical, and professional
32 panels as it deems necessary to advise it on the performance and administration of its
33 functions. Each panel shall consist of experts drawn from the health professions, health
34 educational institutions, providers of services, insurers, and other sources, including
35 consumers.

36 (g) The Commission shall report annually to the General Assembly on or before
37 January 1 of each fiscal year, on its duties and responsibilities under this section."

38
39 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

40 **HEALTH PROFESSIONAL LICENSING BOARD REPORTING**

41 Sec. 23A.4. Effective October 1, 1995, Chapter 93B of the General Statutes is
42 amended by adding the following new section to read:

1 **"§ 93B-12. Information from licensing boards having authority over health care**
2 **providers.**

3 (a) Every occupational licensing board having authority to license physicians,
4 physician assistants, nurse practitioners, and nurse midwives in this State shall modify
5 procedures for license renewal to include the collection of information specified in this
6 section for each board's regular renewal cycle. The purpose of this requirement is to
7 assist the State in tracking the availability of health care providers to determine which
8 areas in the State suffer from inequitable access to specific types of health services and to
9 anticipate future health care shortages which might adversely affect the citizens of this
10 State. Occupational licensing boards, in consultation with the North Carolina Health
11 Planning Commission, shall collect, report, and update the following information:

12 (1) Area of health care specialty practice;

13 (2) Address of all locations where the licensee practices; and

14 (3) Other information the occupational licensing board in consultation with
15 the North Carolina Health Planning Commission deems relevant to
16 assisting the State in achieving the purpose set out in this section.

17 (b) Every occupational licensing board required to collect information pursuant to
18 subsection (a) of this section shall report and update the information on an annual basis to
19 the North Carolina Health Planning Commission. Information provided by the
20 occupational licensing board pursuant to this subsection may be provided in such form as
21 to omit the identity of the health care licensee."

22
23 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

24 **PRIMARY CARE PROVIDERS**

25 Sec. 23A.5. G.S. 143-613 reads as rewritten:

26 **"§ 143-613. Medical education; primary care ~~physicians.~~ physicians and other**
27 **providers.**

28 (a) In recognition of North Carolina's need for primary care physicians,
29 Bowman Gray School of Medicine and Duke University School of Medicine shall each
30 prepare a plan with the goal of encouraging North Carolina residents to enter the primary
31 care disciplines of general internal medicine, general pediatrics, family medicine,
32 obstetrics/gynecology, and combined medicine/pediatrics and to strive to have at least
33 fifty percent (50%) of North Carolina residents graduating from each school entering
34 these disciplines. These schools of medicine shall present their plans to the Board of
35 Governors of The University of North Carolina by April 15, ~~1994-1996,~~ and shall update
36 and present their plans every two years thereafter. The Board of Governors shall report
37 to the Joint Legislative Education Oversight Committee by May 15, ~~1994-1996,~~ and
38 every two years thereafter on the status of these efforts to strengthen primary health care
39 in North Carolina.

40 (b) The Board of Governors of The University of North Carolina shall set goals for
41 the Schools of Medicine at the University of North Carolina at Chapel Hill and the
42 School of Medicine at East Carolina University for increasing the percentage of graduates
43 who enter residencies and careers in primary care. A minimum goal should be at least

1 sixty percent (60%) of graduates entering primary care disciplines. Each school shall
2 submit a plan with strategies to reach these goals of increasing the number of graduates
3 entering primary care disciplines to the Board by April 15, ~~1994~~, 1996, and shall update
4 and present the plans every two years thereafter. The Board of Governors shall report to
5 the Joint Legislative Education Oversight Committee by May 15, ~~1994~~, 1996, and every
6 two years thereafter on the status of these efforts to strengthen primary health care in
7 North Carolina.

8 Primary care shall include the disciplines of family medicine, general pediatric
9 medicine, general internal medicine, internal medicine/pediatrics, and
10 obstetrics/gynecology.

11 (b1) The Board of Governors of The University of North Carolina shall set goals for
12 State-operated health professional schools that offer training programs for licensure or
13 certification of physician assistants, nurse practitioners, and nurse midwives for
14 increasing the percentage of the graduates of those programs who enter clinical programs
15 and careers in primary care. Each State-operated health professional school shall submit
16 a plan with strategies for increasing the percentage to the Board by April 15, 1996, and
17 shall update and present the plan every two years thereafter. The Board of Governors
18 shall report to the Joint Legislative Education Oversight Committee by May 15, 1996,
19 and every two years thereafter on the status of these efforts to strengthen primary health
20 care in North Carolina.

21 (c) The Board of Governors of The University of North Carolina shall further
22 initiate whatever changes are necessary on admissions, advising, curriculum, and other
23 policies for State-operated medical schools and health professional schools to ensure that
24 larger proportions of ~~medical~~-students seek residencies and clinical training in primary
25 care disciplines. The Board shall work with the Area Health Education Centers and other
26 entities, adopting whatever policies it considers necessary to ensure that residency and
27 clinical training programs have sufficient ~~medical~~-residency and clinical positions for
28 ~~medical school~~-graduates in these primary care specialties. As used in this subsection,
29 health professional schools are those schools or institutions that offer training for
30 licensure or certification of physician assistants, nurse practitioners, and nurse midwives.

31 (d) The progress of the private and ~~public~~-State-operated medical schools and
32 State-operated health professional schools towards increasing the number and proportion
33 of graduates entering primary care shall be monitored annually by the Board of
34 Governors of The University of North Carolina. Monitoring data shall include (i) the
35 entry of State-supported ~~medical~~-graduates into primary care ~~residencies~~, residencies and
36 clinical training programs, and (ii) the specialty practices by a physician and each
37 midlevel provider who were State-supported graduates as of a date five years after
38 graduation. The Board of Governors shall certify data on graduates, their ~~residencies~~,
39 residencies and clinical training programs, and subsequent careers by October 1 of each
40 calendar year, beginning in October of 1995, to the Fiscal Research Division of the
41 Legislative Services Office and to the Joint Legislative Education Oversight Committee.

1 (e) The information provided in subsection (d) of this section shall be made
2 available to the Appropriations Committees of the General Assembly for their use in
3 future funding decisions on medical and health professional education."
4

5 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

6 **PUBLIC HEALTH STUDY COMMISSION**

7 Sec. 23A.6. (a) G.S. 120-196 reads as rewritten:

8 **"§ 120-196. Commission duties.**

9 The Commission shall study the availability and accessibility of public health services
10 to all citizens throughout the State. In conducting the study the Commission shall:

- 11 (1) Determine whether the public health services currently available in each
12 county or district health department conform to the mission and
13 essential services established under G.S. 130A-1.1;
- 14 (2) Study the workforce needs of each county or district health department,
15 including salary levels, professional credentials, and continuing
16 education requirements, and determine the impact that shortages of
17 public health professional personnel have on the delivery of public
18 health services in county and district health departments;
- 19 (3) Review the status and needs of local health departments relative to
20 facilities, and the need for the development of minimum standards
21 governing the provision and maintenance of these facilities;
- 22 (4) Propose a long-range plan for funding the public health system, which
23 plan shall include a review and evaluation of the current structure and
24 financing of public health in North Carolina and any other
25 recommendations the Commission deems appropriate based on its study
26 activities; ~~and~~
- 27 (5) Conduct any other studies or evaluations the Commission considers
28 necessary to effectuate its ~~purpose.~~ purpose; and
- 29 (6) Study the capacity of small counties to meet the core public health
30 functions mandated by current State and federal law. The Commission
31 shall consider whether the current county and district health departments
32 should be organized into a network of larger multidistrict community
33 administrative units. In making its recommendations on this study, the
34 Commission shall consider whether the State should establish minimum
35 populations for local health departments, and if so, shall recommend the
36 number of and configuration for these multicounty administrative units
37 and shall recommend a series of incentives to ease county transition into
38 these new arrangements."

39 (b) Section 8.1 of Chapter 771 of the 1993 Session Laws reads as rewritten:

40 "Sec. 8.1. This act is effective upon ratification. ~~Part II of this act is repealed on June~~
41 ~~30, 1995."~~
42

43 **PART 24. DEPARTMENT OF AGRICULTURE**

1
2 Requested by: Senator Martin of Pitt

3 **CATTLE AND LIVESTOCK EXPOSITION CENTER**

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

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

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

17
18 Requested by: Senators Martin of Pitt, Kerr

19 **DAIRY FACILITY AT CHERRY FARM UNIT**

20 Sec. 24.1. The sum of two hundred fifty thousand dollars (\$250,000) shall be
21 transferred from the Department of Agriculture's timber sales capital improvement
22 account, established pursuant to G.S. 146-30, to the Department of Agriculture for the
23 1995-96 fiscal year and shall be used to construct and equip a new dairy facility to be
24 located at the Cherry Farm Unit.

25
26 **PART 25. DEPARTMENT OF COMMERCE**

27
28 Requested by: Senator Martin of Pitt

29 **INDUSTRIAL COMMISSION/FRAUD CHECK**

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

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

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

40 (b) Of the funds appropriated in this act to the Department of Commerce, the sum
41 of one hundred thousand dollars (\$100,000) for the 1995-96 fiscal year and the sum of
42 one hundred thousand dollars (\$100,000) for the 1996-97 fiscal year shall be used for the
43 North Carolina Industrial Commission to implement subsection (a) of this section.

1
2 Requested by: Senators Perdue, Martin of Pitt, Odom

3 **WANCHESE SEAFOOD INDUSTRIAL PARK FUNDS**

4 Sec. 25.1. Funds appropriated in Chapter 324 of the 1995 Session Laws to the
5 Department of Commerce for the Wanchese Seafood Industrial Park may be expended by
6 the North Carolina Seafood Industrial Park Authority for operations, maintenance, repair,
7 and capital improvements in accordance with Article 23C of Chapter 113 of the General
8 Statutes.

9
10 Requested by: Senator Martin of Pitt

11 **INDUSTRIAL RECRUITMENT COMPETITIVE FUND REPORTING**
12 **REQUIREMENT**

13 Sec. 25.2. The Department of Commerce shall report on or before October 1,
14 1995 and quarterly thereafter to the Joint Legislative Commission on Governmental
15 Operations on the commitment, allocation, and use of funds allocated from the Industrial
16 Recruitment Competitive Fund.

