



1 **CURRENT OPERATIONS/GENERAL FUND**

2           Sec. 3. Appropriations from the General Fund of the State for the  
3 maintenance of the State departments, institutions, and agencies, and for other purposes  
4 as enumerated are made for the biennium ending June 30, 1995, according to the  
5 following schedule (amounts set out in brackets are reductions from General Fund  
6 appropriations for the 1993-94 and 1994-95 fiscal years):

7	8 <u>Current Operations - General Fund</u>	9	10 <u>1993-94</u>	11 <u>1994-95</u>
12	General Assembly		\$ 20,336,359	\$ 23,943,637
13	Judicial Department		249,649,260	253,956,769
14	Office of the Governor			
15	01. Office of the Governor	5,591,133	5,860,409	
16	02. Office of State Budget			
17	and Management	3,311,982	3,434,483	
18	03. Office of State Planning	1,580,119	1,604,233	
19				
20	Office of the Lieutenant Governor			598,002 599,843
21				
22	Department of Secretary of State			4,887,398 4,837,901
23				
24	Department of State Auditor			7,624,804 7,723,059
25				
26	Department of State Treasurer			
27	01. State Treasurer	5,867,689	6,344,754	
28	02. Special Contributions	5,437,248	5,437,248	
29				
30	Public Education			
31	01. Department of Public			
32	Instruction	55,571,458	54,989,621	
33	02. State Aid to Local School			
34	Administrative Units	3,491,050,415	3,540,632,049	
35	03. State Board of Education	98,408	98,408	
36	Total Public Education		3,546,720,281	3,595,720,078
37				
38	Department of Justice			54,164,332 58,555,581
39				
40	Department of Administration			51,090,994 52,164,548
41				
42	Department of Agriculture			42,806,931 43,868,404
43				
44	Department of Labor			13,264,815 13,314,286

1			
2	Department of Insurance		13,278,232 12,643,639
3			
4	Department of Transportation		
5	01. Aeronautics	8,516,571 9,016,571	
6	02. Aid to Railroads	96,305 100,000	
7	03. Air Cargo	1,250,000 1,250,000	
8	Total Department of		
9	Transportation		9,862,876 10,366,571
10			
11	Department of Environment, Health, and		
12	Natural Resources		205,544,951 218,306,674
13			
14	Office of Administrative Hearings		1,929,239 1,933,500
15			
16	Rules Review Commission		258,516 258,593
17			
18	Department of Human Resources		
19	01. DHR - Secretary	11,909,687 11,983,337	
20	02. Division of Aging	12,258,404 12,320,629	
21	03. Schools for the Deaf and		
22	Hard of Hearing	21,468,640 21,594,919	
23	04. Social Services	180,377,610 189,851,669	
24	05. Medical Assistance	861,396,696 1,011,952,533	
25	06. Social Services - State Aid to		
26	Non-State Agencies	6,862,725 6,962,725	
27	07. Division of Services for the Blind	13,928,489 14,444,550	
28	08. Division of Mental Health,		
29	Developmental Disabilities, and		
30	Substance Abuse Services	438,744,232 447,515,545	
31	09. Division of Facility Services	74,094,322 111,670,417	
32	10. Division of Vocational		
33	Rehabilitation Services	23,007,191 23,033,776	
34	11. Division of Youth Services	52,398,455 52,891,405	
35	Total Department of Human Resources		1,696,446,451 1,904,221,505
36			
37	Department of Correction		564,668,043 597,014,211
38			
39	Department of Commerce		
40	01. Commerce	37,178,059 40,557,904	
41	02. Biotechnology Reserve	7,014,396 7,014,396	
42	03. MCNC	15,680,000 15,680,000	
43	04. REDC	1,470,000 1,470,000	
44			

1	Department of Revenue	57,319,399	60,135,743
2			
3	Department of Cultural Resources	42,035,086	42,379,225
4			
5	Department of Crime Control		
6	and Public Safety	23,473,659	21,898,537
7			
8	Office of the State Controller	10,706,849	12,659,119
9			
10	University of North Carolina - Board		
11	of Governors		
12	01. General Administration	17,200,841	17,166,323
13	02. University Institutional		
14	Programs	37,925,398	51,423,174
15	03. Related Educational Programs	47,145,796	48,381,771
16	04. University of North Carolina		
17	at Chapel Hill		
18	a. Academic Affairs	137,621,265	139,521,105
19	b. Health Affairs	109,719,612	111,962,193
20	c. Area Health Education		
21	Centers	32,351,252	32,347,434
22	05. North Carolina State University		
23	at Raleigh		
24	a. Academic Affairs	179,634,829	180,459,614
25	b. Agricultural Research Service	36,338,445	36,403,257
26	c. Agricultural Extension Service	28,379,861	28,360,730
27	06. University of North Carolina at		
28	Greensboro	55,765,417	55,961,841
29	07. University of North Carolina at		
30	Charlotte	59,807,408	60,072,862
31	08. University of North Carolina at		
32	Asheville	17,274,278	17,376,386
33	09. University of North Carolina at		
34	Wilmington	34,024,551	34,264,199
35	10. East Carolina University		
36	a. Academic Affairs	75,557,468	76,109,240
37	b. Division of Health Affairs	37,621,099	37,666,752
38	11. North Carolina Agricultural and		
39	Technical State University	41,202,109	41,430,408
40	12. Western Carolina University	36,951,472	37,011,981
41	13. Appalachian State University	53,291,855	53,368,376
42	14. Pembroke State University	16,639,745	16,742,244
43	15. Winston-Salem State University	16,623,929	16,751,903
44	16. Elizabeth City State		

1	University	15,683,323	15,703,970
2	17. Fayetteville State University	19,563,111	19,942,709
3	18. North Carolina Central		
4	University	28,319,792	28,533,237
5	19. North Carolina School of the		
6	Arts	8,078,021	8,097,592
7	20. North Carolina School of		
8	Science and Mathematics	7,373,446	7,424,203
9	21. UNC Hospitals at Chapel Hill	40,690,416	43,476,135
10	Total University of North		
11	Carolina - Board of Governors		1,190,784,739 1,215,959,639
12			
13	Department of Community Colleges		411,650,018 438,840,309
14			
15	State Board of Elections		545,539 545,885
16			
17	Contingency and Emergency		1,125,000 1,125,000
18			
19	Reserve for Salary Increases		112,197,852 116,695,270
20			
21	Reserve for		
22	Compensation Bonus		34,244,460 –
23			
24	Reserve for Restoring Pay Date		327,800,000 –
25			
26	Reserve for Salary Adjustments		500,000 500,000
27			
28	Reserve for Lowest Paid Employees		1,400,724 1,400,724
29			
30	Reserve for OSHA - Bloodborne Pathogens		1,000,000 1,000,000
31			
32	Reserve for Retiree 30% Reduction		(7,073,940) (7,073,940)
33			
34	Debt Service		92,263,558 89,113,783
35			
36	Local Government Shared Revenue		<u>236,824,154</u> <u>236,824,154</u>
37			
38	GRAND TOTAL CURRENT OPERATIONS –		
39	GENERAL FUND		\$9,103,059,207 \$9,118,835,674
40			

41 **PART 2. CURRENT OPERATIONS/HIGHWAY FUND**

42

43 Sec. 4. Appropriations from the Highway Fund of the State for the

44 maintenance and operation of the Department of Transportation, and for other purposes

1 as enumerated, are made for the biennium ending June 30, 1995, according to the  
2 following schedule:

	<u>1993-94</u>	<u>1994-95</u>
4 <u>Current Operations - Highway Fund</u>		
5		
6 Department of Transportation		
7 01. Administration \$ 41,119,643 \$ 38,312,968		
8 02. Division of Highways		
9 a. Administration and		
10 Operations 33,415,706 33,440,792		
11 b. State Construction		
12 (01) Primary Construction - -		
13 (02) Secondary		
14 Construction 66,486,917 66,884,639		
15 (03) Urban Construction 20,000,000 20,000,000		
16 (04) Access and Public		
17 Service Roads 2,000,000 2,000,000		
18 (05) Spot Safety		
19 Improvements 9,100,000 9,100,000		
20 c. State Funds to Match Federal		
21 Highway Aid		
22 (01) Construction 37,020,332 37,020,332		
23 (02) Planning Survey and Highway		
24 Planning Research 2,959,649 2,959,649		
25 d. State Maintenance		
26 (01) Primary 98,395,135 99,325,985		
27 (02) Secondary 172,426,462 174,062,501		
28 (03) Urban 25,875,286 26,129,154		
29 (04) Contract Resurfacing 87,500,000 87,500,000		
30 e. Ferry Operations 15,541,455 15,541,455		
31 03. Division of Motor Vehicles 79,025,411 78,654,819		
32 04. Governor's Highway Safety Program 290,923 291,575		
33 05. State Aid to Municipalities 66,486,917 66,884,639		
34 06. State Aid for Public		
35 Transportation 10,596,461 10,646,921		
36 07. Salary Adjustments for Highway		
37 Fund Employees 200,000 200,000		
38 08. Reserve to Correct Occupational		
39 Safety and Health Conditions 425,000 425,000		
40 09. Debt Service 37,359,875 27,664,550		
41 10. Reserve for Compensation		
42 Increases 6,963,446 6,963,446		
43 11. Reserve for Transportation		
44 Study 222,750 346,500		

1			
2	Reserve for Compensation Bonus		3,481,723 3,481,723
3			
4	Emergencies and Inflationary Adjustment		1,085,490 1,585,490
5			
6	Appropriations for Other State Agencies		
7	01. Crime Control and Public		
8	Safety	92,719,686 93,601,574	
9	02. Other Agencies		
10	a. Department of Agriculture	3,057,180 3,030,245	
11	b. Department of Revenue	2,063,522 2,065,412	
12	c. Department of Environment,		
13	Health, and Natural Resources:		
14	LUST Trust Fund	4,809,298 4,904,343	
15	Chemical Test Program	371,944 373,407	
16	d. Department of Correction	4,614,056 4,614,056	
17	e. Department of Public		
18	Education	23,188,826 23,188,826	
19	f. Department of State		
20	Treasurer	<u>9,900,000</u> <u>10,500,000</u>	
21			
22	GRAND TOTAL CURRENT OPERATIONS –		
23	HIGHWAY FUND		\$ 958,703,093 \$ 951,700,000

### 25 PART 3. HIGHWAY TRUST FUND

26  
27 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal  
28 biennium ending June 30, 1995, according to the following schedule:

29			
30	<u>Highway Trust Fund</u>	<u>1993-94</u>	<u>1994-95</u>
31			
32	01. Intrastate System	\$ 218,025,746	\$ 230,908,868
33	02. Secondary Roads Construction	49,925,986	51,677,726
34	03. Urban Loops	88,160,532	93,369,930
35	04. State Aid - Municipalities	22,878,986	24,227,726
36	05. Program Administration	15,711,750	16,215,750
37	06. Transfer to General Fund	<u>170,000,000</u>	<u>170,000,000</u>
38			
39	GRAND TOTAL/HIGHWAY TRUST FUND		\$ 564,700,000 \$ 586,400,000

### 41 PART 4. BLOCK GRANT APPROPRIATIONS

42  
43 Requested by: Senator Richardson  
44 **DHR BLOCK GRANT PROVISIONS**





1				
2	12.	Transfer to Maternal and Child		
3		Health Block Grant	1,585,833	
4				
5	13.	Adult Day Care Services	306,323	
6				
7	14.	County Departments of Social Services for		
8		Child Abuse/Prevention and		
9		Permanency Planning	394,841	
10				
11	15.	Allocation to Division of Maternal and		
12		Child Health for Grants-in-Aid to Prevention		
13		Programs	439,261	
14				
15	16.	Transfer to Preventive Health		
16		Block Grant for Emergency Medical Services		
17		and Basic Public Health Services	695,834	
18				
19	17.	Allocation to Preventive Health Block		
20		Grant for AIDS Education	81,001	
21				
22	18.	Allocation to Department of Administration		
23		for North Carolina Fund for Children	45,270	
24				
25	19.	Allocation to Home and Community Care		
26		Block Grant for Persons Age 60		
27		and Older	1,649,077	
28				
29	20.	Allocation to the Division of Economic		
30		Opportunity for Head Start,		
31		Elderly and Handicapped Services	197,421	
32				
33	TOTAL SOCIAL SERVICES BLOCK GRANT			\$
34	74,341,980			
35				
36	LOW INCOME ENERGY BLOCK GRANT			
37				
38	01.	Energy Assistance Programs	\$ 16,672,034	
39				
40	02.	Crisis Intervention	5,411,563	
41				
42	03.	Administration	2,413,779	
43				
44	04.	Weatherization Program	2,100,000	

1			
2	05.	Indian Affairs	33,022
3			
4		TOTAL LOW INCOME ENERGY BLOCK GRANT	\$
5		26,630,398	
6			
7		MENTAL HEALTH SERVICES BLOCK GRANT	
8			
9	01.	Provision of Community-Based	
10		Services in accordance with the	
11		Mental Health Study Commission's	
12		Adult Severe and Persistently	
13		Mentally Ill Plan	3,794,179
14			
15	02.	Provision of Community-Based	
16		Services in accordance with the	
17		Mental Health Study Commission's	
18		Child Mental Health Plan	1,802,819
19			
20	03.	Administration	514,037
21			
22		TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$
23		6,111,035	
24			
25		BLOCK GRANT FOR THE PREVENTION AND	
26		TREATMENT OF SUBSTANCE ABUSE	
27			
28	01.	Provision of Community-Based	
29		Alcohol and Drug-Abuse Services,	
30		Tuberculosis Services, and Services	
31		provided by the Alcohol, Drug-Abuse	
32		Treatment Centers	\$ 10,335,939
33			
34	02.	Continuation and Expansion of	
35		Services for Pregnant Women and	
36		Women with Dependent Children	4,795,389
37			
38	03.	Continuation and Expansion of	
39		Services to IV Drug Abusers and others	
40		at risk for HIV diseases	5,567,328
41			
42	04.	Provision of services in accordance with	
43		the Mental Health Study Commission's	
44		Child and Adolescent Alcohol and other	

1	Drug-Abuse Plan	4,396,416	
2			
3	05. Administration	1,669,460	
4			
5	TOTAL BLOCK GRANT FOR PREVENTION		
6	AND TREATMENT OF SUBSTANCE ABUSE		\$
7	26,764,532		
8			
9	CHILD CARE AND DEVELOPMENT BLOCK GRANT		
10			
11	01. Child Day Care Services	\$ 14,953,945	
12			
13	02. Administrative Expenses and Quality		
14	and Availability Initiatives	1,544,405	
15			
16	03. Before and After School Child Care Programs		
17	and Early Childhood Development Programs	5,010,698	
18			
19	04. Quality Improvement Activities	1,480,737	
20			
21	TOTAL CHILD CARE AND DEVELOPMENT		
22	BLOCK GRANT		\$
23	22,989,785		

24

25 (b) Decreases in Federal Fund Availability

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

29 (c) Increases in Federal Fund Availability

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

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

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

43

44 Requested by: Senator Martin of Pitt

1 **NER BLOCK GRANT PROVISIONS**

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

4

5 TOTAL JOB TRAINING PARTNERSHIP ACT \$  
6 53,841,243

7

8 **COMMUNITY DEVELOPMENT BLOCK GRANT**

9

10 01. State Administration \$ 1,026,940

11

12 02. Urgent Needs and Contingency 2,242,830

13

14 03. Housing Development 2,242,829

15

16 04. Economic Development 8,971,318

17

18 05. Community Revitalization 31,399,613

19

20 06. State Technical Assistance 463,470

21

22 TOTAL COMMUNITY DEVELOPMENT

23 BLOCK GRANT \$

24 46,347,000

25

26 **MATERNAL AND CHILD HEALTH SERVICES**

27

28 01. Healthy Mother/Healthy Children  
29 Block Grants to Local Health  
30 Departments \$ 11,399,969

31

32 02. High Risk Maternity Clinic Services,  
33 Perinatal Education, and Consultation  
34 to Local Health Departments  
35 and Other Health Care Providers 1,383,538

36

37 03. Services to Children with Disabilities 5,065,331

38

39 04. Reimbursements for Local Health  
40 Departments for Contracted  
41 Nutritional Services 120,530

42

43 TOTAL MATERNAL AND CHILD

1	HEALTH SERVICES		\$
2	17,969,368		
3			
4	PREVENTIVE HEALTH BLOCK GRANT		
5			
6	01. Emergency Medical Services	\$ 452,375	
7			
8	02. Basic Public Health Services	428,395	
9			
10	03. Hypertension Programs	671,630	
11			
12	04. Statewide Health Promotion Programs	2,651,119	
13			
14	05. Fluoridation of Water Supplies	228,404	
15			
16	06. Rape Prevention and Rape		
17	Crisis Programs	183,632	
18			
19	07. AIDS/HIV Education, Counseling,		
20	and Testing	81,001	
21			
22	08. Office of Minority Health and		
23	Minority Health Council	190,000	
24			
25	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
26	4,886,566		

28 (b) Decreases in Federal Fund Availability

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

32 (c) Increases in Federal Fund Availability

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

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

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

43 (3) For the Preventive Health Block Grants – these additional funds may  
 44 be budgeted by the appropriate department, with the approval of the

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

7 (d) Education Setaside of JTPA Funds

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

13 (e) Limitations on Community Development Block Grant Funds

14 Of the funds appropriated in this section for the Community Development  
15 Block Grant, not more than one million twenty-six thousand nine hundred forty dollars  
16 (\$1,026,940) may be used for State administration; up to two million two hundred forty-  
17 two thousand eight hundred thirty dollars (\$2,242,830) may be used for Urgent Needs  
18 and Contingency; up to two million two hundred forty-two thousand eight hundred  
19 twenty-nine dollars (\$2,242,829) may be used for Housing Development; up to eight  
20 million nine hundred seventy-one thousand three hundred eighteen dollars (\$8,971,318)  
21 may be used for Economic Development; not less than thirty-one million three hundred  
22 ninety-nine thousand six hundred thirteen dollars (\$31,399,613) shall be used for  
23 Community Revitalization; and up to four hundred sixty-three thousand four hundred  
24 seventy dollars (\$463,470) may be used for State Technical Assistance. If federal block  
25 grant funds are reduced or increased by the United States Congress after the effective  
26 date of this act, then these reductions or increases shall be allocated in accordance with  
27 subsection (b) or (c) of this section, as applicable.

28  
29 **PART 5. GENERAL PROVISIONS**

30  
31 Requested by: Senators Daniel and Plyler

32 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL**  
33 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

34 Sec. 8. There is appropriated out of the cash balances, federal receipts, and  
35 departmental receipts available to each department, sufficient amounts to carry on  
36 authorized activities included under each department's operations. All these cash  
37 balances, federal receipts, and departmental receipts shall be expended and reported in  
38 accordance with provisions of the Executive Budget Act, except as otherwise provided  
39 by statute, and shall be expended at the level of service authorized by the General  
40 Assembly. If the receipts, other than gifts and grants that are unanticipated and are for a  
41 specific purpose only, collected in a fiscal year by an institution, department, or agency  
42 exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, then  
43 the Director of the Budget shall decrease the amount he allots to that institution,  
44 department, or agency from appropriations from that Fund by the amount of the excess,

1 unless the Director of the Budget finds that the appropriations from the Fund are  
2 necessary to maintain the function that generated the receipts at the level anticipated in  
3 the certified Budget Codes for that Fund. Funds that become available from  
4 overrealized receipts in General Fund or Highway Fund Codes shall not be used for new  
5 permanent employee positions or to raise the salary of existing employees. The Office  
6 of State Budget and Management shall report to the Joint Legislative Commission on  
7 Governmental Operations and to the Fiscal Research Division of the Legislative  
8 Services Office within 30 days after the end of each quarter the General Fund Codes or  
9 Highway Fund Codes that did not result in a corresponding reduced allotment from  
10 appropriations from that Fund.

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

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

21  
22 Requested by: Senators Daniel and Plyler

### 23 **INSURANCE AND FIDELITY BONDS**

24 Sec. 9. All insurance and all official fidelity and surety bonds authorized for  
25 the several departments, institutions, and agencies shall be effected and placed by the  
26 Insurance Department, and the cost of placement shall be paid by the affected  
27 department, institution, or agency with the approval of the Insurance Commissioner.

28  
29 Requested by: Senators Daniel and Plyler

### 30 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

31 Sec. 10. Of the funds appropriated in this act to the Contingency and  
32 Emergency Fund, the sum of nine hundred thousand dollars (\$900,000) for the 1993-94  
33 fiscal year and the sum of nine hundred thousand dollars (\$900,000) for the 1994-95  
34 fiscal year shall be designated for emergency allocations, which are for the purposes  
35 outlined in G.S. 143-23(a1)(3), (4), and (5). Two hundred twenty-five thousand dollars  
36 (\$225,000) for the 1993-94 fiscal year and two hundred twenty-five thousand dollars  
37 (\$225,000) for the 1994-95 fiscal year shall be designated for other allocations from the  
38 Contingency and Emergency Fund.

39  
40 Requested by: Senators Daniel and Plyler

### 41 **BUDGETING OF PILOT PROGRAMS**

42 Sec. 11. (a) Any program designated by the General Assembly as experimental,  
43 model, or pilot shall be shown as a separate budget item and shall be considered as an  
44 expansion item until a succeeding General Assembly reapproves it.

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

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

6  
7 Requested by: Senators Daniel and Plyler

8 **AUTHORIZED TRANSFERS**

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

16  
17 Requested by: Senators Daniel and Plyler

18 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

19 Sec. 13. All funds appropriated by this act into reserves may be expended  
20 only for the purposes for which the reserves were established.

21  
22 Requested by: Senator Martin of Pitt

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

24 Sec. 14. Each private, nonprofit entity eligible to receive State funds, either  
25 by General Assembly appropriation, or by grant, loan, or other allocation from a State  
26 agency, before funds may be disbursed to the entity, shall file with the disbursing  
27 agency a notarized copy of that entity's policy addressing conflicts of interest that may  
28 arise involving the entity's management employees and the members of its board of  
29 directors or other governing body. The policy shall address situations where any of  
30 these individuals may directly or indirectly benefit, except as the entity's employees or  
31 members of the board or other governing body, from the entity's disbursing of State  
32 funds, and shall include actions to be taken by the entity or the individual, or both, to  
33 avoid conflicts of interest and the appearance of impropriety.

34  
35 Requested by: Senators Daniel and Plyler

36 **BUDGET REFORM STATEMENTS**

37 Sec. 14.1. The General Fund appropriations availability used in developing  
38 the 1993-95 General Fund budget is shown below:(\$000) (\$000)

39		<u>1993-94</u>	<u>1994-95</u>
40	Beginning Credit Balance	\$ 303.8	-
41			
42	Revenues:		
43	Existing Base	\$8,645.7	\$9,208.1
44	New Revenue	<u>11.1</u>	<u>11.0</u>



1	Total Revenue	\$8,656.8	\$9,219.1
2			
3	Disproportionate Share Payments	\$ 207.4	\$ 203.0
4			
5	Total Availability	\$9,168.0	\$9,422.1
6			
7	Revenue Growth Rates:		
8	Economic Basis	6.2%	6.5%
9	Less: Impact of Special Factors	<u>1.4%</u>	<u>-</u>
10	Actual Basis	4.8%	6.5%".

11 Requested by: Senators Daniel, Plyler, and Conder

12 **REPAIRS/RENOVATIONS RESERVE CREATED**

13 Sec. 14.2. (a) G.S. 143-15.2 reads as rewritten:

14 **"§ 143-15.2. Use of General Fund credit balance.**

15 The State Controller shall reserve up to one-fourth of any credit balance, as  
16 determined on a cash basis, remaining in the General Fund at the end of each fiscal year  
17 to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would result  
18 in the Savings Reserve Account having funds in excess of five percent (5%) of the  
19 amount appropriated the preceding year for the General Fund operating budget,  
20 including local government tax-sharing funds; in that case, only funds sufficient to  
21 reach the five percent (5%) level shall be reserved. The State Controller shall also  
22 reserve the lesser of (i) one-fourth of any credit balance, as determined on a cash basis,  
23 remaining in the General Fund and (ii) one and one-half percent (1.5%) of the  
24 replacement value of all State buildings supported from the General Fund, at the end of  
25 each fiscal year to the Repairs and Renovations Reserve Account as provided in G.S.  
26 143-15.3A. The General Assembly may appropriate that part of the anticipated General  
27 Fund credit balance not expected to be reserved to the Savings Reserve Account or the  
28 Repairs and Renovations Reserve Account only for capital improvements or other one-  
29 time expenditures."

30 (b) Chapter 143 of the General Statutes is amended by adding a new section to  
31 read:

32 **"§ 143-15.3A. Repairs and Renovations Reserve Account.**

33 (a) There is established a Repairs and Renovations Reserve Account as a  
34 restricted reserve in the General Fund. The State Controller shall reserve to the Repairs  
35 and Renovations Reserve Account one-fourth of any unreserved credit balance  
36 remaining in the General Fund at the end of each fiscal year. As used in this section, the  
37 term 'unreserved credit balance' means that part of the credit balance, as determined on a  
38 cash basis, not already reserved to the Savings Reserve Account or the Repairs and  
39 Renovations Reserve Account.

40 (b) The Director may allocate funds in the Repairs and Renovations Reserve  
41 Account to State agencies for the repair and renovation of State buildings supported  
42 from the General Fund. The Director shall report to the Advisory Budget Commission  
43 and the Joint Legislative Commission on Governmental Operations on any allocations

1 from the Reserve the Director intends to make at least 30 days prior to allocating funds  
2 from the Reserve."

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

4 "(a) There is established a Savings Reserve Account as a restricted reserve in the  
5 General Fund. The State Controller shall reserve to the Savings Reserve Account one-  
6 fourth of any unreserved credit balance remaining in the General Fund at the end of  
7 each fiscal year until the account contains funds equal to five percent (5%) of the  
8 amount appropriated the preceding year for the General Fund operating budget,  
9 including local government tax-sharing funds. If the balance in the Savings Reserve  
10 Account falls below this level during a fiscal year, the State Controller shall reserve to  
11 the Savings Reserve Account for the following fiscal years up to one-fourth of any  
12 unreserved credit balance remaining in the General Fund at the end of each fiscal year  
13 until the account again equals five percent (5%) of the amount appropriated the  
14 preceding year for the General Fund operating budget, including local government tax-  
15 sharing funds. As used in this section, the term 'unreserved credit balance' means that  
16 part of the credit balance, as determined on a cash basis, not already reserved to the  
17 Savings Reserve ~~Account~~. Account or the Repairs and Renovations Reserve Account."

18 (d) This section becomes effective beginning with the General Fund credit  
19 balance at the end of the 1992-93 fiscal year.

## 20 21 **PART 6. GENERAL GOVERNMENT**

22  
23 Requested by: Senators Plexico, Martin of Guilford, and Codington

### 24 **BUDGET PRACTICES STUDY COMMISSION**

25 Sec. 15. (a) There is created the Budget Practices Study Commission, an  
26 independent commission to study the effectiveness of the Executive Budget Act, Article  
27 1 of Chapter 143 of the General Statutes. The Commission shall consist of 14 members.  
28 The Speaker of the House of Representatives shall appoint seven members, six who  
29 shall be members of the House of Representatives and one who shall be familiar with  
30 and have experience in government fiscal management. The President Pro Tempore of  
31 the Senate shall appoint seven members, six who shall be members of the Senate and  
32 one who shall be familiar with and have experience in government fiscal management.  
33 Initial appointments shall be made within 30 days following the 1993 General  
34 Assembly's adjournment for a period of more than 10 days.

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

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

- 41 (1) Similarities and differences between the Executive Budget Act and  
42 analogous statutes in other states, including the advantages of various  
43 approaches to budget preparation, presentation, appropriation, and  
44 execution.

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

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

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

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

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

17  
18 Requested by: Senator Martin of Pitt

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

22 Sec. 16. (a) Funds appropriated in this act to the Office of State Budget and  
23 Management for the implementation of the federal OSHA regulations regarding  
24 bloodborne pathogens shall be used only to support the cost of testing, inoculations,  
25 personal protective equipment, and required cleanup equipment and supplies for  
26 employees who are subject to these regulations and only if adequate funds are not  
27 available for these purposes. They shall not be used as planning money or for salaries  
28 for any new positions or for any other purpose than specifically authorized by this  
29 section.

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

38  
39 **PART 7. DEPARTMENT OF ADMINISTRATION**

40  
41 Requested by: Senator Plexico

42 **STATE CAPITOL RESTORATION**

43 Sec. 17. For all construction projects concerning restoration of the North  
44 Carolina State Capitol, the Department of Administration may prequalify bidders.

1

2 Requested by: Senator Plexico

3 **OFFICE OF MARINE AFFAIRS' TRANSFER TO THE DEPARTMENT OF**  
4 **ENVIRONMENT, HEALTH, AND NATURAL RESOURCES**5 Sec. 18. (a) G.S. 143B-279.3(a) is amended by adding a new subdivision to  
6 read:7 "(14) Office of Marine Affairs, Department of Administration."

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

9 "(23) North Carolina Aquariums Commission, Department of  
10 Administration."

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

12 "(1a) To administer the State Outer Continental Shelf (OCS) Task Force and  
13 coordinate State participation activities in the federal outer continental  
14 shelf resource recovery programs as provided under the OCS Lands  
15 Act Amendments of 1978 (43 USC §§ 1801 et seq.) and the OCS  
16 Lands Act Amendments of 1986 (43 USC §§ 1331 et seq.)."17 (d) Part 8A of Article 9 of Chapter 143B of the General Statutes, G.S.  
18 143B-390.2 through G.S. 143B-390.4, is recodified as Part 5B of Article 7 of Chapter  
19 143B of the General Statutes, G.S. 143B-289.20 through G.S. 143B-289.22.20 (e) G.S. 143B-390.2, as recodified as G.S. 143B-289.20 by this act, reads as  
21 rewritten:22 "**§ 143B-289.20. Office of Marine Affairs – organization; powers and duties.**"23 (a) The Office shall be organized as prescribed by the Secretary of  
24 Administration~~the Department of Environment, Health, and Natural Resources~~ and  
25 exercise the following powers and duties:

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

27 (1a) To establish and maintain the North Carolina Aquariums;

28 (1b) To administer the operations of the North Carolina Aquariums, such  
29 administrative duties to include, but not be limited to the following:30 a. Adopt goals and objectives for the Aquariums and review and  
31 revise these goals and objectives periodically;32 b. Review and approve requests for use of the Aquarium facilities  
33 and advise the Secretary of ~~Administration~~the Department of  
34 Environment, Health, and Natural Resources on the most  
35 appropriate use consistent with the goals and objectives of the  
36 Aquariums;37 c. Continually review and evaluate the types of projects and  
38 programs being carried out in the Aquarium facilities and  
39 determine if the operation of the facilities is in compliance with  
40 the established goals and objectives;41 d. Recommend to the Secretary of ~~Administration~~the Department  
42 of Environment, Health, and Natural Resources any policies  
43 and procedures needed to assure effective staff performance and

- 1 proper liaison among Aquarium facilities in carrying out the  
 2 overall purposes of the Aquarium programs;
- 3 e. Review Aquarium budget submissions to the Secretary of  
 4 ~~Administration; the Department of Environment, Health, and~~  
 5 ~~Natural Resources;~~
- 6 f. Recruit and recommend to the Secretary of ~~Administration~~~~the~~  
 7 ~~Department of Environment, Health, and Natural Resources~~  
 8 candidates for the positions of directors of the North Carolina  
 9 Aquariums; and
- 10 g. Create local advisory committees in accordance with the  
 11 provisions of G.S. ~~143B-390.4.~~ 143B-289.22.
- 12 (2) ~~Provide staff to the North Carolina Council on Ocean Affairs in~~  
 13 ~~furtherance of the Council's statutory powers and duties;~~
- 14 (3) ~~Advise the Secretary of Administration regarding the analysis,~~  
 15 ~~planning and implementation of current and future State and federal~~  
 16 ~~goals, policies and programs relating to the ocean and marine~~  
 17 ~~resources of North Carolina, such duties to include, but not be limited~~  
 18 ~~to, giving advice regarding:~~
- 19 a. ~~Providing recommendations to other educational, informational~~  
 20 ~~and policy-making bodies regarding marine and ocean resource~~  
 21 ~~issues;~~
- 22 b. ~~Administering\* the State Outer Continental Shelf (OCS) Task~~  
 23 ~~Force and coordinate State participation activities in the federal~~  
 24 ~~outer continental shelf resource recovery programs as provided~~  
 25 ~~under the OCS Lands Act Amendments of 1978 (43 USC §§~~  
 26 ~~1801 et seq.) and the OCS Lands Act Amendments of 1986 (43~~  
 27 ~~USC §§ 1331 et seq.); and~~
- 28 e. ~~Coordinating necessary legal or technical research to carry out~~  
 29 ~~the duties set forth in this subdivision.~~
- 30 (4) to (6) Repealed by Session Laws 1991, c. 320, s. 3.
- 31 (7) Assume any other powers and duties assigned to it by the Secretary.
- 32 (b) The Secretary may adopt any rules and procedures necessary to implement  
 33 this section."

34 (f) G.S. 143B-390.4, as recodified as G.S. 143B-289.22 by this act, reads as  
 35 rewritten:

36 "**§ 143B-289.22. Local advisory committees; duties; membership.**

37 Local advisory committees created pursuant to ~~G.S. 143B-390.2(a)(1b)~~ G.S. 143B-  
 38 289.20(a)(1b) shall assist each North Carolina Aquarium in its efforts to establish  
 39 projects and programs and to assure adequate citizen-consumer input into those efforts.  
 40 Members of these committees shall be appointed by the Secretary of ~~Administration~~~~the~~  
 41 Department of Environment, Health, and Natural Resources for three-year terms from  
 42 nominations made by the Director of the Office of Marine Affairs. Each committee  
 43 shall select one of its members to serve as chairperson. Members of the committees  
 44 shall serve without compensation for services or expenses."

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

2 (h) Part 8C of Article 9 of Chapter 143B of the General Statutes, G.S. 143B-  
3 390.15 through G.S. 143B-390.16, is recodified as Part 28 of Article 7 of Chapter 143B  
4 of the General Statutes, G.S. 143B-344.16 through G.S. 143B-344.17.

5 (i) G.S. 143B-390.16, as recodified as G.S. 143B-344.17 by this act, reads as  
6 rewritten:

7 **"§ 143B-344.17. North Carolina Aquariums Commission – organization, powers,  
8 and duties.**

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

10 (1) Four members appointed by the Governor, including one member  
11 designated by the Governor to serve as chair of the Commission and  
12 one member appointed upon recommendation of the North Carolina  
13 Aquarium Society, Inc., who resides in one of the counties where the  
14 North Carolina Aquariums are located: Carteret, Dare, and New  
15 Hanover,

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

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

28 (b) Commission members shall serve for terms of four years, beginning July 1,  
29 1992, and may be removed at any time by the appointing authority. If a vacancy on the  
30 Commission occurs, the appointing authority shall appoint a replacement to serve for  
31 the unexpired term.

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

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

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

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

1 (g) All entrance fee receipts shall be credited to the Fund. The Secretary of  
2 ~~Administration~~ the Department of Environment, Health, and Natural Resources may  
3 expend monies from the Fund only upon the authorization of the General Assembly."  
4

5 Requested by: Senator Plexico

6 **DEPARTMENT OF ADMINISTRATION EMPLOYEE TRAINING**

7 Sec. 19. Of the funds appropriated for Travel Expenses in the Division of  
8 Information Services, Department of Administration, during fiscal year 1993-94 and  
9 fiscal year 1994-95, at least three thousand dollars (\$3,000) per year shall be used to  
10 support employee training.

11  
12 Requested by: Senator Martin of Guilford

13 **ALLOCATION OF RAPE CRISIS CENTER FUNDS**

14 Sec. 20. All funds for the Rape Crisis Centers appropriated to the  
15 Department of Administration, the North Carolina Council for Women, for the 1993-94  
16 fiscal year and the 1994-95 fiscal year in this act shall be available to Rape Crisis  
17 Centers providing direct services to victims of sexual assault and rape prevention  
18 services. Funds shall be awarded according to criteria established by the Department of  
19 Administration. Grants shall be awarded by September 1 each fiscal year and the funds  
20 shall be disbursed on a quarterly basis.

21  
22 Requested by: Senator Martin of Guilford

23 **DOMESTIC VIOLENCE CENTER FUNDS**

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

34  
35 Requested by: Senator Plexico

36 **PARKING REVENUES**

37 Sec. 22. The Secretary of Administration may use funds from parking  
38 revenues that are in excess of parking system expense requirements to fund the ten  
39 dollar (\$10.00) per month subsidies for vanpools and transit passes.

40  
41 **PART 8. DEPARTMENT OF CULTURAL RESOURCES**

42  
43 Requested by: Senator Plyler

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



1           Sec. 23. Section 5 of Chapter 1008 of the 1977 Session Laws reads as  
2 rewritten:

3           "Sec. 5. Funds for counties without organizations which meet the necessary  
4 standards set by the Department of Cultural Resources shall be retained by the  
5 department and used for arts programming within these counties. Where feasible, the  
6 department shall maintain the same per capita rate for distribution of funds to these  
7 counties and shall require the same matching ratio. ~~No State funds appropriated for the~~  
8 ~~programs set forth in this act shall be used to pay for personnel positions."~~  
9

10 Requested by: Senator Plexico

### 11 **CULTURAL RESOURCES SECURITY OFFICERS**

12           Sec. 24. On July 1, 1994, the Department of Cultural Resources shall  
13 redefine the job responsibilities of its security positions so that the services of a certified  
14 law enforcement officer are no longer required, and shall accordingly discontinue  
15 payments to the Law Enforcement Officers' Retirement System.  
16

17 Requested by: Senator Martin of Guilford

### 18 **DEPARTMENT OF CULTURAL RESOURCES VEHICLES**

19           Sec. 25. On or before December 30, 1993, the Department of Cultural  
20 Resources shall transfer ownership of all vans, pick-ups, utility vehicles, and similar  
21 passenger-carrying vehicles to the Division of Motor Fleet Management, Department of  
22 Administration.  
23

## 24 **PART 9. OFFICE OF THE GOVERNOR**

25  
26 Requested by: Senator Plexico

### 27 **COUNCIL OF GOVERNMENT FUNDS**

28           Sec. 26. (a) Of the funds appropriated in this act to the Office of State Planning,  
29 eight hundred sixty-four thousand two hundred seventy dollars (\$864,270) for the 1993-  
30 94 fiscal year and eight hundred sixty-four thousand two hundred seventy dollars  
31 (\$864,270) for the 1994-95 fiscal year shall only be used as provided by this section.  
32 Each regional council of government or lead regional organization is allocated up to  
33 forty-eight thousand fifteen dollars (\$48,015) for each fiscal year, with the actual  
34 amount calculated as provided in subsection (b) of this section.

35           (b) The funds shall be allocated as follows: A share of the maximum forty-eight  
36 thousand fifteen dollars (\$48,015) each fiscal year shall be allocated to each county and  
37 smaller city based on the most recent annual estimate of the Office of State Budget and  
38 Management of the population of that county (less the population of any larger city  
39 within that county) or smaller city, divided by the sum of the total population of the  
40 region (less the population of larger cities within that region) and the total population of  
41 the region living in smaller cities. Those funds shall be paid to the regional council of  
42 government for the region in which that city or county is located upon receipt by the  
43 Office of State Planning of a resolution of the governing board of the county or city  
44 requesting release of the funds. If any city or county does not so request payment of

1 funds by June 30 of a State fiscal year, that share of the allocation for that fiscal year  
2 shall revert to the General Fund.

3 (c) A regional council of government may use funds appropriated by this section  
4 only to assist local governments in grant applications, economic development,  
5 community development, support of local industrial development activities, and other  
6 activities as deemed appropriate by the member governments.

7 (d) Funds appropriated by this section may not be used for payment of dues or  
8 assessments by the member governments, and may not supplant funds appropriated by  
9 the member governments.

10 (e) As used in this section "Larger City" means an incorporated city with a  
11 population of 50,000 or over. "Smaller City" means any other incorporated city.

12

### 13 **PART 10. DEPARTMENT OF INSURANCE**

14

15 Requested by: Senator Plexico

#### 16 **DEPARTMENT OF INSURANCE UNBUDGETED RECEIPTS**

17

18 Sec. 27. In addition to amounts appropriated by the General Assembly from  
19 the Department of Insurance Fund, receipts realized by the Department of Insurance in  
20 excess of budgeted levels shall be available, up to a maximum of ten percent (10%)  
21 above budgeted levels, for each Fund Code, to support the operations generating such  
22 receipts, as approved by the Director of the Budget. Excess receipts approved for  
23 expenditure under this provision shall not be used either directly or indirectly to  
24 establish permanent positions.

24

### 25 **PART 11. OFFICE OF THE LIEUTENANT GOVERNOR**

26

27 Requested by: Senator Plexico

#### 28 **CERTAIN LIEUTENANT GOVERNOR APPROPRIATIONS NOT TO BE** 29 **TRANSFERRED**

30

31 Sec. 28. Funds appropriated to the Office of Lieutenant Governor for Other  
32 Services and for Service and Maintenance Contracts shall not be transferred to other  
33 objects of expenditure.

33

### 34 **PART 12. DEPARTMENT OF REVENUE**

35

36 Requested by: Senator Plexico

#### 37 **REVENUE FIELD OFFICE CLOSURES AND CONSOLIDATIONS**

38

39 Sec. 29. The Department of Revenue shall thoroughly analyze the effect of  
40 field office closures and consolidations executed pursuant to recommendations by the  
41 Government Performance Audit Committee, and shall report its findings to the General  
42 Assembly on or before March 31, 1994. At a minimum, the report shall present  
43 evidence relevant to the following issues:

43

- (1) The impact of consolidation on tax compliance rates;

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

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

9

## 10 PART 13. OFFICE OF STATE AUDITOR

11

12 Requested by: Senator Plexico

### 13 INFORMATION FROM PRIVATE ORGANIZATIONS RECEIVING STATE 14 FUNDS; INFORMATION FROM STATE DEPARTMENTS AND AGENCIES 15 PROVIDING STATE FUNDS

16

Sec. 31. G.S. 143-6.1 reads as rewritten:

17

#### 18 "§ 143-6.1. Information from private organizations receiving State funds; 19 information from State departments and agencies providing State funds.

20

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

24

Each corporation, organization, and institution which receives, uses or expends State  
25 funds in the amount of twenty-five thousand dollars (\$25,000) or more annually, except  
26 when the funds are for the purchase of goods or services, shall file annually with the  
27 State Auditor and with the Joint Legislative Commission on Governmental Operations  
28 financial statements ~~in such form and on such schedule as shall be prescribed by the~~  
29 ~~State Auditor, and for that year in which twenty-five thousand dollars (\$25,000) or more~~  
30 in State funds were received, used, or expended. These financial statements shall be  
31 audited in accordance with the auditing standards prescribed by the State Auditor, and  
32 the audit report shall be received by the State Auditor within six months after the end of  
33 the private organization's year in which twenty-five thousand dollars (\$25,000) or more  
34 were received, used, or expended. Each corporation, organization, and institution shall  
35 furnish to the State Auditor for audit all books, records and other information as shall be  
36 necessary for the State Auditor to account fully for the use and expenditure of State  
37 funds. Each such corporation, organization, and institution shall furnish such additional  
38 financial or budgetary information as shall be requested by the State Auditor or by the  
39 Joint Legislative Commission on Governmental Operations. The State shall not  
40 disburse State funds appropriated by the General Assembly or collected by the State for  
41 use by any ~~private person, corporation, organization, or institution unless until that~~  
42 ~~person,~~ corporation, organization, or institution has provided all the reports and  
43 financial information required by this section. All financial statements furnished to the  
State Auditor or to the Joint Legislative Commission on Governmental Operations

1 pursuant to this section, and any audits or other reports prepared by the State Auditor,  
2 shall be public records.

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

9 The receipt, use or expenditure of State funds by a corporation, organization, and  
10 institution shall not, in and of itself, make or constitute such corporation, organization,  
11 or institution a State agency."  
12

13 Requested by: Senator Plexico

#### 14 **AUDITOR FUNDS/PARTIAL REVERSION**

15 Sec. 32. Of funds that would otherwise revert to the General Fund at the end  
16 of the 1992-93 fiscal year, the Department of State Auditor shall be allowed to carry  
17 forward a balance not exceeding six hundred one thousand ninety-one dollars  
18 (\$601,091) to be used for the purchase of data processing equipment and software.  
19

#### 20 **PART 13A. GENERAL ASSEMBLY**

21  
22 Requested by: Senator Lee

#### 23 **NAMING OF BRIDGES, HIGHWAYS, AND FACILITIES MORATORIUM;** 24 **GUIDELINES**

25 Sec. 32.1. (a) From July 1, 1993, through June 30, 1994, there is a moratorium on  
26 the naming of bridges, highways, and facilities after a person except in honor of  
27 deceased State, federal, or local officials.

28 (b) The Joint Legislative Transportation Oversight Committee shall adopt  
29 guidelines for the future naming of bridges, highways, and facilities. The Committee  
30 shall report these guidelines, together with any legislative recommendations, to the 1993  
31 General Assembly, Regular Session 1994.  
32

#### 33 **PART 14. SALARIES AND BENEFITS**

34  
35 Requested by: Senators Daniel, Plyler, and Conder

#### 36 **RESTORE JUNE 30TH PAY DATE**

37 Sec. 32.2. (a) Of the funds appropriated to the Reserve for Restoring Pay  
38 Date, the sum of one hundred ninety million six hundred thousand dollars  
39 (\$190,600,000) for the 1993-94 fiscal year shall be used to pay university and State  
40 employees, paid from the General Fund, on June 30, 1994, instead of on July 1, 1994,  
41 for work done during June of 1994.

42 (b) Of the funds appropriated to the Reserve for Restoring Pay Date, the sum  
43 of twenty-four million four hundred thousand dollars (\$24,400,000) for the 1993-94

1 fiscal year shall be used to pay community college employees, paid from the General  
2 Fund, on June 30, 1994, instead of on July 1, 1994, for work done during June of 1994.

3 (c) Of the funds appropriated from the General Fund to the Reserve for  
4 Restoring Pay Date, the sum of one hundred twelve million eight hundred thousand  
5 dollars (\$112,800,000) for the 1993-94 fiscal year shall be used to pay public school  
6 teachers, paid from the General Fund, on June 30, 1994, instead of on July 1, 1994, for  
7 work done during June of 1994.

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

9 "(b) The Director ~~may~~shall not use funds in the Savings Reserve Account unless  
10 the use has been approved by an act of the General Assembly. ~~It is the intent of the~~  
11 ~~General Assembly that in future sessions, as funds are available, it will reduce and then~~  
12 ~~eliminate the State's liability for payroll deferrals for State employees and community~~  
13 ~~college employees and for the deferral of the twelfth month of teacher payroll. These~~  
14 ~~actions will bring the State into closer conformity with the GAAP."~~

15  
16 Requested by: Senators Daniel and Plyler

#### 17 **APPROPRIATIONS**

18 Sec. 33. (a) Of the funds appropriated from the General Fund to the Reserve for  
19 Salary Increases, the sum of sixty-four million twenty-seven thousand two hundred  
20 fifty-seven dollars (\$64,027,257) for the 1993-94 fiscal year and sixty-eight million five  
21 hundred twenty-four thousand six hundred seventy-five dollars (\$68,524,675) for the  
22 1994-95 fiscal year shall be used to provide raises for State employees and school  
23 personnel other than teachers.

24 (b) Of the funds appropriated from the Highway Fund to the Reserve for Salary  
25 Increases, the sum of six million nine hundred sixty-three thousand four hundred forty-  
26 six dollars (\$6,963,446) for the 1993-94 fiscal year and the sum of six million nine  
27 hundred sixty-three thousand four hundred forty-six dollars (\$6,963,446) for the 1994-  
28 95 fiscal year shall be used to provide raises for State employees.

29 (c) Of the funds appropriated from the General Fund to the Reserve for Salary  
30 Increases, the sum of forty-two million five hundred eighty-eight thousand nine hundred  
31 twenty-seven dollars (\$42,588,927) for the 1993-94 fiscal year and the sum of forty-two  
32 million five hundred eighty-eight thousand nine hundred twenty-seven dollars  
33 (\$42,588,927) for the 1994-95 fiscal year shall be used to implement the teacher salary  
34 schedule provided in this act. This is the equivalent of two percent (2%) of teacher  
35 payroll.

36 (d) Of the funds appropriated from the General Fund to the Reserve for  
37 Salary Increases, the sum of five million five hundred eighty-one thousand six hundred  
38 sixty-eight dollars (\$5,581,668) for the 1993-94 fiscal year and the sum of five million  
39 five hundred eighty-one thousand six hundred sixty-eight dollars (\$5,581,668) for the  
40 1994-95 fiscal year shall be used to implement salary increases for employees in locally  
41 operated State-funded programs as provided in this act.

42  
43 Requested by: Senators Daniel and Plyler

#### 44 **GOVERNOR'S SALARY INCREASE**

1           Sec. 34. G.S. 147-11(a) reads as rewritten:

2           "(a) The salary of the Governor shall be ~~ninety-one thousand nine hundred thirty-~~  
3 ~~eight dollars (\$91,938)~~ ninety-three thousand seven hundred seventy-seven dollars  
4 (\$93,777) annually, payable monthly."

5  
6 Requested by: Senators Daniel and Plyler

7 **COUNCIL OF STATE/SALARY INCREASE**

8           Sec. 35. The annual salaries for members of the Council of State, payable  
9 monthly, for the 1993-94 and 1994-95 fiscal years are:

10 <u>Council of State</u>	<u>Annual Salary</u>
11	
12 Lieutenant Governor	\$77,289
13 Attorney General	77,289
14 Secretary of State	77,289
15 State Treasurer	77,289
16 State Auditor	77,289
17 Superintendent of Public Instruction	77,289
18 Agriculture Commissioner	77,289
19 Insurance Commissioner	77,289
20 Labor Commissioner	77,289.

21

22 Requested by: Senators Daniel and Plyler

23 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

24           Sec. 36. In accordance with G.S. 143B-9, the maximum annual salaries,  
25 payable monthly, for the nonelected heads of the principal State departments for the  
26 1993-94 and 1994-95 fiscal years are:

27 <u>Nonelected Department Heads</u>	<u>Annual Salary</u>
28	
29 Secretary of Administration	\$77,289
30 Secretary of Correction	77,289
31 Secretary of Crime Control and	
32     Public Safety	77,289
33 Secretary of Cultural Resources	77,289
34 Secretary of Commerce	77,289
35 Secretary of Environment, Health,	
36     and Natural Resources	77,289
37 Secretary of Human Resources	77,289
38 Secretary of Revenue	77,289
39 Secretary of Transportation	77,289.

40

41 Requested by: Senators Daniel and Plyler

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

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

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$74,389
State Controller	120,301
Commissioner of Motor Vehicles	74,389
Commissioner of Banks	74,389
Chairman, Employment Security Commission	74,389
State Personnel Director	77,289
Chairman, Parole Commission	67,926
Members of the Parole Commission	62,712
Chairman, Industrial Commission	66,837
Members of the Industrial Commission	65,209
Executive Director, Agency for Public Telecommunications	62,712
General Manager, Ports Railway Commission	56,628
Director, Museum of Art	76,225
Executive Director, Wildlife Resources Commission	64,205
Executive Director, North Carolina Housing Finance Agency	92,063
Executive Director, North Carolina Agricultural Finance Authority	72,406
Director, Office of Administrative Hearings	65,674.

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

Requested by: Senators Daniel and Plyler

#### **LEGISLATORS/SALARY AND EXPENSES INCREASE**

Sec. 38. Effective upon convening of the 1995 Regular Session of the General Assembly, G.S. 120-3 reads as rewritten:

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

(a) The Speaker of the House shall be paid an annual salary of ~~thirty-five thousand six hundred twenty-two dollars (\$35,622)~~, thirty-six thousand three hundred thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one thousand three hundred ~~twenty-four-six~~ dollars (\$1,320) (\$1,346) per month. The President Pro Tempore of the Senate shall be paid an annual salary of ~~thirty-five thousand six hundred twenty-two dollars (\$35,622)~~, thirty-six thousand three hundred thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one

1 thousand three hundred ~~twenty-four~~six dollars ~~(\$1,320)~~(\$1,346) per month. The  
2 Speaker Pro Tempore of the House shall be paid an annual salary of twenty thousand  
3 ~~two hundred ninety-eight~~dollars seven hundred four dollars ~~(\$20,298)~~(\$20,704)  
4 payable monthly, and an expense allowance of seven hundred ~~eighty-ninety-six~~  
5 ~~(\$780.00)~~(\$796.00) per month. The Deputy President Pro Tempore of the Senate shall  
6 be paid an annual salary of twenty thousand ~~two hundred ninety-eight~~dollars seven  
7 hundred four ~~(\$20,298)~~(\$20,704) payable monthly, and an expense allowance of seven  
8 hundred ~~eighty-ninety-six~~dollars (\$780.00)(\$796.00) per month. The majority and  
9 minority leaders in the House and the majority and minority leaders in the Senate shall  
10 be paid an annual salary of ~~fifteen thousand nine hundred eighteen~~dollars (\$15,918),  
11 sixteen thousand two hundred thirty-six dollars ~~(\$16,236)~~ payable monthly, and an  
12 expense allowance of six hundred ~~twenty-two~~thirty-four dollars ~~(\$622.00)~~(\$634.00)  
13 per month.

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

23 (c) The salary and expense allowances provided in this section are in addition to  
24 any per diem compensation and any subsistence and travel allowance authorized by any  
25 other law with respect to any regular or extra session of the General Assembly, and  
26 service on any State board, agency, commission, standing committee and study  
27 commission."  
28

29 Requested by: Senators Daniel and Plyler

### 30 GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

31 Sec. 39. G.S. 120-37(c) reads as rewritten:

32 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be  
33 entitled to other benefits available to permanent legislative employees and shall be paid  
34 an annual salary of ~~forty-six thousand six hundred eighty-six~~dollars (\$46,686), forty-  
35 seven thousand six hundred twenty dollars ~~(\$47,620)~~ payable monthly. The Legislative  
36 Services Commission shall review the salary of the principal clerks prior to submission  
37 of the proposed operating budget of the General Assembly to the Governor and  
38 Advisory Budget Commission and shall make appropriate recommendations for  
39 changes in those salaries. Any changes enacted by the General Assembly shall be by  
40 amendment to this paragraph."  
41

42 Requested by: Senators Daniel and Plyler

### 43 SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

44 Sec. 40. G.S. 120-37(b) reads as rewritten:



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

Requested by: Senators Daniel and Plyler

**LEGISLATIVE EMPLOYEES/SALARY INCREASES**

Sec. 41. The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1992-93 by an amount equal to two percent (2%). Nothing in this act limits any of the provisions of G.S. 120-32.

Requested by: Senators Daniel and Plyler

**JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

Sec. 42. (a) The annual salaries, payable monthly, for specified judicial branch officials for fiscal year 1993-94 and fiscal year 1994-95 are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$93,777
Associate Justice, Supreme Court	91,855
Chief Judge, Court of Appeals	88,930
Judge, Court of Appeals	86,996
Judge, Senior Regular Resident Superior Court	79,823
Judge, Superior Court	77,289
Chief Judge, District Court	68,256
Judge, District Court	65,674
District Attorney	71,965
Assistant District Attorney - an average of	46,738
Administrative Officer of the Courts	79,823
Assistant Administrative Officer of the Courts	65,160
Public Defender	71,965
Assistant Public Defender - an average of	46,738.

If an acting senior regular resident superior court judge is appointed under the provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,

1 Superior Court, until his temporary appointment is vacated, and the judge he replaces  
 2 shall receive the salary indicated for Judge, Superior Court.

3 The district attorney or public defender of a judicial district, with the approval  
 4 of the Administrative Officer of the Courts, shall set the salaries of assistant district  
 5 attorneys or assistant public defenders, respectively, in that district such that the average  
 6 salaries of assistant district attorneys or assistant public defenders in that district do not  
 7 exceed forty-six thousand seven hundred thirty-eight dollars (\$46,738), and the  
 8 minimum salary of any assistant district attorney or assistant public defender is at least  
 9 twenty-three thousand eight hundred sixty-two dollars (\$23,862) effective July 1, 1993.

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

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

16  
 17 Requested by: Senators Daniel and Plyler

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

19 Sec. 43. G.S. 7A-101 reads as rewritten:

20 **"§ 7A-101. Compensation.**

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

25 Population	Annual Salary	
26 <del>'1992-93'</del>		
27 Less than 100,000	<del>\$47,442</del>	<u>\$48,391</u>
28 100,000 to 199,999	<del>53,550</del>	<u>54,621</u>
29 200,000 and above	<del>61,026-</del>	<u>62,247.</u>

30  
 31 When a county changes from one population group to another, the salary of the clerk  
 32 shall be changed, on July 1 of the fiscal year for which the change is reported, to the  
 33 salary appropriate for the new population group, except that the salary of an incumbent  
 34 clerk shall not be decreased by any change in population group during his continuance  
 35 in office."

36  
 37 Requested by: Senators Daniel and Plyler

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

39 Sec. 44. G.S. 7A-102(c) reads as rewritten:

40 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer  
 41 of the Courts shall establish an incremental salary plan for assistant clerks and for  
 42 deputy clerks based on a series of salary steps corresponding to the steps contained in  
 43 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to  
 44 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,

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

15 Sec. 45. G.S. 7A-102(c1) reads as rewritten:

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

18 Assistant Clerks	Annual Salary
19 <del>'1992-93'</del>	
20 Minimum \$20,712	
21 Maximum <del>35,262</del> <u>35,967</u>	

23 Deputy Clerks	Annual Salary
24 <del>'1992-93'</del>	
25 Minimum \$16,236	
26 Maximum <del>27,162</del> <u>27,705</u> "	

27  
 28 Requested by: Senators Daniel and Plyler

29 **MAGISTRATES/SALARY INCREASE**

30 Sec. 46. G.S. 7A-171.1(a)(1) reads as rewritten:

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

36  
 37 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

39 Number of Prior Years of Service	Annual Salary
40 <del>'1992-93'</del>	
41 Less than 1 \$17,058	<u>\$17,399</u>
42 1 or more but less than 3	<del>17,934</del> <u>18,293</u>
43 3 or more but less than 5	<del>19,698</del> <u>20,092</u>
44 5 or more but less than 7	<del>21,642</del> <u>22,075</u>

1	7 or more but less than 9	<u>23,814,24,290</u>
2	9 or more but less than 11	<u>26,178,26,702</u>
3	11 or more	<u>28,758-</u> <u>29,333.</u>

4  
5 A 'Full-time magistrate' is a magistrate who is assigned to work an  
6 average of not less than 40 hours a week during his term of office.

7 Notwithstanding any other provision of this subdivision, a full-time  
8 magistrate, who was serving as a magistrate on December 31, 1978,  
9 and who was receiving an annual salary in excess of that which would  
10 ordinarily be allowed under the provisions of this subdivision, shall  
11 not have the salary, which he was receiving reduced during any  
12 subsequent term as a full-time magistrate. That magistrate's salary  
13 shall be fixed at the salary level from the table above which is nearest  
14 and higher than the latest annual salary he was receiving on December  
15 31, 1978, and, thereafter, shall advance in accordance with the  
16 schedule in the table above."  
17

18 Requested by: Senators Daniel, Plyler, and Ward

19 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

20 Sec. 47. The Director of the Budget may transfer from the Reserve for Salary  
21 Increases created in this act for fiscal years 1993-94 and 1994-95 funds to the  
22 Department of Community Colleges necessary to provide an average annual salary  
23 increase of two percent (2%), including funds for the employer's retirement and social  
24 security contributions, commencing July 1, 1993, for all permanent full-time  
25 community college institutional personnel supported by State funds. The State Board  
26 shall establish guidelines for providing salary increases to community college  
27 institutional personnel. Salary funds shall be used to provide an average annual salary  
28 increase of two percent (2%) to all full-time employees and part-time employees on a  
29 pro rata basis.  
30

31 Requested by: Senators Daniel, Plyler, and Ward

32 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

33 Sec. 48. The Director of the Budget shall transfer to the Board of Governors  
34 of The University of North Carolina sufficient funds from the Reserve for Salary  
35 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 to provide  
36 an annual average salary increase of two percent (2%), including funds for the  
37 employer's retirement and social security contributions, commencing July 1, 1993, for  
38 all employees of The University of North Carolina, as well as employees of the North  
39 Carolina School of Science and Mathematics, supported by State funds and whose  
40 salaries are exempt from the State Personnel Act. These funds shall be allocated to  
41 individuals according to the rules adopted by the Board of Governors, or the Board of  
42 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and  
43 may not be used for any purpose other than for salary increases and necessary employer  
44 contributions provided by this section.

1

2 Requested by: Senators Daniel and Plyler

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

4 Sec. 49. (a) The salaries in effect for fiscal year 1992-93 for all permanent full-  
5 time State employees whose salaries are set in accordance with the State Personnel Act  
6 and who are paid from the General Fund or the Highway Fund shall be increased, on  
7 and after July 1, 1993, unless otherwise provided by this act, by two percent (2%).

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

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

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

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 of the two percent (2%) salary  
27 increase provided for permanent full-time employees covered by the provisions of  
28 subsection (a) of this section, commencing July 1, 1993.

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

33

34 Requested by: Senators Daniel and Plyler

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

36 Sec. 50. Of the funds appropriated from the General Fund for the Reserve for  
37 Salary Increases in this act for the 1993-94 fiscal year and the 1994-95 fiscal year, funds  
38 shall be made available for employees in locally operated State funded programs in an  
39 amount equivalent to a two percent (2%) across-the-board salary increase. Such  
40 employees do not receive the compensation bonus provided in this act.

41

42 Requested by: Senators Daniel and Plyler

43 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

1       Sec. 51. (a) Superintendents, Assistant Superintendents, Associate  
2 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program  
3 Administrators, Principals, and Assistant Principals. – The Director of the Budget may  
4 transfer from the Reserve for Salary Increases created in this act for fiscal year 1993-94  
5 and fiscal year 1994-95 funds necessary to provide a salary increase of two percent  
6 (2%), including funds for the employer's retirement and social security contributions,  
7 commencing July 1, 1993, for all superintendents, assistant superintendents, associate  
8 superintendents, supervisors, directors, coordinators, evaluators, program  
9 administrators, principals, and assistant principals whose salaries are supported from the  
10 State's General Fund. These funds may not be used for any purpose other than for the  
11 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 1993-94 and fiscal year  
14 1994-95 funds necessary to provide a salary increase of two percent (2%), including  
15 funds for the employer's retirement and social security contributions, commencing July  
16 1, 1993, for all noncertified public school employees, except school bus drivers, whose  
17 salaries are supported from the State's General Fund. These funds may not be used for  
18 any purpose other than for the salary increases and necessary employer contributions  
19 provided by this subsection.

20       (c) The fiscal year 1992-93 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 1993, 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 1992-93 and who  
25 continue their employment for fiscal year 1993-94 and fiscal year 1994-95 by at least  
26 two percent (2%) on and after July 1, 1993. The Director of the Budget may transfer  
27 from the salary increase reserve fund created in this act for fiscal year 1993-94 and  
28 fiscal year 1994-95 funds necessary to provide the salary increases for school bus  
29 drivers whose salaries are supported from the State's General Fund in accordance with  
30 the provisions of this subsection.

31  
32 Requested by: Senators Daniel and Plyler

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

34       Sec. 52. (a) Salaries for positions that are funded partially from the General  
35 Fund or Highway Fund and partially from sources other than the General Fund or  
36 Highway Fund shall be increased from the General Fund or Highway Fund  
37 appropriation only to the extent of the proportionate part of the salaries paid from the  
38 General Fund or Highway Fund.

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

42       (c) The salary increases provided in this Part are to be effective July 1, 1993, do  
43 not apply to persons separated from State service due to resignation, dismissal,

1 reduction in force, death, or retirement, whose last workday is prior to July 1, 1993, or  
2 to employees involved in written disciplinary procedures.

3 Payroll checks issued to employees after July 1, 1993, which represent  
4 payment for services provided prior to July 1, 1993, shall not be eligible for salary  
5 increases provided for in this act. This subsection shall apply to all employees, subject  
6 to or exempt from the State Personnel Act, paid from State funds, including public  
7 schools, community colleges, and The University of North Carolina.

8 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979  
9 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-  
10 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)  
11 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an  
12 automatic increment, and no State employee or officer shall receive a merit increment  
13 during the 1993-94 and 1994-95 fiscal years, except as otherwise permitted by this act.

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

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

20  
21 Requested by: Senators Daniel and Plyler

## 22 **RESERVE FOR LOWEST PAID EMPLOYEES**

23 Sec. 53. Notwithstanding any other provisions of the current law, the Office  
24 of State Budget and Management may use funds in the Reserve for Lowest Paid  
25 Employees for the purpose of continuing salary increases awarded during fiscal year  
26 1992-93 to the lowest paid State employees pursuant to Section 37 of Chapter 1066 of  
27 the 1989 Session Laws.

28  
29 Requested by: Senators Daniel and Plyler

## 30 **COMPENSATION BONUS**

31 Sec. 54. (a) Any employee or officer who is an employee or officer on  
32 December 31, 1993 and whose:

- 33 (1) Salary is set by or under this Part;
- 34 (2) Who was, on July 1, 1992, an officer or employee whose salary is set  
35 by or under this Part; and
- 36 (3) Who during the pay period for which the payment is made holds an  
37 office or is employed in an office or employment whose salary is set  
38 by or under this Part

39 shall receive in December of 1993, a compensation bonus of one percent (1%) of the  
40 annual salary for that position which was in effect on June 30, 1993; provided that if the  
41 position is created after that date, only ninety-eight percent (98%) of the salary for that  
42 position shall be included in the computation.

43 (b) The provisions of this section do not apply to persons whose salaries are  
44 determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a), except for those

1 employees who would not receive a salary increment for the 1993-94 fiscal year under  
2 G.S. 7A-102 or G.S. 20-187.3(a) because they are at the top of their salary range.

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

5  
6 Requested by: Senators Daniel and Plyler

7 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

8 Sec. 55. (a) Required employer salary-related contributions for employees  
9 whose salaries are paid from department, office, institution, or agency receipts shall be  
10 paid from the same source as the source of the employees' salary. If an employee's  
11 salary is paid in part from the General Fund or Highway Fund and in part from  
12 department, office, institution, or agency receipts, required employer salary-related  
13 contributions may be paid from the General Fund or Highway Fund only to the extent of  
14 the proportionate part paid from the General Fund or Highway Fund in support of the  
15 salary of the employee, and the remainder of the employer's requirements shall be paid  
16 from the source that supplies the remainder of the employee's salary. The requirements  
17 of this section as to source of payment are also applicable to payments on behalf of the  
18 employee for hospital-medical benefits, longevity pay, unemployment compensation,  
19 accumulated leave, workers' compensation, severance pay, separation allowances, and  
20 applicable disability income and disability salary continuation benefits.

21 (b) Effective July 1, 1993, the State's employer contribution rates budgeted for  
22 retirement and related benefits as a percentage of covered salaries for the 1993-94 and  
23 1994-95 fiscal years are (i) ten and ninety-three hundredths percent (10.93%) - Teachers  
24 and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State  
25 Law Enforcement Officers; (iii) eight and ninety-six hundredths percent (8.96%) -  
26 University Employees' Optional Retirement Program; (iv) twenty-six and three  
27 hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v)  
28 twenty-four and forty-eight hundredths percent (24.48%) - Legislative Retirement  
29 System. Each of the foregoing contribution rates includes two percent (2%) for hospital  
30 and medical benefits. The rate for State Law Enforcement Officers includes five  
31 percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and  
32 State Employees, State Law Enforcement Officers, and for the University Employees'  
33 Optional Retirement Program includes fifty hundredths percent (0.50%) for the  
34 Disability Income Plan.

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

41 ..

42 Requested by: Senators Daniel and Plyler

43 **PROVIDE AN INCREASE TO RETIREES OF THE LOCAL**  
44 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE**



1 **TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE**  
2 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE**  
3 **LEGISLATIVE RETIREMENT SYSTEM**

4 Sec. 56. (a) G.S. 120-4.22A is amended by adding a new subsection to read:

5 "(h) In accordance with subsection (a) of this section, from and after July 1, 1993,  
6 the retirement allowance to or on account of beneficiaries whose retirement commenced  
7 on or before January 1, 1993, shall be increased by one and six-tenths percent (1.6%) of  
8 the allowance payable on January 1, 1993. Furthermore, from and after July 1, 1993,  
9 the retirement allowance to or on account of beneficiaries whose retirement commenced  
10 after January 1, 1993, but before June 30, 1993, shall be increased by a prorated amount  
11 of one and six-tenths percent (1.6%) of the allowance payable as determined by the  
12 Board of Trustees based upon the number of months that a retirement allowance was  
13 paid between January 1, 1993, and June 30, 1993."

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

15 "(ll) From and after July 1, 1993, the retirement allowance to or on account  
16 of beneficiaries whose retirement commenced on or before July 1,  
17 1992, shall be increased by one and six-tenths percent (1.6%) of the  
18 allowance payable on July 1, 1992, in accordance with G.S. 128-27(k).  
19 Furthermore, from and after July 1, 1993, the retirement allowance to  
20 or on account of beneficiaries whose retirement commenced after July  
21 1, 1992, but before June 30, 1993, shall be increased by a prorated  
22 amount of one and six-tenths percent (1.6%) of the allowance payable  
23 as determined by the Board of Trustees based upon the number of  
24 months that a retirement allowance was paid between July 1, 1992, and  
25 June 30, 1993."

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

27 "(vv) From and after July 1, 1993, the retirement allowance to or on account of  
28 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased  
29 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1992, in  
30 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1993, the  
31 retirement allowance to or on account of beneficiaries whose retirement commenced  
32 after July 1, 1992, but before June 30, 1993, shall be increased by a prorated amount of  
33 one and six-tenths percent (1.6%) of the allowance payable as determined by the Board  
34 of Trustees based upon the number of months that a retirement allowance was paid  
35 between July 1, 1992, and June 30, 1993."

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

37 "(n) From and after July 1, 1993, the retirement allowance to or on account of  
38 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased  
39 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1992, in  
40 accordance with G.S. 135-50. Furthermore, from and after July 1, 1993, the retirement  
41 allowance to or on account of beneficiaries whose retirement commenced after July 1,  
42 1992, but before June 30, 1993, shall be increased by a prorated amount of one and six-  
43 tenths percent (1.6%) of the allowance payable as determined by the Board of Trustees

1 based upon the number of months that a retirement allowance was paid between July 1,  
2 1992, and June 30, 1993."

3

4 Requested by: Senators Daniel and Plyler

5 **PROVIDE THAT RETIRED MEMBERS IN RECEIPT OF A RETIREMENT**  
6 **ALLOWANCE FROM THE STATE-ADMINISTERED RETIREMENT**  
7 **SYSTEMS SHALL RECEIVE RETIREMENT BENEFITS EQUAL TO AN**  
8 **AMOUNT NOT LESS THAN THE ACCUMULATED CONTRIBUTIONS OF**  
9 **THE RETIREE AT RETIREMENT**

10 Sec. 57. (a) G.S. 120-4.26 reads as rewritten:

11 "**§ 120-4.26. Benefit payment options.**

12 Any member may elect to receive his benefits in a retirement allowance payable  
13 throughout life, or he may elect to receive the actuarial equivalent of the retirement  
14 allowance in a reduced allowance payable throughout life under the provisions of one of  
15 the options set forth below. No election may be made after the first payment becomes  
16 due, or the first retirement check cashed, nor may an election be revoked or a  
17 nomination changed. The election of Option 2 or Option 3 or the nomination of the  
18 person thereunder shall be revoked if the person nominated dies prior to the date the  
19 first payment becomes normally due or until the first retirement check has been cashed.  
20 The election may be revoked by the member prior to the date the first payment becomes  
21 normally due or until his first retirement check has been cashed. Provided, however,  
22 any member having elected Options 2 or 3 and nominated his or her spouse to receive a  
23 retirement allowance upon the member's death may, after divorce from his or her  
24 spouse, revoke the nomination and elect a new option, effective on the first day of the  
25 month in which the new option is elected, providing for a retirement allowance  
26 computed to be the actuarial equivalent to the retirement allowance in effect  
27 immediately prior to the effective date of the new option.

28 Option 1. For Members Retiring Prior to July 1, 1993. – If a member dies within 10  
29 years from his retirement date, an amount equal to his accumulated contributions at  
30 retirement, less one-one hundred twentieth (1/120) for each month for which he has  
31 received a retirement allowance payment, shall be paid to his legal representative or to  
32 the person he nominates by written designation acknowledged and filed with the Board  
33 of Trustees;

34 Option 2. – Upon his death, his reduced retirement allowance shall be continued  
35 throughout the life of and paid to the person he nominates by written designation duly  
36 acknowledged and filed with the Board of Trustees at the time of his retirement. If the  
37 person selected is other than his spouse, the reduced retirement allowance payable to the  
38 member shall not be less than one half of the retirement allowance without optional  
39 modification which would otherwise be payable to him; or

40 Option 3. – Upon his death, one half of his reduced retirement allowance shall be  
41 continued throughout the life of and paid to the person he nominates by written  
42 designation duly acknowledged and filed with the Board of Trustees at the time of his  
43 retirement."

1 (b) Article 1A of Chapter 120 of the General Statutes is amended by adding a  
2 new section to read:

3 **"§ 120-4.26A. Benefits on death after retirement.**

4 In the event of the death of a retired member while in receipt of a retirement  
5 allowance under the provisions of this Article, there shall be paid to such person or  
6 persons as the retiree shall have nominated by written designation duly acknowledged  
7 and filed with the Board of Trustees, if such person or persons are living at the time of  
8 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal  
9 to the excess, if any, of the accumulated contributions of the retiree at the date of  
10 retirement over the total of the retirement allowances paid prior to the death of the  
11 retiree.

12 In the event that a retirement allowance becomes payable to the designated survivor  
13 of a retired member under the provisions of G.S. 120-4.26 and such retirement  
14 allowance to the survivor shall terminate upon the death of the survivor before the total  
15 of the retirement allowances paid to the retiree and the designated survivor combined  
16 equals the amount of the accumulated contributions of the retiree at the date of  
17 retirement, the excess, if any, of such accumulated contributions over the total of the  
18 retirement allowances paid to the retiree and the survivor combined shall be paid in a  
19 lump sum to such person or persons as the retiree shall have nominated by written  
20 designation duly acknowledged and filed with the Board of Trustees, if such person or  
21 persons are living at the time such payment falls due, otherwise to the retiree's legal  
22 representative."

23 (c) G.S. 128-27(g) reads as rewritten:

24 "(g) Election of Optional Allowance. – With the provision that until the first  
25 payment on account of any benefit becomes normally due, or his first retirement check  
26 has been cashed, any member may elect to receive his benefits in a retirement allowance  
27 payable throughout life, or he may elect to receive the actuarial equivalent of such  
28 retirement allowance in a reduced allowance payable throughout life under the  
29 provisions of one of the Options set forth below. The election of Option two or Option  
30 three or nomination of the person thereunder shall be revoked if such person nominated  
31 dies prior to the date the first payment becomes normally due or the first retirement  
32 check has been cashed. Such election may be revoked by the member prior to the date  
33 the first payment becomes normally due or his first retirement check has been cashed.  
34 Provided, however, any member having elected Options two, three, ~~five~~, or six and  
35 nominated his or her spouse to receive a retirement allowance upon the member's death  
36 may, after divorce from his or her spouse, revoke the nomination and elect a new  
37 option, effective on the first day of the month in which the new option is elected,  
38 providing for a retirement allowance computed to be the actuarial equivalent of the  
39 retirement allowance in effect immediately prior to the effective date of the new option.

40 Option one. (a) In the Case of a Member Who Retires prior to July 1, 1965.  
41 – If he dies before he has received in annuity payments the present value of his annuity  
42 as it was at the time of his retirement, the balance shall be paid to such person as he  
43 shall nominate by written designation duly acknowledged and filed with the Board of  
44 Trustees or, if none, to his legal representative.

1 (b) In the Case of a Member Who Retires on or after July 1, ~~1965-1965,~~  
2 but prior to July 1, 1993. – If he dies within 10 years from his  
3 retirement date, an amount equal to his accumulated contributions at  
4 retirement, less one one-hundred-twentieth thereof for each month for  
5 which he has received a retirement allowance payment, shall be paid to  
6 such person as he shall nominate by written designation duly  
7 acknowledged and filed with the Board of Trustees or, if none, to his  
8 legal representative; or

9 Option two. Upon his death his reduced retirement allowance shall be continued  
10 throughout the life of and paid to such person as he shall nominate by written  
11 designation duly acknowledged and filed with the Board of Trustees at the time of his  
12 retirement, provided that if the person selected is other than his spouse the reduced  
13 retirement allowance payable to the member shall not be less than one half of the  
14 retirement allowance without optional modification which would otherwise be payable  
15 to him; or

16 Option three. Upon his death, one half of his reduced retirement allowance shall be  
17 continued throughout the life of, and paid to such person as he shall nominate by written  
18 designation duly acknowledged and filed with the Board of Trustees at the time of his  
19 retirement; or

20 Option four. Adjustment of Retirement Allowance for Social Security Benefits. –  
21 Until the first payment on account of any benefit becomes normally due, any member  
22 may elect to convert his benefit otherwise payable on his account after retirement into a  
23 retirement allowance of equivalent actuarial value of such amount that with his benefit  
24 under Table II of the Federal Social Security Act, he will receive, so far as possible,  
25 approximately the same amount per year before and after the earliest age at which he  
26 becomes eligible, upon application therefor, to receive a social security benefit. A  
27 ~~member who makes an election in accordance with this option shall be deemed to have~~  
28 ~~made a further election of Option one above.~~

29 Option five. For Members Retiring prior to July 1, 1993. The member may ~~elect:~~  
30 elect to (1) ~~To~~ receive a reduced retirement allowance under the conditions of Option  
31 two or Option three, as provided for above, with the modification that if both he and the  
32 person nominated die within 10 years from his retirement date, an amount equal to his  
33 accumulated contributions at retirement, less 1/120th thereof for each month for which  
34 a retirement allowance has been paid, shall be paid to his legal representatives or to such  
35 person as he shall nominate by written designation duly acknowledged and filed with  
36 the Board of ~~Trustees;~~ Trustees. ~~or~~

37 (2) ~~To receive a reduced retirement allowance during his life with~~  
38 ~~provisions for some other benefit to be paid after his death in~~  
39 ~~accordance with a plan submitted to and approved by the Board of~~  
40 ~~Trustees.~~

41 Option six. A member may elect either Option two or Option three with the added  
42 provision that in the event the designated beneficiary predeceases the member, the  
43 retirement allowance payable to the member after the designated beneficiary's death

1 shall be equal to the retirement allowance which would have been payable had the  
2 member not elected the option."

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

4 "(g1) In the event of the death of a retired member while in receipt of a retirement  
5 allowance under the provisions of this Article, there shall be paid to such person or  
6 persons as the retiree shall have nominated by written designation duly acknowledged  
7 and filed with the Board of Trustees, if such person or persons are living at the time of  
8 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal  
9 to the excess, if any, of the accumulated contributions of the retiree at the date of  
10 retirement over the total of the retirement allowances paid prior to the death of the  
11 retiree.