17
18 Requested by: Senator Martin of Pitt

19 **NORTH CAROLINA BIOTECHNOLOGY CENTER FUNDS**

20 Sec. 25.3. Of the funds appropriated in this act to the North Carolina
21 Biotechnology Center, the sum of one million dollars (\$1,000,000) for the 1995-96 fiscal
22 year shall be used to expand the special biotechnology program initiative for North
23 Carolina's Public Historically Black Universities and Pembroke State University. The
24 reporting requirements applicable to the North Carolina Biotechnology Center under
25 Section 25.8 of Chapter 324 of the 1995 Session Laws shall apply to funds allocated
26 under this section.

27
28 Requested by: Senators Martin of Pitt, Ballance, Lucas, C.R. Edwards, Gulley, Rand,
29 Kerr, Cooper

30 **FUNDS FOR ECONOMIC DEVELOPMENT**

31 Sec. 25.4. Of the funds appropriated in this act to the Rural Economic
32 Development Center, Inc., the sum of three million eight hundred thousand dollars
33 (\$3,800,000) for the 1995-96 fiscal year shall be placed in an Economic and Community
34 Development Program Reserve and shall be allocated by the Center for economic and
35 community development projects. Programs and purposes for which funds may be
36 allocated from the Reserve include technical assistance to institutions that make loans to
37 low-income applicants, assistance to low-income applicants for business loans, aid to
38 rural, low-income families, job training programs, community development programs,
39 supplemental funding for infrastructure, and economic development policy analysis,
40 information, and technical assistance. The Rural Economic Development Center, Inc.
41 shall report to the Joint Legislative Commission on Governmental Operations on October
42 1 and March 1 of each fiscal year, and more frequently as requested by the Commission,
43 on the amounts and uses of funds allocated pursuant to this section.

1
2 Requested by: Senator Martin of Pitt

3 **CLEVELAND COUNTY PARTICIPATION IN ECONOMIC DEVELOPMENT**
4 **COMMISSION**

5 Sec. 25.5. (a) Effective August 1, 1995, G.S. 158-8.1(a) reads as rewritten:

6 "(a) There is created the Western North Carolina Regional Economic Development
7 Commission to serve Buncombe, Cherokee, Clay, ~~Cleveland~~,—Graham, Haywood,
8 Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain,
9 Transylvania, and Yancey Counties, and any other county assigned to the Commission by
10 the Department of Commerce as authorized by law. The Commission shall be located
11 administratively in the Department of Commerce but shall exercise its statutory powers
12 and duties independently of the Department of Commerce. Funds appropriated for the
13 Commission by the General Assembly shall be disbursed directly to the Commission at
14 the beginning of each fiscal year."

15 (b) The Department of Commerce shall allocate Cleveland County's pro rata
16 share of economic development funds appropriated to the Department pursuant to Section
17 25.4 of Chapter 324 of the 1995 Session Laws to the Carolinas Partnership, Inc.,
18 Economic Development Commission, of which Cleveland County has been and is
19 currently a dues-paying member.

20
21 Requested by: Senator Martin of Pitt

22 **COMMON FOLLOW-UP SYSTEM FOR STATE JOB TRAINING AND**
23 **EDUCATION PROGRAMS**

24 Sec. 25.6. (a) Chapter 96 of the General Statutes is amended by adding the
25 following new Article to read:

26 **"ARTICLE 4.**

27 **"JOB TRAINING, EDUCATION, AND PLACEMENT**
28 **INFORMATION MANAGEMENT.**

29 **"§ 96-30. Findings and purpose.**

30 The General Assembly finds it in the best interests of this State that the establishment,
31 maintenance, and funding of State job training, education, and placement programs be
32 based on current, comprehensive information on the effectiveness of these programs in
33 securing employment for North Carolina citizens and providing a well-trained workforce
34 for business and industry in this State. To this end, it is the purpose of this Article to
35 require the establishment of an information system that maintains up-to-date job-related
36 information on current and former participants in State job training and education
37 programs.

38 **"§ 96-31. Definitions.**

39 As used in this Article, unless the context clearly requires otherwise, the term:

40 (1) 'CFS' means the common follow-up information management system
41 developed by the Employment Security Commission of North Carolina
42 as authorized under this Article.

43 (2) 'ESC' means the Employment Security Commission of North Carolina.

1 (3) 'OSBM' means the Office of State Budget and Management.

2 (4) 'State job training, education, and placement program' or 'State-funded
3 program' means a program operated by a State or local government
4 agency or entity and supported in whole or in part by State or federal
5 funds, that provides job training and education or job placement services
6 to program participants. The term does not include on-the-job training
7 provided to current employees of the agency or entity for the purposes
8 of professional development.

9 **"§ 96-32. Common follow-up information management system created.**

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

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

23 (1) Method of collection, organization, dissemination, and analysis of data
24 and information reported by State agencies subject to this Article.

25 (2) Provisions relating to reporting requirements, including submission
26 deadlines and forms of reporting.

27 (3) Provisions for ensuring confidentiality of information with respect to
28 identification of individuals about whom data is collected.

29 (4) Provisions ensuring that the only data collected on individuals is that
30 which is necessary to carry out the purposes for which the system is
31 maintained. Data collected may include the name, social security
32 number, race, sex, date of birth, and employment status of individual
33 program participants provided that information publicly disseminated is
34 done so in the aggregate and protects the confidentiality and identity of
35 individual program participants.

36 (5) Provisions ensuring that data and information collected is, insofar as
37 possible, accurate, current, and relevant to the purposes for which the
38 system was created.

39 (6) Provisions allowing for information compiled under this Article to be
40 shared with any other State, local, or federal agency that operates job
41 training, education, and placement programs, provided that the
42 confidentiality and identity of individuals is protected as provided under
43 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 (c) Based on data collected under the CFS, the Office of State Budget and
6 Management shall evaluate the effectiveness of job training, education, and placement
7 programs to determine if specific program goals and objectives are attained, to determine
8 placement and completion rates for each program, and to make recommendations
9 regarding the continuation of State funding for programs evaluated. The ESC shall
10 provide to OSBM data collected under the CFS in a manner and with the frequency
11 necessary for the Office of State Budget and Management to conduct the evaluation
12 required under this subsection. The ESC shall consult with OSBM to determine the most
13 efficient and effective method for providing to OSBM data collected under the CFS. The
14 OSBM shall maintain the same levels of confidentiality with respect to CFS data received
15 from the ESC as is required of the ESC under this Article. OSBM shall coordinate with
16 the Office of State Planning to determine what data will be collected to support the State
17 planning and budgetary process.

18 **"§ 96-33. State agencies required to provide information and data.**

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

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

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

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

38 **"§ 96-35. Reports on common follow-up system activities.**

39 (a) The Employment Security Commission of North Carolina shall present
40 annually by May 1 to the General Assembly and to the Governor a report of CFS
41 activities for the preceding calendar year. The report shall include information on and
42 evaluation of job training, education, and placement programs for which data was

1 reported by State and local agencies subject to this Article. Evaluation of the programs
2 shall be on the basis of fiscal year data.

3 (b) The Office of State Budget and Management shall report to to the Governor
4 and to the General Assembly upon the convening of each biennial session, its evaluation
5 of and recommendations regarding job training, education, and placement programs for
6 which data was provided to the CFS.

7
8 Requested by: Senator Martin of Pitt

9 **PETROLEUM OVERCHARGE FUND ALLOCATION**

10 Sec. 25.7. (a) The funds and interest thereon received from the case of the
11 United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds.
12 There is appropriated from the Special Reserve to the Department of Commerce the sum
13 of one million six hundred fifty thousand dollars (\$1,650,000) for the 1995-96 fiscal year
14 and the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1996-
15 97 fiscal year to be used for projects under the State Energy Conservation Plan.

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

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

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

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

37
38 Requested by: Senator Martin of Pitt

39 **PETROLEUM OVERCHARGE ATTORNEY FEES**

40 Sec. 25.8. (a) Unless prohibited by federal law, rule, or regulation or
41 preexisting settlement agreement, no later than October 1, 1989, the North Carolina
42 Attorney General shall direct the withdrawal of all funds received in the cases of United
43 States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-

1 state for payment of attorney fees and reasonable expenses incurred in connection with
2 oil overcharge litigation authorized by the Attorney General. The Attorney General shall
3 deposit these funds, and all funds to be received from Petroleum Overcharge Funds in the
4 future for attorney fees and reasonable expenses, into the Special Reserve for Oil
5 Overcharge Funds.

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

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

15
16 Requested by: Senator Martin of Pitt

17 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

18 Sec. 25.9. (a) There is appropriated from the Worker Training Trust Fund to the
19 Employment Security Commission of North Carolina the sum of five million eight
20 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964) for the 1995-
21 96 fiscal year and the sum of five million eight hundred thirty-nine thousand nine
22 hundred sixty-four dollars (\$5,839,964) for the 1996-97 fiscal year for the operation of
23 local offices.

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

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

33 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
34 Worker Training Trust Fund to the following agencies the following sums for the 1995-
35 96 and the 1996-97 fiscal years for the following purposes:

36 (1) \$2,400,000 for the 1995-96 fiscal year and \$2,400,000 for the 1996-97
37 fiscal year to the Department of Community Colleges to enhance the
38 curriculum funding formula for community colleges job training
39 programs;

40 (2) \$1,000,000 for the 1995-96 fiscal year and \$1,000,000 for the 1996-97
41 fiscal year to the Department of Labor for customized training of the
42 unemployed and the working poor for specific jobs needed by
43 employers through the Department's Pre-Apprenticeship Division;

- 1 (3) \$1,528,067 for the 1995-96 fiscal year and \$1,528,067 for the 1996-97
2 fiscal year to the Department of Human Resources to assist welfare
3 recipients in gaining employment through the federally funded Job
4 Opportunities and Basic Skills Program in such a way as to gain the
5 maximum match of federal funds for the State dollars appropriated;
- 6 (4) \$1,746,000 for the 1995-96 fiscal year and \$1,746,000 for the 1996-97
7 fiscal year to the Department of Community Colleges to continue the
8 Focused Industrial Training Program;
- 9 (5) \$225,000 for the 1995-96 fiscal year and \$225,000 for the 1996-97
10 fiscal year to the Employment Security Commission for the
11 Occupational Information Coordinating Committee to develop and
12 operate an interagency system to track former participants in State
13 education and training programs; and
- 14 (6) \$300,000 for the 1995-96 fiscal year and \$300,000 for the 1996-97
15 fiscal year to the Department of Community Colleges for a training
16 program in entrepreneurial skills to be operated by North Carolina
17 REAL Enterprises.
18

19 Requested by: Senator Cochrane

20 **ESC VOTER REGISTRATION FUNDS**

21 Sec. 25.10. (a) There is appropriated from the Worker Training Trust Fund to
22 the Department of Commerce, Employment Security Commission, the sum of three
23 hundred thousand dollars (\$300,000) for the 1995-96 fiscal year to carry out the
24 provisions of the National Voter Registration Act (P.L. 103-31).

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

- 29 (1) Its methodology for charging costs against the appropriation;
- 30 (2) Detailing of the costs by categories;
- 31 (3) How much of the costs supplanted federal funds and how much were
32 incremental costs; and
- 33 (4) Whether employer contribution rates can be reduced to the extent that
34 federal funds were supplanted, and what State or federal legislation
35 would be required to make such rate reductions.

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

37 "Sec. 73. Sections 1 through 68 of this act become effective January 1, 1995, and
38 apply to all primaries and elections occurring on or after that date. The remainder of this
39 act is effective upon ratification and shall apply to all primaries and elections occurring
40 on or after the date of ratification. Prosecutions for, or sentences based on, offenses
41 occurring before the effective date of any section of this act are not abated or affected by
42 this act and the statutes that would be applicable to those prosecutions or sentences but
43 for the provisions of this act remain applicable to those prosecutions or sentences. G.S.

1 163-82.20(a)(3) and G.S. 163-82.20(b1) as enacted in Section 2 of this act expire ~~January~~
2 July 1, 1996."

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

5
6 Requested by: Senator Hobbs

7 **FUNDS FOR ESC NOTIFICATION OF EARNED INCOME CREDIT**

8 Sec. 25.11. The Department of Commerce, Employment Security
9 Commission, may spend up to twenty-five thousand dollars (\$25,000) in each fiscal year
10 from the Special Employment Security Administration Fund to reprint and mail notices
11 regarding the federal Earned Income Credit to unemployment insurance recipients.

12
13 Requested by: Senator Martin of Pitt

14 **NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT**
15 **AUTHORITY/REPORTING**

16 Sec. 25.12. The North Carolina Technological Development Authority, Inc.
17 shall report on all of its programs to the Joint Legislative Commission on Governmental
18 Operations and the Fiscal Research Division on March 1 of each fiscal year, and more
19 frequently as requested by the Commission. The reports shall include information on the
20 activities and the accomplishments during the past fiscal year, itemized expenditures
21 during the past fiscal year with sources of funding, planned activities, and
22 accomplishments for at least the next 12 months, and itemized anticipated expenditures
23 with sources of funding for the next 12 months.

24
25 Requested by: Senator Martin of Pitt

26 **INDUSTRIAL COMMISSION MEDIATION/SUNSET OFF**

27 Sec. 25.13. Section 5 of Chapter 399 of the 1993 Session Laws reads as
28 rewritten:

29 "Sec. 5. Section 3 of this act is effective upon ratification. Sections 1, 2, and 4 of this
30 act become effective October 1, 1993, only if the General Assembly appropriates funds to
31 implement the purpose of these sections, ~~expire June 30, 1995,~~ and apply to claims
32 pending on or filed after the effective date."

33
34 Requested by: Senator Martin of Pitt

35 **WORLD TRADE CENTER FUNDS**

36 Sec. 25.14. Of the funds appropriated in this act to the Department of
37 Commerce, the sum of two hundred thousand dollars (\$200,000) for the 1995-96 fiscal
38 year shall be allocated to the North Carolina World Trade Center to continue to provide
39 education programs for small and medium sized businesses. The Department shall report
40 to the Joint Legislative Commission on Governmental Operations on the use of these
41 funds on or before March 1 of each fiscal year, and more frequently as required by the
42 Commission.

43

1 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
2 **RESOURCES**

3
4 Requested by: Senator Martin of Pitt

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: Senator Martin of Pitt

24 **WATERSHED FUNDS/REVERSIONS**

25 Sec. 26.1. (a) The Office of State Budget and Management shall revert funds
26 allocated in subdivisions (a)(14) and (15) of Section 107 of Chapter 561 of the 1993
27 Session Laws as provided in subsection (b) of Section 107 of Chapter 561 of the 1993
28 Session Laws.

29 (b) Notwithstanding any other provision of law, the funds allocated in subdivision
30 (a)(17) of Section 107 of Chapter 561 of the 1993 Session Laws shall not revert until
31 June 30, 1997.

32
33 Requested by: Senator Martin of Pitt

34 **RANDLEMAN DAM RESERVE RELEASE RESTRICTIONS**

35 Sec. 26.2. The funds appropriated in Chapter 769 of the 1993 Session Laws
36 for the Randleman Dam shall be held in a reserve until a signed contract for construction
37 is secured and delivered and construction is begun.

38
39 Requested by: Senator Martin of Pitt

40 **AGRICULTURE COST SHARE PROGRAM**

41 Sec. 26.2A. Of the funds appropriated in Chapter 324 of the 1995 Session
42 Laws to the Department of Environment, Health, and Natural Resources for the 1995-96
43 fiscal year for the Agriculture Cost Share Program for Nonpoint Source Pollution

1 Control, the sum of fifty thousand dollars (\$50,000) shall be used for additional funding
2 for the demonstration project authorized in Section 165 of Chapter 689 of the 1991
3 Session Laws. These funds shall be used in accordance with the match requirements
4 specified in G.S. 143-215.74(b)(6).

5
6 Requested by: Senators Martin of Pitt, Albertson

7 **AGRICULTURE COST SHARE FUNDS FOR CAPITAL FOR THE**
8 **MANAGEMENT OF AGRICULTURE WASTE**

9 Sec. 26.2B. Of the funds appropriated in this act to the Department of
10 Environment, Health, and Natural Resources, Division of Soil and Water Conservation,
11 for the 1995-96 fiscal year for the Agriculture Cost Share Program for Nonpoint Source
12 Pollution Control, the sum of five hundred thousand dollars (\$500,000) shall be used for
13 the 1995-96 fiscal year for capital expenses associated with developing agriculture waste
14 management measures that reduce agricultural nonpoint source discharges, consistent
15 with G.S. 143-214.5(a). These funds shall be used in accordance with the match and
16 program requirements set forth in G.S. 143-215.74(b). Any funds remaining at the end of
17 the 1995-96 fiscal year shall not revert, but shall remain available for the use authorized
18 by this subsection.

19
20 Requested by: Senator Martin of Pitt

21 **MARINE FISHERIES LAW ENFORCEMENT PERSONNEL**

22 Sec. 26.4. The additional law enforcement positions authorized by this act for
23 the Division of Marine Fisheries, Department of Environment, Health, and Natural
24 Resources shall not be located in Raleigh.

25
26 Requested by: Senator Martin of Pitt

27 **MARINE FISHERIES**

28 Sec. 26.5. (a) Subsection (a) of Section 3 of Chapter 675 of the 1993 Session
29 Laws, Regular Session 1994, reads as rewritten:

30 "(a) Except as provided in subsections (b), (c), ~~or (c1), (c1), or (c2)~~, the Department
31 shall not issue any new licenses for a ~~two-year~~ period beginning July 1, 1994, and ending
32 June 30, ~~1996-1997~~, under the following statutes:

33 (1) G.S. 113-152. Vessel licenses.

34 (2) G.S. 113-153.1. Crab License.

35 (3) G.S. 113-154. Shellfish license

36 (4) G.S. 113-154.1. Nonvessel endorsements to sell fish."

37 (b) G.S. 113-154 is amended by adding a new subsection to read:

38 "(c1) A shellfish leaseholder under G.S. 113-202, or a water column leaseholder
39 under G.S. 113-202.1 or G.S. 113-202.2 who purchases an individual shellfish license
40 under this section, may utilize up to two additional persons to take shellfish from the
41 leaseholder's lease without purchasing additional individual shellfish licenses. The
42 leaseholder shall be on the premises supervising the person or persons and the person or
43 persons shall be restricted to taking shellfish only from the leaseholder's lease."

1 (c) G.S. 113-182(b) is amended by adding a new subdivision to read:

2 "(3) The possession, transportation, importation, exportation, sale, purchase,
3 acquisition, and disposition of all fish taken in the Atlantic Ocean out to
4 a distance of 200 miles from the State's mean low watermark, when the
5 harvest or landing of the fish is controlled by a quota imposed on the
6 State by a federal fisheries management plan."

7 (d) Section 3 of Chapter 576 of the 1993 Session Laws is amended by adding a
8 new subsection to read:

9 "(c2) During the moratorium, a license required to participate in a fishery regulated
10 by a federal fisheries management plan under G.S. 113-182(b)(3) may only be issued to a
11 person who:

12 (1) Held a valid vessel license issued under G.S. 113-152, a valid land or
13 sell license issued under G.S. 113-153, or a combination of the two
14 licenses, during at least two of the three years immediately preceding
15 ratification;

16 (2) Participated in the fishery for which a license or permit is required
17 during at least two of the three years immediately preceding
18 ratification;

19 (3) Landed in North Carolina during each year of participation in the
20 fishery the minimum pounds of fish as established by the Commission
21 in duly adopted rules."

22 (e) Of the funds appropriated in this act to the Department of Environment,
23 Health, and Natural Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year
24 the sum of twenty- five thousand dollars (\$25,000) shall be allocated each fiscal year to
25 support the activities of the Moratorium Steering Committee.

26 (f) Of the funds appropriated to the Department of Environment, Health, and
27 Natural Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year the sum of
28 ten thousand dollars (\$10,000) shall be allocated each fiscal year to support the activities
29 of the Appeals Panel during the moratorium on fisheries licenses.

30 (g) Subsection (c) of this section is effective upon ratification.