12 In the event that a retirement allowance becomes payable to the designated survivor  
13 of a retired member under the provisions above and such retirement allowance to the  
14 survivor shall terminate upon the death of the survivor before the total of the retirement  
15 allowances paid to the retiree and the designated survivor combined equals the amount  
16 of the accumulated contributions of the retiree at the date of retirement, the excess, if  
17 any, of such accumulated contributions over the total of the retirement allowances paid  
18 to the retiree and the survivor combined shall be paid in a lump sum to such person or  
19 persons as the retiree shall have nominated by written designation duly acknowledged  
20 and filed with the Board of Trustees, if such person or persons are living at the time  
21 such payment falls due, otherwise to the retiree's legal representative."

22 (e) G.S. 135-5(g) reads as rewritten:

23 "(g) Election of Optional Allowance. – With the provision that until the first  
24 payment on account of any benefit becomes normally due, or his first retirement check  
25 has been cashed, any member may elect to receive his benefits in a retirement allowance  
26 payable throughout life, or he may elect to receive the actuarial equivalent of such  
27 retirement allowance in a reduced allowance payable throughout life under the  
28 provisions of one of the options set forth below. The election of Option 2 or Option 3  
29 or nomination of the person thereunder shall be revoked if such person nominated dies  
30 prior to the date the first payment becomes normally due or until the first retirement  
31 check has been cashed. Such election may be revoked by the member prior to the date  
32 the first payment becomes normally due or until his first retirement check has been  
33 cashed. Provided, however, any member having elected Options 2, 3, ~~5~~, or 6 and  
34 nominated his or her spouse to receive a retirement allowance upon the member's death  
35 may, after divorce from his or her spouse, revoke the nomination and elect a new  
36 option, effective on the first day of the month in which the new option is elected,  
37 providing for a retirement allowance computed to be the actuarial equivalent of the  
38 retirement allowance in effect immediately prior to the effective date of the new option.

39 Option 1. (a) In the Case of a Member Who Retires prior to July 1, 1963. – If  
40 he dies before he has received in annuity payments the present value  
41 of his annuity as it was at the time of his retirement, the balance shall  
42 be paid to his legal representatives or to such person as he shall  
43 nominate by written designation duly acknowledged and filed with  
44 the Board of Trustees.

1 (b) In the Case of a Member Who Retires on or after July 1,  
2 ~~1963-1963, but prior to July 1, 1993.~~ – If he dies within 10 years  
3 from his retirement date, an amount equal to his accumulated  
4 contributions at retirement, less 1/120 thereof for each month for  
5 which he has received a retirement allowance payment, shall be paid  
6 to his legal representatives or to such person as he shall nominate by  
7 written designation duly acknowledged and filed with the Board of  
8 Trustees; or

9 Option 2. Upon his death his reduced retirement allowance shall be continued  
10 throughout the life of and paid to such person as he shall nominate by written  
11 designation duly acknowledged and filed with the Board of Trustees at the time of his  
12 retirement, provided that if the person selected is other than his spouse the reduced  
13 retirement allowance payable to the member shall not be less than one half of the  
14 retirement allowance without optional modification which would otherwise be payable  
15 to him; or

16 Option 3. Upon his death, one half of his reduced retirement allowance shall be  
17 continued throughout the life of, and paid to such person as he shall nominate by written  
18 designation duly acknowledged and filed with the Board of Trustees at the time of his  
19 retirement; or

20 Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until  
21 the first payment on account of any benefit becomes normally due, any member may  
22 elect to convert his benefit otherwise payable on his account after retirement into a  
23 retirement allowance of equivalent actuarial value of such amount that with his benefit  
24 under Title II of the Federal Social Security Act, he will receive, so far as possible,  
25 approximately the same amount per year before and after the earliest age at which he  
26 becomes eligible, upon application therefor, to receive a social security benefit. A  
27 ~~member who makes an election in accordance with this option shall be deemed to have~~  
28 ~~made a further election of Option 1 above.~~

29 Option 5. For Members Retiring Prior to July 1, 1993. – The member may ~~elect:~~  
30 elect to (1) ~~To~~ receive a reduced retirement allowance under the conditions of Option  
31 2 or Option 3, as provided for above, with the modification that if both he and the  
32 person nominated die within 10 years from his retirement date, an amount equal to his  
33 accumulated contributions at retirement, less 1/120 thereof for each month for which a  
34 retirement allowance has been paid, shall be paid to his legal representatives or to such  
35 person as he shall nominate by written designation duly acknowledged and filed with  
36 the Board of ~~Trustees;~~ Trustees. ~~or~~

37 ~~(2) To receive a reduced retirement allowance during his life with~~  
38 ~~provision for some other benefit to be paid after his death in~~  
39 ~~accordance with a plan submitted to and approved by the Board of~~  
40 ~~Trustees.~~

41 Option 6. A member may elect either Option 2 or Option 3 with the added provision  
42 that in the event the designated beneficiary predeceases the member, the retirement  
43 allowance payable to the member after the designated beneficiary's death shall be equal

1 to the retirement allowance which would have been payable had the member not elected  
2 the option."

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

4 "(g1) In the event of the death of a retired member while in receipt of a retirement  
5 allowance under the provisions of this Article, there shall be paid to such person or  
6 persons as the retiree shall have nominated by written designation duly acknowledged  
7 and filed with the Board of Trustees, if such person or persons are living at the time of  
8 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal  
9 to the excess, if any, of the accumulated contributions of the retiree at the date of  
10 retirement over the total of the retirement allowances paid prior to the death of the  
11 retiree.

12 In the event that a retirement allowance becomes payable to the designated survivor  
13 of a retired member under the provisions above and such retirement allowance to the  
14 survivor shall terminate upon the death of the survivor before the total of the retirement  
15 allowances paid to the retiree and the designated survivor combined equals the amount  
16 of the accumulated contributions of the retiree at the date of retirement, the excess, if  
17 any, of such accumulated contributions over the total of the retirement allowances paid  
18 to the retiree and the survivor combined shall be paid in a lump sum to such person or  
19 persons as the retiree shall have nominated by written designation duly acknowledged  
20 and filed with the Board of Trustees, if such person or persons are living at the time  
21 such payment falls due, otherwise to the retiree's legal representative."

22 (g) In order to fund the provisions of this section, the Boards of Trustees of  
23 the Teachers' and State Employees' Retirement System, the Local Governmental  
24 Employees' Retirement System, and the Legislative Retirement System, with the advice  
25 of the consulting actuary, shall apply unencumbered actuarial gain remaining after the  
26 application of this gain to cost-of-living increases for retired members and any other  
27 increases in retirement benefits contained in the 1993-94 Current Operations  
28 Appropriations Act, and shall allocate the percentage of payroll contributions to the  
29 Retirement System without an increase in the total employer contribution rate and  
30 without an increase in the scheduled amortization period for liquidation of unfunded  
31 accrued liabilities in the Retirement Systems.

32 (h) This section becomes effective July 1, 1993.

33  
34 Requested by: Senators Daniel and Plyler

35 **ALLOW LEGISLATORS SERVING IN JANUARY 1985 TO PURCHASE**  
36 **CREDITABLE SERVICE IN THE LEGISLATIVE RETIREMENT SYSTEM**

37 Sec. 58. G.S. 120-4.12 is amended by adding a new subsection to read:

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

42  
43 Requested by: Senator Odom

44 **DEATH BENEFIT DATE CHANGE**

1           Sec. 59. (a) Section 12 of Chapter 1108 of the 1987 Session Laws reads as  
2 rewritten:

3           "Sec. 12. Section 1 of this act is effective upon ratification. The remainder of this  
4 act ~~This act~~ shall become effective August 1, 1988."

5           (b) Funds to support any costs incurred as a result of the date change in  
6 subsection (a) of this section shall be made available from earnings generated within the  
7 Teachers' and State Employees' Retirement System.

8  
9 **PART 15. COLLEGES AND UNIVERSITIES**

10  
11 Requested by: Senator Ward

12 **UNC ACADEMIC PROVISIONS**

13           Sec. 60. It is the intent of the General Assembly not to reduce the budgets of  
14 The University of North Carolina for the 1993-95 fiscal biennium in response to the  
15 thirty percent (30%) of costs of personnel exempt from the State Personnel Act who  
16 retired during the 1992-93 fiscal year and were working in the areas of teaching,  
17 libraries, and academic leadership.

18  
19 Requested by: Senator Ward

20 **INVENTORY**

21           Sec. 61. The Board of Governors of The University of North Carolina shall  
22 direct the chancellors and appropriate management staff at the constituent institutions  
23 and other affiliated operations to review their management of expendable inventory and  
24 to establish the best management practices for inventory control, in keeping with the  
25 recommendations of the Government Performance Audit Committee. To the degree  
26 that savings can be achieved from better inventory management, the Board shall report  
27 these savings to the Joint Appropriations Committees of the General Assembly by April  
28 15, 1994.

29  
30 Requested by: Senator Ward

31 **COMPUTER NETWORK MANAGEMENT**

32           Sec. 62. The Board of Governors of The University of North Carolina shall  
33 review its planned improvements in the LINCNET network operated by The University  
34 of North Carolina, and, in conjunction with the Office of the State Controller and the  
35 Microelectronics Center of North Carolina, determine if the improvements and the  
36 ongoing operation of LINCNET can be accomplished more efficiently by combining  
37 LINCNET with other networks or by its integration into the proposed statewide  
38 broadband network. The Board shall report its findings to the General Assembly and to  
39 the Information Resources Management Commission by May 1, 1994.

40  
41 Requested by: Senator Ward

42 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**  
43 **FORMULAE**



1           Sec. 63. Funds appropriated in this act to the Board of Governors of The  
2 University of North Carolina for continuation of financial assistance to the medical  
3 schools of Duke University and Wake Forest University shall be disbursed on  
4 certifications of the respective schools of medicine that show the number of North  
5 Carolina residents as first-year, second-year, third-year, and fourth-year students in the  
6 medical school as of November 1, 1993, and November 1, 1994. Disbursement to  
7 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)  
8 for each medical student who is a North Carolina resident, one thousand dollars  
9 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial  
10 aid to needy North Carolina students who are enrolled in the medical school. The  
11 maximum aid given to any student from this fund in a given year may not exceed the  
12 amount of the difference in tuition and academic fees charged by the school and those  
13 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

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

24           The Board of Governors shall establish the criteria for determining the  
25 eligibility for financial aid of needy North Carolina students who are enrolled in the  
26 medical schools and shall review the grants or awards to eligible students. The Board of  
27 Governors shall adopt rules for determining which students are residents of North  
28 Carolina for the purposes of these programs. The Board of Governors shall also make  
29 any regulations as necessary to ensure that these funds are used directly for instruction  
30 in the medical programs of the schools and not for religious or other nonpublic  
31 purposes. In recognition of North Carolina's need for primary care physicians, Bowman  
32 Gray School of Medicine and Duke University School of Medicine shall each prepare a  
33 plan with strategies to encourage North Carolina residents to enter the primary care  
34 disciplines of internal medicine, pediatrics, family medicine, obstetrics/gynecology, and  
35 combined medicine/pediatrics. These schools of medicine shall present their plans to  
36 the Board of Governors of The University of North Carolina by December 1, 1993. The  
37 Board of Governors shall report to the Joint Legislative Commission on Governmental  
38 Operations by March 1, 1994, on the status of these efforts to strengthen primary health  
39 care in North Carolina.

40  
41 Requested by: Senators Perdue and Basnight

42 **RESEARCH CAMPUSES/FACULTY COMPETITIVENESS**

43           Sec. 64. The Board of Governors of The University of North Carolina shall  
44 authorize a tuition surcharge for students on the research university campuses in an

1 amount of two hundred dollars (\$200.00) per in-State student per year and in an amount  
2 of four hundred dollars (\$400.00) per out-of-State student per year. The tuition  
3 surcharge shall be pro-rated for part-time students. The receipts from this surcharge  
4 shall be retained at the collecting campus and shall be used to increase the  
5 competitiveness of faculty teaching salaries, notwithstanding Part 14 of this act, in an  
6 amount equal to fifty percent (50%) of the total surcharge receipts, to increase student  
7 financial aid in an amount equal to thirty percent (30%) of the total surcharge receipts,  
8 and to enhance the operations of the library in an amount equal to twenty percent (20%)  
9 of the total surcharge receipts.

10  
11 Requested by: Senator Ward

12 **AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT**  
13 **LIMITATIONS**

14 Sec. 65. (a) The amount of a tuition grant awarded to a student enrolled in a  
15 degree program at a site away from the main campus of the approved private institution,  
16 as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per  
17 credit hour for off-campus instruction at that site to the cost per credit hour for regular,  
18 full-time on-campus instruction, multiplied by the maximum grant award, or the  
19 maximum grant award allowable under this act, whichever is less.

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

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

29 (c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding  
30 in this State incident to active military duty, who does not qualify as a resident for  
31 tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition  
32 Grant pursuant to this section if the member is enrolled as a full-time student. The  
33 member's Legislative Tuition Grant shall not exceed the cost of tuition less any tuition  
34 assistance paid by the member's employer.

35  
36 Requested by: Senator Ward

37 **AID TO PRIVATE COLLEGES/PROCEDURE**

38 Sec. 66. (a) Funds appropriated in this act to the Board of Governors of The  
39 University of North Carolina for aid to private colleges shall be disbursed in accordance  
40 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up  
41 to four hundred fifty dollars (\$450.00) per full-time equivalent North Carolina  
42 undergraduate student enrolled at a private institution as of October 1, 1993, and up to  
43 four hundred seventy-five dollars (\$475.00) as of October 1, 1994.

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

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

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

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

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

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

38 Any remaining funds shall revert to the General Fund.

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

41  
42 Requested by: Senators Perdue and Ward

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

1           Sec. 67. There is appropriated from overhead receipts at North Carolina State  
2 University to the Board of Governors of The University of North Carolina for North  
3 Carolina State University for the 1993-94 fiscal year and for the 1994-95 fiscal year the  
4 sums of two hundred fifty thousand dollars (\$250,000) for State matching funds for the  
5 Nonwovens Cooperative Research Center, five hundred thousand dollars (\$500,000) for  
6 the Furniture Manufacturing and Management Center, and three hundred thousand  
7 dollars (\$300,000) for technology enhancement in the pulp and paper manufacturing  
8 programs.

9  
10 Requested by: Senators Ward and Winner of Mecklenburg

#### 11 **NEW DEGREE PROGRAMS**

12           Sec. 68. The Board of Governors of The University of North Carolina shall  
13 allocate up to one million four hundred thousand dollars (\$1,400,000) for the 1993-94  
14 fiscal year of its lump sum appropriations in this act to supplement funds available to  
15 the constituent institutions to implement the new degree programs proposed in the long-  
16 range plan that have received the Board's approval for implementation.

17  
18 Requested by: Senator Warren

#### 19 **EAST CAROLINA UNIVERSITY MEDICAL SCHOOL/HOSPITAL** 20 **TEACHING COSTS**

21           Sec. 69. In the event that the State Medicaid Plan amendment affecting Pitt  
22 County Memorial Hospital reimbursement at full cost due to its status as a primary  
23 affiliated teaching hospital of a State-operated medical school is not approved by the  
24 Health Care Financing Agency, funds in the amount of five million four hundred twenty  
25 thousand nine hundred ninety-four dollars (\$5,420,994) for the 1993-94 fiscal year and  
26 five million eight hundred sixty-five thousand seven hundred thirteen dollars  
27 (\$5,865,713) for the 1994-95 fiscal year, shall be transferred from the Division of  
28 Medical Assistance, Department of Human Resources, to the East Carolina University  
29 School of Medicine for hospital teaching costs. In addition, if the amendment is not  
30 approved, for the 1993-94 fiscal year, the amount of ten million six hundred two  
31 thousand six hundred ninety-seven dollars (\$10,602,697) shall be appropriated from the  
32 Savings Reserve Fund to the East Carolina University School of Medicine for hospital  
33 teaching costs. If the amendment is not approved, the Governor shall notify the General  
34 Assembly of the amendment's failure and of the effecting of this section's  
35 appropriations, and the General Assembly shall address the need for additional funding  
36 for the East Carolina University School of Medicine Hospital Teaching Costs for the  
37 1994-95 fiscal year in the 1993 General Assembly, Regular Session 1994.

38  
39 Requested by: Senator Ward

#### 40 **ALLIED HEALTH PERSONNEL STUDY/AHEC**

41           Sec. 70. The Director of the North Carolina Area Health Education Centers  
42 program, in conjunction with staff of General Administration of The University of  
43 North Carolina and the North Carolina Department of Community Colleges, shall make  
44 recommendations to the General Assembly, utilizing data that is currently available, on

1 methods to increase the number of physical therapists, occupational therapists, speech  
2 and language pathologists, and other related allied health paraprofessional personnel  
3 graduating from the university and community college systems.

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

6  
7 Requested by: Senators Daniel and Plyler

8 **UNC EDUCATIONAL CONSORTIA**

9 Sec. 71. Of the funds appropriated to the Board of Governors of The  
10 University of North Carolina in this act, the sum of six hundred thousand dollars  
11 (\$600,000) in each year of the 1993-95 fiscal biennium shall be allocated by the Board  
12 to establish four new cooperative educational consortia at Appalachian State University,  
13 East Carolina University, North Carolina Central University, and the University of  
14 North Carolina at Charlotte.

15 These consortia shall link elementary and secondary education, higher education, and  
16 leadership in the business sector to:

- 17 (1) Improve education practices and enhance economic development;
- 18 (2) Focus research capabilities on educational issues and economic  
19 problems;
- 20 (3) Provide momentum for restructuring of public education to meet the  
21 requirements of the modern era;
- 22 (4) Seek grants and other funds for model projects on promising  
23 educational practices;
- 24 (5) Provide training, educational, and leadership development  
25 opportunities; and
- 26 (6) Provide other initiatives leading to improvements in education and  
27 economic development.

28  
29 Requested by: Senators Daniel and Plyler

30 **RURAL/PRIMARY CARE INITIATIVES**

31 Sec. 72. Of the funds appropriated to the Board of Governors of The  
32 University of North Carolina, the sum of two million one hundred thousand dollars  
33 (\$2,100,000) for the 1993-94 fiscal year and the sum of two million one hundred  
34 thousand dollars (\$2,100,000) for the 1994-95 fiscal year shall be used, according to  
35 Area Health Education Center Program plans, to expand programs for training primary  
36 care medical students, residents, and other health professionals in community settings.  
37 These settings include private practices, health departments, and community health  
38 services. These funds may be used to develop new programs and to expand existing  
39 programs to assure well-supervised outreach training sites.

40  
41 Requested by: Senators Daniel and Plyler

42 **NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS**

43 Sec. 73. (a) Article 7 of Chapter 130A of the General Statutes is amended by  
44 adding a new Part to read:

**"PART 1A. NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS.****"§ 130A-216. Need-based cytotechnology scholarships fund.**

(a) As used in this Part, 'cytotechnology' is the scientific study of cells, their origin, structure, and functions.

(b) There is created a need-based scholarship loan fund for cytotechnology students. Need-based scholarship loans shall be available for study in cytotechnology programs offered by community colleges and The University of North Carolina, and by private colleges which offer cytotechnology programs. Part-time students and nontraditional students who have postsecondary degrees are eligible to receive need-based cytotechnology scholarship loans.

(c) Need-based cytotechnology scholarship loan funds shall be administered by the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Education Assistance Authority. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall allocate the scholarship loan funds among their respective constituent institutions that have programs of education leading to a certificate in cytotechnology. Distribution shall be in a manner determined by the appropriate governing body. The State Education Assistance Authority shall distribute scholarship loan funds to private nonprofit colleges that offer cytotechnology programs. Distribution shall be in a manner determined by the Board of the State Education Assistance Authority after consultation with the North Carolina Association of Independent Colleges and Universities.

(d) The State Education Assistance Authority shall carry out the following functions in implementing the need-based cytotechnology scholarship loan program:

- (1) Promulgate the rules and regulations necessary to implement the scholarship program;
- (2) Disburse, collect, and monitor scholarship loan funds;
- (3) Establish the terms and conditions of promissory notes executed by loan recipients;
- (4) Approve service repayment agreements;
- (5) Collect cash repayments required when service repayment is not completed; and
- (6) Adopt rules to allow for the forgiveness of scholarship loans if it determines that it is impossible for the recipient to practice cytotechnology in North Carolina for a sufficient time to repay the loan because of the death or permanent disability of the recipient within 10 years following graduation or termination of enrollment in a cytotechnology education program.

(e) Each institution to which scholarship loan funds are allocated shall publicize the availability of, shall disseminate, receive and review applications for, and shall select the recipients of scholarship loans. Scholarship loans shall be made only to prospective and enrolled cytotechnology students under the terms and conditions established for the need-based cytotechnology scholarship loan program by the State Education Assistance Authority."

1 (b) Of the funds appropriated to the Board of Governors of The University  
 2 of North Carolina, the sum of twenty-four thousand dollars (\$24,000) for the 1993-94  
 3 fiscal year and the sum of twenty-four thousand dollars (\$24,000) for the 1994-95 fiscal  
 4 year shall be used for funding need-based scholarship loans for cytotechnology students.  
 5 Of the funds appropriated to the Board of Governors, twelve thousand dollars (\$12,000)  
 6 shall be allocated for each fiscal year to the State Education Assistance Authority for  
 7 allocation to private colleges in North Carolina that have cytotechnology programs.

8 (c) Of the funds appropriated to the Department of Community Colleges, the  
 9 sum of six thousand dollars (\$6,000) for the 1993-94 fiscal year and the sum of six  
 10 thousand dollars (\$6,000) for the 1994-95 fiscal year shall be used for funding need-  
 11 based scholarship loans for cytotechnology students.

12 (d) Of the funds appropriated to the Board of Governors of The University of  
 13 North Carolina, the sum of five thousand dollars (\$5,000) for the 1993-94 fiscal year  
 14 and the sum of five thousand dollars (\$5,000) for the 1994-95 fiscal year shall be used  
 15 to enable the State Education Assistance Authority to provide staff and administrative  
 16 support in carrying out the provisions of this Article.

17 (e) The Office of State Personnel shall review State cytotechnologist pay  
 18 scales and report its findings to the Joint Legislative Commission on Governmental  
 19 Operations and to the Secretary of the Department of Environment, Health, and Natural  
 20 Resources by November 1, 1993.

21  
 22 Requested by: Senator Perdue

23 **PRINCIPAL FELLOWS PROGRAM**

24 Sec. 73.1. (a) Chapter 116 of the General Statutes is amended by adding a  
 25 new Article to read:

26 **"ARTICLE 5C.**

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

28 **"§ 116-74.41. North Carolina Principal Fellows Commission established;**  
 29 **membership.**

30 (a) There is established the North Carolina Principal Fellows Commission. The  
 31 Commission shall exercise its powers and duties independently of the Board of  
 32 Governors of The University of North Carolina. The director of the Principal Fellows  
 33 Program shall staff the Commission. The State Education Assistance Authority (SEAA)  
 34 as created in G.S. 116-203 shall be responsible for implementing scholarship loan  
 35 agreements, monitoring, cancelling through service, collecting and otherwise enforcing  
 36 the agreements for the Principal Fellows Program scholarship loans established in  
 37 accordance with G.S. 116-74.42.

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

39 (1) One member of the Board of Governors of The University of North  
 40 Carolina appointed by the chair of that board, notwithstanding G.S.  
 41 116-7(b).

42 (2) One member of the State Board of Education appointed by the State  
 43 Board chair.

- 1           (3) Two deans of schools of education appointed by the President of The  
2 University of North Carolina.
- 3           (4) One public school teacher appointed by the General Assembly upon  
4 the recommendation of the President Pro Tempore of the Senate.
- 5           (5) One public school principal appointed by the General Assembly upon  
6 the recommendation of the Speaker of the House of Representatives.
- 7           (6) A local superintendent chosen by the State Superintendent of Public  
8 Instruction.
- 9           (7) One member to represent business and industry appointed by the  
10 Governor.
- 11          (8) One local school board member appointed by the chair of the State  
12 Board of Education.
- 13          (9) One parent of a public school child appointed by the State  
14 Superintendent of Public Instruction.
- 15          (10) The chairperson of the Board of the State Education Assistance  
16 Authority.
- 17          (11) The director of the Principal Fellows Program. The director shall chair  
18 the Commission.

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

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

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

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

36 **"§ 116-74.42. Principal Fellows Program established; administration.**

37          (a) A Principal Fellows Program shall be administered by the North Carolina  
38 Principal Fellows Commission in collaboration with the State Education Assistance  
39 Authority. The Principal Fellows Program shall provide up to a two-year scholarship  
40 loan to selected recipients and shall provide extracurricular enhancement activities for  
41 recipients. The North Carolina Principal Fellows Commission shall determine selection  
42 criteria, methods of selection, and shall select recipients to receive scholarship loans  
43 made under the Principal Fellows Program.



1       **(b)**    The Board of Governors of The University of North Carolina shall appoint a  
2 director of the Principal Fellows Program. The director shall chair and staff the  
3 Principal Fellows Commission, and shall administer the extracurricular enhancement  
4 activities of the program. The Board of Governors shall provide office space and  
5 clerical support staff for the program.

6       **(c)**    The Principal Fellows Program shall provide a two-year scholarship loan in  
7 the amount of twenty thousand dollars (\$20,000) per year, per recipient, to persons who  
8 may be eligible to be selected as school administrators in the public schools of the State  
9 by completing a full-time program in school administration in an approved program.  
10 Approved programs are those chosen by the Commission from among school  
11 administrator programs within the State. No more than 200 principal fellow scholarship  
12 loan awards shall be made in each year. The final number of scholarship loan awards  
13 per year shall be made in accordance with the Board of Governors' findings concerning  
14 the supply and demand of administrators, the State's need for school administrator  
15 candidates and within funds appropriated for the scholarship loans. Effective  
16 September 1, 1995, and in accordance with school administrator training programs  
17 established by the Board of Governors of The University of North Carolina, recipients  
18 shall be required to complete an approved full-time academic program during the first  
19 year of the scholarship loan program and a full-time internship during the second year  
20 of the program. In order to attract fellows as interns, local school administrative units  
21 may use all or part of the funds allotted for an assistant principal salary for each intern  
22 accepted by the local school administrative unit; however, interns shall not serve as  
23 assistant principals.

24       **(d)**    The Commission shall adopt stringent standards, which may include  
25 standardized test scores, undergraduate performance, job experience and performance,  
26 leadership and management abilities, and other standards deemed appropriate by the  
27 Commission, to ensure that only the best potential students receive scholarship loans  
28 under the Principal Fellows Program. The Commission shall consider the qualifications  
29 of all applicants fairly, regardless of gender or race, and shall consider the geographic  
30 diversity of the State. Scholarship loans under the Principal Fellows Program shall be  
31 awarded only to applicants who meet the standards set by the Commission, are  
32 domiciled in North Carolina, and who agree to work as school administrators in a North  
33 Carolina public school or at a school operated by the United States government in North  
34 Carolina upon completion of the two-year school administrator program supported by  
35 the loan.

36       **(e)**    State employees or employees of local school administrative units chosen to  
37 receive scholarship loans shall be eligible for coverage under the Teachers' and State  
38 Employees' Comprehensive Major Medical Plan.

39       **(f)**    The Commission shall develop and administer the Principal Fellows Program  
40 in cooperation with school administrator programs at institutions approved by the  
41 Commission. The Commission shall develop criteria and a process for the approval of  
42 campus program sites. Extracurricular enhancement activities shall be coordinated with  
43 each fellow's campus program and shall focus on the leadership development of  
44 program fellows.

1 (g) The Commission may form regional review committees to assist it in  
2 identifying the best applicants for the program. The Commission and the review  
3 committees shall make an effort to identify and encourage women and minorities and  
4 others who may not otherwise consider a career in school administration to apply for the  
5 Principal Fellows Program.

6 (h) Upon the naming of recipients of the scholarship loans by the Principal  
7 Fellows Commission, the Commission shall transfer to the State Education Assistance  
8 Authority (SEAA) its decisions. The SEAA shall perform all of the administrative  
9 functions necessary to implement this Article, which functions shall include: rule  
10 making, dissemination of information, disbursement, receipt, liaison with participating  
11 educational institutions, determination of the acceptability of service repayment  
12 agreements, and all other functions necessary for the execution, payment, and  
13 enforcement of promissory notes required under this Article.

14 **"§ 116-74.43. Terms of loans; receipt and disbursement of funds.**

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

21 (b) The State Education Assistance Authority shall forgive the loan if, within six  
22 years after graduation from a school administrator program, the recipient serves for four  
23 years as a school administrator at a North Carolina public school or at a school operated  
24 by the United States government in North Carolina. The SEAA shall also forgive the  
25 loan if it finds that it is impossible for the recipient to work for four years, within 10  
26 years after completion of the two-year school administrator program supported by the  
27 scholarship loan at a North Carolina public school, or at a school operated by the United  
28 States government in North Carolina, because of the death or permanent disability of the  
29 recipient. If the recipient repays the scholarship loan by cash payments, all  
30 indebtedness shall be repaid within 10 years after completion of the two-year school  
31 administrator program supported by the scholarship loan.

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

38 (b) The Commission may grant up to 50 scholarship loans during the 1994-95  
39 fiscal year to recipients enrolled in school administrator programs approved by the  
40 Commission.

41 (c) Nothing contained in this act shall be construed as obligating the General  
42 Assembly to appropriate funds. Sections of this act requiring State funding for  
43 implementation shall not become effective until such funds are appropriated.

1 (d) Nothing in this act shall be construed as obligating the Board of Governors of  
2 The University of North Carolina to allocate funds for the program established under  
3 this act unless additional appropriations for the program are made by the General  
4 Assembly.

5  
6 Requested by: Senator Perdue

7 **SCHOOL LEADERSHIP ACADEMY**

8 Sec. 73.2. (a) The Board of Governors of The University of North Carolina and  
9 the State Board of Education shall convene a Joint Committee to study how to establish  
10 a School Leadership Academy to serve the needs of all school administrators throughout  
11 the State. There shall be nine members of the Joint Committee. Members shall receive  
12 per diem, subsistence, and travel allowances in accordance with G.S. 138-5, or G.S.  
13 138-6, as appropriate. Appointments to the committee shall be made within 30 days of  
14 ratification of this act. Except as otherwise provided, if a vacancy occurs in the  
15 membership, the appointing authority shall appoint another person to serve for the  
16 balance of the unexpired term. At the discretion of the appointing authority, Joint  
17 Committee members may continue to serve on the Joint Committee after their  
18 appointment to the Board of Governors or the State Board of Education has expired.  
19 Appointments shall be made as follows:

- 20 (1) Three members of the Board of Governors appointed by the Chair of  
21 the Board of Governors; one of the three shall be designated cochair of  
22 the Joint Committee.
- 23 (2) Three members of the State Board of Education appointed by the Chair  
24 of the State Board of Education; one of the three shall be designated  
25 cochair of the Joint Committee.
- 26 (3) The Superintendent of Public Instruction, or a designee.
- 27 (4) One dean of a school of education appointed by the President of The  
28 University of North Carolina.
- 29 (5) The President of the North Carolina Association of Independent  
30 Colleges and Universities, or a designee.
- 31 (b) In its planning the Joint Committee shall consider:
- 32 (1) The recommendations of the report submitted to the 1993 General  
33 Assembly by the Educational Leadership Task Force.
- 34 (2) How to incorporate all or part of the Principal's Executive Program  
35 into the Educational Leadership Academy.
- 36 (3) A design for a governing board for the Educational Leadership  
37 Academy composed of persons who have demonstrated a commitment  
38 to improving educational leadership in the State including practicing  
39 school administrators and professors of schools of education.
- 40 (4) A charge to the governing board that ensures coordination between the  
41 Educational Leadership Academy and the initial preparation programs.
- 42 (5) How the State Board of Education shall ensure that all school  
43 administrators be required to complete at least five of their 15  
44 continuing education units for continued practice in the profession in

- 1 Educational Leadership Academy programs or in programs endorsed  
2 by the Educational Leadership Academy's governing board.
- 3 (6) How to ensure that coordinated and geographically dispersed  
4 professional development opportunities exist for school administrators.
- 5 (7) What facilities and staff are needed for the Academy; the Joint  
6 Committee shall recommend whether a building is needed, and, if so,  
7 whether there is an existing building that can be used to meet the needs  
8 of the Academy, or if a new building is needed.
- 9 (8) The cost of its recommendations which shall be included in its report  
10 to the Joint Legislative Education Oversight Committee.
- 11 (b) The General Administration of The University of North Carolina shall  
12 provide meeting rooms, telephone, office space, equipment, and supplies to the Joint  
13 Committee without charge.
- 14 (c) The General Administration of The University of North Carolina and the  
15 Department of Public Instruction shall provide staff to the Joint Committee.
- 16 (d) Upon the request of the cochairs of the Joint Committee, all State  
17 departments and agencies, all local governments and their subdivisions, and all  
18 institutions approved to train public school administrators shall furnish the Committee  
19 with any nonconfidential information in their possession or available to them.
- 20 (e) The Joint Committee shall report on its findings and the  
21 recommendations concerning the establishment of the School Leadership Academy to  
22 the Joint Legislative Education Oversight Committee no later than March 1, 1994. The  
23 Joint Committee shall terminate on that date.
- 24 (f) Of the funds appropriated to the Board of Governors for the 1993-94 fiscal  
25 year, up to the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the  
26 work of the Joint Committee. Of the funds appropriated to the Department of Public  
27 Education for aid to local school administrative units for the 1993-94 fiscal year, up to  
28 the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the work of the  
29 Joint Committee.

30  
31 Requested by: Senators Warren and Martin of Pitt

32 **ECU SCHOOL OF MEDICINE/USE OF RECEIPTS**

33 Sec. 73.3. (a) The East Carolina University School of Medicine shall request, on  
34 a regular basis consistent with the State's cash management plan, funds earned by the  
35 school from Medicare reimbursements for education costs. Upon receipt, these funds  
36 shall be allocated as follows:

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

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

4 (3) The remainder of the funds shall be transferred to a special fund  
5 account on deposit with the State Treasurer. This special fund account  
6 shall be used for any necessary repayment of Medicare funds due to  
7 final audit settlements for funds allocated under subdivision (2) of this  
8 subsection. When the amount of these reimbursement funds has been  
9 finalized by audit for each year, those funds remaining in the special  
10 fund shall be available for appropriation by the General Assembly for  
11 specific capital improvement projects for the East Carolina University  
12 School of Medicine. Requests by East Carolina University for  
13 appropriations of these funds shall be made to The University of North  
14 Carolina Board of Governors.

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

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

23 (c) All revenue for the treatment of patients in the Radiation Therapy Facility  
24 shall accrue to the East Carolina University School of Medicine's Medical Faculty  
25 Practice Plan accounts. The Medical Faculty Practice Plan shall reimburse the General  
26 Fund budget code quarterly for operating costs of the facility paid by the General Fund.  
27 The reimbursement amount shall be limited to that portion of receipts actually collected  
28 for the facility charges portion of billings.

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

## 31 32 **PART 16. COMMUNITY COLLEGES**

33  
34 Requested by: Senator Ward

### 35 **COURSE REPETITION POLICY**

36 Sec. 74. (a) No full-time equivalent students (FTE) shall be generated for  
37 occupational extensions students after the first repetition of an occupational extension  
38 class. Except as provided in subsection (b) of this section, if students take an  
39 occupational extension class more than twice, they shall pay the full amount of the per  
40 student cost for the class and the community college shall earn no budget FTE for these  
41 students.

42 (b) Community colleges may permit a student to repeat a course more than  
43 once if that student demonstrates that the course repetition is required by standards  
44 governing the certificate or licensing program in which the student is enrolled. Colleges

1 permitting this course repetition shall earn budget FTE for the student and shall report  
2 on a regular basis to the State Board on the students they have permitted this course  
3 repetition and on the certification or licensure requirements that necessitated it.

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

8

9 Requested by: Senator Ward

#### 10 **AUDIT POLICIES**

11 Sec. 75. (a) The State Board of Community Colleges shall require that the  
12 program auditors shall use a minimum twenty-five percent (25%) sample size in their  
13 audits of community colleges.

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

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

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

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

27

28 Requested by: Senator Ward

#### 29 **COMMUNITY COLLEGE IN-PLANT TRAINING**

30 Sec. 76. (a) The State Board of Community Colleges shall operate in-plant  
31 training programs in accordance with the rules adopted by the State Board on April 8,  
32 1993, except that the State Board may increase the administrative overhead percentage  
33 from fifteen percent (15%) to twenty-five percent (25%).

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

39

40 Requested by: Senator Ward

#### 41 **PRISON EDUCATION**

42 Sec. 77. (a) Correction education programs shall report full-time equivalent  
43 (FTE) student hours on the basis of contact hours rather than student membership hours.

1 (b) The State Board of Community Colleges shall develop a plan for the  
2 delivery of appropriate education in correctional facilities. This plan shall address the  
3 length and type of course, taking into consideration the mobility of the prison  
4 population. The State Board shall report its plan to the General Assembly by May 1,  
5 1994.

6  
7 Requested by: Senator Ward

8 **HUSKINS PROGRAM**

9 Sec. 78. (a) The State Board of Community Colleges shall ensure that all  
10 courses offered to high school students under Huskins Bill programs are limited to  
11 college level courses that are not available or could not be offered by the local high  
12 schools.

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

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

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

27  
28 Requested by: Senator Ward

29 **COMMUNITY COLLEGE SHELTERED WORKSHOPS FUNDS TRANSFER**

30 Sec. 79. In order to achieve administrative efficiencies, it is the intent of the  
31 General Assembly to provide funds for sheltered workshops through the Department of  
32 Human Resources' Adult Developmental Activity Program (ADAP). Of the funds  
33 appropriated to the Division of Mental Health, Developmental Disabilities, and  
34 Substance Abuse Services, Department of Human Resources, in this act, the sum of five  
35 hundred twelve thousand nine hundred twenty-five dollars (\$512,925) for each year of  
36 the 1993-95 biennium shall be used for providing funds to the sheltered workshops that  
37 received funds from local community colleges during the fall quarter of 1992. The  
38 Department of Human Resources shall not use any of these funds for administration.  
39 No State funds shall be used by community colleges to provide training in sheltered  
40 workshops, except for compensatory education and literacy programs.

41  
42 Requested by: Senator Ward

43 **REMEDIATION MEASURES**

1           Sec. 80. (a) The State Board of Community Colleges shall study the different  
2 tests used by colleges to place students in developmental courses. This study shall  
3 determine appropriate tests and proficiency levels to be used in selecting and placing  
4 students in developmental courses.

5           (b) The State Board shall report its findings to the General Assembly by May  
6 1, 1994.

7  
8 Requested by: Senator Ward

9 **COMMUNITY COLLEGE ACCOUNTABILITY MEASURES**

10           Sec. 81. (a) The State Board of Community Colleges shall establish  
11 standards for levels of institutional performance on those critical success factors that can  
12 be appropriately measured to indicate how individual colleges are performing in  
13 meeting the goals of the North Carolina Community College System. Each community  
14 college shall report its performance on these measures to the State Board. Colleges that  
15 fail to attain any of the the standards in any year shall report to the State Board the  
16 reasons why performance fell below standards and the steps being taken to meet the  
17 standards.

18           (b) The State Board of Community Colleges shall study models for  
19 measuring institutional effectiveness, such as the Desktop Audit used by Coastal  
20 Carolina Community College, and shall direct community colleges to utilize similar  
21 models in providing accountability information to the State Board for the General  
22 Assembly. Colleges shall provide information on graduate placement rates and  
23 employer, graduate, and early leavers satisfaction with college programs to the State  
24 Board. In addition, the State Board shall direct colleges to follow up on early leavers  
25 from their programs to determine, to the extent possible, the reasons for their  
26 withdrawal from college programs.

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

30  
31 Requested by: Senator Ward

32 **MAINTENANCE OF PLANT**

33           Sec. 82. Article 3 of Chapter 115D of the General Statutes is amended by  
34 adding a new section to read:

35 **"§ 115D-31.2. Maintenance of plant.**

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

42  
43 Requested by: Senator Ward



1 **OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**  
2 **EXTENSION**

3 Sec. 83. Chapter 115D-5 is amended by adding a new subsection to read:

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

10  
11 Requested by: Senator Ward

12 **FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY**  
13 **COLLEGES**

14 Sec. 84. For the purpose of determining the community college system-wide  
15 number of full-time equivalent (FTE) student enrollment each year, the total curriculum  
16 full-time equivalent student enrollment shall be divided by the appropriate number for  
17 each year of the 1993-95 fiscal biennium pursuant to funds appropriated in this act for  
18 this purpose. The occupational extension full-time equivalent student enrollment shall  
19 be divided by 23 for the 1993-95 fiscal biennium.

20  
21 Requested by: Senator Ward

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

23 Sec. 85. Appropriations to the Department of Community Colleges for  
24 equipment and library books are made for each year of the fiscal biennium. All  
25 unencumbered appropriations shall revert to the General Fund 12 months after the close  
26 of each fiscal year for which they were appropriated. Encumbered balances outstanding  
27 at the end of each period shall be handled in accordance with existing State budget  
28 policies. The Department shall be able to identify to the Office of State Budget and  
29 Management which appropriations will revert at the end of the 12 months after the close  
30 of each fiscal year.

31  
32 Requested by: Senator Ward

33 **ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION**

34 Sec. 86. Funds appropriated in this act to the Department of Community  
35 Colleges to provide financial assistance to hospital programs of nursing education  
36 leading to diplomas in nursing that are fully accredited by the North Carolina Board of  
37 Nursing and operated under the authority of a public or nonprofit hospital licensed by  
38 the North Carolina Medical Care Commission shall be distributed, upon application for  
39 financial assistance, for each full-time student duly enrolled in the program as of  
40 December 1, 1992, and on condition that accreditation is maintained. The amount per  
41 student shall not exceed eight hundred fifty dollars (\$850.00). The State Board of  
42 Community Colleges shall adopt rules to ensure that this financial assistance is used  
43 directly for faculty and instructional needs of diploma nursing programs.

1 Requested by: Senators Plyler and Daniel

2 **STUDENT CENSUS DATE**

3           Sec. 87. (a) The census date for reporting student membership hours for  
4 curriculum and occupational extension classes shall be at the thirty percent (30%) point  
5 of the class.

6           (b) Subsection (a) of this section does not apply to courses offered on a  
7 contact-hour basis.

8

9 Requested by: Senators Ward and Conder

10 **"TECH PREP"IMPLEMENTATION**

11           Sec. 87.1. Of the funds available to State-aid to local school administrative  
12 units for vocational education, fifty thousand dollars (\$50,000) for the 1993-94 fiscal  
13 year and fifty thousand dollars (\$50,000) for the 1994-95 fiscal year, shall be allocated  
14 to the North Carolina TEch Prep Leadership Development Center at Richmond  
15 Community College for assistance to local education agencies and community colleges  
16 in planning and implementing "Tech Prep" across the State. The Department of  
17 Community Colleges shall allocate fifty thousand dollars (\$50,000) each fiscal year  
18 from funds available to it for the 1993-94 fiscal year and for the 1994-95 fiscal year for  
19 the North Carolina "Tech Prep" Leadership Development Center at Richmond  
20 Community College.

21

22 **PART 17. PUBLIC SCHOOLS**

23

24 Requested by: Senator Perdue

25 **FRESHMAN PERFORMANCE REPORTS MADE AVAILABLE TO PARENTS**  
26 **OF HIGH SCHOOL STUDENTS**

27           Sec. 88. G.S. 115C-12(18)c. reads as rewritten:

28           "c. The State Board of Education shall comply with the provisions  
29 of G.S. 116-11(10a) to plan and implement an exchange of  
30 information between the public schools and the institutions of  
31 higher education in the State. The State Board of Education  
32 shall require local boards of education to provide to the parents  
33 of children at a school, all information except for confidential  
34 information received about that school from institutions of  
35 higher education pursuant to G.S. 116-11(10a) and to make that  
36 information available to the general public."

37

38 Requested by: Senator Ward

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

40           Sec. 89. The State Board of Education shall require the local school  
41 administrative units receiving career development funds to modify their differentiated  
42 pay plans for the 1994-95 fiscal year so that the cost of the differentiated pay plan  
43 equals (i) five percent (5%) of teacher and administrator salaries and of the employer's

1 contributions for social security and retirement, for the prior fiscal year, and (ii) the  
2 amount of local funds available for differentiated pay.

3 It is the intent of the General Assembly that this reduction in appropriations  
4 not result in employees receiving less on a monthly basis in salary and State-funded  
5 bonuses during the 1994-95 fiscal year than they received on a monthly basis during the  
6 1993-94 fiscal year so long as the employees qualify for bonuses under the local  
7 differentiated pay plan.

8

9 Requested by: Senator Ward

10 **TEACHER SALARY SCHEDULES**

11 Sec. 90. (a) The Director of the Budget may transfer from the Reserve for  
12 Salary Increases for the 1993-94 fiscal year funds necessary to implement the teacher  
13 salary schedule set out in subsection (b) of this section, including funds for the  
14 employer's retirement and social security contributions and funds for annual longevity  
15 payments at one percent (1%) of base salary for 10 to 14 years of State service, one and  
16 one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent  
17 (2%) of base salary for 20 to 24 years of State service, and two and one-half percent  
18 (2.5%) of base salary for 25 years of State service, commencing July 1, 1993, for all  
19 teachers whose salaries are supported from the State's General Fund. These funds shall  
20 be allocated to individuals according to rules adopted by the State Board of Education  
21 and the Superintendent of Public Instruction. The longevity payment shall be paid in a  
22 lump sum once a year.

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

27	Years of	1993-94
28	<u>Experience</u>	<u>Salary</u>
29		
30	00	\$2,002
31	01	2,042
32	02	2,083
33	03	2,125
34	04	2,168
35	05	2,211
36	06	2,255
37	07	2,300
38	08	2,346
39	09	2,393
40	10	2,441
41	11	2,490
42	12	2,540
43	13	2,591
44	14	2,643

1	15	2,696
2	16	2,750
3	17	2,805
4	18	2,861
5	19	2,918
6	20	2,976
7	21	3,036
8	22	3,097
9	23	3,159
10	24	3,222
11	25	3,286
12	26	3,352
13	27	3,419
14	28	3,487
15	29+	3,557

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

	<u>Years of</u>	<u>1993-94</u>
	<u>Experience</u>	<u>Salary</u>
23	00	\$2,127
24	01	2,170
25	02	2,213
26	03	2,257
27	04	2,302
28	05	2,348
29	06	2,395
30	07	2,443
31	08	2,492
32	09	2,542
33	10	2,593
34	11	2,645
35	12	2,698
36	13	2,752
37	14	2,807
38	15	2,863
39	16	2,920
40	17	2,978
41	18	3,038
42	19	3,099
43	20	3,161
44	21	3,224

1	22	3,288
2	23	3,354
3	24	3,421
4	25	3,489
5	26	3,559
6	27	3,630
7	28	3,703
8	29+	3,777

(3) Beginning July 1, 1993, certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month. This supplement is in lieu of the separate salary schedule adopted by the General Assembly for these employees in Section 72 of Chapter 900 of the 1991 Session Laws.

(4) Beginning July 1, 1993, certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month. This supplement is in lieu of the separate salary schedule adopted by the General Assembly for these employees in Section 72 of Chapter 900 of the 1991 Session Laws.

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

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

Requested by: Senator Ward

#### **OFFICE OF TEACHER RECRUITMENT STATUTES REPEALED**

Sec. 91. Part 1 of Article 24C of Chapter 115C is repealed.

Requested by: Senator Ward

#### **ALLOCATION OF FUNDS FOR MERGED CAREER LADDER PILOT PROJECTS**

Sec. 92. (a) Any differentiated pay plan for a local school administrative unit in a school unit that resulted from a merger of a school unit that was a career development pilot project and a school unit that was not a career development pilot project shall receive (i) the amount of funds that was previously allocated to the particular pilot project by the State Board of Education and (ii) the amount of funds the unit is entitled

1 to receive to administer the School Accountability Act of 1989 pursuant to this act for  
2 the portion of the merged unit that did not participate in the pilot project.

3 (b) The differentiated pay plan for a local school administrative unit that  
4 resulted from a merger subsequent to July 1, 1993, of a school unit that was a career  
5 development pilot project and a school unit that was not a career development pilot  
6 project may be modified by the local school board, upon the recommendation of the  
7 State Superintendent of Public Instruction and with the approval of the State Board of  
8 Education.

9  
10 Requested by: Senator Ward

### 11 **REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

12 Sec. 93. Notwithstanding G.S. 143-23 or any other provision of law, the  
13 Superintendent of Public Instruction shall reorganize the Department of Public  
14 Instruction to implement a seven hundred sixty-three thousand three hundred sixty-six  
15 dollar (\$763,366) base budget reduction for the 1993-94 fiscal year and a one million  
16 seven hundred eighty one thousand seven hundred sixteen dollar (\$1,781,716) base  
17 budget reduction for the 1994-95 fiscal year. As a result of the reorganization, 57  
18 positions funded from the General Fund and 29 positions funded from other sources  
19 shall be abolished during the 1993-95 fiscal biennium.

20  
21 Requested by: Senator Ward

### 22 **SCHOOL COUNSELOR FUNDS**

23 Sec. 94. Funds in the amount of ten million two hundred sixty-eight thousand  
24 six hundred fifty-seven dollars (\$10,268,657) for the 1993-94 fiscal year and ten million  
25 two hundred sixty-eight thousand six hundred fifty-seven dollars (\$10,268,657) for the  
26 1994-95 fiscal year are appropriated to lower the ratio of counselors to students toward  
27 the 1 to 400 ratio set out in the Basic Education Program. If a local school  
28 administrative unit has already achieved the 1 to 400 ratio set out in the Basic Education  
29 Program, the unit may use the funds appropriated for school counselors for other  
30 instructional support personnel.

31  
32 Requested by: Senator Winner of Mecklenburg

### 33 **SCHOOL TECHNOLOGY COMMISSION CREATED**

34 Sec. 95. (a) There is created the Commission on School Technology. The  
35 Commission shall be located administratively in the Department of Public Education  
36 but shall exercise all its prescribed statutory powers independently of the State Board of  
37 Education and the Department of Public Instruction.

38 (b) The Commission shall consist of the following 21 members:

- 39 (1) The Governor or a designee;
- 40 (2) One teacher, one school administrator, one member of a local board of  
41 education, and one representative of business or industry, appointed by  
42 the Governor;

- 1 (3) One teacher, one local board of education member, one representative  
2 of business or industry, and three members of the Senate, appointed by  
3 the President Pro Tempore of the Senate;
- 4 (4) One teacher, one school administrator, one parent of a child attending  
5 a public school, and three members of the House of Representatives,  
6 appointed by the Speaker of the House of Representatives;
- 7 (5) The State Superintendent of Public Instruction or a designee;
- 8 (6) One representative of The University of North Carolina, appointed by  
9 the President of The University of North Carolina;
- 10 (7) One representative of the North Carolina Community College System,  
11 appointed by the President of the North Carolina Community College  
12 System; and
- 13 (8) The chair of the Information Resources Management Commission, or  
14 a designee.

15 No producers or vendors of learning technologies shall serve on the Commission.

16 Vacancies in appointments shall be filled by the appointing officer. Persons  
17 appointed to fill vacancies shall qualify in the same manner as persons appointed for full  
18 terms.

19 The President Pro Tempore of the Senate shall designate one member of the  
20 Senate serving on the Commission to serve as cochair. The Speaker of the House of  
21 Representatives shall designate one member of the House serving on the Commission to  
22 serve as cochair.

23 (c) The Commission shall prepare a requirements analysis and propose a plan to  
24 the General Assembly for improving student performance in the public schools through  
25 the use of learning technologies. In developing this plan, the Commission shall:

- 26 (1) Assess factors related to the current use of learning technologies in the  
27 schools including what is currently being used, how the current use of  
28 technology relates to the standard course of study, how the  
29 effectiveness of learning technologies is being evaluated, how schools  
30 are paying for learning technologies, and what training school  
31 employees have received in the use of learning technology.
- 32 (2) Identify the instructional goals that can be met through the use of  
33 learning technologies. The goals may include teaching the standard  
34 course of study, reaching students with a broad range of abilities, and  
35 ensuring that all students have access to a complete curriculum  
36 regardless of the geographical location or the financial resources of the  
37 school.
- 38 (3) Examine the types of learning technologies available to meet the  
39 identified instructional goals including computers, audio-visual aids,  
40 science laboratory equipment, vocational education equipment, and  
41 distance learning networks. The Commission shall consider the  
42 compatibility and accessibility of different types of learning  
43 technologies and whether they may be easily communicated from one  
44 site to another.

- 1           (4) Consider the types of staff development necessary to maximize the  
2           benefits of learning technologies and determine the appropriate ways  
3           to provide the necessary staff development.
- 4           (5) Consider staffing required to operate the learning technologies and  
5           options for maintaining the equipment.
- 6           (6) Develop a funding plan that will pay for an initial investment in  
7           learning technologies and ensure that funds are available for newly  
8           developing technologies.

9 The Commission shall report the plan it develops to the General Assembly prior to May  
10 1, 1994.

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

15       (e) The Department of Public Instruction shall provide requested professional  
16 and clerical staff to the Commission. The Commission may also employ professional  
17 and clerical staff and may hire outside consultants to assist it in its work. The  
18 Commission may use an outside consultant to perform a requirements analysis for  
19 learning technologies on a statewide basis that is based on information gathered from  
20 each local school administrative unit and that considers the needs of teachers, students,  
21 and administrators.

22       (f) The Commission shall expire when it makes a final report to the General  
23 Assembly.

24       (g) Of the funds appropriated to the Department of Public Instruction in this  
25 act, the sum of three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year  
26 shall be used to implement the provisions of this section.

27

28 Requested by: Senator Perdue

29 **WEYERHAEUSER FINE TO CRAVEN COUNTY SCHOOLS**

30       Sec. 96. (a) The sum of nine hundred twenty-six thousand dollars (\$926,000)  
31 that was paid by the Weyerhaeuser Corporation to the Department of Environment,  
32 Health, and Natural Resources, Division of Environmental Management, on October 17,  
33 1991, as a civil fine for violation of laws and regulations designed to protect the air  
34 quality and prevent air pollution shall not be available for expenditure by the  
35 Department of Environment, Health, and Natural Resources and shall not revert to the  
36 General Fund. The funds are reallocated to the Craven County Board of Education for  
37 the public schools in Craven County.

38       (b) This section becomes effective the earlier of (i) June 30, 1993, and (ii) the  
39 date of ratification of this act.

40

41 Requested by: Senator Lee

42 **TEACHER ACADEMY PLAN**



1           Sec. 97. (a) There is created in the Department of Public Instruction the  
2 Teacher Academy Task Force. The Task Force shall consist of 15 members appointed  
3 as follows:

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

26           (b) The Task Force shall develop for consideration by the General Assembly  
27 a plan to establish a statewide network of high quality, integrated, comprehensive, and  
28 sustained professional development for teachers in school committee leadership and the  
29 core content areas. The plan shall integrate fully the resources of the State and local  
30 units.

31           The plan shall address the following:

- 32          (1) Efficient and effective use of existing State, federal, and local  
33          resources through an integrated delivery of professional development  
34          to teachers.
- 35          (2) Short-range and long-range plans for school-based staff development  
36          that address the professional development needs of teachers in site-  
37          based decision making, core content areas, and instruction.
- 38          (3) Effective use of the North Carolina Center for Advancement of  
39          Teaching facility and staff in the delivery of teacher professional  
40          development.
- 41          (4) Training that minimizes the time teachers are away from classroom  
42          instruction.

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

25 The Task Force shall consider existing professional development  
26 organizations and networks in the development of the Plan. The Task Force shall also  
27 work in conjunction with the Teacher Training Task Force in the development of the  
28 Plan.

29 (c) The Department of Public Instruction shall provide professional and  
30 clerical services to the Task Force. The Department of Public Instruction shall also  
31 provide meeting rooms, telephones, office space, equipment, and supplies to the  
32 Commission.

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

35 (e) The Task Force shall report the Plan to the Joint Legislative Education  
36 Oversight Committee no later than March 1, 1994.

37 (f) The Department of Public Instruction shall begin implementation of  
38 Teacher Academies by developing training modules, training the initial cadre of teacher  
39 trainers, contracting with trainers, and selecting universities as sites for Teacher  
40 Academies for summer training in 1994. The Department of Public Instruction shall  
41 conduct initial teacher training at multiple sites, starting in the summer of 1994. In  
42 carrying out its responsibilities under this subsection, the Department of Public  
43 Instruction shall consider the work of the Teacher Academy Task Force.

1 (g) The State Board of Education shall use up to three hundred thousand  
2 dollars (\$300,000) of the funds received by the State Board of Education prior to June  
3 30, 1993, from audit exceptions and refunds to Aid to Local School Administrative  
4 Units to implement the provisions of this section. Of these funds, the sum of fifteen  
5 thousand dollars (\$15,000) for the 1993-94 fiscal year shall be used to carry out the  
6 work of the Teacher Academy Task Force and the sum of two hundred eighty-five  
7 thousand dollars (\$285,000) for the 1993-94 fiscal year shall be used by the Department  
8 of Public Instruction to begin implementation of Teacher Academies by developing  
9 training modules, training the initial cadre of teacher trainers, contracting with trainers,  
10 and selecting universities as sites for Teacher Academies for summer training in 1994.

11 (h) Subsection (g) of this section becomes effective June 30, 1993. Funds  
12 allocated pursuant to subsection (g) of this section shall not revert on July 1, 1993.

13  
14 Requested by: Senator Perdue

15 **ROLE OF THE DEPARTMENT OF PUBLIC INSTRUCTION IN STAFF**  
16 **DEVELOPMENT**

17 Sec. 98. The Joint Legislative Education Oversight Committee may hire a  
18 consultant to review the role and capabilities of the Department of Public Instruction  
19 with respect to the implementation of site-based management and decision-making.  
20 The consultant shall review the organization of the Department with respect to the  
21 implementation of site-based management and decision making and provide  
22 recommendations to the Committee.

23 The Committee shall receive the consultant's analysis and report on its results  
24 to the General Assembly prior to May 1, 1994.

25 It is the intent of the General Assembly that any savings achieved as a result  
26 of the consultant's work shall be used for retraining teachers and upgrading teachers'  
27 skills.

28  
29 Requested by: Senator Ward

30 **STAFF DEVELOPMENT FUND**

31 Sec. 99. (a) The State Board of Education shall use up to three million eight  
32 hundred thousand dollars (\$3,800,000) of the funds received by the State Board of  
33 Education prior to June 30, 1993, from audit exceptions and refunds to Aid to Local  
34 School Administrative Units for staff development activities. These funds shall not be  
35 used for staff development activities that require the hiring of substitute teachers for  
36 teachers participating in the activities or substitute teachers for teachers participating in  
37 staff development activities.

38 (b) The Department of Public Instruction shall report to the Joint Legislative  
39 Oversight Committee prior to April 15, 1994, on the use of State, federal, and local  
40 funds for substitute teachers from August 1, 1989, through January 1, 1994. The report  
41 shall include the number of the days used and the purposes for which they were used.

42 (c) Subsection (a) of this section becomes effective June 30, 1993. Funds  
43 allocated pursuant to subsection (a) of this section shall not revert on July 1, 1993.

1 Requested by: Senator Ward

2 **EXCEPTIONAL CHILDREN FUNDS**

3 Sec. 100. (a) The funds appropriated for exceptional children in this act shall  
4 be allocated as follows:

5 (1) Each local school administrative unit shall receive for academically  
6 gifted children the sum of \$643.65 per child for 3.9% of the 1992-93  
7 actual average daily membership in the local school administrative  
8 unit, regardless of the number of children identified as academically  
9 gifted in the local school administrative unit. The total number of  
10 children for which funds shall be allocated pursuant to this subdivision  
11 is 43,114 for the 1993-94 school year.

12 (2) Each local school administrative unit shall receive for exceptional  
13 children other than academically gifted children the sum of \$1,930.95  
14 per child for the lesser of (i) all children who are identified as  
15 exceptional children other than academically gifted children or (ii)  
16 12.5% of the 1992-93 actual average daily membership in the local  
17 school administrative unit. The maximum number of children for  
18 which funds shall be allocated pursuant to this subdivision is 125,316  
19 for the 1993-94 school year.

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

23 (b) The State Board of Education shall study the methods of identifying  
24 exceptional children and formulas for allocating funds for exceptional children,  
25 including a weighted pupil formula that approximates the actual costs of providing  
26 services. The formula may weight components including the severity of exceptionality,  
27 wealth of the local educational agency, and any other factor the State Board of  
28 Education considers appropriate. The State Board of Education shall ensure that the  
29 weights do not encourage local educational agencies as defined in G.S. 115C-110 to  
30 categorize children as more severely impaired than they are or to serve children in more  
31 restrictive settings than are needed. The State Board of Education shall determine the  
32 impact on current funding levels by running simulations of any formula that it  
33 considers, and shall recommend a five-year timeline beginning with the 1995-96 fiscal  
34 year for implementation of the formula, which may include the elimination of caps in  
35 allocating exceptional children's funds at the end of the five years.

36 The State Board of Education shall report its recommendations and findings  
37 to the Commission on Children with Special Needs and to the chairs of the  
38 appropriations committees and the appropriations subcommittees on education of the  
39 Senate and the House of Representatives by March 15, 1994.

40

41 Requested by: Senator Ward

42 **EXTENDED SERVICES ALLOTMENT**

43 Sec. 101. (a) The allotments for summer school, remediation, dropout  
44 prevention, community schools, duty-free period, and sports medicine are combined and

1 shall be allocated by the State Board of Education under an allotment for extended  
2 services. For budgetary reporting and accounting purposes, local school administrative  
3 units shall continue to provide expenditure data at such detailed levels as are required by  
4 the State Board of Education.

5 At the close of the fiscal year, the unencumbered balances of funds allocated  
6 to local school administrative units by the State Board of Education under the Extended  
7 Services Allotment shall not revert and shall be carried forward to the next fiscal year.  
8 Local school administrative units shall use these unencumbered balances in the  
9 Extended Services Allotment only for one-time expenditures that do not impose  
10 additional financial obligations on the State or the local school administrative unit and  
11 that directly contribute to improved student performance.

12 (b) G.S. 115C-301.1 reads as rewritten:

13 **"§ 115C-301.1. Duty free period.**

14 ~~All~~ It is the intent of the General Assembly that all full-time assigned classroom  
15 teachers shall be provided a daily duty free period during regular student contact ~~hours.~~  
16 ~~The duty free period shall be provided to the maximum extent that (i) the — safety~~  
17 ~~and proper supervision of children may allow during regular student contact hours and~~  
18 ~~(ii) insofar as funds are provided for this purpose by the General Assembly. If the safety~~  
19 ~~and supervision of children does not allow a daily duty free period during regular~~  
20 ~~student contact hours for a given teacher, the funds provided by the General Assembly~~  
21 ~~for the duty free period for that teacher shall revert to the general fund.~~ hours to the  
22 extent that the safety and proper supervision of children may allow. Local boards of  
23 education may use funds from the Extended Services Allotment to provide for a daily  
24 duty free period."

25 (c) G.S. 115C-174.11(b) reads as rewritten:

26 "(b) Competency Testing Program.

- 27 (1) The State Board of Education shall adopt tests or other measurement  
28 devices which may be used to assure that graduates of the public high  
29 schools and graduates of nonpublic schools supervised by the State  
30 Board of Education pursuant to the provisions of Part 1 of Article 39  
31 of this Chapter possess the skills and knowledge necessary to function  
32 independently and successfully in assuming the responsibilities of  
33 citizenship.
- 34 (2) The tests shall be administered annually to all tenth grade students in  
35 the public schools. Students who fail to attain the required minimum  
36 standard for graduation in the tenth grade shall be given remedial  
37 instruction and additional opportunities to take the test up to and  
38 including the last month of the twelfth grade. Students who fail to pass  
39 parts of the test shall be retested on only those parts they fail. Students  
40 in the tenth grade who are enrolled in special education programs or  
41 who have been officially designated as eligible for participation in  
42 such programs may be excluded from the testing programs.
- 43 (3) The State Board of Education may develop and validate alternate  
44 means and standards for demonstrating minimum competence. These

standards, which must be more difficult than the tests adopted pursuant to subdivision (1) of this subsection, may be passed by students in lieu of the testing requirement of subdivision (2) of this subsection.

- (4) Funds appropriated for the purpose of remediation support for students who fail the high school competency test shall be distributed ~~in accordance with rules promulgated by the State Board of Education to local school administrative units within the Extended Services Allotment.~~ The State Board of Education shall allocate remediation funds to institutions administered by the Department of Human Resources on the same basis as funds allocated to other local education agencies."

(d) G.S. 115C-206 reads as rewritten:

**"§ 115C-206. State Board of Education; duties; responsibilities.**

The Superintendent of Public Instruction shall prepare and present to the State Board of Education recommendations for general guidelines for encouraging increased community involvement in the public schools and use of public school facilities. The Superintendent of Public Instruction shall consult with the interagency council in preparing the general guidelines. These recommendations shall include, but shall not be limited to provisions for:

- (1) The use of public school facilities by governmental, charitable or civic organizations for activities within the community.
- (2) The utilization of the talents and abilities of volunteers within the community for the enhancement of public school programs including tutoring, counseling and cultural programs and projects.
- (3) Increased communications between the staff and faculty of the public schools, other community institutions and agencies, and citizens in the community.

Based on the recommendations of the Superintendent of Public Instruction, the State Board of Education shall adopt appropriate policies and guidelines for encouraging increased community involvement in the public schools and use of the public school facilities.

The State Board of Education shall establish rules and regulations governing the submission and approval of programs prepared by local boards of education for encouraging increased community involvement in the public schools and use of the public school facilities.

The State Board of Education is authorized to allocate funds to the local boards of education for the employment of community schools coordinators and for other appropriate expenses upon approval of a program submitted by a local board of education and subject to the availability of funds. In the event that a local board of education already has sufficient personnel employed performing functions similar to those of a community schools coordinator, the State Board of Education may allocate funds to that local board of education for other purposes consistent with this Article.

~~Funds allocated to a local board of education shall not exceed three fourths of the total~~

1 budget approved in the community schools program submitted by a local board of  
2 education."

3  
4 Requested by: Senator Perdue

5 **LOCAL SCHOOL IMPROVEMENT PLANS**

6 Sec. 101.1. (a) G.S. 115C-238.1 reads as rewritten:

7 **"§ 115C-238.1. Performance-based Accountability Program; development and**  
8 **implementation by State Board.**

9 The General Assembly believes that all children can learn. It is the intent of the  
10 General Assembly that the mission of the public school community is to challenge with  
11 high expectations each child to learn, to achieve, and to fulfill his or her potential. With  
12 that mission as its guide, the State Board of Education shall develop and implement a  
13 Performance-based Accountability Program. The primary goal of the Program shall be  
14 to improve student performance. The State Board of Education shall adopt:

- 15 (1) Procedures and guidelines through which, beginning with the 1990-91  
16 fiscal year, local school administrative units may participate in the  
17 Program;
- 18 (2) Guidelines for developing local school improvement plans with three-  
19 year student performance goals and annual milestones to measure  
20 progress in meeting those goals; and
- 21 (3) A set of student performance indicators for measuring and assessing  
22 student performance in the participating local school administrative  
23 units. These indicators ~~may~~ shall include attendance rates, dropout  
24 rates, test scores, parent involvement, and post-secondary outcomes.
- 25 (4) Guidelines for school performance indicators for measuring and  
26 assessing school performance in the participating local school  
27 administrative units. These indicators shall concern how to gauge  
28 community involvement, professional development of teachers, and  
29 the school climate with regard to the safety of students and employees  
30 and the use of positive discipline. These indicators shall not rely  
31 predominantly on test scores."

32 (b) G.S. 115C-238.3 reads as rewritten:

33 **"§ 115C-238.3. Development of local plans; elements of local plans.**

34 (a) Development of systemwide plan by the local board of education. – The  
35 board of education of a local school administrative unit that elects to participate in the  
36 Program shall develop and submit a local school improvement plan for the entire local  
37 school administrative unit to the State Superintendent of Public Instruction before April  
38 15 of the fiscal year preceding the fiscal year in which participation is sought.

39 A systemwide improvement plan shall remain in effect for no more than three years.

40 (b) Establishment of student performance goals by the local board of education  
41 for the systemwide plan. – The local board of education shall establish student  
42 performance goals for the local school administrative unit. The local board of education  
43 shall actively involve an advisory panel composed of a substantial number of teachers,  
44 school administrators, other school staff, and parents of children enrolled in the local

1 school administrative unit, in developing the student performance goals for the local  
2 school improvement plan. Parents serving on advisory panels shall not be employees of  
3 the school unit and shall reflect the racial and socioeconomic composition of the  
4 students enrolled in the local school administrative unit. The advisory panel shall  
5 ensure substantial parent participation. It is the intent of the General Assembly that  
6 teachers have a major role in developing the student performance goals for the local  
7 school improvement plan; therefore, at least half of the staff-members participating in  
8 this advisory panel shall be teachers. ~~The teachers~~ Every teacher in the local school  
9 administrative unit shall ~~select the teachers who are involved in the advisory panel.~~ have  
10 an opportunity to elect by secret ballot the teachers who are involved in the advisory  
11 panel.

12 The performance goals for the local school administrative unit shall address specific,  
13 measurable goals for all student and school performance indicators adopted by the State  
14 Board. Factors that determine gains in achievement vary from school to school;  
15 therefore, socioeconomic factors and previous student performance indicators shall be  
16 used as the basis of the local school improvement plan.

17 (b1) Development by each school of strategies for attaining local student  
18 performance goals. – The principal of each school, representatives of the building-level  
19 staff, and parents of children enrolled in the school shall develop a building-level plan  
20 to address student performance goals appropriate to that school from those established  
21 by the local board of education. Parents serving on building level committees shall  
22 reflect the racial and socioeconomic composition of the students enrolled in that school  
23 and shall not be members of the building-level staff. Parental involvement is a critical  
24 component of school success and positive student outcomes; therefore, it is the intent of  
25 the General Assembly that parents, along with teachers, have a substantial role in  
26 developing student performance goals at the building level. To this end, building-level  
27 advisory board meetings shall be held at a convenient time to assure substantial parent  
28 participation. ~~These~~ The strategies for attaining local school performance goals shall  
29 include a plan for the use of staff development funds made available to the school to  
30 implement the building-level plan. These strategies may also include requests for  
31 waivers of State laws, regulations, or policies for that school. A request for a waiver  
32 shall (i) identify the State laws, regulations, or policies that inhibit the local unit's ability  
33 to reach its local accountability goals, (ii) set out with specificity the circumstances  
34 under which the waiver may be used, and (iii) explain how a waiver of those laws,  
35 regulations, or policies will permit the local unit to reach its local goals.

36 Support among affected staff members is essential to successful implementation of a  
37 building-level plan to address student performance goals appropriate to a school;  
38 therefore, the principal of the school shall present the proposed building-level plan to all  
39 of the staff assigned to the school building for their review and vote. The vote shall be  
40 by secret ballot. The principal may submit the building-level plan to the local board of  
41 education for inclusion in the systemwide plan only if the proposed building-level plan  
42 has the approval of a majority of the staff who voted on the plan.

43 The local board of education shall accept or reject the building-level plan. The local  
44 board shall not make any substantive changes in any building-level plan that it accepts;



1 the local board shall set out any building-level plan that it accepts in the systemwide  
2 plan. If the local board rejects a building-level plan, the local board shall state with  
3 specificity its reasons for rejecting the plan; the principal of the school for which the  
4 plan was rejected, representatives of the building-level staff, and parents of children  
5 enrolled in the school may then prepare another plan, present it to the building-level  
6 staff for a vote, and submit it to the local board for inclusion in the systemwide plan. If  
7 no building-level plan is accepted for a school before March 15 of the fiscal year  
8 preceding the fiscal year in which participation is sought, the local board may develop a  
9 plan for the school for inclusion in the systemwide plan; the General Assembly urges  
10 the local board to utilize the proposed building-level plan to the maximum extent  
11 possible when developing such a plan.

12 (c) Development by each school of a differentiated pay plan for that school;  
13 development by the local board of education of a differentiated pay plan for central  
14 office personnel. –

15 (1) The local school administrative unit shall consider a plan for  
16 differentiated pay. The local plan shall include a plan for differentiated  
17 pay, in accordance with G.S. 115C-238.4, unless the local school  
18 administrative unit elects not to participate in any differentiated pay  
19 plan.

20 (2) The principal of each school, representatives of the building-level  
21 staff, and parents of children enrolled in the school shall develop a  
22 building-level differentiated pay plan for the school when they develop  
23 their building-level plan to address student performance goals  
24 appropriate to the school. By October 1 of each year, the principal  
25 shall disclose to all affected personnel the total allocation of funds for  
26 differentiated pay. At the end of the fiscal year, the principal shall  
27 make available to all affected personnel a report of all disbursement  
28 from the building-level differentiated pay plan.

29 Support among affected staff members is essential to successful  
30 implementation of a building-level differentiated pay plan; therefore,  
31 the principal of the school shall present the proposed building-level  
32 plan to all of the staff eligible to receive differentiated pay, in  
33 accordance with G.S. 115C-238.4(a), for their review and vote. The  
34 vote shall be by secret ballot. The principal may submit the building-  
35 level differentiated pay plan to the local board of education only if the  
36 proposed building-level differentiated pay plan has the approval of a  
37 majority of the staff who voted on the plan.

38 The local board of education shall accept or reject the building-  
39 level differentiated pay plan. The local board shall not make any  
40 substantive changes in any building-level plan that it accepts; the local  
41 board shall set out any building-level plan that it accepts in the  
42 systemwide differentiated pay plan. If the local board rejects a  
43 building-level plan, the local board shall state with specificity its  
44 reasons for rejecting the plan; the principal of the school for which the

1 plan was rejected, representatives of the building-level staff, and  
2 parents of children enrolled in the school may then prepare another  
3 plan, present it to all of the staff eligible to receive differentiated pay,  
4 in accordance with G.S. 115C-238.4(a), for a vote, and submit it to the  
5 local board for inclusion in the systemwide plan. If no building-level  
6 plan is accepted for a school before March 15 of the fiscal year  
7 preceding the fiscal year in which participation is sought, the local  
8 board may develop a plan for the school building for inclusion in the  
9 systemwide plan; the General Assembly urges the local board to utilize  
10 the proposed building-level plan to the maximum extent possible when  
11 developing such a plan.

12 (3) The local board of education shall develop a plan for differentiated pay  
13 for all central office personnel eligible to receive differentiated pay, in  
14 accordance with G.S. 115C-238.4(a), and shall include the plan in the  
15 systemwide differentiated pay plan.

16 (4) A systemwide differentiated pay plan shall remain in effect for no  
17 more than three years. At the end of three years, a plan to continue,  
18 discontinue, or modify that differentiated pay plan shall be developed  
19 in accordance with subdivisions (2) and (3) of this subsection.

20 (d) Repealed by Session Laws 1991 (Regular Session, 1992), c. 900, s. 75.1(b),  
21 effective July 8, 1992."

22 (c) Part 4 of Article 16 of Chapter 115C of the General Statutes is amended by  
23 adding a new section to read:

24 "**§ 115C-238.8. Distribution of staff development funds.**

25 The local board of education shall distribute at least seventy-five percent (75%) of  
26 the funds appropriated by the State for staff development to implement the local school  
27 improvement plan to individual school buildings on the basis of average daily  
28 membership. These funds shall be used in accordance with the building-level plan set  
29 out in the systemwide plan. The remainder of the funds appropriated by the State for  
30 staff development to implement the local school improvement plan shall be used in  
31 accordance with the systemwide plan developed and adopted by the local board of  
32 education.

33 By October 1 of each year, the principal shall disclose to all affected personnel the  
34 total allocation of all funds available to the school for staff development and the  
35 superintendent shall disclose to all affected personnel the total allocation of all funds  
36 available at the system level for staff development. At the end of the fiscal year, the  
37 principal shall make available to all affected personnel a report of all disbursements  
38 from the building-level staff development funds, and the superintendent shall make  
39 available to all affected personnel a report of all disbursements at the system level of  
40 staff development funds."

41 (d) G.S. 115C-238.7(a) reads as rewritten:

42 "(a) There is created the Task Force on Site-Based Management within the  
43 Department of Public Instruction.

44 The Task Force shall be composed of ~~15~~20 members appointed as follows:

- 1 (1) The Superintendent of Public Instruction;
- 2 (2) One member of the State Board of Education appointed by the State
- 3 Board of Education;
- 4 (3) Two members of the Senate appointed by the President Pro Tempore
- 5 of the Senate;
- 6 (4) Two members of the House of Representatives appointed by the
- 7 Speaker of the House of Representatives;
- 8 (5) One member of a local board of education appointed by the President
- 9 Pro Tempore of the Senate after receiving recommendations from The
- 10 North Carolina State School Boards Association, Inc.;
- 11 (6) One member of a local board of education appointed by the Speaker of
- 12 the House of Representatives after receiving recommendations from
- 13 The North Carolina State School Boards Association, Inc.;
- 14 (7) One local school superintendent appointed by the President Pro
- 15 Tempore of the Senate after receiving recommendations from the
- 16 North Carolina Association of School Administrators;
- 17 (8) One local school superintendent appointed by the Speaker of the
- 18 House of Representatives after receiving recommendations from the
- 19 North Carolina Association of School Administrators;
- 20 (9) One school principal appointed by the President Pro Tempore of the
- 21 Senate after receiving recommendations from the Tar Heel Association
- 22 of Principals/Assistant Principals and the Division of Administrators
- 23 of the North Carolina Association of Educators;
- 24 (10) One school principal appointed by the Speaker of the House of
- 25 Representatives after receiving recommendations from the Tar Heel
- 26 Association of Principals/Assistant Principals and the Division of
- 27 Administrators of the North Carolina Association of Educators;
- 28 (11) One school teacher appointed by the President Pro Tempore of the
- 29 Senate after receiving recommendations from the North Carolina
- 30 Association of Educators, Inc., the North Carolina Federation of
- 31 Teachers, and the Professional Educators of North Carolina, Inc.;
- 32 (12) One school teacher appointed by the Speaker of the House of
- 33 Representatives after receiving recommendations from the North
- 34 Carolina Association of Educators, Inc., the North Carolina Federation
- 35 of Teachers, and the Professional Educators of North Carolina, Inc.;
- 36 ~~and~~
- 37 (13) The Director of the Task Force on Site-Based Management, appointed
- 38 by the Superintendent of Public Instruction in accordance with
- 39 subsection (d) of this ~~section~~ section;
- 40 (14) One parent of a public school child appointed by the Superintendent
- 41 of Public Instruction;
- 42 (15) One at-large member appointed by the Superintendent of Public
- 43 Instruction;

- 1           (16) One representative of business and industry appointed by the  
2           Governor;  
3           (17) One representative of institutions of higher education appointed by the  
4           Board of Governors of The University of North Carolina; and  
5           (18) One county commissioner appointed by the Superintendent of Public  
6           Instruction after receiving recommendations from the North Carolina  
7           Association of County Commissioners.

8           Members of the Task Force shall serve for two-year terms.

9           All members of the Task Force shall be voting members. Vacancies in the appointed  
10 membership shall be filled by the officer who made the initial appointment. The  
11 Director of the Task Force on Site-Based Management shall serve as chair of the Task  
12 Force.

13           Members of the Task Force shall receive travel and subsistence expenses in  
14 accordance with the provisions of G.S. 120-3.1, G.S. 138-5, and G.S. 138-6."

15           (e) G.S. 115C-21.1(b) reads as rewritten:

16           "(b) The Department of Public Instruction shall monitor and provide a report to  
17 the General Assembly by May 1, 1991, and annually thereafter showing the school units  
18 that have been granted class size waivers pursuant to G.S. ~~115C-238.3(d)~~115C-238.6(a),  
19 have reported class size exceptions, and have converted State-funded teacher positions  
20 to other positions, dollars, or other expenditures."