31
32 Requested by: Senator Martin of Pitt

33 **BEAVER DAMAGE CONTROL FUNDS**

34 Sec. 26.6. (a) Subsection (b) of Section 69 of Chapter 1044 of the 1991 Session
35 Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws and by
36 Section 27.3 of Chapter 769 of the 1993 Session Laws, reads as rewritten:

37 "(b) The Beaver Damage Control Advisory Board shall develop a pilot program to
38 control beaver damage on private and public lands. Bladen, Brunswick, Carteret,
39 Chatham, Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax, Hertford,
40 Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Scotland,
41 Vance, Warren, Washington, Wayne, and Wilson Counties shall participate in the pilot
42 program. The Beaver Damage Control Advisory Board shall act in an advisory capacity

1 to the Wildlife Resources Commission in the implementation of the program. In
2 developing the program, the Board shall:

- 3 (1) Orient the program primarily toward public health and safety and
4 toward landowner assistance, providing some relief to landowners
5 through beaver control and management rather than eradication;
- 6 (2) Develop a priority system for responding to complaints about beaver
7 damage;
- 8 (3) Develop a system for documenting all activities associated with beaver
9 damage control, so as to facilitate evaluation of the program;
- 10 (4) Provide educational activities as a part of the program, such as printed
11 materials, on-site instructions, and local workshops;
- 12 (5) Provide for the hiring of personnel necessary to implement beaver
13 damage control activities, administer the pilot program, and set salaries
14 of personnel;
- 15 (6) Evaluate the costs and benefits of the program that might be applicable
16 elsewhere in North Carolina.

17 No later than September 30, 1994 and again upon the conclusion of the pilot program
18 on June 30, ~~1995~~, 1996, the Board shall issue a report to the Wildlife Resources
19 Commission on the program to date, including recommendations on the feasibility of
20 continuing the program in participating counties and the desirability of expanding the
21 program into other counties. The Wildlife Resources Commission shall prepare a plan to
22 implement a statewide program to control beaver damage on private and public lands.
23 No later than January 1, 1995, the Wildlife Resources Commission shall present its plan
24 in a report to the House Appropriations Subcommittee on Natural and Economic
25 Resources and the Senate Appropriations Committee on Natural and Economic
26 Resources."

27 (b) Subsection (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as
28 amended by Section 111 of Chapter 561 of the 1993 Session Laws and by Section 27.3 of
29 Chapter 769 of the 1993 Session Laws, reads as rewritten:

30 "(h) Subsections (a) through (d) of this section expire June 30, ~~1995~~, 1996."

31 (c) Section 7 of Chapter 358 of the 1995 Session Laws is repealed.

32 (d) Of the funds appropriated from the General Fund to the Wildlife Resources
33 Commission for the 1995-96 fiscal year, there is allocated the sum of three hundred
34 seventy-two thousand six hundred ninety dollars (\$372,690) to provide the State share
35 necessary to continue the beaver damage control pilot program established by Section 69
36 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of Chapter 561 of
37 the 1993 Session Laws and Section 27.3 of the 1993 Session Laws, in Bladen,
38 Brunswick, Carteret, Chatham, Craven, Columbus, Duplin, Edgecombe, Franklin,
39 Greene, Halifax, Hertford, Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt,
40 Robeson, Sampson, Scotland, Vance, Warren, Washington, Wayne, and Wilson
41 Counties, provided the sum of twenty-five thousand dollars (\$25,000) in federal funds is
42 available in each fiscal year to provide the federal share. These funds shall be matched

1 by four thousand dollars (\$4,000) of local funds in each fiscal year from each of the 27
2 participating counties.

3
4 Requested by: Senator Martin of Pitt

5 **STUDY ALTERNATIVES FOR DISPOSAL OF DREDGING MATERIALS**

6 Sec. 26.7. The Department of Environment, Health, and Natural Resources
7 shall study the feasibility and benefit of using the materials dredged from waterways to
8 create artificial wetlands or island marshes as an alternative method of disposing of
9 dredge material. The Department shall consider the "island marshes" located offshore of
10 the Aransas National Wildlife Refuge on the Texas coast as a model. The Department
11 shall report to the Joint Legislative Commission on Governmental Operations regarding
12 its findings and recommendations by March 1, 1996.

13
14 Requested by: Senator Hoyle

15 **FOOD SANITATION FUNDS**

16 Sec. 26.8. (a) Of the funds appropriated in this act to the Department of
17 Environment, Health, and Natural Resources, the sum of one hundred thousand dollars
18 (\$100,000) for the 1995-96 fiscal year and the sum of one hundred thousand dollars
19 (\$100,000) for the 1996-97 fiscal year shall be used to conduct regional conferences to
20 provide continuing education and training of environmental health specialists.

21 (b) Effective January 1, 1996, G.S. 130A-248(a3), as amended by Chapter 123 of
22 the 1995 Session Laws, reads as rewritten:

23 "(a3) The rules adopted by the Commission pursuant to subsections (a), (a1), and
24 (a2) of this section shall address, but not be limited to, the following:

- 25 (1) Sanitation requirements for cleanliness of floors, walls, ceilings, storage
26 spaces, utensils, ventilation equipment, and other areas and items;
- 27 (2) Requirements for:
 - 28 a. Lighting and water supply;
 - 29 b. Wastewater collection, treatment, and disposal facilities; and
 - 30 c. Lavatory and toilet facilities, food protection, and waste disposal;
- 31 (3) The cleaning and bactericidal treatment of eating and drinking utensils
32 and other food-contact surfaces;
- 33 (3a) The appropriate and reasonable use of gloves or utensils by employees
34 who handle unwrapped food;
- 35 (4) The methods of food preparation, transportation, catering, storage, and
36 serving;
- 37 (5) The health of employees;
- 38 (6) Animal and vermin control; and
- 39 (7) The prohibition against the offering of unwrapped food samples to the
40 general public unless the offering and acceptance of the samples are
41 continuously supervised by an agent of the entity preparing or offering
42 the samples or by an agent of the entity on whose premises the samples
43 are made available. As used in this subdivision, 'food samples' means

1 unwrapped food prepared and made available for sampling by and
2 without charge to the general public for the purpose of promoting the
3 food made available for sampling. This subdivision does not apply to
4 unwrapped food prepared and offered in buffet, cafeteria, or other style
5 in exchange for payment by the general public or by the person or entity
6 arranging for the preparation and offering of such unwrapped food.
7 This subdivision shall not apply to open air produce markets nor to
8 farmer market facilities operated on land owned or leased by the State
9 of North Carolina or any local government.

10 The rules shall contain a system for grading facilities, such as Grade A, Grade B, and
11 Grade C. The rules shall be written in a manner that promotes consistency in both the
12 interpretation and application of the grading system."

13 (c) Effective January 1, 1996, G.S. 130A-39(b) reads as rewritten:

14 "(b) A local board of health may adopt a more stringent rule in an area regulated by
15 the Commission for Health Services or the Environmental Management Commission
16 where, in the opinion of the local board of health, a more stringent rule is required to
17 protect the public health; otherwise, the rules of the Commission for Health Services or
18 the rules of the Environmental Management Commission shall prevail over local board of
19 health rules. However, a local board of health may not adopt a rule concerning the
20 ~~grading-grading~~, ~~operating~~, and permitting of food and lodging facilities as listed in Part 6
21 of Article 8 of this Chapter and as defined in G.S. 130A-247(1), and a local board of
22 health may adopt rules concerning wastewater collection, treatment and disposal systems
23 which are not designed to discharge effluent to the land surface or surface waters only in
24 accordance with G.S. 130A-335(c)."

25 (d) G.S. 130A-30(a) reads as rewritten:

26 "(a) The Commission for Health Services shall consist of ~~12~~13 members, four of
27 whom shall be elected by the North Carolina Medical Society and ~~eight~~nine of whom
28 shall be appointed by the Governor."

29 (e) The Department of Environment, Health, and Natural Resources, in
30 consultation with the North Carolina Restaurant Association, shall review all rules and
31 forms that govern the sanitation of restaurants and other food handling establishments for
32 vagueness, inconsistency, and lack of specificity and shall develop a plan to improve
33 uniformity of interpretation and application of these rules across the State. The
34 Department shall present the plan to the Commission for Health Services by December
35 31, 1996, along with any recommendations for rule modification. The Department, in
36 consultation with the Association, shall continue to monitor and address the interpretation
37 and application of the rules, forms, and other food service matters.

38
39 Requested by: Senators Martin of Pitt, Warren

40 **FUNDS FOR HEART DISEASE AND STROKE PREVENTION TASK FORCE**

41 Sec. 26.9. (a) Of the funds appropriated in this act to the Department of
42 Environment, Health, and Natural Resources, the sum of one hundred thousand dollars
43 (\$100,000) for the 1995-96 fiscal year and the sum of one hundred thousand dollars

1 (\$100,000) for the 1996-97 fiscal year shall be used to support the North Carolina Heart
2 Disease and Stroke Prevention Task Force created under this section.

3 (b) The North Carolina Heart Disease and Stroke Prevention Task Force is created
4 in the Division of Adult Health Promotion, Department of Environment, Health, and
5 Natural Resources.

6 (c) The Task Force shall have 27 members. The Governor shall appoint the Chair,
7 and the Vice-Chair shall be elected by the Task Force. The Director of the Division of
8 Adult Health Promotion in the Department of Environment, Health, and Natural
9 Resources, the Director of the Division of Medical Assistance in the Department of
10 Human Resources, and the Director of the Division of Aging in the Department of
11 Human Resources, or their designees, shall be members of the Task Force.
12 Appointments to the Task Force shall be made as follows:

13 (1) By the General Assembly upon the recommendation of the President
14 Pro Tempore of the Senate, as follows:

- 15 a. Three members of the Senate;
- 16 b. A heart attack survivor;
- 17 c. A local health director;
- 18 d. A certified health educator;
- 19 e. A hospital administrator; and
- 20 f. A representative of the North Carolina Association of Area
21 Agencies on Aging.

22 (2) By the General Assembly upon the recommendation of the Speaker of
23 the House of Representatives, as follows:

- 24 a. Three members of the House of Representatives;
- 25 b. A stroke survivor;
- 26 c. A county commissioner;
- 27 d. A registered dietitian;
- 28 e. A pharmacist; and
- 29 f. A registered nurse.