21           (f) Members appointed to the Site-Based Management Task Force in  
22 accordance with subsection (d) of this section shall serve until September 1, 1994, and  
23 shall be eligible for reappointment. Successive appointments shall be for two-year  
24 terms. The Task Force shall use funds available to it for the 1992-93 fiscal year for  
25 travel and subsistence expenses for members of the Task Force added pursuant to this  
26 section.

27           (g) The State Board of Education shall report to the Joint Legislative  
28 Education Oversight Committee on the guidelines for indicators of school performance  
29 adopted in accordance with subsection (a) of this section no later than February 1, 1994.  
30 School performance indicators shall be addressed in local school improvement plans  
31 modified or adopted after March 15, 1994.

## 32 33 **PART 18. DEPARTMENT OF TRANSPORTATION**

34  
35 Requested by: Senator Albertson

### 36 **PERMANENT HOURLY WORKER STATUS**

37           Sec. 102. (a) The Department of Transportation shall begin converting all  
38 existing permanent hourly Highway Maintenance Worker positions to permanent full-  
39 time Highway Maintenance Worker status effective July 1, 1993. All current permanent  
40 hourly employees shall be evaluated between July 1, 1993, and December 31, 1993, and  
41 those receiving satisfactory ratings will be placed in a permanent Highway Maintenance  
42 Worker position as they become available. The Department shall cease hiring  
43 permanent hourly workers on July 1, 1993, and complete conversion of permanent  
44 hourly workers to permanent status by January 1, 1994.

1 (b) G.S. 126-5(c4) is repealed. This subsection becomes effective January 1,  
2 1994.

3  
4 Requested by: Senator Lee

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

6 Sec. 103. G.S. 20-97(c) is repealed.

7  
8 Requested by: Senator Lee

9 **RENAME NORTH CAROLINA ELDERLY AND HANDICAPPED**  
10 **TRANSPORTATION ASSISTANCE PROGRAM**

11 Sec. 104. G.S. 136-44.27 reads as rewritten:

12 "**§ 136-44.27. North Carolina Elderly and ~~Handicapped-Disabled~~ Transportation**  
13 **Assistance Program.**

14 (a) There is established the Elderly and ~~Handicapped-Disabled~~ Transportation  
15 Assistance Program that shall provide State financed elderly and ~~handicapped-disabled~~  
16 transportation services for counties within the State. The Department of Transportation  
17 is designated as the agency of the State responsible for administering State funds  
18 appropriated to purchase elderly and ~~handicapped-disabled~~ transportation services for  
19 counties within the State. The Department shall develop appropriate procedures  
20 regarding the distribution and use of these funds and shall adopt rules to implement  
21 these procedures. No funds appropriated pursuant to this act may be used to cover State  
22 administration costs.

23 (b) For the purposes of this section, an elderly person is defined as one who has  
24 reached the age of 60 or more years, and a ~~handicapped-disabled~~ person is defined as  
25 one who has a physical or mental impairment that substantially limits one or more major  
26 life activities, an individual who has a record of such impairment, or an individual who  
27 is regarded as having such an impairment. Certification of eligibility shall be the  
28 responsibility of the county.

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

36 (d) The Public Transportation Division of the Department of Transportation shall  
37 distribute these funds to the counties according to the following formula: fifty percent  
38 (50%) divided equally among all counties; twenty-two and one-half percent (22 1/2%)  
39 based upon the number of elderly residents per county as a percentage of the State's  
40 elderly population; twenty-two and one-half percent (22 1/2%) based upon the number  
41 of ~~handicapped-disabled~~ residents per county as a percentage of the State's ~~handicapped~~  
42 ~~disabled~~ population; and, the remaining five percent (5%) based upon a population  
43 density factor that recognizes the higher transportation costs in sparsely populated  
44 counties.

1 (e) Funds distributed by the Department under this section shall be used by  
2 counties in a manner consistent with transportation development plans which have been  
3 approved by the Department and the Board of County Commissioners. To receive  
4 funds apportioned for a given fiscal year, a county shall have an approved transportation  
5 development plan. Funds that are not obligated in a given fiscal year due to the lack of  
6 such a plan will be distributed to the eligible counties based upon the distribution  
7 formula prescribed by subsection (d) of this section."  
8

9 Requested by: Senators Sands and Lee

#### 10 **POWELL BILL ELIGIBILITY MODIFICATION**

11 Sec. 105. (a)(1) G.S. 136-41.2 is amended by adding a new subsection to  
12 read:

13 "(e) Notwithstanding any other provision of law, a municipality that meets the  
14 requirements of subsection (a) of this section but does not meet the requirements of  
15 subsection (b) of this section shall be eligible to receive funds under G.S. 136-41.1."

16 (2) Notwithstanding the definition of the "State secondary system" in the  
17 first paragraph of G.S. 136-44.2, the State secondary road system shall  
18 include those portions of the State highway system within the  
19 incorporated municipalities that would be eligible to receive funds  
20 under G.S. 136-41.1 pursuant to subsection (a) of this section, but only  
21 if the municipality chooses not to receive the available funds under  
22 G.S. 136-41.1.

23 (b) A municipality that becomes eligible under subdivision (1) of subsection (a)  
24 of this section to receive funds under G.S. 136-41.1 has until June 30, 1994, to elect to  
25 be eligible to receive either funds under the Powell Bill allocations or funds that may be  
26 available for maintenance of secondary roads from the Highway Fund or the Highway  
27 Trust Fund. Once the election is made, it cannot be changed. A municipality  
28 incorporated after the effective date of this section that could become eligible under  
29 subdivision (1) of subsection (a) of this section shall make its eligibility election within  
30 one year of the date of its incorporation.  
31

32 Requested by: Senator Lee

#### 33 **SMALL URBAN CONSTRUCTION PROGRAM FUNDS**

34 Sec. 106. Of the funds appropriated in this act to the Department of  
35 Transportation, the sum of twenty million dollars (\$20,000,000) shall be allocated in  
36 each fiscal year of the biennium for small urban construction projects. Fourteen million  
37 dollars (\$14,000,000) of these funds shall be allocated equally in each fiscal year of the  
38 biennium among the 14 Highway Divisions for the Small Urban Construction Program  
39 for small urban construction projects that are located within the area covered by a one-  
40 mile radius of the municipal corporate limits. The remaining six million dollars  
41 (\$6,000,000) shall be used statewide for rural or small urban highway improvements as  
42 approved by the Secretary of the Department of Transportation.

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

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

6  
 7 Requested by: Senator Lee

8 **AIR CARGO AIRPORT AUTHORITY MARKETING FUNDS TRANSFER**

9 Sec. 107. Of the funds appropriated in this act for the North Carolina Air  
 10 Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) for the  
 11 1993-94 fiscal year shall be transferred by July 15, 1993, and the sum of five hundred  
 12 thousand dollars (\$500,000) for the 1994-95 fiscal year shall be transferred by July 15,  
 13 1994, to the Department of Commerce for marketing of the Global TransPark including  
 14 two positions, operating support, and advertising funds.

15  
 16 Requested by: Senator Lee

17 **NORTH CAROLINA BRIDGE AUTHORITY**

18 Sec. 108. (a) Chapter 136 is amended by adding a new Article to read:

19 **"ARTICLE 6F.**

20 **"NORTH CAROLINA BRIDGE AUTHORITY.**

21 **"§ 136-89.159. Bridge projects.**

22 (a) The creation of the North Carolina Bridge Authority is necessitated by:

23 (1) The high cost of constructing long bridges;

24 (2) The need for providing better access to areas of a peninsula of the  
 25 mainland where egress has been blocked by federal acquisition of  
 26 property; and

27 (3) The need for providing additional critically needed evacuation routes  
 28 from the outer banks during hurricanes and in the event of other  
 29 natural disasters.

30 (b) The North Carolina Bridge Authority shall construct, maintain, repair, and  
 31 operate a bridge of more than two miles in length going from the mainland to a  
 32 peninsula from which land egress is through property of the United States.

33 **"§ 136-89.160. Funding for projects.**

34 All expenses incurred in carrying out the provisions of this Article shall be payable  
 35 solely from funds, including federal funds, that are now or may become available to the  
 36 Authority in the future for projects.

37 **"§ 136-89.161. North Carolina Bridge Authority.**

38 (a) There is created a body politic and corporate to be known as the 'North  
 39 Carolina Bridge Authority'. The Authority is constituted a public agency, and the  
 40 exercise by the Authority of the powers conferred by this Article in the construction,  
 41 operation, and maintenance of the bridge project shall be deemed and held to be the  
 42 performance of an essential governmental function.

43 (b) The North Carolina Bridge Authority shall consist of six members:

1           (1) The Secretary of Transportation shall serve as the chairman of the  
2 Authority.

3           (2) Three members shall be appointed by the Governor, one for a term  
4 expiring on July 1, 1994, one for a term expiring on July 1, 1995, and  
5 one for a term expiring on July 1, 1996.

6           (3) Two members shall be appointed by the General Assembly, one upon  
7 the recommendation of the President Pro Tempore of the Senate and  
8 one upon the recommendation of the Speaker of the House of  
9 Representatives, in accordance with G.S. 120-121. The member  
10 appointed by the General Assembly upon the recommendation of the  
11 Speaker of the House of Representatives shall serve a term expiring on  
12 July 1, 1994, and the member appointed by the General Assembly  
13 upon the recommendation of the President Pro Tempore of the Senate  
14 shall serve a term expiring on July 1, 1995. Thereafter all terms shall  
15 be for four years.

16       (c) The successor of each of the appointed members shall be appointed for a term  
17 of four years, but any person appointed to fill a vacancy shall be appointed to serve only  
18 for the unexpired term, and a member of the Authority shall be eligible for  
19 reappointment. Each appointed member of the Authority may be removed by the  
20 appointing authority for misfeasance, malfeasance, or willful neglect of duty. Each  
21 appointed member of the Authority before entering upon his duties shall take an oath to  
22 administer the duties of his office faithfully and impartially, and a record of each oath  
23 shall be filed in the office of the Secretary of State.

24       (d) The Authority shall elect one of the appointed members as vice-chairman,  
25 and shall also elect a secretary who need not be a member of the Authority. The vice-  
26 chairman and secretary shall serve as officers at the pleasure of the Authority. Four  
27 members of the Authority shall constitute a quorum, and the affirmative vote of four  
28 members shall be necessary for any action taken by the Authority. No vacancy in the  
29 membership of the Authority shall impair the right of a quorum to exercise all the rights  
30 and perform all the duties of the Authority.

31       (e) The appointed members of the Authority shall receive no salary for their  
32 services but shall be entitled to receive per diem and allowances in accordance with the  
33 provisions of G.S. 138-5.

34       (f) The Authority shall be located within the Department of Transportation for  
35 administrative purposes but shall exercise all of its powers independently of the  
36 Department of Transportation.

37       (g) The Authority shall adopt bylaws with respect to the calling of meetings,  
38 quorums, voting procedures, the keeping of records, and other organizational and  
39 administrative matters as the Authority may determine.

40 **"§ 136-89.162. Powers of the Authority.**

41       (a) The Authority shall have all of the powers necessary to execute the provisions  
42 of this Article which shall include at least the following powers:



- 1           (1) The powers of a corporate body, including the power to sue and be  
2 sued, to make contracts, to adopt and use a common seal, and to alter  
3 the adopted seal as needed.
- 4           (2) To establish, purchase, construct, operate, and regulate bridges and to  
5 own, lease, sell, or manage real or personal property.
- 6           (3) To charge and collect tolls and fees for the use of the bridges or for  
7 services rendered in the operation of the bridges. A toll shall not  
8 exceed ten dollars (\$10.00) and an annual fee for a single vehicle to  
9 use the bridge during a year shall not exceed five hundred dollars  
10 (\$500.00). The Authority shall report its schedule of tolls and fees to  
11 the Joint Legislative Transportation Oversight Committee.
- 12           (4) To rent, lease, purchase, acquire, own, encumber, or dispose of real or  
13 personal property.
- 14           (5) To establish, construct, purchase, maintain, equip, and operate any  
15 structure or facilities associated with a bridge.
- 16           (6) To pay all necessary costs and expenses in the formation, organization,  
17 administration, and operation of the Authority.
- 18           (7) To apply for, accept, and administer loans and grants of money from  
19 any federal agency, from the State or its political subdivisions, or from  
20 any other public or private sources available.
- 21           (8) To adopt, alter, or repeal its own bylaws or rules implementing the  
22 provisions of this Article.
- 23           (9) To employ consulting engineers, architects, attorneys, real estate  
24 counselors, appraisers, and other consultants and employees as may be  
25 required in the judgment of the Board and to fix and pay their  
26 compensation from funds available to the Authority.
- 27           (10) To procure and maintain adequate insurance or otherwise provide for  
28 adequate protection to indemnify the Authority and its officers,  
29 directors, agents, employees, adjoining property owners, or the general  
30 public against loss or liability resulting from any act or omission by or  
31 on behalf of the Authority.
- 32           (11) To receive and use appropriations from the State, including an  
33 appropriation from the proceeds of State general obligation bonds or  
34 notes.

35           (b) To execute the powers provided in subsection (a) of this section, the  
36 Authority shall determine its policies by majority vote of the members of the Authority  
37 present and voting, a quorum having been established.

38 **"§ 136-89.163. Taxation of property of Authority.**

39 Property owned by the Authority is exempt from taxation in accordance with Article  
40 V, § 2 of the North Carolina Constitution.

41 **"§ 136-89.164. Acquisition, disposition, or exchange of real property.**

42 The Authority may acquire real property by purchase, negotiation, gift, or devise.  
43 When the Authority acquires real property owned by the State, the Secretary of the

1 Department of Administration shall execute and deliver to the Authority a deed  
2 transferring fee simple title to the property to the Authority.

3 **"§ 136-89.165. Cooperation by other State agencies.**

4 All State officers and agencies shall render the services to the Authority within their  
5 respective functions as may be requested by the Authority.

6 **"§ 136-89-166. Annual and quarterly reports.**

7 The Authority shall, promptly following the close of each fiscal year, submit an  
8 annual report of its activities for the preceding year to the Governor, the General  
9 Assembly, and the Department of Transportation. Each report shall be accompanied by  
10 an audit of its books and accounts. The costs of all audits, whether conducted by the  
11 State Auditor's staff or contracted with a private auditing firm, shall be paid from funds  
12 of the Authority.

13 The Authority shall submit quarterly reports to the Joint Legislative Transportation  
14 Oversight Committee. The reports shall summarize the Authority's activities during the  
15 quarter and contain any information about the Authority's activities that is requested by  
16 the Committee.

17 **"§ 136-89.167. Dissolution.**

18 Whenever the Authority, by resolution, determines that the purposes for which the  
19 Authority was formed have been substantially fulfilled, the Authority may declare itself  
20 dissolved. On the effective date of the resolution, the title to all property owned by the  
21 Authority at the time of the dissolution shall vest in the State and possession of the  
22 property shall be delivered to the State."

23 (b) The Joint Legislative Transportation Oversight Committee shall study the  
24 best method for funding the North Carolina Bridge Authority and the construction and  
25 maintenance of a bridge in Currituck County from the mainland to the Outer Banks near  
26 Corolla, and report its findings to the General Assembly on or before the first day of the  
27 1994 Session.

28  
29 Requested by: Senator Lee

30 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE**

31 Sec. 108.1. (a) G.S. 120-70.50 reads as rewritten:

32 **"§ 120-70.50. Creation and membership of Joint Legislative Highway  
33 Transportation Oversight Committee.**

34 The Joint Legislative ~~Highway~~ Transportation Oversight Committee is established.  
35 The Committee consists of 16 members as follows:

- 36 (1) Eight members of the Senate appointed by the President Pro Tempore  
37 of the Senate, at least two of whom are members of the minority party;  
38 and  
39 (2) Eight members of the House of Representatives appointed by the  
40 Speaker of the House of Representatives, at least three of whom are  
41 members of the minority party.

42 Terms on the Committee are for two years and begin on January 15 of each odd-  
43 numbered year, except the terms of the initial members, which begin on appointment.  
44 Members may complete a term of service on the Committee even if they do not seek

1 reelection or are not reelected to the General Assembly, but resignation or removal from  
 2 service in the General Assembly constitutes resignation or removal from service on the  
 3 Committee.

4 A member continues to serve until his successor is appointed. A vacancy shall be  
 5 filled within 30 days by the officer who made the original appointment."

6 (b) G.S. 120-70.51(a) reads as rewritten:

7 "(a) The Joint Legislative ~~Highway-Transportation~~ Oversight Committee shall  
 8 may:

- 9 (1) Review reports prepared by the Department of Transportation ~~under~~  
 10 ~~G.S. 136-184. or any other agency of State government related, in any~~  
 11 ~~manner, to transportation, when those reports are required by any law.~~
- 12 (2) Monitor the funds deposited in and expenditures from the North  
 13 Carolina Highway Trust ~~Fund and Fund, the Highway Fund- Fund, the~~  
 14 ~~General Fund, or any other fund when those expenditures are related,~~  
 15 ~~in any manner, to transportation.~~
- 16 (3) Determine whether funds ~~in the Trust Fund are spent in accordance~~  
 17 ~~with G.S. 136-17.2A and Article 14 of Chapter 136. related, in any~~  
 18 ~~manner, to transportation are being spent in accordance with law.~~
- 19 (4) Determine whether any revisions are needed in the funding for a  
 20 program for which funds in the Trust ~~Fund- Fund, the Highway Fund,~~  
 21 ~~the General Fund, or any other fund when those expenditures are~~  
 22 ~~related, in any manner, to transportation may be used, including~~  
 23 ~~revisions needed to meet any statutory timetable for the or program.~~
- 24 (5) Report to the General Assembly at the beginning of each regular  
 25 session concerning its determinations of needed changes in the funding  
 26 ~~for or operation of programs funded from the Trust Fund. related, in~~  
 27 ~~any manner, to transportation.~~

28 These powers, which are enumerated by way of illustration, shall be liberally  
 29 construed to provide for the maximum oversight by the Committee of all transportation  
 30 matters in this State."

31 (c) G.S. 120-70.52(a) reads as rewritten:

32 "(a) The President Pro Tempore of the Senate and the Speaker of the House of  
 33 Representatives shall each designate a cochair of the Joint Legislative ~~Highway~~  
 34 ~~Transportation~~ Oversight Committee. The Committee shall meet at least once a quarter  
 35 and may meet at other times upon the joint call of the cochairs."

36 (d) G.S. 136-12(b) reads as rewritten:

37 "(b) At least 30 days before it approves a Transportation Improvement Program in  
 38 accordance with G.S. 143B-350(f)(4) or approves interim changes to a Transportation  
 39 Improvement Program, the Department shall submit the proposed Transportation  
 40 Improvement Program or proposed interim changes to a Transportation Improvement  
 41 Program to the following members and staff of the General Assembly:

- 42 (1) The Speaker and the Speaker Pro Tempore of the House of  
 43 Representatives;

- 1           (2) The Lieutenant Governor and the President Pro Tempore of the  
2           Senate;  
3           (3) The Chairs of the House and Senate Appropriations Committees;  
4           (4) Each member of the Joint Legislative ~~Highway~~Transportation  
5           Oversight Committee; and  
6           (5) The Fiscal Research Division of the Legislative Services  
7           Commission."

8           (e) G.S. 136-184 reads as rewritten:

9   **"§ 136-184. Reports by Department of Transportation.**

10          (a) The Department of Transportation shall develop, and update annually, a  
11          report containing a completion schedule for all projects to be funded from the Trust  
12          Fund. The report shall include a separate schedule for the Intrastate System projects,  
13          the urban loop projects, and the paving of unpaved State-maintained secondary roads  
14          that have a traffic vehicular equivalent of at least 50 vehicles a day. The annual update  
15          shall indicate the projects, or portions thereof, that were completed during the preceding  
16          fiscal year, any changes in the original completion schedules, and the reasons for the  
17          changes. The Department shall submit the report and the annual updates to the Joint  
18          Legislative ~~Highway~~Transportation Oversight Committee.

19          (b) The Department of Transportation shall make quarterly reports to the Joint  
20          Legislative ~~Highway~~Transportation Oversight Committee containing any information  
21          requested by the Committee. The Department shall provide the Committee with all  
22          information needed to determine if funds available under the Trust Fund and the  
23          Transportation Improvement Program are being spent in accordance with G.S. 136-  
24          17.2A."

25          (f) G.S. 143-318.14A(a) reads as rewritten:

26          "(a) Except as provided in subsection (e) below, all official meetings of  
27          commissions, committees, and standing subcommittees of the General Assembly  
28          (including, without limitation, joint committees and study committees), shall be held in  
29          open session. For the purpose of this section, the following also shall be considered to  
30          be 'commissions, committees, and standing subcommittees of the General Assembly':

- 31               (1) The Legislative Research Commission;  
32               (2) The Legislative Services Commission;  
33               (3) The Advisory Budget Commission;  
34               (4) The Joint Legislative Utility Review Committee;  
35               (5) The Joint Legislative Commission on Governmental Operations;  
36               (6) The Joint Legislative Commission on Municipal Incorporations;  
37               (7) The Commission on the Family;  
38               (8) The Joint Select Committee on Low-Level Radioactive Waste;  
39               (9) The Environmental Review Commission;  
40               (10) The Joint Legislative ~~Highway~~Transportation Oversight Committee;  
41               (11) The Joint Legislative Education Oversight Committee;  
42               (12) The Joint Legislative Commission on Future Strategies for North  
43               Carolina;  
44               (13) The Commission on Children with Special Needs;

- 1 (14) The Legislative Committee on New Licensing Boards;  
 2 (15) The Agriculture and Forestry Awareness Study Commission;  
 3 (16) The North Carolina Study Commission on Aging; and  
 4 (17) The standing Committees on Pensions and Retirement."  
 5 (g) Any law that contains "Joint Legislative Highway Oversight Committee"  
 6 shall be deemed to refer to the "Joint Legislative Transportation Oversight Committee."  
 7

8 Requested by: Senator Lee

9 **TRANSFER THE RAIL SAFETY SECTION FROM THE UTILITIES**  
 10 **COMMISSION TO THE DEPARTMENT OF TRANSPORTATION**

11 Sec. 109. (a) The statutory authority, powers, duties, and functions, records,  
 12 personnel, and property, including the functions of budgeting and purchasing, of the  
 13 Rail Safety Section of the Transportation Division of the North Carolina Utilities  
 14 Commission, is transferred to the Department of Transportation.

15 (b) G.S. 62-41 reads as rewritten:

16 **"§ 62-41. To investigate accidents involving public utilities; to promote general**  
 17 **safety program.**

18 The Commission may conduct a program of accident prevention and public safety  
 19 covering all public utilities with special emphasis on highway safety and transport  
 20 safety and may investigate the causes of any accident on a ~~railroad or~~ highway  
 21 involving a ~~public utility, or any accident in connection with any other~~ public utility.  
 22 Any information obtained upon such investigation shall be reduced to writing and a  
 23 report thereof filed in the office of the Commission, which shall be subject to public  
 24 inspection but such report shall not be admissible in evidence in any civil or criminal  
 25 proceeding arising from such accident. The Commission may adopt reasonable rules  
 26 and regulations for the safety of the public as affected by public utilities and the safety  
 27 of public utility employees. The Commission shall cooperate with and coordinate its  
 28 activities for public utilities with similar programs of the Division of Motor Vehicles,  
 29 the Insurance Department, the Industrial Commission and other organizations engaged  
 30 in the promotion of highway safety and employee safety."

31 (c) G.S. 62-235 is repealed.

32 (d) G.S. 136-18 is amended by adding two new subdivisions to read:

33 "(30) The Department of Transportation is empowered and directed, from  
 34 time to time, to carefully examine and inspect the condition of each  
 35 railroad, its equipment and facilities, in regard to the safety and  
 36 convenience of the public and the railroad employees. If the  
 37 Department finds any equipment or facilities to be unsafe, it shall at  
 38 once notify the railroad company and require the company to repair the  
 39 equipment or facilities.

40 (31) The Department of Transportation may conduct a program of accident  
 41 prevention and public safety covering all railroads and may investigate  
 42 the cause of any railroad accident. In order to facilitate this program,  
 43 any railroad involved in an accident that must be reported to the

1                   Federal Railroad Administration shall also notify the Department of  
2                   Transportation of the occurrence of the accident."

3                   (e) G.S. 62-236 is recodified as G.S. 136-20.1 and reads as rewritten:

4       **"§ 136-20.1. To require installation and maintenance of block system and safety**  
5       **devices; automatic signals at railroad intersections.**

6           (a) ~~The Commission is empowered and directed to~~ Department of Transportation  
7 shall, to the extent not prohibited by federal law, require any railroad company to install  
8 and put in operation and maintain upon the whole or any part of its road an appropriate  
9 system of railroad signals and controls, a block signal system system of telegraphy or  
10 any other reasonable safety device, but no railroad company shall be required to install a  
11 block system upon any part of its road unless at least eight trains each way per day are  
12 operated on that part.

13           (b) ~~The Commission is empowered and directed to~~ Department of Transportation  
14 shall, to the extent not prohibited by federal law, require, when public safety demands,  
15 where two or more railroads cross each other at a common grade, or any railroad crosses  
16 any stream or harbor by means of a bridge, to install and maintain such a system of  
17 interlocking or automatic interlocking, block, automatic, or automatic block signals as  
18 will render it safe for engines and trains to pass over such crossings or bridge without  
19 stopping, and to apportion the cost of installation and maintenance between said  
20 railroads as may be just and proper."

21           (f) The Department of Transportation shall implement the provisions of this  
22 section within funds available.

23

24 Requested by: Senator Lee

## 25 **IMPLEMENTING SELECTED GPAC RECOMMENDATIONS**

26       Sec. 110. (a)     The Department of Transportation shall centralize the monitoring  
27 and reporting of data related to small and minority business development firms and civil  
28 rights-related matters, and reorganize the Department so that functions related to these  
29 activities will be integrated into and institutionalized under the Division of Highways.  
30 The Department will comply with this section by July 1, 1993. The Department shall  
31 report to the Joint Legislative Highway Oversight Committee by October 1, 1993, on  
32 the reorganization of civil rights-related functions within the Department.

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

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

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

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

14 The Department of Transportation is currently contracting out  
15 twenty percent (20%) to twenty-five percent (25%) of preconstruction  
16 work to private engineering firms. If outside contract forces were used  
17 to address the preconstruction work load associated with the additional  
18 298 positions, then the level of preconstruction work contracted out  
19 would rise to about thirty-two percent (32%) to thirty-six percent  
20 (36%).

21 This increase in contracting out work load, from twenty percent  
22 (20%) to twenty-five percent (25%), to thirty-two percent (32%) to  
23 thirty-six percent (36%) would be a reasonable level of increase  
24 because the Highway Trust Fund represents a seventy-eight percent  
25 (78%) increase in the pre-1989 preconstruction work load of the  
26 Department.

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

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

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

40 (2) The increased use of outside contract forces to perform quality control  
41 and quality assurance functions will require continued Department of  
42 Transportation construction staff involvement in project oversight and  
43 verification, careful selection of vendors, and rigorous contract

1 administration of these projects. The level of this outside contracting  
2 should be based on the following considerations:

- 3 a. Focus outside contract activity on the peak load requirements of  
4 the Highway Trust Fund construction program;  
5 b. Retain sufficient in-house capability to address the base load  
6 requirements of the Highway Trust Fund construction program  
7 and properly administer the outside construction engineering  
8 and inspection-related contracts; and  
9 c. Select contractors with significant experience in performing  
10 construction engineering and inspection for major road and  
11 bridge projects and familiarity with Department of  
12 Transportation engineering standards and construction  
13 specifications.

14 (3) By using private engineering firms to handle more of the Highway  
15 Trust Fund program construction work load, the Department of  
16 Transportation can reduce the number of new in-house staff required  
17 to support the construction portion of the program.

18 (4) The Secretary of Transportation shall report to the Joint Legislative  
19 Highway Oversight Committee, no later than September 1, 1993, a  
20 plan meeting the construction needs of the Highway Trust Fund  
21 program with a minimum of new construction staff in the Department  
22 of Transportation and increasing the use of outside contract forces  
23 while meeting the criteria in subdivisions (1) through (3) of this  
24 subsection.

25 (f)(1) The General Assembly finds that the Equipment Sections of the 14  
26 highway divisions perform maintenance and repair functions for all  
27 Department of Transportation equipment, except for sedans which are  
28 maintained through the Department of Administration. Each division  
29 has between five and 10 garages, including one major division garage.  
30 In some cases, two-person garages continue to operate in certain rural  
31 areas of the State, where the distance between garages is fairly large  
32 (40 to 50 miles). In addition, there are local county garages colocated  
33 near the division garages. These latter garages represent a potential  
34 opportunity for consolidation, to reduce the overall number of garage  
35 facilities maintained by the Department of Transportation.

36 (2) The Department of Transportation shall develop a plan to consolidate  
37 the equipment section resources associated with the 14 division  
38 garages and those 14 Department county garages located nearby for  
39 submission to the Joint Legislative Highway Oversight Committee by  
40 February 1, 1994.

41 (g)(1) The General Assembly finds that Division Traffic Services units are  
42 variously organized, with some units having all field forces reporting  
43 to the Division Traffic Services Supervisor and others having signal-  
44 related forces assigned to the Assistant Division Traffic Engineer in a



1 Traffic Control Technical Services unit. The latter arrangement  
2 provides a better balance of technical and nontechnical traffic services  
3 personnel among the middle management positions within this unit,  
4 resulting in a more equitable span of control among these supervisory  
5 personnel. This alignment recognizes the increasingly technical  
6 aspects of traffic signal planning and implementation, while also  
7 providing for a more balanced distribution of Traffic Services staff  
8 among the Traffic Services supervisors.

9 (2) The Secretary of Transportation shall realign the Traffic Services  
10 sections of the 14 Traffic Divisions so that the signal/traffic control  
11 personnel report to the Assistant Traffic Engineer and pavement  
12 markings/signs personnel report to the Traffic Services Supervisor.

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

- 15 a. The determination of resources needed to provide an acceptable  
16 level of service, accomplish the annual maintenance program  
17 efficiently, and erase the existing maintenance backlog; and
- 18 b. The determination of the most appropriate mix of contract and  
19 in-house resources.

20 As the maintenance work load has increased, the Department of  
21 Transportation has been able to handle a portion of the increased work  
22 through contracting. The Department of Transportation can make  
23 additional use of private contractors.

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

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

40  
41 Requested by: Senator Lee

42 **EQUIPMENT FUND TRANSFER**

1           Sec. 111. The Department of Transportation's Equipment Fund shall pay to  
2 the Highway Fund the sum of ten million dollars (\$10,000,000) for the 1993-94 fiscal  
3 year.

4  
5 Requested by: Senator Lee

6 **VISITOR AND WELCOME CENTER FUNDS**

7       Sec. 112. (a) G.S. 20-79.7(c) reads as rewritten:

8       "(c) Use of Funds in Special Registration Plate Account. –

9       (1) The Division shall deduct the costs of special registration plates,  
10 including the costs of issuing, handling, and advertising the availability  
11 of the special plates, from the Special Registration Plate Account.

12       (2) From the funds remaining in the Special Registration Plate Account  
13 after the deductions in accordance with subdivision (1) of this  
14 subsection, there is annually appropriated from the Special  
15 Registration Plate Account the sum of two hundred twenty-five  
16 thousand dollars (\$225,000) for the 1993-94 fiscal year and the sum of  
17 two hundred seventy-five thousand dollars (\$275,000) for the 1994-95  
18 fiscal year to provide operating assistance for the Visitor and Welcome  
19 Centers:

20       a. On U.S. Highway 17 in Camden County, \$75,000;

21       b. On U.S. Highway 17 in Brunswick County, \$75,000;

22       c. On U.S. Highway 441 in Macon County, \$25,000;

23       d. In the Town of Boone, Watauga County, \$25,000; and

24       e. On U.S. Highway 29 in Caswell County, \$25,000 for the 1993-  
25 94 fiscal year and \$75,000 for the 1994-95 fiscal year.

26       (3) The Division shall transfer the remaining revenue in the Account  
27 quarterly as follows:

28       ~~(1)~~ a. Thirty-three percent (33%) to the account of the Department of  
29 Commerce to aid in financing out-of-state print and other media  
30 advertising under the program for the promotion of travel and  
31 industrial development in this State.

32       ~~(2)~~ b. Fifty percent (50%) to the Department of Transportation to be used  
33 solely for the purpose of beautification of highways other than those  
34 designated as interstate. These funds shall be administered by the  
35 Department of Transportation for beautification purposes not  
36 inconsistent with good landscaping and engineering principles.

37       ~~(3)~~ c. Seventeen percent (17%) to the account of the Department of  
38 Human Resources to promote travel accessibility for disabled persons  
39 in this State. These funds shall be used to collect and update site  
40 information on travel attractions designated by the Department of  
41 Commerce in its publications, to provide technical assistance to travel  
42 attractions concerning accommodation of disabled tourists, and to  
43 develop, print, and promote the publication ACCESS NORTH  
44 CAROLINA as provided in G.S. 168-2. Any funds allocated for these

1 purposes that are neither spent nor obligated at the end of the fiscal  
2 year shall be transferred to the Department of Administration for  
3 removal of man-made barriers to disabled travelers at State-funded  
4 travel attractions. Guidelines for the removal of man-made barriers  
5 shall be developed in consultation with the Department of Human  
6 Resources."

7 (b) The Secretary of Transportation shall review the State's role in funding the  
8 operations of the visitor centers receiving funding pursuant to subsection (a) of this  
9 section and report the Secretary's findings to the Joint Legislative Highway Oversight  
10 Committee by March 1, 1994.

11  
12 Requested by: Senator Plyler

### 13 **FARM EQUIPMENT DEALER PLATE USAGE**

14 Sec. 113. G.S. 20-79(d) reads as rewritten:

15 "(d) Dealer's license plates may be used on motor vehicles owned by, or assigned  
16 to, duly licensed motor vehicle dealers of this State when operated on the highways of  
17 this State by the dealer, corporate officers of the dealership, salespersons or full-time  
18 employees of the dealership, and any designated part-time employees of the dealership;  
19 provided, the vehicle is subject to the proof of financial responsibility requirements of  
20 Article 9A of this Chapter. A dealer who sells, trades, or services farm tractors may use  
21 a dealer license plate on a vehicle that is owned by the dealer and is used to haul farm  
22 tractors or any other farm-related equipment sold, traded, or serviced by the dealer. A  
23 dealership owner who desires to use dealer's license plates as herein provided shall  
24 make application on a form provided by the Division of Motor Vehicles and pay the  
25 annual amount set in G.S. 20-87(7)."

26  
27 Requested by: Senator Lee

### 28 **CAP ON DRIVERS EDUCATION COSTS**

29 Sec. 114. Notwithstanding G.S. 20-88.1(c), the amount paid out of the  
30 Highway Fund under that subsection for fiscal year 1993-94 and fiscal year 1994-95  
31 shall not exceed the sum of twenty-three million one hundred eighty-eight thousand  
32 eight hundred twenty-six dollars (\$23,188,826) each year.

33  
34 Requested by: Senator Lee

### 35 **DEPARTMENT OF TRANSPORTATION TO REPORT ON BILLBOARD FEES**

36 Sec. 115. The Department of Transportation shall report to the Joint  
37 Legislative Highway Oversight Committee on or before October 1, 1993, concerning  
38 billboard fees. The Department shall report on the fees currently collected and the  
39 amounts of fees that would be needed to fund the administration of the billboard  
40 program.

41  
42 Requested by: Senator Lee

### 43 **DIVISION OF MOTOR VEHICLES TO REPORT ON PERSONNEL EFFECTS** 44 **OF NEW COMPUTER SYSTEM**

1           Sec. 116. The Secretary of Transportation shall report to the Joint Legislative  
2 Highway Oversight Committee, on or before October 1, 1993, on the plans for reducing  
3 staffing and costs during the 1994-95 fiscal year as a result of the implementation of the  
4 new computer systems for Drivers Licensing and Vehicle Registration. The report shall  
5 also contain an update on the status of completion of the implementation of the new  
6 computer systems as of the date of the report.

7  
8 Requested by: Senator Lee

9 **MODIFY AVIATION APPROPRIATION**

10       Sec. 117. (a) G.S. 136-16.4 reads as rewritten:

11 **"§ 136-16.4. Continuing aviation appropriations.**

12       There is ~~annually appropriated, beginning with the 1987-88 fiscal year, appropriated~~  
13 ~~from the General Fund to the Department of Transportation for aviation purposes, a sum~~  
14 ~~equal to the estimated revenue derived from the State's sales and use taxes (exclusive of~~  
15 ~~refunds, penalties, and interest) collected and received on sales made on and after the~~  
16 ~~first day of the fiscal year representing sales and use taxes on aircraft, aircraft parts,~~  
17 ~~accessories, lubricants and aviation fuel. the sum of eight million four hundred thousand~~  
18 dollars (\$8,400,000) for fiscal year 1993-94 and the sum of eight million nine hundred  
19 thousand dollars (\$8,900,000) for fiscal year 1994-95. Each subsequent fiscal year,  
20 there is appropriated from the General Fund to the Department of Transportation the  
21 amount appropriated by this section to the Department of Transportation for the  
22 preceding fiscal year, plus or minus the percentage of the amount by which the  
23 collection of State sales and use taxes increased or decreased during the preceding fiscal  
24 year. The Department of Transportation may use funds appropriated under this section  
25 only for aviation purposes."

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

27  
28 Requested by: Senator Lee

29 **DEPARTMENT OF TRANSPORTATION TO REPORT ON THE USE OF**  
30 **INMATE LABOR**

31       Sec. 118. The Department of Transportation shall report to the Joint  
32 Legislative Highway Oversight Committee, on or before October 1, 1993, on the use of  
33 minimum and medium custody inmates. The report shall detail:

- 34       (1) The requirements placed on the Department by G.S. 148-26, the State  
35 policy on the employment of prisoners.  
36       (2) Whether the use of inmate labor is cost-effective.  
37       (3) Whether the cost-sharing arrangement with the Department of  
38 Correction is equitable with respect to the contributions from the  
39 Department of Transportation and the Highway Fund.  
40       (4) A cost-effective analysis comparing the cost and productivity of using  
41 inmate labor versus using temporary highway maintenance workers.  
42

43 Requested by: Senator Lee

44 **BRANCH AGENT TRANSACTION RATE**

1           Sec. 119. The Division of Motor Vehicles of the Department of  
2 Transportation shall compensate a contractor with whom it has a contract under G.S.  
3 20-63(h) at the rate of ninety-two cents (92¢) for each transaction performed in  
4 accordance with the requirements set by the Division. A transaction is any of the  
5 following activities:

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

23           Performance at the same time of any combination of the items that are listed  
24 within each subdivision or are listed within subdivisions (1) through (8) of this section  
25 is a single transaction. Performance of the item listed in subdivision (9) of this section  
26 in combination with any other items listed in this section is a separate transaction.

27  
28 Requested by: Senator Lee

#### 29 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

30           Sec. 120. The Controller of the Department of Transportation shall allocate  
31 at the beginning of each fiscal year from the various appropriations made to the  
32 Department of Transportation in this act, Titles:

33           State Construction

34           State Funds to Match Federal Highway Aid

35           State Maintenance

36           Ferry Operations,

37 sufficient funds to eliminate all overdrafts on State maintenance and construction  
38 projects, and these allocations may not be diverted to other purposes.

39  
40 Requested by: Senator Lee

#### 41 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND** 42 **APPROPRIATIONS**

43           Sec. 121. (a) The General Assembly authorizes and certifies anticipated  
44 revenues of the Highway Fund as follows:

1           For Fiscal Year 1995-96           \$969,300,000

2           For Fiscal Year 1996-97           \$979,400,000.

3           (b) The General Assembly authorizes and certifies anticipated revenues of the  
4 Highway Trust Fund as follows:

5           For Fiscal Year 1995-96           \$578,200,000

6           For Fiscal Year 1996-97           \$590,200,000.

7

8 Requested by: Senator Lee

9 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

10       Sec. 122. (a) Overexpenditures from Section 4 of this act may be made by  
11 authorization of the Director of the Budget, Titles:

12           State Construction Primary Construction

13           State Construction Urban Construction

14           State Construction Access and Public Service Roads

15           State Funds to Match Federal Highway Aid

16           State Maintenance

17           Ferry Operations,

18 provided that there are corresponding underexpenditures from these same Titles.

19 Overexpenditures or underexpenditures in any Titles may not vary by more than ten  
20 percent (10%) without prior consultation with the Advisory Budget Commission.

21 Written reports covering overexpenditures or underexpenditures of more than ten  
22 percent (10%) shall be made to the Joint Legislative Highway Oversight Committee.

23 The reports shall be delivered to the Director of the Fiscal Research Division not less  
24 than 96 hours prior to the beginning of the Committee's full meeting.

25       (b) Overexpenditures from Section 4 of this act, Titles:

26           State Construction Primary Construction

27           State Construction Urban Construction

28           State Construction Access and Public Service Roads

29           State Funds to Match Federal Highway Aid

30           State Maintenance

31           Ferry Operations,

32 for the purpose of providing additional positions shall be approved by the Director of  
33 the Budget and shall be reported on a quarterly basis to the Joint Legislative Highway  
34 Oversight Committee and to the Fiscal Research Division.

35

36 Requested by: Senator Lee

37 **RESURFACED ROADS MAY BE WIDENED**

38       Sec. 123. Of the contract maintenance resurfacing program funds  
39 appropriated in this act to the Department of Transportation, an amount not to exceed  
40 fifteen percent (15%) of the Board of Transportation's allocation of these funds may be  
41 used for widening existing narrow pavements that are scheduled for resurfacing. The  
42 Department of Transportation shall report on the use of these funds to the Joint  
43 Legislative Highway Oversight Committee and the Fiscal Research Division by May  
44 15, 1994.

1

2 Requested by: Senator Lee

3 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

4           Sec. 124. Any unreserved credit balance in the Highway Fund on June 30 of  
5 each of the fiscal years of this biennium shall support appropriations in the succeeding  
6 fiscal year. If all of the balance is not needed for these appropriations, the Director of  
7 the Budget may use the remaining excess to establish a reserve for access and public  
8 roads, a reserve for unforeseen happening of a state of affairs requiring prompt action as  
9 provided by G.S. 136-44.1, and other required reserves. Actual revenue in excess of  
10 estimated revenue shall be placed in the reserve for highway maintenance. If all of the  
11 remaining excess is not used to establish these reserves, the remainder shall be allocated  
12 to the State-funded maintenance appropriations in the manner approved by the Board of  
13 Transportation. The Board of Transportation shall report monthly to the Joint  
14 Legislative Highway Oversight Committee and the Fiscal Research Division about the  
15 use of the reserve for highway maintenance.

16

17 Requested by: Senator Lee

18 **DEPARTMENT OF TRANSPORTATION TO PAY COMPENSATION OF**  
19 **ATTORNEYS ASSIGNED TO MOTOR VEHICLES DIVISION BY THE**  
20 **ATTORNEY GENERAL**

21           Sec. 125. The Department of Transportation shall pay the compensation,  
22 including salaries and benefits, of the attorneys assigned to the Division of Motor  
23 Vehicles by the Attorney General. The funds to pay the compensation for those legal  
24 positions shall be taken from the Highway Fund.

25

26 Requested by: Senator Lee

27 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**  
28 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**  
29 **MANAGEMENT**

30           Sec. 126. The Department of Transportation may enter into a design-build-  
31 warrant contract to develop, with Federal Highway Administration participation under  
32 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections  
33 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"  
34 system of traffic management for the greater Charlotte-Mecklenburg urban areas.  
35 Notwithstanding any other provision of law, contractors, contractors' employees, and  
36 Department of Transportation employees involved in this project only do not have to be  
37 licensed by occupational licensing boards as "license" and "occupational licensing  
38 board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the  
39 Department of Transportation is exempted from the provisions of the following General  
40 Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These  
41 statutory exemptions are limited and available only to the extent necessary to comply  
42 with federal rules, regulations, and policies for completion of this project.

43           The Department of Transportation shall report quarterly to the Joint  
44 Legislative Highway Oversight Committee on its efforts to enter into a design-build-

1 warrant contract and to award and construct the project. The report shall include, but  
2 not be limited to, the number of types of firms bidding on the project, special  
3 qualifications of the firms bidding, and the effect statutory exemptions might have had  
4 on the award and construction of the project and the receipt of federal discretionary  
5 funding for the project.

6  
7 Requested by: Senator Lee

#### 8 **BRIDGE FORMULA EXCEPTIONS**

9 Sec. 126.1. G.S. 20-118(i)(6) reads as rewritten:

10 "(6) Vehicles described in G.S. 20-118(i)(2) shall be permitted to operate  
11 on all streets and highways of North Carolina, except Interstate  
12 highways until October 1, ~~1993~~, 1998, subject to light-traffic road  
13 limitation, and subject to the penalties for axle weight, tandem-axle  
14 weight and gross vehicle weight for exceeding weights permitted by  
15 this subsection at the same rate as is provided for by G.S. 20-118(e)."  
16

#### 17 **PART 19. DEPARTMENT OF CORRECTION**

18  
19 Requested by: Senator Odom

#### 20 **USE OF INMATES FOR PRISON CONSTRUCTION**

21 Sec. 127. (a) The State may require contractors awarded bids for construction of  
22 facilities funded by the remaining eighty-seven million five hundred thousand dollars  
23 (\$87,500,000) of the two hundred million dollars (\$200,000,000) in bond proceeds  
24 authorized by Chapter 935 of the 1989 Session Laws to use a work force that includes  
25 inmates provided to the contractors by the Department of Correction; the requirement  
26 may provide that such inmates shall compose at least twenty percent (20%) of the  
27 contractor's work force. The Office of State Construction and the Department of  
28 Correction shall report quarterly to the Joint Legislative Commission on Governmental  
29 Operations, the Chairs of the House and Senate Appropriations Subcommittees on  
30 Justice and Public Safety, and the Fiscal Research Division on the use of inmates by  
31 private contractors.

32 (b) The Department of Correction shall report quarterly to the Joint Legislative  
33 Commission on Governmental Operations, the Chairs of the House and Senate  
34 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research  
35 Division on the inmate construction program used to construct the East Work Facility  
36 and the West Work Facility.  
37

38 Requested by: Senator Odom

#### 39 **CURRENT OPERATING EXPENSES**

40 Sec. 128. From the funds appropriated to the Department of Correction in the  
41 certified budget for the 1993-94 fiscal year, the Department may transfer within its  
42 budget up to five million dollars (\$5,000,000) for repair and renovation of its facilities.  
43 The use of these funds shall be subject to the prior approval of the Office of State  
44 Budget and Management. The Department of Correction shall have a verifiable ten



1 percent (10%) goal for participation by minority and women contractors in these  
2 projects. If necessary, the Department may transfer within its budget up to six hundred  
3 fifty thousand dollars (\$650,000) in each fiscal year to match federal grant funds  
4 received by the Department.

5 The Department of Correction shall submit a schedule of repairs and  
6 renovations funded pursuant to this section and shall provide information on the use of  
7 minority and women contractors for those projects in a quarterly report to the Joint  
8 Legislative Commission on Governmental Operations and to the Chairs of the Senate  
9 and House Appropriations Subcommittees on Justice and Public Safety.

10  
11 Requested by: Senator Odom

#### 12 **LIMIT USE OF OPERATIONAL FUNDS**

13 Sec. 129. Funds appropriated in this act to the Department of Correction for  
14 operational costs for additional facilities shall be used for personnel and operating  
15 expenses set forth in the budget approved by the General Assembly in this act. These  
16 funds may not be expended for any other purpose, and may not be expended for  
17 additional prison personnel positions until the new facilities are within 90 days of  
18 completion, except for certain management and support positions necessary to prepare  
19 the facility for opening, as authorized in the budget approved by the General Assembly.

20  
21 Requested by: Senator Odom

#### 22 **PRIVATE CONFINEMENT FACILITIES**

23 Sec. 130. Section 67 of Chapter 689 of the 1991 Session Laws reads as  
24 rewritten:

25 "Sec. 67. No for-profit, privately owned or operated confinement facilities may be  
26 added to the State prison system unless approved by the General Assembly.  
27 Notwithstanding the provisions of this section or any other provision of law, the  
28 Secretary of Correction may issue a request for proposal or employ other appropriate  
29 bidding process or procedure to determine contract terms or conditions under which  
30 private for-profit or nonprofit firms would offer to provide and operate treatment centers  
31 totalling 500 beds for prisoners committed to the custody of the Department of  
32 Correction who are diagnosed as needing treatment for alcohol or drug abuse. The State  
33 may contract with private, nonprofit firms to provide or operate work and study release  
34 centers for women and for youth."

35  
36 Requested by: Senator Odom

#### 37 **NCCIW/MATCH PROGRAM FUNDS**

38 Sec. 131. Funds from the one hundred twelve million five hundred thousand  
39 dollars (\$112,500,000) in bond proceeds appropriated and allocated for repairs and  
40 renovations at the North Carolina Correctional Institution for Women in Section 239 of  
41 Chapter 689 of the 1991 Session Laws, as amended by Section 41(a) of Chapter 1044 of  
42 the 1991 Session Laws, shall be used to provide a gatehouse and a visiting/operations  
43 center that will include designated space for the Mothers and Their Children (MATCH)  
44 program. The MATCH program will be a specialized treatment program that will

1 provide supervised visitation between inmates and their children and hold classes in  
2 parenting and related subjects.

3  
4 Requested by: Senator Odom

5 **SUMMIT HOUSE**

6 Sec. 132. (a) Of the funds appropriated to the Department of Correction, the  
7 sum of four hundred thousand dollars (\$400,000) for the 1993-94 fiscal year, and the  
8 sum of four hundred thousand dollars (\$400,000) for the 1994-95 fiscal year, shall be  
9 used to support the program at Summit House, a community-based residential  
10 alternative to incarceration for mothers and pregnant women convicted of nonviolent  
11 crimes, including expansion of nonresidential day center services.

12 (b) Of the funds appropriated to the Department of Correction for the 1993-94  
13 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used for  
14 planning and site selection of satellite Summit House programs in Mecklenburg and  
15 Wake Counties. Any funds appropriated by this section for planning and site selection  
16 which are available after completion of the planning and site selection process may be  
17 used by Mecklenburg and Wake Counties to supplement local resources allocated for  
18 site acquisition.

19 (c) Of the funds appropriated to the Department of Correction for the 1994-95  
20 fiscal year, the sum of five hundred thousand dollars (\$500,000) shall be used for the  
21 sharing of operating costs of satellite Summit House programs in Mecklenburg and  
22 Wake Counties. The funds appropriated for operating costs of the satellite programs in  
23 Mecklenburg and Wake Counties shall be matched by each county and each county  
24 shall provide a site or facility for the satellite program in that county.

25 (d) Each fiscal year, Summit House shall report quarterly to the Joint Legislative  
26 Commission on Governmental Operations on the expenditure of State appropriations  
27 and on the effectiveness of the program, including information on the number of clients  
28 served, the number of clients who have their probation revoked, and the number of  
29 clients who successfully complete the program while housed at Summit House. For the  
30 1993-94 fiscal year, Summit House shall report to the Joint Legislative Commission on  
31 Governmental Operations on the progress of the planning and site selection process for  
32 the satellite programs funded by this section. For the 1994-95 fiscal year, Summit  
33 House shall report to the Joint Legislative Commission on Governmental Operations on  
34 the expansion of its program into Mecklenburg and Wake Counties.

35  
36 Requested by: Senator Odom

37 **HARRIET HOUSE**

38 Sec. 133. Of the funds appropriated to the Department of Correction, the sum  
39 of two hundred thousand dollars (\$200,000) for the 1993-94 fiscal year, and the sum of  
40 two hundred thousand dollars (\$200,000) for the 1994-95 fiscal year, shall be used to  
41 support the programs of Harriet House, a transitional home for female ex-offenders and  
42 their children. Harriet House shall report quarterly to the Joint Legislative Commission  
43 on Governmental Operations on the expenditure of State appropriations and on the

1 effectiveness of the program including information on the number of clients served and  
2 the number of clients who successfully complete the Harriet House program.

3  
4 Requested by: Senator Plyler

5 **SENTENCING COMMISSION EXTENDED**

6 Sec. 133.1. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as  
7 amended by Chapters 812 and 816 of the 1991 Session Laws, reads as rewritten:

8 "Sec. 8. This act is effective upon ratification, and shall expire July 8, ~~1993.~~  
9 1994."

10 (b) G.S. 164-38 reads as rewritten:

11 **"§ 164-38. Terms of members; compensation; expenses.**

12 The terms of existing members shall expire on June 30, ~~1992.~~1993. New members  
13 shall be appointed or the existing members reappointed by the appointing authorities to  
14 serve until July 1, ~~1993,~~1994, unless they resign or are removed. Members serving by  
15 virtue of elective or appointive office or as designees of such officeholders may serve  
16 only so long as the officeholders hold those respective offices. Members appointed by  
17 the Speaker of the House and the President Pro Tempore of the Senate may be removed  
18 by the appointing authority without cause. Vacancies occurring before the expiration of  
19 a term shall be filled in the manner provided for the members first appointed. A member  
20 of the Commission may be removed only for disability, neglect of duty, incompetence,  
21 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective  
22 with respect to members designated on or after July 1, 1992, a person making a  
23 designation pursuant to G.S. 164-37 may not make another designation, except that the  
24 person's successor in elective or appointive office may make a new designation.

25 The Commission members shall receive no salary for serving. All Commission  
26 members shall receive necessary subsistence and travel expenses in accordance with the  
27 provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable."  
28

29 Requested by: Senator Odom

30 **INMATE INCENTIVE PAY**

31 Sec. 133.2. G.S. 148-18(a) reads as rewritten:

32 "(a) Prisoners employed in prison enterprises shall be compensated at hourly rates  
33 fixed by the Department of Correction's rules and regulations, or on the basis of  
34 production quotas established by prison enterprises, for work performed; provided, that  
35 no prisoner working for prison enterprises shall be paid more than ~~one dollar (\$1.00)~~  
36 three dollars (\$3.00) per day from funds made available by the Prison Enterprises Fund.

37 Prisoners employed other than by prison enterprises and those involved in the  
38 maintenance and housekeeping of the prison system, shall be compensated at rates fixed  
39 by the Department of Correction's rules and regulations; provided, that no prisoner so  
40 paid shall receive more than one dollar (\$1.00) per day. ~~The source of wages and~~  
41 ~~allowances provided inmates who are not employed by prison enterprises shall be funds~~  
42 ~~provided by the Department of Transportation to the Department of Correction for this~~  
43 ~~purpose.~~ The provisions of this subsection shall not apply to wages paid by private  
44 prison enterprises conducted pursuant to G.S. 148-70."

1  
2 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

3  
4 Requested by: Senator Odom

5 **REPORT ON COMMUNITY SERVICE WORKERS**

6 Sec. 134. The Department of Crime Control and Public Safety shall report  
7 quarterly in the 1993-94 fiscal year and the 1994-95 fiscal year to the Joint Legislative  
8 Commission on Governmental Operations and the Fiscal Research Division on the  
9 number of community service workers who were available during each month of the  
10 time period preceding that report to perform repairs and maintenance of the parks and  
11 when and where they were available.

12  
13 Requested by: Senator Odom

14 **RAPE VICTIMS ASSISTANCE PROGRAM**

15 Sec. 135. (a) Notwithstanding G.S. 143-12 or any other provision of law, the  
16 Department of Crime Control and Public Safety may utilize up to one hundred fifty  
17 thousand dollars (\$150,000) of funds received, but not used, from the contingency and  
18 emergency fund in order to liquidate unpaid invoices for hospital emergency room  
19 services provided to rape victims and to provide rape evidence collection kits to hospital  
20 emergency rooms.

21 (b) This section becomes effective June 30, 1993.

22  
23 Requested by: Senator Odom

24 **NATIONAL GUARD DISASTER TRAINING**

25 Sec. 136. (a) G.S. 166A-6 is amended by adding a new subsection to read:

26 "(d) In preparation for a state of disaster, with the concurrence of the Council of  
27 State, the Governor may use contingency and emergency funds as necessary and  
28 appropriate for National Guard training in preparation for disasters."

29 (b) This section is effective upon ratification.

30  
31 Requested by: Senators Lee and Odom

32 **REPORT BY HIGHWAY PATROL DIVISION**

33 Sec. 137. The Department of Crime Control and Public Safety, Highway  
34 Patrol Division, shall prepare a written report to the Senate and House Appropriations  
35 Committees on Justice and Public Safety and to the Joint Appropriations Committee on  
36 Transportation on the following:

- 37 (1) Development of a long-range staffing plan, including optimum patrol  
38 strength;
- 39 (2) Assignment of troopers to counties, including a plan for the revision of  
40 county assignments that reflects overall staffing levels;
- 41 (3) Development of a plan for reciprocity with local law enforcement  
42 agencies that specifies the number of local law enforcement officers  
43 eligible to participate in training offered by the Division;

1 (4) Justification of the use of troopers on special assignment to provide  
2 security services at special and public events, including sporting  
3 events, and the development of a rate of reimbursement for services  
4 provided at special and public events; and

5 (5) Justification of the annual automatic pay increase currently provided to  
6 sworn Division personnel.

7 By April 30, 1994, the Department of Crime Control and Public Safety, Highway Patrol  
8 Division, shall provide copies of the report to the Senate and House Appropriations  
9 Committees on Justice and Public Safety and to the Joint Appropriations Committee on  
10 Transportation, and to the Fiscal Research Division of the Legislative Services Office.  
11 The Division shall be available to present the report to the Senate and House  
12 Appropriations Committees on Justice and Public Safety and to the Joint Appropriations  
13 Committee on Transportation within five days of the convening of the Joint  
14 Appropriations Committee. The Senate and House Appropriations Committees on  
15 Justice and Public Safety and the Joint Appropriations Committee on Transportation  
16 shall meet within five days of the convening of the Joint Appropriations Committee to  
17 receive the report required by this section.

## 18 19 **PART 21. JUDICIAL DEPARTMENT**

20  
21 Requested by: Senator Odom

### 22 **AOC NETWORK TRANSFER STUDY**

23 Sec. 138. The Information Resource Management Commission and the  
24 Administrative Office of the Courts jointly shall prepare a written evaluation of the  
25 costs, benefits, and feasibility of transferring ownership of the Administrative Office of  
26 the Courts' network back to the ownership and management of the State  
27 Telecommunications System. The evaluation shall include an independent study to  
28 determine whether the incremental operating costs (including incremental overhead  
29 costs) are lower under the State Telecommunications System and whether a service  
30 level agreement between the State Telecommunications System and the Administrative  
31 Office of the Courts that meets the Administrative Office of the Courts' requirements for  
32 network service can be developed. The Information Resource Management  
33 Commission and the Administrative Office of the Courts jointly shall present the written  
34 evaluation to the Joint Legislative Commission on Governmental Operations not later  
35 than December 31, 1993.

36  
37 Requested by: Senator Odom

### 38 **INDIGENT PERSONS' ATTORNEY FEE FUND**

39 Sec. 139. (a) Effective July 1, 1993, the Administrative Office of the Courts  
40 shall each year of the 1993-95 biennium place the sum of three million eight hundred  
41 thousand dollars (\$3,800,000) from the Indigent Persons' Attorney Fee Fund in a  
42 reserve for capital cases and for transcripts, professional examinations, and expert  
43 witness fees. The Administrative Office of the Courts shall allot these funds as needed  
44 for these purposes and for unanticipated demands on the fund.

1 (b) Effective July 1, 1993, the Administrative Office of the Courts shall, for each  
2 year of the biennium, allot the sum of eleven million five hundred thousand dollars  
3 (\$11,500,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and  
4 guardian **ad litem** cases for the 1993-94 and 1994-95 fiscal years to each judicial  
5 district in which the superior and district court districts are coterminous, and otherwise  
6 by county, according to the caseload of indigent persons who were not represented by  
7 the public defender in the districts or counties during 1992-93 and 1993-94,  
8 respectively.

9 The Administrative Office of the Courts shall notify all senior resident  
10 superior court judges, all chief district court judges, and the clerk of superior court  
11 within the district or county immediately after the allotment is made and shall regularly  
12 notify them how much remains for the district or county.

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

21 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a  
22 district or county prior to the end of the fiscal year, the Administrative Office of the  
23 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in  
24 the same manner as provided in subsection (b) of this section. However, if necessary  
25 and appropriate due to unusual and unanticipated circumstances occurring in the current  
26 year, the Administrative Office of the Courts may allocate funds to a district or county  
27 in a manner calculated to result in the reasonably fair distribution of remaining funds.  
28 Such funds shall be subject to the limitations and directions set out in subsection (b) of  
29 this section.

30 (d) If the funds allotted pursuant to subsection (c) of this section are depleted in a  
31 district or county prior to the end of the fiscal year, the Administrative Office of the  
32 Courts is authorized to resume payments in such districts or counties only if and when it  
33 is reasonably determined that the total projected expenditures will be less than the total  
34 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

35  
36 Requested by: Senator Odom

37 **SPECIAL CAPITAL CASE REHEARING FUND**

38 Sec. 140. (a) There is continued in the Judicial Department the nonreverting  
39 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be  
40 used to provide for resentencing hearings, related appeals, and postconviction hearings  
41 required by the decisions of the United States Supreme Court in McKoy v. North  
42 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon  
43 remand of that case, including the payment of attorneys' fees and related expenses for  
44 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the

1 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all  
2 funds remaining in it shall be transferred to the Indigent Persons' Attorney Fee Fund,  
3 when the Director of the Administrative Office of the Courts certifies to the State  
4 Controller that all reasonably foreseeable resentencing hearings, related appeals, and  
5 postconviction hearings have been substantially completed.

6 (b) Of the funds appropriated from the General Fund to the Judicial Department  
7 for the 1993-95 biennium, the sum of one million forty-eight thousand four hundred  
8 twenty-four dollars (\$1,048,424) for the 1993-94 fiscal year and the sum of one million  
9 forty-eight thousand four hundred twenty-four dollars (\$1,048,424) for the 1994-95  
10 fiscal year may be used for the purposes indicated in this section.

11  
12 Requested by: Senator Odom

### 13 **COMMUNITY PENALTIES PROGRAMS**

14 Sec. 141. (a) Of the funds appropriated from the General Fund to the Judicial  
15 Department for the 1993-95 biennium to conduct the community penalties programs,  
16 the sum of one million nine hundred eighteen thousand nine hundred twelve dollars  
17 (\$1,918,912) for the 1993-94 fiscal year and the sum of one million nine hundred  
18 eighteen thousand nine hundred twelve dollars (\$1,918,912) for the 1994-95 fiscal year  
19 may be allocated by the Judicial Department in any amount among existing community  
20 penalties programs or may be used to establish new community penalties programs.

21 (b) The Judicial Department shall report annually to the Senate and House  
22 Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research  
23 Division on the administrative expenditures of the community penalties programs.

24  
25 Requested by: Senator Odom

### 26 **RAPE VICTIM WITNESS COUNSELOR PROGRAM**

27 Sec. 142. From funds appropriated to the Judicial Department in the certified  
28 budget for the 1993-95 biennium, the Administrative Office of the Courts may transfer  
29 within its budget up to twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal  
30 year and up to twenty-five thousand dollars (\$25,000) for the 1994-95 fiscal year to  
31 support the existing Rape Victim Witness Counselor Program.

32  
33 Requested by: Senator Odom

### 34 **GRANT MATCHING FUNDS**

35 Sec. 143. From the funds appropriated to the Judicial Department in the  
36 certified budget for the 1993-95 biennium, the Administrative Office of the Courts may  
37 transfer within its budget for each fiscal year up to two hundred thousand dollars  
38 (\$200,000) to match any grants awarded to the Judicial Department from non-State  
39 funds.

40  
41 Requested by: Senator Odom

### 42 **EXTEND INDIGENT PERSONS' ATTORNEY REPRESENTATION** 43 **CONTRACT PROGRAM**

44 Sec. 144. G.S. 7A-344 reads as rewritten:

1 **"§ 7A-344. Special duties of Director concerning representation of indigent**  
2 **persons.**

3 In addition to the duties prescribed in G.S. 7A-343, the Director shall also:

- 4 (1) Supervise and coordinate the operation of the laws and regulations  
5 concerning the assignment of legal counsel for indigent persons under  
6 Subchapter IX of this Chapter to the end that all indigent persons are  
7 adequately represented;
- 8 (2) Advise and cooperate with the offices of the public defenders as  
9 needed to achieve maximum effectiveness in the discharge of the  
10 defender's responsibilities;
- 11 (3) Collect data on the operation of the assigned counsel and the public  
12 defender systems, and make such recommendations to the General  
13 Assembly for improvement in the operation of these systems as appear  
14 to him to be appropriate; and
- 15 (4) Accept and utilize federal or private funds, as available, to improve  
16 defense services for the indigent, including indigent juveniles alleged  
17 to be delinquent or undisciplined. To facilitate processing of juvenile  
18 and other indigent cases, the administrative officer is further  
19 authorized, in any ~~district court district~~, district or set of districts as  
20 defined in G.S. 7A-41.1(a), with the approval of the chief district court  
21 judge, judge for cases in the district court division and the approval of  
22 the senior resident superior court judge for cases in the superior court  
23 division, to engage the services of a particular attorney or attorneys to  
24 provide specialized representation on a full-time or part-time basis."  
25

26 Requested by: Senator Odom

27 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

28 Sec. 145. Funds appropriated to the Judicial Department in the 1993-95  
29 biennium for equipment and supplies shall be certified in a reserve account. The  
30 Administrative Office of the Courts shall have the authority to transfer these funds to  
31 the appropriate programs and between programs as the equipment priorities and supply  
32 consumptions occur during the operating year. These funds may not be expended for  
33 any other purpose. The Administrative Office of the Courts shall make quarterly reports  
34 on transfers made pursuant to this section to the Joint Legislative Commission on  
35 Governmental Operations and the Chairs of the Senate and House Appropriations  
36 Subcommittees on Justice and Public Safety.  
37

38 Requested by: Senator Odom

39 **ADDITIONAL PUBLIC AND APPELLATE DEFENDER PERSONNEL**

40 Sec. 146. From funds appropriated to the Indigent Persons' Attorney Fee  
41 Fund in the Judicial Department for the 1993-95 biennium, the Administrative Office of  
42 the Courts may use up to four hundred sixty-six thousand two hundred thirty dollars  
43 (\$466,230) in the 1993-94 fiscal year and up to four hundred seventy-one thousand nine



1 hundred eighty-nine dollars (\$471,989) in the 1994-95 fiscal year for salaries, benefits,  
2 and related expenses to be allocated as follows:

- 3 (1) \$217,060 in the 1993-94 fiscal year and \$234,478 in the 1994-95 fiscal  
4 year to establish up to four new assistant public defenders;  
5 (2) \$140,640 in the 1993-94 fiscal year and \$119,555 in the 1994-95 fiscal  
6 year to establish up to five new public defender secretaries; and  
7 (3) \$108,530 in the 1993-94 fiscal year and \$117,478 in the 1994-95 fiscal  
8 year to establish up to two new assistant appellate defenders.  
9

10 Requested by: Senator Odom

11 **TRANSFER FUNDS FROM SPECIAL CAPITAL CASE REHEARING FUND**  
12 **TO THE INDIGENT PERSONS' ATTORNEY FEE FUND**

13 Sec. 147. Notwithstanding the provisions of Section 78 of Chapter 689 of the  
14 1991 Session Laws, the Judicial Department may transfer up to the sum of one million  
15 one hundred thousand dollars (\$1,100,000) from the Special Capital Case Rehearing  
16 Fund, established in Section 2 of Chapter 742 of the 1991 Session Laws, to the Indigent  
17 Persons' Attorney Fee Fund during the 1993-94 fiscal year to pay the obligations  
18 incurred by the Indigent Persons' Attorney Fee Fund.  
19

20 Requested by: Senator Odom

21 **REGIONAL MEDIATION CENTER IN PITT COUNTY TO PROVIDE**  
22 **MEDIATION SERVICES TO EASTERN NORTH CAROLINA**

23 Sec. 147.1. Of the funds appropriated to the Judicial Department from the  
24 General Fund for the 1993-94 fiscal year, the sum of forty thousand dollars (\$40,000)  
25 may be used for The Mediation Center of Pitt County, Inc., a dispute settlement center  
26 in Pitt County, to establish a regional mediation and dispute settlement center to serve  
27 eastern North Carolina.  
28

29 Requested by: Senator Odom

30 **EMERGENCY JUDGES' PER DIEM INCREASE**

31 Sec. 148. (a) G.S. 7A-52(b) reads as rewritten:

32 "(b) In addition to the compensation or retirement allowance ~~he~~the judge would  
33 otherwise be entitled to receive by law, each emergency judge of the district or superior  
34 court who is assigned to temporary active service by the Chief Justice shall be paid by  
35 the State ~~his~~the judge's actual expenses, plus ~~one hundred fifty dollars (\$150.00)~~two  
36 hundred dollars (\$200.00) for each day of active service rendered upon recall. No  
37 recalled retired trial judge shall receive from the State total annual compensation for  
38 judicial services in excess of that received by an active judge of the bench to which the  
39 judge is recalled."  
40

41 (b) Of the funds appropriated in this act to the Judicial Department, up to  
42 seventy-seven thousand seven hundred twenty-two dollars (\$77,722) for the 1993-94  
43 fiscal year and up to eighty-one thousand five hundred ninety-eight dollars (\$81,598)  
for the 1994-95 fiscal year may be used to increase the per diem allowance for

1 emergency judges of the district and superior court to two hundred dollars (\$200.00) for  
 2 each day of active service rendered upon recall.

3

4 Requested by: Senator Odom

5 **ADD ADDITIONAL SUPERIOR COURT JUDGES/TRANSFER CASWELL**  
 6 **AND PERSON COUNTIES TO NEWLY CREATED SUPERIOR COURT**  
 7 **DISTRICT 9A**

8 Sec. 149. (a) Effective July 1, 1993, G.S. 7A-41(a) reads as rewritten:

9 "(a) The counties of the State are organized into judicial divisions and superior  
 10 court districts, and each superior court district has the counties, and the number of  
 11 regular resident superior court judges set forth in the following table, and for districts of  
 12 less than 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	<del>1</del> <u>2</u>
	3A	Pitt	2
	3B	Carteret, Craven, Pamlico	<del>1</del> <u>2</u>
	4A	Duplin, Jones, Sampson	1
	4B	Onslow	1
	5	New Hanover, Pender	3
	6A	Halifax	1
	6B	Bertie, Hertford, Northampton	1
	7A	Nash	1
	7B	(part of Wilson, part of Edgecombe, see subsection (b))	1
	7C	(part of Wilson, part of Edgecombe, see subsection (b))	1
	8A	Lenoir and Greene	1
	8B	Wayne	1

1	Second	9	Franklin, Granville,	2
2			<del>Person,</del>	
3			Vance, Warren	
4		<u>9A</u>	<u>Person, Caswell</u>	<u>1</u>
5		10A	(part of Wake,	1
6			see subsection (b))	
7		10B	(part of Wake,	2
8			see subsection (b))	
9		10C	(part of Wake,	1
10			see subsection (b))	
11		10D	(part of Wake,	1
12			see subsection (b))	
13		11	Harnett, Johnston,	2
14			Lee	
15		12A	(part of Cumberland,	1
16			see subsection (b))	
17		12B	(part of Cumberland,	1
18			see subsection (b))	
19		12C	(part of Cumberland,	2
20			see subsection (b))	
21		13	Bladen, Brunswick,	2
22			Columbus	
23		14A	(part of Durham,	1
24			see subsection (b))	
25		14B	(part of Durham,	3
26			see subsection (b))	
27		15A	Alamance	<del>1</del> <u>2</u>
28		15B	Orange, Chatham	1
29		16A	Scotland, Hoke	1
30		16B	Robeson	2
31	Third	17A	<del>Caswell,</del> Rockingham	2
32		17B	Stokes, Surry	<del>1</del> <u>2</u>
33		18A	(part of Guilford,	1
34			see subsection (b))	
35		18B	(part of Guilford,	1
36			see subsection (b))	
37		18C	(part of Guilford,	1
38			see subsection (b))	
39		18D	(part of Guilford,	1
40			see subsection (b))	
41		18E	(part of Guilford,	1
42			see subsection (b))	
43		19A	Cabarrus	1
44		19B	Montgomery,	1

1		Randolph	
2	19C	Rowan	1
3	20A	Anson, Moore,	2
4		Richmond	
5	20B	Stanly, Union	<del>1</del> <u>2</u>
6	21A	(part of Forsyth,	1
7		see subsection (b))	
8	21B	(part of Forsyth,	1
9		see subsection (b))	
10	21C	(part of Forsyth,	1
11		see subsection (b))	
12	21D	(part of Forsyth,	1
13		see subsection (b))	
14	22	Alexander, Davidson,	2
15		Davie, Iredell	
16	23	Alleghany, Ashe,	1
17		Wilkes, Yadkin	
18	Fourth 24	Avery, Madison,	1
19		Mitchell,	
20		Watauga, Yancey	
21	25A	Burke, Caldwell	2
22	25B	Catawba	<del>1</del> <u>2</u>
23	26A	(part of Mecklenburg,	2
24		see subsection (b))	
25	26B	(part of Mecklenburg,	2
26		see subsection (b))	
27	26C	(part of Mecklenburg,	2
28		see subsection (b))	
29	27A	Gaston	2
30	27B	Cleveland, Lincoln	<del>1</del> <u>2</u>
31	28	Buncombe	2
32	29	Henderson,	2
33		McDowell, Polk,	
34		Rutherford,	
35		Transylvania	
36	30A	Cherokee, Clay,	1
37		Graham, Macon,	
38		Swain	
39	30B	Haywood, Jackson	1".

40 (b) One superior court reporter position shall be transferred from current  
41 District 17A to newly created District 9A.

42 (c) The Governor shall appoint, effective July 1, 1993, superior court judges  
43 for the additional judgeships in superior court districts 2, 3B, 9A, 15A, 17B, 20B, 25B,  
44 and 27B. For superior court districts 2, 3B, 9A, 15A, 17B, and 27B, successors shall be

1 elected in the 1994 general election for eight-year terms. For superior court districts  
 2 20B and 25B, successors shall be elected in the 1994 general election to serve the  
 3 remainder of the unexpired terms expiring December 31, 1998. This is to provide  
 4 unstagged terms for multiple judgeships in the same district.

5  
 6 Requested by: Senator Odom

7 **ADD ADDITIONAL DISTRICT COURT JUDGES AND**  
 8 **MAGISTRATES/TRANSFER CASWELL AND PERSON COUNTIES TO**  
 9 **NEWLY CREATED DISTRICT COURT DISTRICT 9A**

10 Sec. 150. (a) Effective July 1, 1993, G.S. 7A-133 reads as rewritten:

11 **"§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional**  
 12 **seats of court, by counties.**

13 Each district court district shall have the numbers of judges and each county within  
 14 the district shall have the numbers of magistrates and additional seats of court, as set  
 15 forth in the following table:

District	Additional Judges	County	Magistrates Min.-Max.	Seats of Court
1	<del>3</del> 4	Camden	1 2	
		Chowan	2 3	
		Currituck	1 2	
		Dare	3 8	
		Gates	2 3	
		Pasquotank	3 4	
		Perquimans	2 3	
2	3	Martin	5 8	
		Beaufort	4 8	
		Tyrrell	1 3	
		Hyde	2 4	
		Washington	3 4	
3A	<del>3</del> 4	Pitt	10 12	
		Farmville		
				Ayden
3B	4	Craven	7 10	Havelock
		Pamlico	2 3	
		Carteret	5 8	
4	6	Sampson	6 8	
		Duplin	9 11	
		Jones	2 3	
		Onslow	8 14	
5	6	New Hanover	6 11	
		Pender	4 6	
6A	2	Halifax	9 14	Roanoke

1								Rapids,
2								Scotland Neck
3	6B	<del>23</del>	Northampton	5	6			
4					Bertie	4	5	
5					Hertford	5	6	
6	7	6	Nash	7	10	Rocky Mount		
7					Edgecombe	4	6	Rocky Mount
8					Wilson	4	6	
9	8	<del>56</del>	Wayne	5	11	Mount Olive		
10					Greene	2	4	
11					Lenoir	4	10	La Grange
12	9	<del>54</del>	<del>Person</del>	<del>3</del>	4			
13					Granville	3	7	
14					Vance	3	5	
15					Warren	3	4	
16					Franklin	3	6	
17	<u>9A</u>	<u>2</u>	<u>Person</u>	<u>3</u>	<u>4</u>			
18					<u>Caswell</u>	<u>2</u>	<u>5</u>	
19	10	<del>11</del>	<u>12</u>	Wake	12	20	Apex,	
20								Wendell,
21								Fuquay-
22								Varina,
23								Wake Forest
24	11	6	Harnett	7	11	Dunn		
25					Johnston	10	12	Benson,
26								Clayton
27								and Selma
28					Lee	4	6	
29	12	<del>67</del>	Cumberland	10	17			
30	13	4	Bladen	4	6			
31					Brunswick	4	7	
32					Columbus	6	8	Tabor City
33	14	5	Durham	8	12			
34	15A	3	Alamance	7	10	Burlington		
35	15B	3	Orange	4	11	Chapel Hill		
36					Chatham	3	8	Siler City
37	16A	2	Scotland	3	5			
38					Hoke	4	5	
39	16B	5	Robeson	8	16	Fairmont,		
40								Maxton,
41								Pembroke,
42								Red Springs,
43								Rowland,
44								St. Pauls

1	17A	<del>32</del> Caswell	<del>2</del>	5				
2				Rockingham	4	9	Reidsville,	
3							Eden,	
4							Madison	
5	17B	3 Stokes2	5					
6				Surry	5	8	Mt. Airy	
7	18	<del>10</del> 11 Guilford	20	26	High Point			
8	19A	<del>23</del> Cabarrus	5	9	Kannapolis			
9	19B	<del>34</del> Montgomery	2	4				
10				Randolph	5	8	Liberty	
11	19C	<del>23</del> Rowan	5	10				
12	20	<del>67</del> Stanly	5	6				
13				Union	4	6		
14				Anson	4	5		
15				Richmond	5	6	Hamlet	
16				Moore	5	8	Southern	
17							Pines	
18	21	7 Forsyth	3	15	Kernersville			
19	22	<del>67</del> Alexander	2	3				
20				Davidson	7	10	Thomasville	
21				Davie	2	3		
22				Iredell	4	8	Mooresville	
23	23	3 Alleghany	1	2				
24				Ashe	3	4		
25				Wilkes	4	6		
26				Yadkin	3	5		
27	24	3 Avery	3	4				
28				Madison	4	5		
29				Mitchell	3	4		
30				Watauga	4	6		
31				Yancey	2	4		
32	25	7 Burke	4	7				
33				Caldwell	4	7		
34				Catawba	6	9	Hickory	
35	26	<del>13</del> 14 Mecklenburg	15	26				
36	27A	5 Gaston	11	20				
37	27B	4 Cleveland	5	8				
38				Lincoln	4	6		
39	28	5 Buncombe	6	15				
40	29	<del>45</del> Henderson	4	6				
41				McDowell	3	4		
42				Polk	3	4		
43				Rutherford	6	8		
44				Transylvania	2	4		

1	30	<del>34</del> Cherokee	3	4		
2				Clay	1	2
3				Graham	2	3
4				Haywood	5	7
5				Jackson	3	4
6				Macon	3	4
7				Swain	2	3."
						Canton

8 (b) The two district court judgeships created by subsection (a) of this section for  
 9 district court district 9A shall be filled by the district court judge from current District 9  
 10 who resides in Person County and by the district court judge from current District 17A  
 11 who resides in Caswell County. The term of the judge residing in Caswell County  
 12 expires the first Monday in December of 1994. This judge's successor shall be elected  
 13 in the 1994 general election. The term of the judge residing in Person County expires  
 14 the first Monday in December of 1994. This judge's successor shall be elected in the  
 15 1996 general election.