30 (3) By the Governor, as follows:

- 31 a. A practicing family physician, pediatrician, or internist;
- 32 b. A president or chief executive officer of a business upon
33 recommendation of a North Carolina wellness council which is a
34 member of the Wellness Councils of America;
- 35 c. A news director of a newspaper or television or radio station;
- 36 d. A volunteer of the North Carolina Affiliate of the American
37 Heart Association;
- 38 e. A representative from the North Carolina Cooperative Extension
39 Service;
- 40 f. A representative of the Governor's Council on Physical Fitness
41 and Health; and
- 42 g. Two members at large.

1 (d) Each appointing authority shall assure insofar as possible that its appointees to
2 the Task Force reflect the composition of the North Carolina population with regard to
3 ethnic, racial, age, gender, and religious composition.

4 (e) The General Assembly and the Governor shall make their appointments to the
5 Task Force not later than 30 days after the adjournment of the 1995 General Assembly,
6 Regular Session 1995. A vacancy on the Task Force shall be filled by the original
7 appointing authority, using the criteria set out in this section for the original appointment.

8 (f) The Task Force shall meet at least quarterly or more frequently at the call of
9 the Chair.

10 (g) The Task Force Chair may establish committees for the purpose of making
11 special studies pursuant to its duties, and may appoint non-Task Force members to serve
12 on each committee as resource persons. Resource persons shall be voting members of the
13 committees and shall receive subsistence and travel expenses in accordance with G.S.
14 138-5 and G.S. 138-6. Committees may meet with the frequency needed to accomplish
15 the purposes of this section.

16 (h) Members of the Task Force shall receive per diem and necessary travel and
17 subsistence expenses in accordance with G.S. 120-3.1, 138-5 and 138-6, as applicable.

18 (i) A majority of the Task Force shall constitute a quorum for the transaction of its
19 business.

20 (j) The Task Force may use funds allocated to it to establish two positions and for
21 other expenditures needed to assist the Task Force in carrying out its duties.

22 (k) The Heart Disease and Stroke Prevention Task Force has the following duties:

23 (1) To undertake a statistical and qualitative examination of the incidence
24 of and causes of heart disease and stroke deaths and risks, including
25 identification of subpopulations at highest risk for developing heart
26 disease and stroke, and establish a profile of the heart disease and stroke
27 burden in North Carolina.

28 (2) To publicize the profile of the heart disease and stroke burden and its
29 preventability in North Carolina.

30 (3) To identify priority strategies which are effective in preventing and
31 controlling risks for heart disease and stroke.

32 (4) To identify, examine limitations of, and recommend to the Governor
33 and the General Assembly changes to existing laws, regulations,
34 programs, services, and policies to enhance heart disease and stroke
35 prevention by and for the people of North Carolina.

36 (5) To determine and recommend to the Governor and the General
37 Assembly the funding and strategies needed to enact new or to modify
38 existing laws, regulations, programs, services, and policies to enhance
39 heart disease and stroke prevention by and for the people of North
40 Carolina.

41 (6) To adopt and promote a statewide comprehensive Heart Disease and
42 Stroke Prevention Plan to the general public, State and local elected
43 officials, various public and private organizations and associations,

1 businesses and industries, agencies, potential funders, and other
2 community resources.

3 (7) To identify and facilitate specific commitments to help implement the
4 Plan from the entities listed in subdivision (6) above.

5 (8) To facilitate coordination of and communication among State and local
6 agencies and organizations regarding current or future involvement in
7 achieving the aims of the Heart Disease and Stroke Prevention Plan.

8 (9) To receive and consider reports and testimony from individuals, local
9 health departments, community-based organizations, voluntary health
10 organizations, and other public and private organizations statewide, to
11 learn more about their contributions to heart disease and stroke
12 prevention, and their ideas for improving heart disease and stroke
13 prevention in North Carolina.

14 (l) The Task Force shall submit to the Governor and to the General Assembly a
15 preliminary report by January 1, 1996; an interim report within the first week of the
16 convening of the 1997 General Assembly; and a final report by October 1, 1997. The
17 reports shall address the Plan, actions and resources needed to fully implement the Plan,
18 and progress in achieving implementation of the Plan to reduce the occurrence of and
19 burden from heart disease and stroke in North Carolina. The reports shall include an
20 accounting of funds expended and anticipated funding needs for full implementation of
21 recommended plans and programs.

22 (m) Upon submission of its final report to the Governor and the 1997 General
23 Assembly, the Task Force shall expire.

24
25 Requested by: Senator Martin of Pitt

26 **ABOVEGROUND STORAGE TANKS INSPECTION AND MONITORING**

27 Sec. 26.10. (a) Of the funds appropriated to the Department of Environment,
28 Health, and Natural Resources in this act for the 1995-96 fiscal year, the sum of four
29 hundred thousand dollars (\$400,000) shall be used to conduct periodic inspections at
30 major oil terminal facilities, as defined in G.S. 143-215.77, and bulk petroleum facilities
31 and the equipment at these facilities to determine whether oil or any other hazardous
32 substance is being discharged into the environment and, at the facility and in the area
33 surrounding the facility, to monitor the quality of the air, water, and soil and analyze air,
34 water, and soil samples to determine the presence of toxic emissions, water quality
35 degradation, or soil contamination.

36 (b) Beginning October 1, 1995, and quarterly thereafter, the Department of
37 Environment, Health, and Natural Resources shall submit a report of its inspection and
38 monitoring activities pursuant to subsection (a) of this section to the Environmental
39 Review Commission.

40
41 Requested by: Senators Martin of Pitt, Odom, Perdue, Plyler, Hobbs, McKoy

42 **ANIMAL WASTE SYSTEM COMPLIANCE INSPECTORS**

1 Sec. 26.11. (a) Of the funds appropriated to the Department of Environment,
2 Health, and Natural Resources in this act, the sum of four hundred fifty-nine thousand
3 two hundred ninety-two dollars (\$459,292) for the 1995-96 fiscal year and the sum of
4 four hundred twenty-four thousand seven hundred ninety-two dollars (\$424,792) for the
5 1996-97 fiscal year shall be used for staff and operating expenses for the Department to
6 conduct inspections, enforcement activities, and laboratory analyses to ensure compliance
7 with the animal waste certification requirements that become effective December 1997.

8 (b) The staff who conduct inspections pursuant to subsection (a) of this section
9 shall cooperate with owners and operators of agricultural operations and shall provide
10 planning assistance and oversight to ensure proper implementation of the animal waste.

11 Requested by: Senators Cooper, Ballance, Speed

12 **MULTI-COUNTY WATER CONSERVATION AND INFRASTRUCTURE**
13 **DISTRICT**

14 Sec. 26.12. Effective upon ratification, Chapter 158 of the General Statutes is
15 amended by adding a new Article to read:

16 **"ARTICLE 2A.**

17 **"MULTI-COUNTY WATER CONSERVATION AND INFRASTRUCTURE**
18 **DISTRICT.**

19 **"§ 158-15.1. Multi-County Water Conservation and Infrastructure District.**

20 (a) There is established the Multi-County Water Conservation and Infrastructure
21 District, which is a public authority for the purpose of the Local Government Budget and
22 Fiscal Control Act.

23 (b) The member counties of the Multi-County Water Conservation and
24 Infrastructure District are Bertie, Granville, Halifax, Martin, Northampton, Person, Vance
25 and Warren.

26 (c) The governing body of the Multi-County Water Conservation and
27 Infrastructure District is the Multi-County Water Commission, which has eight members.
28 One shall be appointed by the board of commissioners of each member county for a
29 three-year term.

30 (d) All monies received by the State of North Carolina for sale of water under the
31 Roanoke River Basin Compact, if enacted, shall be paid to the Multi-County Water
32 Conservation and Infrastructure District.

33 (e) The District may accept for any of its purposes and functions any and all
34 donations, grants of money, equipment, supplies, materials and services (conditional or
35 otherwise) from any state or the United States or any subdivision or agency thereof, or
36 interstate agency, or from any political subdivision of this State or any other state, or
37 from any institution, person, firm or corporation, and may receive, utilize and dispose of
38 the same. The nature, amount and condition, if any, attendant upon any donation or grant
39 accepted pursuant to this subsection together with the identity of the donor or grantor,
40 shall be detailed in the annual audit of the District.

41 (f) At times specified by the Multi-County Water Commission, net revenues after
42 operating expenses of the District shall be paid to the member counties according to the
43

1 following formula: (i) one-half pro-rata based on population of each member county; and
 2 (ii) one-half pro-rata based on land area of each county.

3 (g) Member counties may use funds received under this section for public
 4 purposes relating to infrastructure development, economic development, and water
 5 conservation.

6 (h) The Commission may adopt such rules as may be needful for operation of its
 7 affairs, and shall employ and terminate personnel as if it were a county."

8
 9 **PART 26A. CAPITAL IMPROVEMENTS - GENERAL FUND**

10
 11 Sec. 26A. The appropriations made by the 1995 General Assembly for capital
 12 improvements are for constructing, repairing, or renovating State buildings, utilities, and
 13 other capital facilities, for acquiring sites for them where necessary, and for acquiring
 14 buildings and land for State government purposes.