16 (c) Secretarial services for the chief district court judge in newly created  
 17 District 9A shall be provided by the secretary of the superior court judge in newly  
 18 created Superior Court District 9A, created by subsection (a) of this section.

19 (d) The magistrates' positions created by subsection (a) of this section for  
 20 Person County in newly created District 9A shall be filled by the magistrates currently  
 21 serving Person County in District 9. The magistrates' positions created by subsection  
 22 (a) of this section for Caswell County in newly created District 9A shall be filled by the  
 23 magistrates currently serving Caswell County in District 17A.

24 (e) Juvenile intake, probation, and aftercare services for newly created  
 25 District 9A shall be provided by the chief court counselor's office in District 17A. One  
 26 such position serving the chief court counselor's office in current District 9 shall be  
 27 transferred to District 17A to facilitate the provision of juvenile intake, probation, and  
 28 aftercare services to newly created District 9A.

29 (f) Notwithstanding G.S. 7A-198, district court reporting services for newly  
 30 created District 9A shall be provided by electronic recording equipment, freelance court  
 31 reporters, or reports assigned from outside the District. The chief district court judge  
 32 shall not appoint a court reporter to serve the District.

33 (g) Effective July 1, 1993, the Governor shall appoint additional district court  
 34 judges for district court districts 1, 3A, 6B, 8, 10, 12, 18, 19A, 19B, 19C, 20, 22, 26, 29,  
 35 and 30, as authorized by this section. Their successors shall be elected in the 1994  
 36 general election for four-year terms commencing the first Monday in December 1994.

37  
 38 Requested by: Senator Odom  
 39 **ADD ADDITIONAL ASSISTANT DISTRICT ATTORNEYS/TRANSFER**  
 40 **CASWELL AND PERSON COUNTIES TO NEWLY CREATED**  
 41 **PROSECUTORIAL DISTRICT 9A/CHANGE PROSECUTORIAL DISTRICT**  
 42 **19A AND CREATE PROSECUTORIAL DISTRICT 19C/ADD**  
 43 **INVESTIGATORIAL ASSISTANTS IN THE FIRST AND EIGHTH**  
 44 **PROSECUTORIAL DISTRICTS**



1 Sec. 151. (a) Effective July 1, 1993, G.S. 7A-60(a1) reads as rewritten:

2 "(a1) The counties of the State are organized into prosecutorial districts, and each  
3 district has the counties and the number of full-time assistant district attorneys set forth  
4 in the following table:

			No. of Full-Time Asst. District
5			
6	Prosecutorial		
7	District	Counties Attorneys	
8	1	Camden, Chowan, Currituck, <del>6</del> <u>7</u>	
9		Dare, Gates, Pasquotank,	
10		Perquimans	
11	2	Beaufort, Hyde, Martin, 4	
12		Tyrrell, Washington	
13	3A	Pitt 6	
14	3B	Carteret, Craven, Pamlico 6	
15	4	Duplin, Jones, Onslow, 10	
16		Sampson	
17	5	New Hanover, Pender 9	
18	6A	Halifax 3	
19	6B	Bertie, Hertford, 3	
20		Northampton	
21	7	Edgecombe, Nash, Wilson	10
22	8	Greene, Lenoir, Wayne 8	
23	9	Franklin, Granville, <del>8</del> <u>7</u>	
24		<del>Person</del> , Vance, Warren	
25	<u>9A</u>	<u>Person, Caswell 2</u>	
26	10	Wake	<del>18</del> <u>19</u>
27	11	Harnett, Johnston, Lee <del>8</del> <u>9</u>	
28	12	Cumberland 12	
29	13	Bladen, Brunswick, Columbus 6	
30	14	Durham 9	
31	15A	Alamance 6	
32	15B	Orange, Chatham <del>4</del> <u>5</u>	
33	16A	Scotland, Hoke 3	
34	16B	Robeson 7	
35	17A	<del>Caswell, 5</del> <u>4</u>	
36		Rockingham	
37	17B	Stokes, Surry 4	
38	18	Guilford <del>16</del> <u>17</u>	
39	19A	Cabarrus, Rowan 8	
40	19B	Montgomery, Randolph <del>4</del> <u>5</u>	
41	20	Anson, Moore, Richmond, <del>10</del> <u>11</u>	
42		Stanly, Union	
43	21	Forsyth 12	
44	22	Alexander, Davidson, Davie, <del>10</del> <u>11</u>	

1		Iredell	
2	23	Alleghany, Ashe, Wilkes,	<u>4-5</u>
3		Yadkin	
4	24	Avery, Madison, Mitchell,	<u>3-4</u>
5		Watauga, Yancey	
6	25	Burke, Caldwell, Catawba	<del>10</del> <u>11</u>
7	26	Mecklenburg	<del>22</del> <u>23</u>
8	27A	Gaston	8
9	27B	Cleveland,	5
10		Lincoln	
11	28	Buncombe	<u>7-8</u>
12	29	Henderson, McDowell, Polk,	8
13		Rutherford, Transylvania	
14	30	Cherokee, Clay, Graham,	6
15		Haywood, Jackson, Macon,	
16		Swain."	

17 (b) The district attorney position created by subsection (a) of this section for  
 18 prosecutorial district 9A shall be filled by appointment by the Governor. This district  
 19 attorney's term expires on December 31, 1994. The successor shall be elected in the  
 20 1994 general election.

21 (c) The two assistant district attorney positions for newly created  
 22 prosecutorial district 9A shall be filled by an assistant district attorney currently serving  
 23 Person County in District 9 and by an assistant district attorney currently serving  
 24 Caswell County in District 17A.

25 (d) Effective January 1, 1995, G.S. 7A-60(a1), as rewritten by subsection (a) of  
 26 this section, reads as rewritten:

27 "(a1) The counties of the State are organized into prosecutorial districts, and each  
 28 district has the counties and the number of full-time assistant district attorneys set forth  
 29 in the following table:

30			No. of Full-Time
31	Prosecutorial		Asst. District
32	District	Counties	Attorneys
33	1	Camden, Chowan, Currituck,	7
34		Dare, Gates, Pasquotank,	
35		Perquimans	
36	2	Beaufort, Hyde, Martin,4	
37		Tyrrell, Washington	
38	3A	Pitt	6
39	3B	Carteret, Craven, Pamlico	6
40	4	Duplin, Jones, Onslow, 10	
41		Sampson	
42	5	New Hanover, Pender	9
43	6A	Halifax	3
44	6B	Bertie, Hertford,	3

1		Northampton	
2	7	Edgecombe, Nash, Wilson	10
3	8	Greene, Lenoir, Wayne	8
4	9	Franklin, Granville,	7
5		Vance, Warren	
6	9A	Person, Caswell	2
7	10	Wake	19
8	11	Harnett, Johnston, Lee	9
9	12	Cumberland	12
10	13	Bladen, Brunswick, Columbus	6
11	14	Durham	9
12	15A	Alamance	6
13	15B	Orange, Chatham	5
14	16A	Scotland, Hoke	3
15	16B	Robeson	7
16	17A	Rockingham	4
17	17B	Stokes, Surry	4
18	18	Guilford	17
19	19A	<del>Cabarrus, Rowan</del> Cabarrus	<del>8</del> 4
20	19B	Montgomery, Randolph	5
21	19C	Rowan	4
22	20	Anson, Moore, Richmond,	11
23		Stanly, Union	
24	21	Forsyth	12
25	22	Alexander, Davidson, Davie,	11
26		Iredell	
27	23	Alleghany, Ashe, Wilkes,	5
28		Yadkin	
29	24	Avery, Madison, Mitchell,	4
30		Watauga, Yancey	
31	25	Burke, Caldwell, Catawba	11
32	26	Mecklenburg	23
33	27A	Gaston	8
34	27B	Cleveland,	5
35		Lincoln	
36	28	Buncombe	8
37	29	Henderson, McDowell, Polk,	8
38		Rutherford, Transylvania	
39	30	Cherokee, Clay, Graham,	6
40		Haywood, Jackson, Macon,	
41		Swain."	

42 (e) The district attorney for newly created Prosecutorial District 19C shall be  
 43 elected in the general election of 1994 for a four-year term beginning January 1, 1995.

1 (f) The district attorney for Prosecutorial District 19A shall be elected in the  
2 general election of 1994 for a four-year term beginning January 1, 1995. The eight  
3 assistant district attorney positions currently serving Prosecutorial District 19A shall be  
4 allotted as follows: four assistant district attorney positions to newly created  
5 Prosecutorial District 19C, and four assistant district attorney positions to Prosecutorial  
6 District 19A.

7 (g) Effective July 1, 1993, G.S. 7A-69 reads as rewritten:

8 **"§ 7A-69. Investigatorial assistants.**

9 The district attorney in the first, third-B, fourth, seventh, eighth, tenth, eleventh,  
10 twelfth, fourteenth, fifteenth-A, sixteenth, eighteenth, twentieth, twenty-first, twenty-  
11 fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and thirtieth judicial  
12 prosecutorial districts is entitled to one investigatorial assistant to be appointed by the  
13 district attorney and to serve at his pleasure. It shall be the duty of the investigatorial  
14 assistant to investigate cases preparatory to trial and to perform such other duties as may  
15 be assigned by the district attorney. The investigatorial assistant is entitled to  
16 reimbursement for his subsistence and travel expenses to the same extent as State  
17 employees generally."  
18

19 **PART 22. DEPARTMENT OF JUSTICE**  
20

21 Requested by: Senator Odom

22 **SBI FUNDS/SPENDING PRIORITIES**

23 Sec. 152. Of the funds appropriated in this act to the Department of Justice,  
24 State Bureau of Investigation, for the 1993-94 fiscal year and the 1994-95 fiscal year for  
25 overtime payments, the first priority for use of the funds by the Department shall be:

- 26 (1) To make overtime payments to SBI agents in the Field Investigations  
27 Division; and  
28 (2) To make overtime payments to supervisory personnel receiving  
29 overtime payments as of June 30, 1993, up to a maximum of five  
30 thousand two hundred dollars (\$5,200) annually per individual.  
31

32 Requested by: Senator Odom

33 **SBI USE OF COURT-ORDERED RESTITUTION FUNDS**

34 Sec. 153. The State Bureau of Investigation (SBI) may use funds available  
35 from court-ordered restitution in undercover drug operations.  
36

37 Requested by: Senator Odom

38 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING**  
39 **BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

40 Sec. 154. The Private Protective Services and Alarm Systems Licensing  
41 Boards shall pay the appropriate State agency for the use of physical facilities and  
42 services provided to those boards by the State.  
43

44 Requested by: Senator Odom

1 **TRANSFER LEGAL COUNSEL FROM BANKING COMMISSION TO**  
2 **DEPARTMENT OF JUSTICE**

3           Sec. 155. The legal counsel and support staff of the Banking Commission are  
4 transferred to the Department of Justice from the Banking Commission. The funds,  
5 equipment, supplies, records, and other property to support the positions transferred by  
6 this section are also transferred from the Banking Commission to the Department of  
7 Justice. The Banking Commission shall continue to provide adequate office space for  
8 legal and support staff assigned to that department by the Attorney General. Any  
9 disputes arising out of this transfer shall be resolved by the Director of the Budget.

10  
11 Requested by: Senator Odom

12 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**  
13 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

14           Sec. 156. (a) Assets transferred to the Department of Justice during the 1993-95  
15 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that  
16 Department and shall result in an increase of law enforcement resources for the  
17 Department. Assets transferred to the Department of Crime Control and Public Safety  
18 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the  
19 budget of that Department and shall result in an increase of law enforcement resources  
20 for the Department. The Departments shall report to the Joint Legislative Commission  
21 on Governmental Operations upon the receipt of these assets and, before using these  
22 assets, shall report the intended use of these assets and the departmental priorities on  
23 which the assets may be expended.

24           The General Assembly finds that the use of these assets for new projects,  
25 the acquisition of real property, repair of buildings where such repair includes structural  
26 change, and construction of or additions to buildings may result in additional expenses  
27 for the State in future fiscal periods; therefore, the Department of Justice and the  
28 Department of Crime Control and Public Safety are prohibited from using these assets  
29 for such purposes without the prior approval of the General Assembly.

30           (b) This section does not apply to the extent that it prevents North Carolina  
31 law enforcement agencies from receiving funds from the United States Department of  
32 Justice pursuant to 19 U.S.C. § 1616a.

33  
34 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

35  
36 Requested by: Senator Richardson

37 **WILLIE M.**

38           Sec. 157. (a) Legislative Findings. – The General Assembly finds:

- 39           (1) That there is a need in North Carolina to provide appropriate treatment  
40 and education programs to children under the age of 18 who suffer  
41 from emotional, mental, or neurological handicaps accompanied by  
42 violent or assaultive behavior;

1 (2) That children meeting these criteria have been identified as a class in  
2 the case of Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v.  
3 Martin, et al.; and

4 (3) That these children have a need for a variety of services, in addition to  
5 those normally provided, that may include, but are not limited to,  
6 residential treatment services, educational services, and independent  
7 living arrangements.

8 (b) Funds appropriated by the General Assembly to the Department of Human  
9 Resources for serving members of the Willie M. Class shall be expended only for  
10 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,  
11 et al., formerly Willie M., et al. v. Martin, et al., including evaluations of potential class  
12 members. The Department shall reallocate these funds among services to Willie M.  
13 Class members during the year as it deems advisable in order to use the funds efficiently  
14 in providing appropriate services to Willie M. Class children.

15 (c) Funds for Department of Public Education. – Funds appropriated to the  
16 Department of Public Education in this act for members of the Willie M. Class are to  
17 establish a supplemental reserve fund to serve only members of the class identified in  
18 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. These funds  
19 shall be allocated by the State Board of Education to the local education agencies to  
20 serve those class members who were not included in the regular average daily  
21 membership and the census of children with special needs, and to provide the additional  
22 program costs which exceed the per pupil allocation from the State Public School Fund  
23 and other State and federal funds for children with special needs.

24 (d) The Department of Human Resources shall continue to implement its  
25 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect  
26 reasonable costs by conducting cost center service type rate comparisons and cost center  
27 line item budget reviews as may be necessary, and based upon these reviews and  
28 comparisons, the Department shall reduce and/or cap rates to programs which are  
29 significantly higher than those rates paid to other programs for the same service.

30 Any exception to this requirement shall be approved by the Director of the  
31 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
32 and shall be reported in the Department's annual joint report to the Governor and the  
33 General Assembly and in any periodic report the Department may make to the Joint  
34 Legislative Commission on Governmental Operations.

35 (d1) The Department of Human Resources shall implement a process to  
36 review those cases for whom treatment has been recommended whose annual cost is  
37 anticipated to be in excess of one hundred fifty percent (150%) of the average annual  
38 per client expenditure of the previous fiscal year and shall take actions to reduce these  
39 treatment costs where appropriate.

40 (e) Reporting Requirements. – The Department of Human Resources and the  
41 Department of Public Education shall submit, by May 1 of each fiscal year, a joint  
42 report to the Governor and the General Assembly on the progress achieved in serving  
43 members of the Willie M. Class. The report shall include the following unduplicated  
44 data for each county: (i) the number of children nominated for the Willie M. Class; (ii)

1 the number of children actually identified as members of the Class in each county; (iii)  
2 the number of children served as members of the Class in each county; (iv) the number  
3 of children who remain unserved or for whom additional services are needed in order to  
4 be determined to be appropriately served; (v) the types and locations of treatment and  
5 education services provided to Class members; (vi) the cost of services, by type, to  
6 members of the Class and the maximum and minimum rates paid to providers for each  
7 service; (vii) the number of cases whose treatment costs were in excess of one hundred  
8 fifty percent (150%) of the average annual per client expenditure; (viii) information on  
9 the impact of treatment and education services on members of the Class; (ix) an  
10 explanation of, and justification for, any waiver of departmental rules that affect the  
11 Willie M. program; and (x) the total State funds expended, by program, on Willie M.  
12 Class members, other than those funds specifically appropriated for the Willie M.  
13 programs and services.

14 (e1) From existing funds available to it, the Department of Human Resources  
15 shall begin a process to document and assess individual class members' progress  
16 through the continuum of services. Standardized measures of functioning shall be  
17 administered periodically to each member of the Class, and the information generated  
18 from these measures shall be used to assess client progress and program effectiveness.

19 (f) The Departments of Human Resources and Public Education shall  
20 provide periodic reports of expenditures and program effectiveness on behalf of the  
21 Willie M. Class and to the Fiscal Research Division. As part of these reports, the  
22 Departments shall explain measures they have taken to control and reduce program  
23 expenditures.

24 (g) In fulfilling the responsibilities vested in it by the Constitution of North  
25 Carolina, the General Assembly finds:

- 26 (1) That the General Assembly has evaluated the known needs of the  
27 State and has endeavored to satisfy those needs in comparison to their  
28 social and economic priorities; and  
29 (2) That the funds appropriated will enable the development and  
30 implementation of placement and services for the Class members in  
31 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et  
32 al., within a reasonable period of time considered within the context of  
33 the needs of the class members, the other needs of the State and the  
34 resources available to the State.

35 (h) The General Assembly supports the efforts of the responsible officials  
36 and agencies of the State to meet the requirements of the court order in Willie M., et al.  
37 v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. To ensure that Willie M. Class  
38 members are appropriately served, no State funds shall be expended on placement and  
39 services for Willie M. Class members except:

- 40 (1) Funds specifically appropriated by the General Assembly for the  
41 placement and services of Willie M. Class members; and  
42 (2) Funds for placement and services for which Willie M. Class members  
43 are otherwise eligible.

1 This limitation shall not preclude the use of unexpended Willie M. funds from prior  
2 fiscal years to cover current or future needs of the Willie M. program subject to  
3 approval by the Director of the Budget. These Willie M. expenditures shall not be  
4 subject to the requirements of G.S. 143-18.

5 (i) Notwithstanding any other provision of law, if the Department of Human  
6 Resources determines that a local program is not providing appropriate services to  
7 members of the Class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et  
8 al. v. Martin, et al., the Department may ensure the provision of these services through  
9 contracts with public or private agencies or by direct operation by the Department of  
10 such programs.

11  
12 Requested by: Senator Richardson

13 **THOMAS S.**

14 Sec. 158. (a) Funds appropriated to the Department of Human Resources in this  
15 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas  
16 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty  
17 shall be expended only for programs serving Thomas S. Class members or for services  
18 for those clients who are:

- 19 (1) Adults with mental retardation, or who have been treated as if they had  
20 mental retardation, who were admitted to a State psychiatric hospital  
21 on or after March 22, 1984, and who are included on the Division of  
22 Mental Health, Developmental Disabilities, and Substance Abuse  
23 Services' official list of prospective Class members;
- 24 (2) Adults with mental retardation who have a documented history of  
25 State Psychiatric hospital admissions regardless of admission date and  
26 who, without funding support, have a good probability of being  
27 readmitted to a State psychiatric hospital; or
- 28 (3) Adults with mental retardation who have never been admitted to a  
29 State psychiatric hospital but who have a documented history of  
30 behavior determined to be of danger to self or others that results in  
31 referrals for inpatient psychiatric treatment and who, without funding  
32 support, have a good probability of being admitted to a State  
33 psychiatric hospital.

34 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.  
35 program shall be used for clients meeting subdivisions (2) or (3) of this subsection.

36 (b) To ensure that Thomas S. Class members are appropriately served, no  
37 State funds shall be expended on placement and services for Thomas S. Class members  
38 except:

- 39 (1) Funds specifically appropriated by the General Assembly for the  
40 placement and services of Thomas S. Class members; and
- 41 (2) Funds for placement and services for which Thomas S. Class members  
42 are otherwise eligible.

43 (c) Reporting requirements. The Department of Human Resources shall submit  
44 by April 1 of each fiscal year a report to the General Assembly on the progress achieved



1 in serving members and prospective members of the Thomas S. Class. The report shall  
2 include the following:

- 3 (1) The number of Thomas S. clients confirmed as Class members;
- 4 (2) The number of prospective Class members evaluated;
- 5 (3) The number of prospective Class members awaiting evaluation;
- 6 (4) The number of Class members or prospective class members added in  
7 the preceding 12 months due to their admission to a State psychiatric  
8 hospital;
- 9 (5) A description of the types of treatment services provided to Class  
10 members; and
- 11 (6) An analysis of the use of funds appropriated for the Class.

12 (d) Notwithstanding any other provision of law, if the Department of Human  
13 Resources determines that a local program is not providing minimally adequate services  
14 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et  
15 al. v. Flaherty, the Department may ensure the provision of these services through  
16 contracts with public or private agencies or by direct operation by the Department of  
17 these programs.

18  
19 Requested by: Senator Richardson

#### 20 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

21 Sec. 159. In order to assure maximum utilization of funds in county  
22 departments of social services, county or district health agencies, and area mental  
23 health, developmental disabilities, and substance abuse authorities, the Director of the  
24 Budget may transfer excess funds appropriated to a specific service, program, or fund,  
25 whether specified in a block grant plan or General Fund appropriation, into another  
26 service, program, or fund for local services within the budget of the respective State  
27 agency.

28 The Office of State Budget and Management shall report quarterly to the  
29 Fiscal Research Division on each transfer authorized by this section.

30  
31 Requested by: Senator Richardson

#### 32 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

33 Sec. 160. Funds received by the Department of Human Resources from the  
34 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the  
35 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall  
36 be matched by local funds in accordance with the State/local ratio established by the  
37 current area mental health matching formula. These funds shall be allocated to the area  
38 mental health programs for substance abuse services on a per capita basis as determined  
39 by the Office of State Budget and Management's most recent estimates of county  
40 populations.

41  
42 Requested by: Senator Richardson

#### 43 **SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION**

1           Sec. 161. Funds made available as a result of the conversion of State-  
2 supported beds in specialized residential centers to ICF/MR beds shall be used to  
3 increase the State subsidy provided to centers. Funds made available to centers by this  
4 section shall be used, as they become available, to increase the subsidy rate to sixty-five  
5 percent (65%) of the statewide average cost of providing this service based on the most  
6 recent Specialized Community Residential Cost Study.

7           Funds made available in addition to those needed to increase the subsidy rate  
8 may be transferred to the Department of Human Resources, Division of Medical  
9 Assistance, as needed, to be used as a State match for the converted ICF/MR beds.

10  
11 Requested by: Senator Richardson

12 **PHYSICIAN SERVICES**

13           Sec. 162. With the approval of the Office of State Budget and Management,  
14 the Department of Human Resources may use funds appropriated in this act for across-  
15 the-board salary increases and performance pay to offset similar increases in the costs of  
16 contracting with private and independent universities for the provision of physician  
17 services to clients in facilities operated by the Division of Mental Health,  
18 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be  
19 done in the same manner as is currently done with constituent institutions of The  
20 University of North Carolina.

21  
22 Requested by: Senator Richardson

23 **LIABILITY INSURANCE**

24           Sec. 163. The Secretary of the Department of Human Resources, the  
25 Secretary of the Department of Environment, Health, and Natural Resources, and the  
26 Secretary of the Department of Correction may provide medical liability coverage not to  
27 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments  
28 licensed to practice medicine or dentistry, and on behalf of medical residents from The  
29 University of North Carolina who are in training at institutions operated by the  
30 Department of Human Resources. This coverage may include commercial insurance or  
31 self-insurance and shall cover these individuals for their acts or omissions only while  
32 they are engaged in providing medical and dental services pursuant to their State  
33 employment or training.

34           The coverage provided under this section shall not cover any individual for  
35 any act or omission that the individual knows or reasonably should know constitutes a  
36 violation of the applicable criminal laws of any state or the United States, or that arises  
37 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to  
38 willful or wanton negligence.

39           The coverage provided pursuant to this section shall not require any  
40 additional appropriations and shall not apply to any individual providing contractual  
41 service to the Department of Human Resources, the Department of Environment,  
42 Health, and Natural Resources, or the Department of Correction, with the exception that  
43 coverage may include medical residents from The University of North Carolina who are  
44 in training at institutions operated by the Department of Human Resources.

1

2 Requested by: Senator Richardson

3 **NON-MEDICAID REIMBURSEMENT**4           Sec. 164. Providers of medical services under the various State programs,  
5 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at  
6 rates no more than those under the North Carolina Medical Assistance Program.7           The Department of Human Resources may reimburse hospitals at the full  
8 prospective per diem rates without regard to the Medical Assistance Program's annual  
9 limits on hospital days. When the Medical Assistance Program's per diem rates for  
10 inpatient services and its interim rates for outpatient services are used to reimburse  
11 providers in non-Medicaid medical service programs, retroactive adjustments to claims  
12 already paid shall not be required.13           Notwithstanding the provisions of paragraph one of this section, the  
14 Department of Human Resources may negotiate with providers of medical services  
15 under the various Department of Human Resources' programs, other than Medicaid, for  
16 rates as close as possible to Medicaid rates for the following purposes: contracts or  
17 agreements for medical services and purchases of medical equipment and other medical  
18 supplies. These negotiated rates are allowable only to meet the medical needs of its  
19 non-Medicaid eligible patients, residents, and clients who require these services that  
20 cannot be provided when limited to the Medicaid rate.21           Maximum net family annual income eligibility standards for services in these  
22 programs shall be as follows:

23

24	Family		Medical Eye		All	
25	<u>Size</u>		<u>Care Adults</u>		<u>Rehabilitation</u>	<u>Other</u>
26	1	\$4,860	\$ 8,364	\$4,200		
27	2	5,940	10,944	5,300		
28	3	6,204	13,500	6,400		
29	4	7,284	16,092	7,500		
30	5	7,824	18,648	7,900		
31	6	8,220	21,228	8,300		
32	7	8,772	21,708	8,800		
33	8	9,312	22,220	9,300		

34

35           The eligibility level for children in the Medical Eye Care Program in the  
36 Division of Services for the Blind and for adults in the Clozaril program in the Division  
37 of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be  
38 one hundred percent (100%) of the federal poverty guidelines, as revised annually by  
39 the United States Department of Health and Human Services and in effect on July 1 of  
40 each fiscal year.41           The Department of Human Resources shall contract at, or as close as possible  
42 to, Medicaid rates for medical services provided to residents of State facilities of the  
43 Department.

44

1 Requested by: Senator Richardson

2 **DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID**

3           Sec. 165. Of the funds appropriated in this act to the Department of Human  
4 Resources, Division of Mental Health, Developmental Disabilities, and Substance  
5 Abuse Services, the sum of two million three hundred one thousand two hundred forty-  
6 eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three  
7 hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95  
8 fiscal year are transferred to the Department of Public Instruction for handicapped  
9 children aged 3 through 4 years who have been identified through Division of Mental  
10 Health, Developmental Disabilities, and Substance Abuse Services statewide services  
11 and who are served in developmental day centers. These funds shall be used to contract  
12 with area mental health, developmental disabilities, and substance abuse authorities or  
13 with public or private nonprofit developmental day centers to continue to serve  
14 handicapped children aged 3 through 4 years who are identified as needing  
15 developmental day services.

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

19

20 Requested by: Senator Richardson

21 **CHANGE IN THE SHORT-TERM LOAN FUND FOR ICF/MR FACILITIES**

22           Sec. 166. The short-term loan fund established pursuant to Section 133 of  
23 Chapter 689 of the 1991 Session Laws is continued and, effective July 1, 1994, shall be  
24 used to assist area mental health programs in the establishment of community, non-  
25 Medicaid-funded housing alternatives.

26

27 Requested by: Senator Richardson

28 **PLANNING AND PILOT IMPLEMENTATION OF AN INTEGRATED**  
29 **FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE ABUSE**  
30 **INSTITUTIONAL SERVICES**

31           Sec. 167. The Department of Human Resources shall develop and implement  
32 a plan during the 1993-95 fiscal biennium to pilot-test an integrated funding system for  
33 mental health/substance abuse institutional services, involving one regional psychiatric  
34 hospital, one regional alcohol and drug abuse treatment center, and the area mental  
35 health, developmental disabilities, and substance abuse programs using these facilities.  
36 The Department may use funds that become available to it through gifts, federal or  
37 private grants, receipts from federal programs, or any other source to support the  
38 planning and implementation of this pilot program.

39           The Department shall present a written report to the House and Senate  
40 Human Resources Appropriations Subcommittees by May 1, 1994, describing the  
41 results of its planning activities, the proposed schedule and cost for implementation of  
42 the integrated funding system and any proposed legislation needed to implement the  
43 plan. The Department shall submit a written report to these Subcommittees by May 1,  
44 1995, describing the results of the implementation of the integrated funding system.

1  
2 Requested by: Senator Richardson

3 **CHILD SUPPORT FUNDS**

4 Sec. 168. (a) The consent judgment in the case of Cassell, et al. v. Britt, et  
5 al., C-C-90-0010-M, United States District Court for the Western District of North  
6 Carolina, Charlotte Division, is subject to G.S. 114-2.2.

7 (b) Funds appropriated to enable the Child Support Enforcement Section,  
8 Division of Social Services, Department of Human Resources, to distribute child  
9 support collections based upon the date the payment is withheld from an obligor's  
10 disposable income may be used to implement that consent judgment. Implementation  
11 costs may include:

- 12 (1) Quarterly notices to clients;
- 13 (2) Toll-free telephone number;
- 14 (3) Four Account Technician II positions;
- 15 (4) System enhancements; and
- 16 (5) Court-ordered costs.

17 (c) The Office of State Budget and Management and the Department of  
18 Human Resources shall report annually on expenditures and progress in achieving  
19 necessary improvements in the distribution of child support collection. Reports shall be  
20 submitted to the Governor, the General Assembly, and the Fiscal Research Division not  
21 later than May 1 of each year.

22 (d) Funds appropriated to the Department of Human Resources in this act for  
23 covering expenses incurred as a result of the Cassell, et al. v. Britt, et al. lawsuit shall be  
24 deposited in a nonreverting fund account in the Department of Human Resources,  
25 Division of Social Services, that the Department shall establish for this purpose. Any  
26 unexpended and unencumbered funds remaining in the nonreverting account on July 1,  
27 1995, shall revert to the General Fund on that date.

28  
29 Requested by: Senators Walker, Richardson, and Forrester

30 **"PIONEER"MENTAL HEALTH PLAN**

31 Sec. 169. (a) G.S. 122C-3 is amended by inserting the following new  
32 subdivision to read:

33 "(20a) 'Local funds' means fees from services, including client payments,  
34 Medicare and the local and federal share of Medicaid receipts, fees  
35 from agencies under contract, gifts and donations, and county and  
36 municipal funds, and any other funds not administered by the  
37 Division."

38 (b) G.S. 122C-3 is further amended by inserting a new subdivision to read:

39 "(26a) 'Other recipient' means an individual who is not admitted to a facility  
40 but who receives a service other than care, treatment, or rehabilitation  
41 services. The services that the 'other recipient' may receive include  
42 consultative, preventative, educational, and assessment services."

43 (c) G.S. 122C-3 is further amended by inserting another new subdivision to read:

1           "(35a) 'State resources' means State and federal funds and other receipts  
2           administered by the Division."

3           (d) G.S. 122C-143 is repealed.

4           (e) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by  
5 adding the following new sections to read:

6 **"§ 122C-143.1. Policy guidance.**

7           (a) The General Assembly shall, as it considers necessary, endorse as policy  
8 guidance long-range plans for the broad age/disability categories of persons to be served  
9 and the services to be provided by area authorities.

10          (b) The Secretary shall develop a payment policy that designates, within broad  
11 age/disability categories, the priority populations, based on their disability level and the  
12 types of service to be supported by State resources. The Secretary shall review the  
13 Department's payment policy annually to assure that payments are made consistent with  
14 the State's long-range plans.

15          (c) The Secretary shall ensure that the payment policy provides incentives  
16 designated to target resources consistent with legislative policy and with the State's  
17 long-range plans and to promote equal accessibility to services for individuals  
18 regardless of their catchment area.

19          (d) Upon request of the Secretary, each area authority shall develop, revise, or  
20 amend its local long-range plans to be consistent with the policy guidance set forth in  
21 the State's long-range plans. Local service implementation plans shall be subject to the  
22 approval of the Secretary.

23          (e) The Secretary shall ensure that the Department's requests for expansion funds  
24 for area authorities are consistent with the State's long-range plans and include  
25 consideration of needs identified by the area authorities and their local plans.

26 **"§ 122C-143.2. Annual Memorandum of Agreement.**

27          (a) In accordance with procedures specified by the Secretary, the area authority  
28 shall complete cost finding, rate setting, and annual age/disability service planning as  
29 preparation for a Memorandum of Agreement between the area authority and the  
30 Department.

31          (b) In a format established by the Secretary, the Memorandum of Agreement  
32 shall include age/disability service plans that delineate the services that are to be  
33 purchased by the State. Payment for services purchased shall be made at reimbursement  
34 rates established in G.S. 122C-147.2.

35          (c) The Memorandum of Agreement shall include the area authority activities  
36 that will be supported by grants allocated in accordance with G.S. 147.1(c)(2).

37          (d) The Memorandum of Agreement shall provide flexibility for the area  
38 authority to earn State resources within the payment policy for each age/disability fund  
39 established by G.S. 122C-143.1(b).

40          (e) The Memorandum of Agreement may delineate other special conditions or  
41 expectations."

42          (f) G.S. 122C-144 is repealed.

43          (g) Chapter 122C of the General Statutes is amended by inserting a new  
44 section to read:

1 **"§ 122C-144.1. Budget format and reports.**

2 (a) The area authority shall maintain its budget in accordance with the  
3 requirements of Article 3 of Subchapter III of Chapter 159 of the General Statutes, the  
4 Local Government Budget and Fiscal Control Act.

5 (b) The Secretary may require periodic reports of receipts and expenditures for  
6 all area authority services provided directly or under contract according to a format  
7 prescribed by the Secretary.

8 (c) In accordance with G.S. 159-34, the area authority shall have an audit  
9 completed and submit it to the Local Government Commission.

10 (d) The Secretary may require reports of client characteristics, staffing patterns,  
11 agency policies or activities, services, or specific financial data of the area authority, but  
12 the reports shall not identify individual clients of the area authority unless specifically  
13 required by State statute or federal statute or regulation, or unless valid consent for the  
14 release has been given by the client or legally responsible person."

15 (h) The catch line of G.S. 122C-147 reads as rewritten:

16 **"§ 122C-147. Allocation of funds to area authorities. ~~Financing and title of area~~**  
17 **authority property."**

18 (i) G.S. 122C-147(a) is repealed.

19 (j) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by  
20 inserting the following new sections to read:

21 **"§ 122C-147.1. Appropriations and allocations.**

22 (a) Except as provided in subsection (b) of this section, funds shall be  
23 appropriated by the General Assembly in broad age/disability categories. The Secretary  
24 shall allocate and account for funds in broad age/disability categories so that the area  
25 authority may, with flexibility, earn funds in response to local needs that are identified  
26 within the payment policy developed in accordance with G.S. 122C-143.1(b).

27 (b) When the General Assembly determines that it is necessary to appropriate  
28 funds for a more specific purpose than the broad age/disability category, the Secretary  
29 shall determine whether expenditure accounting, special reporting within earning from a  
30 broad fund, the Memorandum of Agreement, or some other mechanism allows the best  
31 accounting for the funds.

32 (c) Funds that have been appropriated by the General Assembly for a more  
33 specific purpose than specified in subsection (a) of this section shall be converted to a  
34 broad age/disability category at the beginning of the second biennium following the  
35 appropriation, unless otherwise acted upon by the General Assembly.

36 (d) The Secretary shall allocate funds to area programs:

37 (1) To be earned in a purchase of service basis, at negotiated  
38 reimbursement rates, for services that are included in the payment  
39 policy and delivered to mentally ill, developmentally disabled, and  
40 substance abuse clients and for services that are included in the  
41 payment policy to other recipients; or

42 (2) To be paid under a grant on the basis of agreed-upon expenditures,  
43 when the Secretary determines that it would be impractical to pay on a  
44 purchase of service basis.

1 (e) After the close of a fiscal year, final payments of funds shall be made:

2 (1) Under the purchase of service basis, on the earnings of the area  
3 authority for the delivery to individuals within each age/disability  
4 group, of any services that are consistent with the payment policy  
5 established in G.S. 122C-143.1(b), up to the final allocation amount;

6 or

7 (2) When awarded on an expenditure basis, on allowable actual  
8 expenditures, up to the final allocation amount.

9 Under rules adopted by the Secretary, final payments shall be adjusted on the basis  
10 of the audit required in G.S. 122C-144.1(d).

11 **"§ 122C-147.2. Purchase of services and reimbursement rates.**

12 When funds are used to purchase services, the following provisions apply:

13 (1) Reimbursement rates for specific types of service shall be negotiated  
14 between the Secretary and the area authority. The negotiation shall  
15 begin with the rate determined by the standardized cost-finding and  
16 rate-setting procedure that is required by G.S. 122C-143.2(a) or by  
17 another method approved by the Secretary.

18 (2) The reimbursement rate used for the payment of services shall  
19 incorporate operating and administrative costs, including costs for  
20 property in accordance with G.S. 122C-147."

21 (k) G.S. 122C-148, 122C-149, and 122C-150 are repealed.

22 (l) G.S. 122C-151 reads as rewritten:

23 **"§ 122C-151. Responsibilities of those receiving appropriations.**

24 (a) All resources allocated to and received by any area authority and used for  
25 programs of mental health, developmental disabilities, substance abuse or other related  
26 fields-services are subject to the conditions specified in this Article and to the rules of  
27 the Commission and the ~~Secretary~~ Secretary and to the conditions of the Memorandum  
28 of Agreement specified in G.S. 122C-143.2.

29 (b) If an area authority fails to complete actions necessary for the development of  
30 a Memorandum of Agreement, fails to file required reports within the time limit set by  
31 the Secretary, or fails to comply with any other requirements specified in this Article,  
32 the Secretary may:

33 (1) Delay payments; and

34 (2) With written notification of cause and subject to an appeal as provided  
35 by G.S. 122C-151.2, reduce or deny payment of funds. Restoration of  
36 funds upon compliance is within the discretion of the Secretary."

37 (m) G.S. 122C-145 is renumbered as G.S. 122C-151.2.

38 (n) Effective July 1, 1994, G.S. 122C-151.1 is repealed.

39 (o) Effective January 1, 1994, Part 4 of Article 4 of Chapter 122C of the  
40 General Statutes is amended by adding the following new sections to read:

41 **"§ 122C-151.3. Dispute with area authorities.**

42 An area authority shall establish written procedures for resolving disputes over  
43 decisions of an area authority that may be appealed to the Area Authority Appeals Panel



1 under G.S. 122C-151.4. The procedures shall be informal and shall provide an  
2 opportunity for those who dispute the decision to present their position.

3 **"§ 122C-151.4. Appeal to Area Authority Appeals Panel.**

4 (a) Definitions. – The following definitions apply in this section:

5 (1) 'Contract' means a contract with an area authority to provide services,  
6 other than personal services, to clients and other recipients of services.

7 (2) 'Contractor' means a person who has a contract or who had a contract  
8 during the current fiscal year.

9 (3) 'Former contractor' means a person who had a contract during the  
10 previous fiscal year.

11 (b) Appeals Panel. – The Area Authority Appeals Panel is established. The Panel  
12 shall consist of three members appointed by the Secretary. The Secretary shall  
13 determine the qualifications of the Panel members. Panel members serve at the pleasure  
14 of the Secretary.