15 Sec. 26A.1. Appropriations from the General Fund for the 1995-96 fiscal year
 16 for use by the State departments, institutions, and agencies to provide for capital
 17 improvement projects according to the following schedule:

		<u>1995-96</u>
	<u>1996-97</u>	
	<u>Capital Improvements</u>	
	Department of Administration (Total)	\$44,273,400 \$31,298,000
1.	Indian Culture Center	
	Various site improvements	175,000
2.	Construct New Prison Beds	
	Funds to construct 1,384 new beds	43,284,700 31,298,000
	Facility	Number of Beds
	Female Facility-Triad Area	104
	Female Boot Camp-Hoffman	60
	Western Area GPAC	
	Consolidation Unit	624
	Segregation Unit	40
	Expand Polk Youth Center	104
		144
		100
	Expand Warren Corr.	
	Institution	168
	Segregation Unit	40

1	Total	1,384	
2			
3	Southern Piedmont Area - Plan, design, site development,		
4	and begin construction for a 624-bed facility with 40		
5	segregation cells in FY 1995-96.		
6			
7			
8	3. Electronic Intrusion System		
9	Install Electronic Intrusion System at		
10	N.C. Correctional Institution		
11	for Women	813,700	
12			
13	Department of Agriculture (Total)		3,257,200 3,000,000
14			
15	4. Dairy Facility - Cherry Farm		
16	Cherry Farm		
17			
18	Total Requirements	507,200	
19	Less: Timber Sales		
20	Receipts <u>250,000</u>	257,200	
21			
22	5. Eastern N.C. Agricultural Center		
23	Continued Development	3,000,000	3,000,000
24			
25	Department of Crime Control and		
26	Public Safety (Total)		200,000
27			
28	6. Kinston National Guard Armory		
29	Additional State match for bid		
30	overrun	200,000	
31			
32	Department of Cultural Resources (Total)		8,350,000
33			
34	7. Reserve for		
35	Land acquisition and development	3,000,000	
36	8. Elizabeth II State Historic Site	5,000,000	
37	9. Museum of Art-Facilities Planning	250,000	
38	10. N.C. Pottery Center-Planning	100,000	
39			
40	Department of Human Resources (Total)		1,020,000
41			
42	11. Gaston Detention Center	270,000	
43	12. Leonard Secure Unit-		

1	Renovate Richmond Correction Center	
2	as Single Detention Center	
3	for Bound-Overs 750,000	
4		
5	Department of Justice (Total)	1,741,000 2,795,600
6		
7	13. N.C. Justice Academy-	
8	Replace Blue Bell Building at N.C.	
9	Justice Academy 1,500,000	
10	14. N.C. Justice Academy-	
11	Replace maintenance shed 445,400	
12	15. N.C. Justice Academy-	
13	Construct new classroom	
14	building 1,295,600 1,295,600	
15		
16	Environment, Health, and Natural	
17	Resources (Total)	19,065,000
18		
19	16. State Parks and Natural Areas	
20	Preservation, development, and	
21	acquisition 10,000,000	
22	17. North Carolina Aquariums	
23	Planning 1,300,000	
24	18. Museum of Natural Science Exhibits	
25	Planning and Design 400,000	
26	19. Water Resources Projects 2,065,000	
27	20. Marine Fisheries	
28	Replacement of law enforcement	
29	vessel 300,000	
30	21. Water and Sewer Demonstration	
31	Projects	
32	New technology projects particularly	
33	in the area of environmental	
34	disposal and system creation 5,000,000	
35		
36	State Budget and Management (Total)	285,000
37		
38	22. Global TransPark	
39	Engineering and design for Kinston	
40	Regional Jet Port Military	
41	Construction Project (State Match) 285,000	
42		
43	UNC Board of Governors (Total)	27,560,200 52,325,500

1			
2	23.	NC State University	
3		Centennial Center Funds	4,000,000 3,000,000
4	24.	UNC-Chapel Hill/N.C. State University	
5		Marine Science Facility	500,000 7,300,000
6	25.	UNC-TV Southeastern Tower in	
7		Lumberton	1,980,000
8	26.	UNC-Chapel Hill	
9		Law School	5,057,600 5,000,000
10	27.	UNC-Chapel Hill School of Pharmacy	
11		Planning	1,000,000
12	28.	East Carolina University-	
13		Life Sciences Building	2,700,000 4,423,800
14	29.	NC A&T State University	
15		Classroom Building Planning	1,000,000
16	30.	UNC-Asheville	
17		Kellogg Center	500,000
18	31.	UNC-General Administration	
19		Administrator's Academy	9,871,100
20	32.	NC State University	
21		4-H Environmental Education	
22		Center	2,545,300
23	33.	NC Central University	
24		Education Building	6,031,700 9,600,000
25	34.	Elizabeth City State University	
26		Vaughan Center Addition	2,190,500
27	35.	Fayetteville State University	
28		Student Center Addition	3,790,900
29	36.	UNC-Chapel Hill	
30		Center for Dramatic Art	8,394,800
31	37.	UNC-Chapel Hill	
32		Medical Biomolecular and Neuro-	
33		sciences Research Building.	1,000,000
34			
35		TOTAL CAPITAL	\$105,751,800 \$89,419,100

PART 27. CAPITAL AND SPECIAL PROVISIONS

Requested by: Senator Warren

NORTH CAROLINA INFORMATION HIGHWAY FUNDS

Sec. 27. (a) The funds appropriated in this act to the Office of the State Controller for the operation of the North Carolina Information Highway shall be used only for costs incurred by the Office of the State Controller related to the operations and

1 support of the North Carolina Information Highway. No funds appropriated in this act
2 shall be expended to pay Minimum Monthly Usage charges for North Carolina
3 Information Highway services until such time as the Controller certifies to the General
4 Assembly that the network is capable of performing all services for which the State has
5 contracted and that the network equipment and service providers are capable of providing
6 full and adequate support for the network's functions and to all qualified users.

7 (b) Beginning October 1, 1995, the Controller shall report quarterly to the Joint
8 Legislative Commission on Governmental Operations regarding the costs incurred by the
9 Office of the State Controller related to the operations and support of the North Carolina
10 Information Highway, and shall make a final report to the General Government
11 Appropriations Subcommittees for the Senate and the House of Representatives and to
12 the 1995 General Assembly, 1996 Regular Session.

13 (c) For purposes of this section the term "North Carolina Information
14 Highway" means the new, high-capacity optical fiber network that uses SONET
15 transmission technology and ATM switching.

16
17 Requested by: Senator Warren

18 **DATA PROCESSING RESERVE**

19 Sec. 27.1. The Office of State Controller and the Office of State Budget and
20 Management shall jointly study the State Computer Center, demand estimates, and shall
21 submit to the 1995 General Assembly, Regular Session 1996, by May 1, 1996, a
22 comprehensive report detailing projected cost needs for the 1996-97 fiscal year and the
23 funding source for those needs in excess of the level funded in Chapter 324 of the 1995
24 Session Laws, the Continuation Budget Appropriations Act of 1995, and in this act.

25
26 Requested by: Senator Warren

27 **LOCAL HISTORICAL ORGANIZATIONS GRANTS**

28 Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to
29 the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall
30 be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums,
31 or local governmental entities on a competitive basis in accordance with administrative
32 guidelines issued by the Secretary of the Department of Cultural Resources. The purpose
33 of the grants shall be to encourage, through the use of grants-in-aid, the protection,
34 preservation, and interpretation of historic assets with local or regional significance.
35 Priority consideration shall be given to the local historical organization's educational
36 objectives. Grants shall be limited to amounts of one hundred thousand dollars
37 (\$100,000) or less.

38
39 Requested by: Senator Warren

40 **LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS**

41 Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to
42 the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall
43 be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local

1 governmental entities on a competitive basis in accordance with administrative guidelines
2 issued by the Secretary of the Department of Cultural Resources. The purpose of the
3 grants shall be to support and promote, through the use of grants-in-aid, local cultural and
4 artistic organizations with local or regional significance. Priority consideration shall be
5 given to the local cultural or artistic organization's educational objectives. Grants shall
6 be limited to amounts of one hundred thousand dollars (\$100,000) or less.

7
8 Requested by: Senator Ballance

9 **CONSOLIDATION OF PRISON FACILITIES/PRISON CONSTRUCTION**

10 Sec. 27.10. (a) In order to continue the recommendations of the Government
11 Performance Audit Committee pertaining to the consolidation of smaller prison units in
12 Western North Carolina into a lesser number of facilities, the Department of Correction
13 shall develop and implement plans to close Avery Correctional Center, Watauga
14 Correctional Center, and Yancey Correctional Center and replace them with a facility to
15 be constructed at a site in Avery, Mitchell, Yancey, or Watauga County.

16 (b) The Office of State Construction of the Department of Administration may
17 contract for and supervise all aspects of administration, technical assistance, design,
18 construction, or demolition of prison facilities in order to implement the providing of
19 prison facilities under the provisions of this act.

20 The facilities authorized under this act shall be constructed in accordance with
21 the provisions of general law applicable to the construction of State facilities. If the
22 Secretary of Administration, after consultation with the Secretary of Correction, finds
23 that the delivery of prison facilities must be expedited for good cause, the Office of State
24 Construction of the Department of Administration shall be exempt from the following
25 statutes and rules implementing those statutes, to the extent necessary to expedite
26 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
27 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
28 408.7.

29 Prior to exercising the exemptions allowable under this section, the Secretary
30 of Administration shall give reasonable notice in writing of the Department's intent to
31 exercise the exemptions to the Speaker of the House, the President Pro Tempore of the
32 Senate, the Chairs of the House and Senate Appropriations Committees, the Chairs of the
33 House and Senate Appropriations Subcommittees on Justice and Public Safety, the Chairs
34 of the Joint Legislative Corrections Oversight Committee, and the Fiscal Research
35 Division. The written notice shall contain at least the following information: (i) the
36 specific statutory requirement or requirements from which the Department intends to
37 exempt itself; (ii) the reason the exemption is necessary to expedite delivery of prison
38 facilities; (iii) the way in which the Department anticipates the exemption will expedite
39 the delivery of prison facilities; and (iv) a brief summary of the proposed contract for the
40 project which is to be exempted.

41 The Office of State Construction of the Department of Administration shall
42 have a verifiable ten percent (10%) goal for participation by minority and women-owned

1 businesses. All contracts for the design, construction, or demolition of prison facilities
2 shall include a penalty for failure to complete the work by a specified date.

3 The Office of State Construction of the Department of Administration shall
4 involve the Department of Correction in all aspects of the projects to the extent that such
5 involvement relates to the Department's program needs and to its responsibility for the
6 care of the prison population.

7 (c) The Office of State Construction of the Department of Administration shall
8 provide quarterly reports to the Chairs of the Appropriations Committee and the Base
9 Budget Committee in the Senate, the Chairs of the Appropriations Committee in the
10 House, the Joint Legislative Commission on Governmental Operations, the Chairs of the
11 Joint Legislative Corrections Oversight Committee, and the Fiscal Research Division as
12 to any changes in projects and allocations made under this act. The report shall include
13 any changes in the projects and allocations made pursuant to this act, information on
14 which contractors have been selected, what contracts have been entered into, the
15 projected and actual occupancy dates of facilities contracted for, the number of beds to be
16 constructed on each project, the location of each project, and the projected and actual cost
17 of each project.

18 The Department of Insurance and the Department of Correction shall report
19 quarterly to the Joint Legislative Commission on Governmental Operations on their
20 involvement in the prison construction program.

21
22 Requested by: Senator Ballance

23 **MATCHING FUNDS FOR FEDERAL PRISON CONSTRUCTION FUNDS**

24 Sec. 27.10A. Appropriations made in this act to the Office of State
25 Construction of the Department of Administration for construction of new prison beds,
26 excluding the sum of ten million eight hundred eighty-seven thousand nine hundred
27 dollars (\$10,887,900) to be used for the design and preliminary site work, are to match
28 federal funds available for prison construction in the 1996 federal fiscal year or
29 subsequent federal fiscal years. If the federal match is not made available by January 1,
30 1996, these State funds shall be made available to the Office of State Construction of the
31 Department of Administration for construction of new prison beds, segregation units, and
32 support buildings and systems as specified in this act. To the extent that the Director of
33 the Budget finds that State funds appropriated in this act for construction of new prison
34 beds are not required for prison construction because of the availability of federal funds,
35 the sum of six million dollars (\$6,000,000) shall be made available to the Department of
36 Justice for construction of the SBI Operations Building. Any remaining funds that the
37 Director of the Budget finds are not needed for prison construction, not to exceed the sum
38 of fifty million dollars (\$50,000,000), shall be transferred to a Reserve for Education
39 Purposes in the Office of State Budget and Management.

40 The Office of State Construction shall report to the Chairs of the Joint
41 Legislative Commission on Governmental Operations, the Chairs of the Senate and
42 House Appropriations Committees, and the Chairs of the Senate and House

1 Appropriations Subcommittees on Justice and Public Safety on the availability of federal
2 prison construction matching funds.

3
4 Requested by: Senator Ballance

5 **REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS**

6 Sec. 27.10B. Section 22(b) of Chapter 324 of the 1995 Session Laws reads as
7 rewritten:

8 "(b) Any funds received by the Department of Justice in settlement of insurance
9 claims arising from damage to the Blue Bell building at the North Carolina Justice
10 Academy shall be expended by the Department for replacement of the building and for no
11 other purpose. ~~If any appropriation is made to the Department for replacement of the~~
12 ~~Blue Bell Building, then any~~ Any funds received by the Department in excess of one
13 million one hundred thousand dollars (\$1,100,000) as insurance settlement proceeds shall
14 revert to the General Fund."

15

16 Requested by: Senator Martin of Pitt

17 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

18 Sec. 27.12. (a) Of the funds appropriated in this act to the Department of
19 Environment, Health, and Natural Resources for the 1995-96 fiscal year, the sum of one
20 million eight hundred sixty-five thousand dollars (\$1,865,000) shall be used for water
21 resources development projects and the sum of two hundred thousand dollars (\$200,000)
22 shall be used for small watershed projects. The Department shall allocate funds for the
23 following projects whose estimated costs are as indicated:

- 24 (1) Wilmington Harbor \$374,000
25 Deepening Study
26
27 (2) Jordan Lake Water Supply 130,000
28 Repayment
29
30 (3) Wilmington Harbor 500,000
31 38-ft. Navigation
32 Maintenance Dredging
33
34 (4) Aquatic Plant Control 150,000
35 (Statewide) includes
36 Lake Gaston
37
38 (5) Rollinson Channel 160,000
39 Maintenance, Dare County
40
41 (6) Wilmington Harbor Channel 72,000
42 Widening
43

1	(7)	State-Local Projects	199,000
2			
3	(8)	Repayment to New Hanover	130,000
4		County Spoil Disposal Area	
5			
6	(9)	Dare County Beaches	100,000
7		Feasibility Study	
8			
9	(10)	Planning Assistance to	50,000
10		Communities	
11			
12	(11)	Limestone Creek Watershed Project	40,000
13		Duplin County	
14			
15	(12)	Deep Creek Watershed Project	160,000
16		Yadkin County	
17			
18	Total		\$2,065,000

19
20 (b) Where the actual costs are different from the estimated costs under subsection
21 (a) of this section, the Department may adjust the allocations among projects as needed.
22 If any projects listed in subsection (a) of this section are delayed and the budgeted State
23 funds cannot be used during the 1995-96 fiscal year, or if the projects listed in subsection
24 (a) of this section are accomplished at a lower cost, the Department may use the resulting
25 fund availability to fund any of the following:

- 26 (1) Corps of Engineers project feasibility studies.
27 (2) Corps of Engineers projects whose schedules have advanced and require
28 State matching funds in fiscal year 1995-96.
29 (3) State-local Water Resources Development Projects.
30 (4) Soil Conservation Projects whose schedules have advanced and require
31 State matching funds in fiscal year 1995-96.

32 Funds not expended or encumbered for these purposes shall revert to the General
33 Fund at the end of the 1996-97 fiscal year.

34 (c) The Department shall make quarterly reports on the use of these funds to the
35 Joint Legislative Commission on Governmental Operations, the Fiscal Research
36 Division, and the Office of State Budget and Management. Each report shall include all
37 of the following:

- 38 (1) All projects listed in this section.
39 (2) The estimated cost of each project.
40 (3) The date that work on each project began or is expected to begin.
41 (4) The date that work on each project was completed or is expected to be
42 completed.
43 (5) The actual cost of each project.

1 The quarterly reports shall also show those projects advanced in schedule, those
2 projects delayed in schedule, and an estimate of the amount of funds expected to revert to
3 the General Fund.

4
5 Requested by: Senator Martin of Pitt

6 **STATE PARKS CAPITAL**

7 Sec. 27.13. Of the funds appropriated in this act to the Department of
8 Environment, Health, and Natural Resources for the 1995-96 fiscal year for capital
9 improvements and land acquisition at State Parks, no more than three percent (3%) may
10 be used by the Department for operating expenses associated with managing capital
11 improvements projects and acquiring land.

12
13 Requested by: Senator Martin of Pitt

14 **REPAIRS AND RENOVATIONS FUNDS FOR REPAIR OF UNSAFE**
15 **BUILDINGS**

16 Sec. 27.14. Notwithstanding any other provision of law, funds in the Reserve
17 for Repairs and Renovations for the 1995-96 fiscal year may be allocated to the
18 Department of Agriculture to repair or replace any structure that the Department of
19 Insurance declares is in violation of the State Building Code and is unsafe to the extent
20 that occupancy may be denied.

21
22 Requested by: Senator Sherron

23 **UNC SELF-LIQUIDATING PROJECT AUTHORIZED**

24 Sec. 27.15. (a) The purpose of this section is to authorize the construction by certain
25 constituent institutions of The University of North Carolina and the University of North
26 Carolina Hospitals at Chapel Hill, of the capital improvements projects listed in the act
27 for the respective institutions, and authorize the financing of these projects with funds
28 available to the institutions from gifts, grants, receipts, including patient receipts at the
29 University of North Carolina Hospitals at Chapel Hill, self-liquidating indebtedness, or
30 other funds, or any combination of these funds, but not including funds appropriated from
31 the General Fund of the State.

32 (b) The capital improvements projects authorized by this section to be constructed
33 and financed as provided in subsection (a) of this section are as follows:

34 1. Appalachian State University

35 Improvements to Student Residence Facilities \$ 3,697,600
36 Replacement of Artificial Surfaces
37 in Kidd Brewer Stadium \$1,140,000.

38
39 2. East Carolina University

40 Dowdy-Ficklen Stadium Expansion \$11,183,800
41 Renovations and Addition to the Student
42 Health Center \$ 3,048,800
43 Removal of Architectural Barriers \$13,805,300

1	3.	North Carolina A & T State University	
2		Student Union Renovation and Addition	\$ 4,395,000
3	4.	North Carolina Central University	
4		Renovation of Track and Football Stadium	\$ 2,835,000
5	5.	North Carolina State University	
6		Partners' II Building	\$ 8,077,500
7		Partners' III Building (Engineering	
8		Corporate Building)	\$10,311,700
9		Student Health Services Center	\$ 7,104,500
10	6.	The University of North Carolina at Asheville	
11		180-Bed Residence Hall	\$ 3,750,600
12	7.	The University of North Carolina at Chapel Hill	
13		Addition to the Biological Sciences Research	
14		Center Building	\$ 9,374,000
15		Residence Hall Video Network and	
16		Communications Wiring	\$ 4,000,500
17		Printing Services Center	\$ 2,083,100
18	8.	The University of North Carolina at Charlotte	
19		1000 Space Parking Deck	\$ 7,525,200
20		Cameron Applied Research Center	\$ 4,876,100
21	9.	The University of North Carolina at Greensboro	
22		Baseball Stadium	\$ 3,759,100
23	10.	The University of North Carolina at Wilmington	
24		200 Student Residence Hall	\$ 5,942,700
25		Campus Recreation Facility	\$10,484,500
26	11.	Western Carolina University	
27		Renovation of Hinds University Center	\$ 4,250,000
28	12.	The University of North Carolina Hospitals at	
29		Chapel Hill	
30		North Carolina Children's Hospital, North	
31		Carolina Women's Hospital and Support	
32		Services - Phase II	\$59,970,800.

33 (c) At the request of The University of North Carolina Board of Governors and
 34 upon determining that it is in the best interest of the State to do so, the Director of the
 35 Budget may authorize an increase or decrease in the scope of or a change in the method
 36 of funding the project authorized by this section. In making a determination of whether
 37 to authorize a change in scope or funding, the Director of the Budget may consult with
 38 the Advisory Budget Commission. In no event may appropriations from the General
 39 Fund be used for a project authorized by this section.

40 Sec. 27.16. (a) The purpose of this section is to amend Section 2 of the 1993
 41 Session Laws, Chapter 451, as it relates to the University of North Carolina at
 42 Greensboro by increasing the amount authorized for the McIver Street Parking Deck

1 from five million seven hundred eight thousand six hundred dollars (\$5,708,600) to eight
2 million forty-one thousand four hundred dollars (\$8,041,400).

3 (b) Section 2 of Chapter 451 of the 1993 Session Laws under the institutional
4 subheading "6. The University of North Carolina at Greensboro" as indicated, and
5 affecting only the project listed in this act is amended to read as follows:

6 "c. McIver Street Parking Deck \$8,041,400".

7
8 **PART 28. GENERAL CAPITAL AND MISCELLANEOUS BUDGET**
9 **PROVISIONS**

10
11 Requested by: Senators Plyler, Perdue, Odom

12 **PROCEDURES FOR DISBURSEMENT**

13 Sec. 28. The appropriations made by the 1995 General Assembly for capital
14 improvements shall be disbursed for the purposes provided by this act. Expenditure of
15 funds shall not be made by any State department, institution, or agency, until an allotment
16 has been approved by the Governor as Director of the Budget. The allotment shall be
17 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
18 143 of the General Statutes. Prior to the award of construction contracts for projects to
19 be financed in whole or in part with self-liquidating appropriations, the Director of the
20 Budget shall approve the elements of the method of financing of those projects including
21 the source of funds, interest rate, and liquidation period. Provided, however, that if the
22 Director of the Budget approves the method of financing a project, the Director shall
23 report that action to the Joint Legislative Commission on Governmental Operations at its
24 next meeting.

25 Where direct capital improvement appropriations include the purpose of
26 furnishing fixed and movable equipment for any project, those funds for equipment shall
27 not be subject to transfer into construction accounts except as authorized by the Director
28 of the Budget. The expenditure of funds for fixed and movable equipment and
29 furnishings shall be reviewed and approved by the Director of the Budget prior to
30 commitment of funds.

31 Capital improvement projects authorized by the 1995 General Assembly shall
32 be completed, including fixed and movable equipment and furnishings, within the limits
33 of the amounts of the direct or self-liquidating appropriations provided, except as
34 otherwise provided in this act.

35
36 Requested by: Senators Plyler, Perdue, Odom

37 **RESERVE FOR ADVANCE PLANNING**

38 Sec. 28.1. The Office of State Budget and Management shall report to the
39 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
40 Division on how it intends to spend funds from the Reserve for Advance Planning at least
41 45 days before it spends the funds.

42 The Office of State Budget and Management shall also report the results of
43 any project on which it uses funds from the Reserve for Advance Planning to the Joint

1 Legislative Commission on Governmental Operations and to the Fiscal Research
2 Division.

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

6 Sec. 28.2. When each capital improvement project appropriated by the 1995
7 General Assembly, other than those projects under the Board of Governors of The
8 University of North Carolina, is placed under a construction contract, direct
9 appropriations shall be encumbered to include all costs for construction, design,
10 investigation, administration, movable equipment, and a reasonable contingency.
11 Unencumbered direct appropriations remaining in the project budget shall be placed in a
12 project reserve fund credited to the Office of State Budget and Management. Funds in
13 the project reserve may be used for emergency repair and renovation projects at State
14 facilities with the approval of the Director of the Budget. The project reserve fund may
15 be used, at the discretion of the Director of the Budget, to allow for award of contracts
16 where bids exceed appropriated funds, if those projects supplemented were designed
17 within the scope intended by the applicable appropriation or any authorized change in it,
18 and if, in the opinion of the Director of the Budget, all means to award contracts within
19 the appropriation were reasonably attempted. At the discretion of the Director of the
20 Budget, any balances in the project reserve fund shall revert to the original source.

21
22 Requested by: Senators Plyler, Perdue, Odom

23 **PROJECT COST INCREASE**

24 Sec. 28.3. Upon the request of the administration of a State agency,
25 department, or institution, the Director of the Budget may, when in the Director's opinion
26 it is in the best interest of the State to do so, increase the cost of a capital improvement
27 project. Provided, however, that if the Director of the Budget increases the cost of a
28 project, the Director shall report that action to the Joint Legislative Commission on
29 Governmental Operations at its next meeting. The increase may be funded from gifts,
30 federal or private grants, special fund receipts, excess patient receipts above those
31 budgeted at University of North Carolina Hospitals at Chapel Hill, or direct capital
32 improvement appropriations to that department or institution.

33
34 Requested by: Senators Plyler, Perdue, Odom

35 **NEW PROJECT AUTHORIZATION**

36 Sec. 28.4. Upon the request of the administration of any State agency,
37 department, or institution, the Governor may authorize the construction of a capital
38 improvement project not specifically authorized by the General Assembly if such project
39 is to be funded by gifts, federal or private grants, special fund receipts, excess patient
40 receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill,
41 or self-liquidating indebtedness. Provided, however, that if the Director of the Budget
42 authorizes the construction of such a capital improvement project, the Director shall

1 report that action to the Joint Legislative Commission on Governmental Operations at its
2 next meeting.

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

6 Sec. 28.5. Funds that become available by gifts, excess patient receipts above
7 those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or
8 private grants, receipts becoming a part of special funds by act of the General Assembly
9 or any other funds available to a State department or institution may be utilized for
10 advance planning through the working drawing phase of capital improvement projects,
11 upon approval of the Director of the Budget. The Director of the Budget may make
12 allocations from the Advance Planning Fund for advance planning through the working
13 drawing phase of capital improvement projects, except that this revolving fund shall not
14 be utilized by the Board of Governors of The University of North Carolina or the State
15 Board of Community Colleges.

16
17 Requested by: Senators Plyler, Perdue, Odom

18 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

19 Sec. 28.6. Except as permitted in previous sections of this act, the
20 appropriations for capital improvements made by the 1995 General Assembly may be
21 expended only for specific projects set out by the 1995 General Assembly and for no
22 other purpose. Construction of all capital improvement projects enumerated by the 1995
23 General Assembly shall be commenced, or self-liquidating indebtedness with respect to
24 them shall be incurred, within 12 months following the first day of the fiscal year in
25 which the funds are available. If construction contracts on those projects have not been
26 awarded or self-liquidating indebtedness has not been incurred within that period, the
27 direct appropriation for those projects shall revert to the original source, and the self-
28 liquidating appropriation shall lapse; except that direct appropriations may be placed in a
29 reserve fund as authorized in this act. This deadline with respect to both direct and self-
30 liquidating appropriations may be extended with the approval of the Director of the
31 Budget up to an additional 12 months if circumstances and conditions warrant such
32 extension.

33
34 Requested by: Senators Plyler, Perdue, Odom

35 **EXECUTIVE BUDGET ACT APPLIES**

36 Sec. 28.7. The provisions of the Executive Budget Act, Chapter 143, Article 1
37 of the General Statutes are reenacted and shall remain in full force and effect and are
38 incorporated in this act by reference.

39
40 Requested by: Senators Plyler, Perdue, Odom

41 **COMMITTEE REPORT**

42 Sec. 28.8. (a) The Senate Appropriations Committee Report on Expansion
43 Budget/Capital Budget, dated July 12, 1995, which was distributed in the Senate and used

1 to explain this act, shall indicate action by the General Assembly on this act and shall
2 therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget
3 Act, and for these purposes shall be considered a part of this act.

4 (b) The budget enacted by the General Assembly for the maintenance of the
5 various departments, institutions, and other spending agencies of the State for the 1995-
6 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
7 and the State Accounting System Uniform Chart of Accounts set out in the
8 Administrative Policies and Procedures Manual of the Office of the State Controller.
9 This budget includes the appropriations made from all sources including the General
10 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
11 receipts.

12 The General Assembly amended the itemized budget requests submitted to the
13 General Assembly by the Director of the Budget and the Advisory Budget Commission,
14 in accordance with the steps that follow, and the line item detail in the budget enacted by
15 the General Assembly may be derived accordingly:

16 (1) Negative reserves set out in the submitted budget were deleted and the
17 totals were increased accordingly.

18 (2) The base budget was adjusted in accordance with the base budget cuts
19 and additions that were set out in the Senate and House Conference
20 Report on the Continuation Budget, dated June 21, 1995.

21 (3) Transfers of funds supporting programs were made in accordance with
22 the House and Senate Conference Report on the Continuation Budget,
23 dated June 21, 1995.

24 (4) The expansion budget items were added in accordance with the Senate
25 Appropriations Committee Report on Expansion Budget/Capital
26 Budget, dated July 12, 1995. Some of those expansion budget items
27 were in the budget submitted to the General Assembly by the Director
28 of the Budget and the Advisory Budget Commission.

29 Expansion budget items that were funded from new receipts are
30 included in the budget enacted by the General Assembly with program-
31 level detail.

32 The budget enacted by the General Assembly shall also be interpreted in
33 accordance with the special provisions in this act and in accordance with other
34 appropriate legislation.

35 In the event that there is a conflict between the line item budget certified by the
36 Director of the Budget and the budget enacted by the General Assembly, the budget
37 enacted by the General Assembly shall prevail.

38
39 Requested by: Senators Plyler, Perdue, Odom

40 **MOST TEXT APPLIES ONLY TO 1995-97**

41 Sec. 28.9. Except for statutory changes or other provisions that clearly indicate
42 an intention to have effects beyond the 1995-97 fiscal biennium, the textual provisions of

1 this act apply only to funds appropriated for, and activities occurring during, the 1995-97
2 fiscal biennium.

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **1995-97 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

6 Sec. 28.10. (a) Except as amended by this act, the provisions of Chapter 324 of
7 the 1995 Session Laws remain in effect.

8 (b) Notwithstanding any modifications by this act in the amounts appropriated,
9 except where expressly repealed or amended, the limitations and directions for the 1995-
10 97 fiscal biennium in Chapter 324 of the 1995 Session Laws, that applied to
11 appropriations to particular agencies or for particular purposes apply to the newly enacted
12 appropriations and budget reductions of this act for those same particular purposes.

13
14 Requested by: Senators Plyler, Perdue, Odom

15 **EFFECT OF HEADINGS**

16 Sec. 28.11. The headings to the titles, parts, and sections of this act are a
17 convenience to the reader and are for reference only. The headings do not expand, limit,
18 or define the text of this act.

19
20 Requested by: Senators Plyler, Perdue, Odom

21 **SEVERABILITY CLAUSE**

22 Sec. 28.12. If any section or provision of this act is declared unconstitutional
23 or invalid by the courts, it does not affect the validity of this act as a whole or any part
24 other than the part so declared to be unconstitutional or invalid.

25
26 Requested by: Senators Plyler, Perdue, Odom

27 **EFFECTIVE DATE**

28 Sec. 28.13. Except as otherwise provided, this act becomes effective July 1,
29 1995.