15 (c) Who Can Appeal. – The following persons may appeal to the Area Authority  
16 Appeals Panel after having exhausted the appeals process at the appropriate area  
17 authority:

18 (1) A contractor or a former contractor who claims that an area authority  
19 is not acting or has not acted within applicable State law or rules in  
20 imposing a particular requirement on the contractor on fulfillment of  
21 the contract;

22 (2) A contractor or a former contractor who claims that a requirement of  
23 the contract substantially compromises the ability of the contractor to  
24 fulfill the contract;

25 (3) A contractor or former contractor who claims that an area authority has  
26 acted arbitrarily and capriciously in reducing funding for the type of  
27 services provided or formerly provided by the contractor or former  
28 contractor;

29 (4) A client or a person who was a client in the previous fiscal year, who  
30 claims that an area authority has acted arbitrarily and capriciously in  
31 reducing funding for the type of services provided or formerly  
32 provided to the client directly by the area authority; and

33 (5) A person who claims that an area authority did not comply with a State  
34 law or a rule adopted by the Secretary or the Commission in  
35 developing the plans and budgets of the area authority and that the area  
36 authority's failure to comply has adversely affected the ability of the  
37 person to participate in the development of the plans and budgets.

38 (d) Hearing. – All members of the Area Authority Appeals Panel shall hear an  
39 appeal to the Panel. An appeal shall be filed with the Panel within the time required by  
40 the Secretary and shall be heard by the Panel within the time required by the Secretary.  
41 A hearing shall be conducted at the place determined in accordance with the rules  
42 adopted by the Secretary. A hearing before the Panel shall be informal; no sworn  
43 testimony shall be taken and the rules of evidence do not apply. The person who

1 appeals to the Panel has the burden of proof. The Panel shall not stay a decision of an  
2 area authority during an appeal to the Panel.

3 (e) Decision. – The Area Authority Appeals Panel shall make a written decision  
4 on each appeal to the Panel within the time set by the Secretary. A decision may direct  
5 a contractor or an area authority to take an action or to refrain from taking an action, but  
6 it shall not require a party to appeal to pay any amount except payment due under the  
7 contract. In making a decision, the Panel shall determine the course of action that best  
8 protects or benefits the clients of the area authority. If a party to an appeal fails to  
9 comply with a decision of the Panel and the Secretary determines that the failure  
10 deprives clients of the area authority of a type of needed service, the Secretary may use  
11 funds previously allocated to the area authority to provide the service.

12 (f) 150B Appeal. – A person who is dissatisfied with a decision of the Panel may  
13 commence a contested case under Article 3 of Chapter 150B of the General Statutes.  
14 Notwithstanding G.S. 150B-2(1), an area authority is considered an agency for purposes  
15 of the limited appeal authorized by this section. The Secretary shall make a final  
16 decision in the contested case."

17 (p) G.S. 122C-112(a) reads as rewritten:

18 "(a) The Secretary shall:

- 19 (1) Enforce the provisions of this Chapter and the rules of the Commission  
20 and the Secretary;
- 21 (2) Assist counties and area authorities in the establishment and operation  
22 of community-based programs within catchment areas specified in  
23 rules adopted by the Commission;
- 24 (3) Operate State facilities and adopt rules pertaining to their operation;
- 25 (4) Promote a unified system of services for the citizens of this State by  
26 coordinating services provided in State facilities and area facilities;
- 27 (5) Approve the plans and budgets of an area authority and adopt rules  
28 pertaining to the content and format of these plans and budgets;
- 29 (6) Adopt rules governing the expenditure of all area authority funds;
- 30 (6a) Adopt rules to implement the appeal procedure authorized by G.S.  
31 122C-151.2;
- 32 (7) Adopt rules for the establishment of single portal designation and  
33 approve an area as a single portal area;
- 34 (8) Except as provided in G.S. 122C-26(4), adopt rules establishing  
35 procedures for waiver of rules adopted by the Secretary under this  
36 Chapter;
- 37 (9) Notify the clerks of superior court of changes in the designation of  
38 State facility regions and of facilities designated under G.S. 122C-252;
- 39 (10) Promote public awareness and understanding of mental health, mental  
40 illness, developmental disabilities, and substance abuse;
- 41 (11) Administer and enforce rules that are conditions of participation in  
42 federal or State financial aid;
- 43 (12) Carry out G.S. 122C-361; and

1 (13) Coordinate and facilitate the development and administration of the  
2 early intervention system for eligible infants and toddlers and shall  
3 assign among the cooperating agencies the responsibility, including  
4 financial responsibility, for services. The Secretary shall be advised  
5 by the Interagency Coordinating Council for Handicapped Children  
6 from Birth to Five Years of Age, established by G.S. 143B-179.5, and  
7 may enter into formal interagency agreements to establish the  
8 collaborative relationships with the Department of Environment,  
9 Health, and Natural Resources, the Department of Public Instruction,  
10 other appropriate agencies, and other public and private service  
11 providers necessary to administer the system and deliver the services.

12 The Secretary shall adopt rules to implement the early intervention  
13 system, in cooperation with all other appropriate agencies."

14 (q) Subsection (n) of this section becomes effective July 1, 1994. Subsection  
15 (o) of this section becomes effective January 1, 1994. All other subsections of this  
16 section become effective July 1, 1993.

17  
18 Requested by: Senator Richardson

19 **MEDICAID**

20 Sec. 170. (a) Funds appropriated in this act for services provided in accordance  
21 with Title XIX of the Social Security Act (Medicaid) are for both the categorically  
22 needy and the medically needy. Funds appropriated for these services shall be  
23 expended in accordance with the following schedule of services and payment bases. All  
24 services and payments are subject to the language at the end of this subsection.

25 Services and payment bases:

- 26 (1) Hospital-Inpatient. – Payment for hospital inpatient services will be  
27 prescribed in the State Plan as established by the Department of  
28 Human Resources. Administrative days for any period of  
29 hospitalization shall be limited to a maximum of three days.
- 30 (2) Hospital-Outpatient. – Eighty percent (80%) of allowable costs or a  
31 prospective reimbursement plan as established by the Department of  
32 Human Resources.
- 33 (3) Nursing Facilities. – Payment for nursing facility services will be  
34 prescribed in the State Plan as established by the Department of  
35 Human Resources. Nursing facilities providing services to Medicaid  
36 recipients who also qualify for Medicare shall be enrolled in the  
37 Medicare program as a condition of participation in the Medicaid  
38 program. State facilities are not subject to the requirement to enroll in  
39 the Medicare Program.
- 40 (4) Intermediate Care Facilities for the Mentally Retarded. – As prescribed  
41 in the State Plan, as established by the Department of Human  
42 Resources.
- 43 (5) Drugs. – Drug costs as allowed by federal regulations plus a  
44 professional services fee per month excluding refills for the same drug

1 or generic equivalent during the same month. Reimbursement shall be  
2 available for up to six prescriptions per recipient, per month, including  
3 refills. Payments for drugs are subject to the provisions of subsection  
4 (f) of this section and to the provisions at the end of subsection (a) of  
5 this section, or in accordance with the State Plan adopted by the  
6 Department of Human Resources consistent with federal  
7 reimbursement regulations. Payment of the professional services fee  
8 shall be made in accordance with the plan adopted by the Department  
9 of Human Resources, consistent with federal reimbursement  
10 regulations. Adjustments to the professional services fee shall be  
11 established by the General Assembly.

- 12 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified  
13 Nurse Midwife Services. – Fee schedules as developed by the  
14 Department of Human Resources. Payments for dental services are  
15 subject to the provisions of subsection (e) of this section.
- 16 (7) Community Alternative Program, EPSDT Screens. – Payment to be  
17 made in accordance with rate schedule developed by the Department  
18 of Human Resources.
- 19 (8) Home Health and Related Services, Private Duty Nursing, Clinic  
20 Services, Prepaid Health Plans, Durable Medical Equipment. –  
21 Payment to be made according to reimbursement plans developed by  
22 the Department of Human Resources.
- 23 (9) Medicare Buy-In. – Social Security Administration premium.
- 24 (10) Ambulance Services. – Uniform fee schedules as developed by the  
25 Department of Human Resources.
- 26 (11) Hearing Aids. – Actual cost plus a dispensing fee.
- 27 (12) Rural Health Clinic Services. – Provider based - reasonable cost;  
28 nonprovider based - single cost reimbursement rate per clinic visit.
- 29 (13) Family Planning. – Negotiated rate for local health departments. For  
30 other providers, see specific services for instance, hospitals,  
31 physicians.
- 32 (14) Independent Laboratory and X-Ray services. – Uniform fee schedules  
33 as developed by the Department of Human Resources.
- 34 (15) Optical Supplies. – One hundred percent (100%) of reasonable  
35 wholesale cost of materials.
- 36 (16) Ambulatory Surgical Centers. – Payment as prescribed in the  
37 reimbursement plan established by the Department of Human  
38 Resources.
- 39 (17) Medicare Crossover Claims. – An amount up to the actual coinsurance  
40 or deductible or both, in accordance with the plan, as approved by the  
41 Department of Human Resources.
- 42 (18) Physical Therapy and Speech Therapy. – Services limited to EPSDT-  
43 eligible children. Payments are to be made only to the Children's

- 1 Special Health Services program at rates negotiated by the Department  
2 of Human Resources.
- 3 (19) Personal Care Services. – Payment in accordance with plan approved  
4 by the Department of Human Resources.
- 5 (20) Case Management Services. – Reimbursement in accordance with the  
6 availability of funds, to be transferred within the Department of  
7 Human Resources.
- 8 (21) Hospice. – Services may be provided in accordance with plan  
9 developed by the Department of Human Resources.
- 10 (22) Other Mental Health Services. – Unless otherwise covered by this  
11 section, coverage is limited to agencies meeting the requirements of  
12 the rules established by the Commission for Mental Health,  
13 Developmental Disabilities, and Substance Abuse Services, and  
14 reimbursement is made in accordance with a plan developed by the  
15 Department of Human Resources not to exceed the upper limits  
16 established in federal regulations.
- 17 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible  
18 Children. – Reimbursement in accordance with plan approved by the  
19 Department of Human Resources.
- 20 (24) Health Insurance Premiums. – Payments to be made in accordance  
21 with the plan adopted by the Department of Human Resources  
22 consistent with federal regulations.
- 23 (25) Medical Care/Other Remedial Care. – Services not covered elsewhere  
24 in this section include related services in schools; health professional  
25 services provided outside the clinic setting to meet maternal and infant  
26 health goals; and services to meet federal EPSDT mandates. Services  
27 addressed by this subdivision are limited to those prescribed in the  
28 State Plan, as established by the Department of Human Resources.  
29 Providers of these services shall be certified as meeting program  
30 standards of the Department of Environment, Health, and Natural  
31 Resources.

32 Services and payment bases may be changed with the approval of the  
33 Director of the Budget.

34 Reimbursement is available for up to 24 visits per recipient per year to any  
35 one or combination of the following: physicians, clinics, hospital outpatients,  
36 optometrists, chiropractors, and podiatrists. Prenatal services, all EPDST children, and  
37 emergency rooms are exempt from the visit limitations contained in this paragraph.  
38 Exceptions may be authorized by the Department of Human Resources where the life of  
39 the patient would be threatened without such additional care. Any person who is  
40 determined by the Department to be exempt from the 24-visit limitation may also be  
41 exempt from the six-prescription limitation.

42 (b) Allocation of Nonfederal Cost of Medicaid. – The State shall pay eight-five  
43 percent (85%) and the county shall pay fifteen percent (15%) of the nonfederal costs of  
44 all applicable services listed in this section.

(c) Copayment for Medicaid Services. – The Department of Human Resources may establish copayment up to the maximum permitted by federal law and regulation.

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. – Effective January 1, 1990, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

Family Size	<u>Categorically Needy</u>	Standard AFDC Payment		<u>Medically Needy</u> AA, AB, AD*
		<u>Of Need Level*</u>		
1		\$ 4,344	\$ 2,172	\$ 2,900
2	5,664 2,832		3,800	
3	6,528 3,264		4,400	
4	7,128 3,564		4,800	
5	7,776 3,888		5,200	
6	8,376 4,188		5,600	
7	8,952 4,476		6,000	
8	9,256 4,680		6,300	

\*Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).

The payment level for Aid to Families with Dependent Children shall be fifty percent (50%) of the standard of need.

These standards may be changed with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

(e) Dental Coverage Limits. – Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

(f) Dispensing of Generic Drugs. – Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in his own handwriting on the prescription order, "dispense as written" or words of similar meaning. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's "dispense as written" order as noted above.

As used in this subsection "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and "established name" has the same meaning as in section 502(e)(3) of the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

(g) Exceptions to Service Limitations, Eligibility Requirements, and Payments. – Service limitations, eligibility requirements, payments, and payments bases

1 in this section may be waived by the Department of Human Resources, with the  
2 approval of the Director of the Budget, to allow the Department to carry out pilot  
3 programs for prepaid health plans, managed care plans, or community-based services  
4 programs in accordance with plans approved by the United States Department of Health  
5 and Human Services, or when the Department determines that such a waiver will result  
6 in a reduction in the total Medicaid costs for the recipient.

7 (h) Volume Purchase Plans and Single Source Procurement. – The  
8 Department of Human Resources, Division of Medical Assistance, may, subject to the  
9 approval of a change in the State Medicaid Plan, contract for services, medical  
10 equipment, supplies, and appliances by implementation of volume purchase plans,  
11 single source procurement, or other similar processes in order to improve cost  
12 containment.

13 (i) Cost-Containment Programs. – The Department of Human Resources,  
14 Division of Medical Assistance, may undertake cost-containment programs including  
15 preadmissions to hospitals and prior approval for certain outpatient surgeries, before  
16 they may be performed in an inpatient setting.

17 (j) For all Medicaid eligibility classifications for which the federal poverty  
18 level is used as an income limit for eligibility determination, the income limits will be  
19 updated each April 1 immediately following publication of federal poverty guidelines.

20 (k) Effective January 1, 1988, the Department of Human Resources shall  
21 provide Medicaid to 19-, 20-, and 21-year-olds in accordance with federal rules and  
22 regulations.

23 (l) The Department of Human Resources shall provide coverage to pregnant  
24 women and children according to the following schedule:

- 25 (1) Pregnant women with incomes equal to or less than one hundred  
26 eighty-five percent (85%) of the federal poverty guidelines, as  
27 revised each April 1 shall be covered for Medicaid benefits;
- 28 (2) Infants under the age of 1 with family incomes equal to or less than  
29 one hundred eighty-five percent (85%) of the federal poverty  
30 guidelines as revised each April 1, shall be covered for Medicaid  
31 benefits;
- 32 (3) Children aged 1 through 5 with family incomes equal to or less than  
33 one hundred thirty-three percent (33%) of the federal poverty  
34 guidelines as revised each April 1 shall be covered for Medicaid  
35 benefits; and
- 36 (4) Children aged 6 through 18 who were born after September 30, 1983,  
37 with family incomes equal to the federal poverty guidelines, as revised  
38 each April 1, shall be covered for Medicaid benefits.

39 Services to pregnant women eligible under this section continue throughout the  
40 pregnancy but include only those related to pregnancy and to those other conditions  
41 determined by the Department as conditions that may complicate pregnancy. In order to  
42 reduce county administrative costs and to expedite the provision of medical services to  
43 pregnant women, to infants, and to children eligible under this section, no resources test  
44 shall be applied.

1 (m) The Department of Human Resources may use Medicaid funds budgeted  
2 from program services to support the cost of administrative activities to the extent that  
3 these administrative activities produce a net savings in services requirements.  
4 Administrative initiatives funded by this section shall be first approved by the Office of  
5 State Budget and Management.

6  
7 Requested by: Senator Richardson

8 **REDUCE INFANT MORTALITY**

9 Sec. 171. The Department of Human Resources, Division of Medical  
10 Assistance, shall provide medical coverage for nutritional counseling, psycho-social  
11 counseling, and predelivery and post-partum home visits by maternity care coordinators  
12 and public health nurses for Medicaid-eligible pregnant women.

13  
14 Requested by: Senator Richardson

15 **PURCHASE TRANSPORTATION SERVICES FOR PREGNANT WOMEN**  
16 **AND CHILDREN ON MEDICAID**

17 Sec. 172. (a) Of the funds appropriated from the General Fund to the  
18 Department of Human Resources in this act, three hundred thousand dollars (\$300,000)  
19 for the 1993-94 fiscal year and three hundred thousand dollars (\$300,000) for the 1994-  
20 95 fiscal year shall be transferred to the Department of Transportation, Public  
21 Transportation Division, to purchase transportation services for pregnant women and for  
22 children on Medicaid. All funds distributed by the Department, under this section, to  
23 counties are intended to purchase additional transportation services and not to supplant  
24 funds now being used by local governments for that purpose. These funds shall not be  
25 used towards the purchase of transportation vehicles or equipment, and shall not be used  
26 to cover State administrative costs. Only those counties maintaining Medicaid  
27 transportation services to pregnant women and to children at a level that is not reduced  
28 from the level of services in place during the 1989-90 fiscal year are be eligible for  
29 additional transportation assistance funds.

30 (b) The Public Transportation Division of the Department of Transportation shall  
31 distribute these funds to the counties according to the following formula:

- 32 (1) Fifty percent (50%) divided equally among all eligible counties;  
33 (2) Forty-five percent (45%) on the basis of the number of pregnant  
34 women and of children receiving Medicaid in the county as a  
35 percentage of the total number of pregnant women and of children  
36 receiving Medicaid statewide; and  
37 (3) Five percent (5%) based upon a population density factor that  
38 recognizes the higher transportation costs in sparsely populated  
39 counties.

40 The Department of Transportation shall develop appropriate procedures for the  
41 distribution and use of these funds and shall adopt rules to implement these procedures.

42 (c) Funds distributed by the Department of Transportation under this section  
43 shall be used by counties in a manner consistent with implemented transportation  
44 development plans that have been approved by the Department of Transportation and



1 the board of county commissioners. To receive funds apportioned for a given fiscal  
 2 year, a county shall have an approved transportation plan. Funds that are not obligated  
 3 in a given fiscal year due to the lack of an approved transportation plan shall be  
 4 distributed to the eligible counties based on the distribution formula in subsection (b) of  
 5 this section.

6  
 7 Requested by: Senator Richardson

8 **PHARMACY DISPENSING FEE**

9 Sec. 173. The professional limits fee for dispensing drugs shall be five  
 10 dollars and sixty cents (\$5.60) per prescription, adjusted in accordance with subdivision  
 11 (5) of Section 170 of this act.

12  
 13 Requested by: Senator Richardson

14 **ICF AND ICF/MR WORK INCENTIVE ALLOWANCES**

15 Sec. 174. The Department of Human Resources may provide an incentive  
 16 allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are  
 17 regularly engaged in work activities as part of their developmental plan and for whom  
 18 retention of additional income contributes to their achievement of independence. The  
 19 State funds required to match the federal funds that are required by these allowances  
 20 shall be provided from savings within the Medicaid budget or from other unbudgeted  
 21 funds available to the Department. The incentive allowances may be as follows:

<u>Monthly Net Wages</u>	<u>Monthly Incentive Allowance</u>
\$1.00 to \$100.99	up to \$50.00
\$101.00 to \$200.99	\$80.00
\$201.00 to \$300.99	\$130.00
\$301.00 and greater	\$212.00.

22  
 23  
 24  
 25  
 26  
 27  
 28  
 29 Requested by: Senator Richardson

30 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT**

31 Sec. 175. Effective July 1, 1994, the Department of Human Resources,  
 32 Division of Medical Assistance, shall implement a budget-neutral Diagnosis-Related  
 33 Group reimbursement methodology for inpatient hospital services. In addition, the  
 34 Department shall study the feasibility of implementing selective contracts for hospital  
 35 inpatient services and shall report its recommendations to the General Assembly by  
 36 March 15, 1994.

37  
 38 Requested by: Senator Richardson

39 **FAMILY SUPPORT ACT**

40 Sec. 176. (a) The General Assembly finds that it is in the best interest of the  
 41 State and of all its citizens to encourage recipients of Aid to Families with Dependent  
 42 Children to obtain jobs and become self-sufficient. It further finds that, by continuing  
 43 medical assistance and providing limited wage assistance to those recipients who are

1 working, the State will make it possible to help many recipients to be able to keep their  
2 jobs, support their families, and become self-sufficient.

3 (b) The Social Services Commission shall adopt rules to change the way it  
4 budgets Aid to Families with Dependent Children payments that will result in more  
5 recipients being able to find work and keep working. These rules shall include  
6 subtracting countable income from the State standard of need, and paying a percentage  
7 of the difference. The percentage that shall be applied to determine the amount of  
8 assistance shall be the same percentage set in the Current Operations Appropriations  
9 Act that determines the Aid to Families of Dependent Children payment level from the  
10 standard of need.

11  
12 Requested by: Senator Richardson

### 13 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

14 Sec. 177. The Department of Human Resources shall use funds appropriated  
15 to it by this act to provide a State supplementary payment to Aid to Families of  
16 Dependent Children households adversely affected by the retrospective accounting  
17 procedure as allowed under section 403(a) of the Social Security Act (42 U.S.C.  
18 §603(a)), as amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act  
19 of 1982. The amount of the State supplement shall not exceed the maximum payment  
20 standard for the Aid to Families with Dependent Children Program.

21  
22 Requested by: Senator Richardson

### 23 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

24 Sec. 178. The Division of Social Services, Department of Human Resources,  
25 shall provide Aid to Families with Dependent Children to women in their third trimester  
26 of pregnancy, regardless of whether these women have children, if they otherwise  
27 qualify for these payments.

28  
29 Requested by: Senator Richardson

### 30 **FOSTER CARE**

31 Sec. 179. Funds appropriated to the Department of Human Resources in this  
32 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five  
33 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special  
34 needs allowance for the child.

35  
36 Requested by: Senator Richardson

### 37 **EMERGENCY ASSISTANCE**

38 Sec. 180. The Division of Social Services, Department of Human Resources,  
39 shall not expend more State funds than are appropriated for Emergency Assistance by  
40 this act. Within this limit, Emergency Assistance benefits shall not exceed three  
41 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this  
42 30-day period, Emergency Assistance benefits are not available to that family until 12  
43 months have elapsed from the initial authorization date. The family may have no more

1 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any  
2 Emergency Assistance pursuant to this section.

3 It is the intent of the General Assembly that these Emergency Assistance  
4 funds shall only be used to provide assistance to persons to alleviate an emergency. In  
5 evaluating whether an emergency exists, the county departments of social services shall  
6 apply prudent judgment to evaluate each emergency on its own merits. Prudent  
7 judgment will permit departments of social services to consider whether the client  
8 created the emergency and whether the assistance will resolve the emergency.

9  
10 Requested by: Senator Richardson

### 11 **FOOD STAMP OUTREACH**

12 Sec. 181. The Department of Human Resources shall continue a Food Stamp  
13 Outreach Program. Under the Program, the Department shall inform public and private  
14 agencies, community groups, potentially eligible persons, and the general public  
15 regarding the eligibility requirements of the Food Stamp Program. The Department  
16 shall maintain a referral list of public and private agencies, community groups, and  
17 interested persons and organizations who serve low-income persons. The Department  
18 shall inform these agencies and persons regarding the Food Stamp Program and changes  
19 in the law that affect client eligibility or the extent of benefits. The Department shall  
20 develop and distribute informational materials, such as public service announcements,  
21 brochures, pamphlets, posters, and correspondence.

22  
23 Requested by: Senator Richardson

### 24 **CHILD PROTECTIVE SERVICES**

25 Sec. 182. (a) Funds appropriated to the Department of Human Resources,  
26 Division of Social Services, for Child Protective Services in this act, shall be allocated  
27 to the county departments of social services as follows:

- 28 (1) Each of the 100 county departments shall receive an allocation of  
29 thirty thousand dollars (\$30,000) for the 1993-94 fiscal year and  
30 (\$30,000) for the 1994-95 fiscal year; and
- 31 (2) The balance of available funds shall be allocated to each county  
32 department based upon the percentage that the total number of abuse  
33 and neglect reports within that county represents to the statewide total  
34 number of abuse and neglect reports. These percentages shall be  
35 computed from the reports received by the Central Registry of Abuse  
36 and Neglect cases for the last two fiscal years.

37 (b) Funds allocated to county departments of social services pursuant to this  
38 section shall be used for staff carrying out investigations of reports of child abuse or  
39 neglect or providing protective or preventive services in cases in which the department  
40 confirms neglect, abuse, or dependency. If a county department demonstrates that it has  
41 adequate protective services staff, these funds may be used to purchase or provide  
42 treatment and other support services to children and their families in confirmed cases.  
43 All expenditures shall be directly in support of the department's program of protective  
44 services for children. These funds shall not be used to supplant any Social Services

1 Block Grant funds or county appropriations previously budgeted for protective services  
2 for children.

3 (c) The Department of Human Resources, Division of Social Services, shall  
4 establish criteria and guidelines to assure that the allocations to county departments of  
5 social services are used in accordance with the intent and purposes of this section.  
6

7 Requested by: Senator Richardson

8 **ADOPTION SUBSIDY**

9 Sec. 183. The adoption subsidy paid monthly by the Division of Social  
10 Services, Department of Human Resources, to eligible families who adopt hard-to-place  
11 children shall be established at two hundred dollars (\$200.00) per child per month.  
12

13 Requested by: Senator Richardson

14 **SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES**

15 Sec. 184. (a) Of the funds appropriated to the Department of Human  
16 Resources, Division of Social Services, in this act the sum of four hundred ten thousand  
17 dollars (\$410,000) for the 1993-94 fiscal year and the sum of four hundred ten thousand  
18 dollars (\$410,000) for the 1994-95 fiscal year shall be used to enable the Department to  
19 develop further the Social Services Plan, in consultation and cooperation with other  
20 appropriate agencies and organizations, and consistent with the policies as provided by  
21 Chapter 448 of the 1989 Session Laws.

22 As part of the further development of the Social Services Plan, the  
23 Department of Human Resources shall pilot in three to five counties the core services as  
24 described in its report on the Social Services Plan to the General Assembly. The  
25 piloting shall include the establishment of minimum standards for the provision of the  
26 core services, including the staffing standards, caseload standards, training standards,  
27 and facilities standards.

28 In implementing Family Centered Services as a core service, the Secretary of  
29 the Department of Human Resources shall consider the advice and recommendations of  
30 the Advisory Committee on Family Centered Services.

31 These funds may be used as a match for federal funds that may be available  
32 in order to maximize support for the pilot. Funds appropriated by the General  
33 Assembly to be allocated to counties for child protective services shall be used by the  
34 pilot counties to strengthen investigations and treatment in Child Protective Services as  
35 a core service. Any funds allocated to counties pursuant to this subsection shall be  
36 matched by the counties at the rate of one county dollar for every three State dollars.

37 (b) Of the funds appropriated to the Department of Human Resources, Division  
38 of Social Services, in this act, the sum of fifty thousand dollars (\$50,000) for the 1993-  
39 94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year  
40 shall be used to make grants to public or private agencies to develop and implement  
41 model programs of locally based Family Preservation Services as provided in Part 4A of  
42 Article 3 of Chapter 143B of the General Statutes, the Family Preservation Act. These  
43 funds shall be used in conjunction with funds identified within the Department to  
44 implement the Family Preservation Services Program as provided in this section. The

1 Secretary of the Department of Human Resources shall ensure that the development of  
2 these Family Preservation Models and the piloting of the core social services described  
3 in subsection (a) of this section are coordinated at State and local levels to achieve the  
4 most effective service delivery for families and use of available funding sources.

5  
6 Requested by: Senator Richardson

7 **LIMITATION ON TRANSFER OF ABORTION FUNDS**

8 Sec. 185. No funds in excess of one million dollars (\$1,000,000) each fiscal  
9 year, whether from tax revenue, gift, bequest, grant, or any other sources, shall be  
10 expended for the purpose of the State Abortion Fund during the 1993-95 fiscal  
11 biennium.

12  
13 Requested by: Senators Richardson and Walker

14 **COUNTY MATCHING REQUIREMENTS FOR CHILD PROTECTIVE**  
15 **SERVICES**

16 Sec. 186. State Assistance to counties for child protective services shall be  
17 matched by counties at the rate of twenty-five percent (25%) effective July 1, 1993.  
18 Counties may use federal funds or county funds to meet matching requirements.

19  
20 Requested by: Senator Richardson

21 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

22 Sec. 187. Effective July 1, 1993, the maximum monthly rate for residents in  
23 domiciliary care facilities shall be nine hundred thirty-eight dollars (\$938.00) for  
24 ambulatory residents and nine hundred seventy-nine fifty-two dollars (\$979.00) for  
25 semiambulatory residents.

26 Effective July 1, 1994, the maximum monthly rate for residents in  
27 domiciliary care facilities shall be nine hundred forty-one dollars (\$941.00) for  
28 ambulatory residents and nine hundred eighty-two dollars (\$982.00) for semiambulatory  
29 residents.

30  
31 Requested by: Senator Richardson

32 **CAREGIVER SUPPORT SHARING**

33 Sec. 188. (a) Of the funds appropriated to the Division of Aging, Department of  
34 Human Resources, by this act for the 1993-95 fiscal biennium, the sum of one million  
35 eight thousand dollars (\$1,008,000) for the 1993-94 fiscal year and the sum of one  
36 million eight thousand dollars (\$1,008,000) for the 1994-95 fiscal year shall be used for  
37 services that support family caregivers of elderly persons with functional disabilities,  
38 whether physical or mental, who want to stay in their homes rather than be  
39 institutionalized, but who need assistance with the activities of daily living in order to  
40 remain at home. The services that may be purchased from funds received under this  
41 section include:

42 (1) Respite Care;

43 (2) Adult Day Care;

- 1 (3) Stipends and other related costs for senior companions, modeled after  
2 the federal Senior Companion Program; and  
3 (4) Other related services that meet needs not now adequately addressed  
4 by the services described in subdivisions (1) through (3) of this  
5 subsection.

6 (b) The Division of Aging shall expend funds for these services according to  
7 the population of persons 70 years of age or older in each region. The Division of  
8 Aging shall use a minimum of ninety-five percent (95%) of the funds it receives under  
9 this section for the services described in subdivisions (1) through (4) of subsection (a) of  
10 this section and may only use a maximum of five percent (5%) for technical assistance  
11 as described in subsection (c) of this section. The Division of Aging shall choose  
12 providers in accordance with procedures under the Older Americans Act. Funds  
13 allocated by the Division pursuant to this section shall be allocated by October 1 of each  
14 fiscal year.

15 (c) The Division of Aging may contract for technical assistance. The  
16 technical assistance shall include training assistance, coordination of various service  
17 delivery and funding sources, and ideas for innovative ways to build a lasting system of  
18 services for family caregivers.

19  
20 Requested by: Senator Richardson

#### 21 **SENIOR CENTER OUTREACH**

22 Sec. 189. (a) Of the funds appropriated to the Department of Human  
23 Resources, Division of Aging, by this act for the 1993-95 fiscal biennium, four hundred  
24 three thousand eight hundred dollars (\$403,800) for the 1993-94 fiscal year and four  
25 hundred three thousand eight hundred dollars (\$403,800) for the 1994-95 fiscal year  
26 shall be used by the Division of Aging to enhance senior center programs as follows:

- 27 (1) To test "satellite" services provided by existing senior centers to  
28 unserved or underserved areas; or  
29 (2) To provide start-up funds for new senior centers.

30 All of these funds shall be allocated by October 1 of each fiscal year.

31 (b) Prior to funds being allocated pursuant to this section for start-up funds  
32 for a new senior center, the county commissioners of the county in which the new center  
33 will be located shall:

- 34 (1) Formally endorse the need for such a center;  
35 (2) Formally agree on the sponsoring agency for the center; and  
36 (3) Make a formal commitment to use local funds to support the ongoing  
37 operation of the center.

38 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

39  
40 Requested by: Senator Richardson

#### 41 **DAY CARE FUNDS MATCHING REQUIREMENT**

42 Sec. 190. No local matching funds may be required by the Department of  
43 Human Resources as a condition of any locality's receiving any State day care funds  
44 appropriated by this act unless federal law requires such a match.

1

2 Requested by: Senator Richardson

3 **DAY CARE**

4

5 Sec. 191. Except for the allocation of support costs from federal grants by the  
6 General Assembly or the reallocation of federal grant funds by the Office of State  
7 Budget and Management, the Department of Human Resources shall distribute the  
8 funds appropriated and otherwise available to it for the purchase of slots in day care for  
9 minor children of needy families so as to serve the greatest number of children possible.

9

10 Requested by: Senator Richardson

11 **DAY CARE RATES**

12

13 Sec. 192. (a) Rules for the monthly schedule of payments for the purchase of day  
14 care services for low-income children shall be established by the Social Services  
15 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following  
16 requirements:

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(1) For day care facilities, as defined in G.S. 110-86(3), in which fewer than fifty percent (50%) of the enrollees are subsidized by State or federal funds, the State shall continue to pay the same fee paid by private paying parents for a child in the same age group in the same facility.

(2) Facilities in which fifty percent (50%) or more of the enrollees are subsidized by State or federal funds may choose annually one of the following payment options:

a. The facility's payment rate for fiscal year 1985-86; or

b. The market rate, as calculated annually by the Division of Facility Services' Child Day Care Section in the Department of Human Resources.

(3) A market rate shall be calculated for each county and for each age group or age category of enrollees and shall be representative of fees charged to unsubsidized private paying parents for each age group of enrollees within the county. The county market rates shall be calculated from facility fee schedules collected by the Child Day Care Section on a routine basis. The Section shall also calculate a statewide market rate for each age category. The Social Services Commission shall adopt rules to establish minimum county rates that use the statewide market rates as a reference point.

(4) Child day care homes as defined in G.S. 110-86(4) and other home-based day care arrangements that are not required to be regulated by the State licensing agency may be paid the market rate for day care homes, which shall be calculated at least biennially by the Child Day Care Section according to the method described in subdivision (3) of subsection (a) of this section.

(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of care in day

1 care facilities for minor children of needy families. No separate licensing requirements  
2 shall be used to select facilities to participate. In addition, day care facilities shall be  
3 required to meet any additional applicable requirements of federal law or regulations.

4 Day care homes as defined in G.S. 110-86(4) from which the State purchases  
5 day care services shall meet the standards established by the Child Day Care  
6 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional  
7 requirements of State law or federal law or regulations. Child care arrangements  
8 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General  
9 Statutes shall meet the requirements established by other State law and by the Social  
10 Services Commission.

11 (c) County departments of social services shall continue to negotiate with day  
12 care providers for day care services below those rates prescribed by subsection (a) of  
13 this section. County departments shall purchase day care services so as to serve the  
14 greatest number of children possible with existing resources.

15  
16 Requested by: Senator Richardson

#### 17 **DAY CARE ALLOCATION FORMULA**

18 Sec. 193. (a) To simplify current day care allocation methodology and more  
19 equitably distribute State day care funds, the Department of Human Resources shall  
20 apply the following allocation formula to all noncategorical federal and State day care  
21 funds used to pay the costs of necessary day care for minor children of needy families:

- 22 (1) One-third of budgeted funds shall be distributed according to the  
23 county's population in relation to the total population of the State;
- 24 (2) One-third of the budgeted funds shall be distributed according to the  
25 number of children under 6 years of age in a county who are living in  
26 families whose income is below the State poverty level in relation to  
27 the total number of children under 6 years of age in the State in  
28 families whose income is below the poverty level; and
- 29 (3) One-third of budgeted funds shall be distributed according to the  
30 number of working mothers with children under 6 years of age in a  
31 county in relation to the total number of working mothers with  
32 children under 6 years of age in the State.

33 (b) A county's initial allocation shall not be less than that county's initial  
34 allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of  
35 Chapter 500 of the 1989 Session Laws. However, if the total amount available to  
36 allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a  
37 county's allocation may be less than the county's initial allocation was in that fiscal year.

38  
39 Requested by: Senator Richardson

#### 40 **DHR EMPLOYEES/IN-KIND MATCH**

41 Sec. 194. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary  
42 of the Department of Human Resources may assign employees of the Office of Rural  
43 Health and Resource Development to serve as in-kind match to nonprofit corporations



1 working to establish health care programs that will improve health care access while  
2 controlling costs.

3  
4 Requested by: Senator Richardson

5 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

6 Sec. 195. County governments participating in the Community-Based  
7 Alternatives Program shall certify annually to the Division of Youth Services,  
8 Department of Human Resources, that Community-Based Alternatives Aid to Counties  
9 shall not be used to duplicate or supplant other programs within the county.

10  
11 Requested by: Senators Walker and Richardson

12 **SUPPLEMENTAL HEAD START FUNDS**

13 Sec. 196. Supplemental Head Start funds appropriated in this act to the  
14 Department of Human Resources, Division of Economic Opportunity, shall continue to  
15 be allocated to those counties currently receiving these funds.

16  
17 Requested by: Senator Richardson

18 **COUNTY DAY CARE ENCOURAGEMENT**

19 Sec. 197. (a) The General Assembly encourages all counties to use all their  
20 initial child care allocations by actively and aggressively pursuing all existing child care  
21 resources currently available. The Department of Human Resources, Division of Child  
22 Development, Day Care Section, shall reevaluate its allocation/reversion/reallocation  
23 timetable to balance equitably the needs of those counties that have had difficulty using  
24 their initial allocations in a timely fashion with the needs of those counties who have  
25 used the reverted allocations to excellent purpose.

26 (b) The General Assembly encourages counties to use creative and innovative  
27 methods of enriching their existing day care, such as by using volunteers from senior  
28 citizen centers in day care, and to identify any State law or policy bars that may  
29 currently exist to these methods.

30 (c) The General Assembly encourages counties that now provide certain child  
31 care payments directly to parents rather than directly to the provider to reevaluate this  
32 practice in order to ensure that the method of payment properly reflects both the needs  
33 of the individual families and the day care community.

34 (d) The Department of Human Resources shall report quarterly to the Joint  
35 Legislative Commission on Governmental Operations and to the Fiscal Research  
36 Division of the Legislative Services Office on the implementation of this section.

37  
38 Requested by: Senator Richardson

39 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

40 Sec. 198. Counties participating in the Early Childhood Education and  
41 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the  
42 General Statutes, if enacted by the 1993 General Assembly by the effective date of this  
43 act, may use the county's allocation of State and federal child care funds to subsidize  
44 child care according to the county's Early Childhood Education and Development

1 Initiatives Plan as approved by the Department of Human Resources. The use of federal  
2 funds shall be consistent with the appropriate federal regulations. Day care providers  
3 shall, at a minimum, comply with the applicable requirements for State licensure or  
4 registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other  
5 applicable requirements of State law or rule, including rules adopted for nonregistered  
6 day care by the Social Services Commission, and with applicable federal regulations.

7  
8 Requested by: Senator Richardson

9 **CHILD DAY CARE REVOLVING LOAN FUND**

10 Sec. 199. Notwithstanding any law to the contrary, funds budgeted for the  
11 Child Day Care Revolving Loan Fund may be transferred to and invested by the  
12 financial institution contracted to operate the Fund. The principal and any income to the  
13 Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral  
14 for borrowers, pay the contractor's cost of operating the Fund, or to pay the  
15 Department's cost of administering the program.

16  
17 Requested by: Senator Daniel

18 **RURAL/PRIMARY CARE INITIATIVES**

19 Sec. 200. G.S. 131E-76 is amended by adding two new subdivisions to read:

20 "(6) 'Primary care hospital' means a hospital which has been designated as  
21 a primary care hospital by the Department of Human Resources,  
22 Office of Rural Health and Resource Development. To be designated  
23 as a primary care hospital under this subdivision, the hospital must be  
24 located in a rural community, provide primary care inpatient services  
25 which do not include inpatient surgery, and provide outpatient services  
26 which may include outpatient surgery. A primary care hospital shall  
27 have a maximum annual average daily census of 15 patients and may  
28 have psychiatric and long-term care distinct part units. A primary care  
29 hospital must be part of a rural hospital network.

30 (7) 'Rural hospital network' means an alliance of members which must  
31 include at least one primary care hospital and one other hospital. To  
32 qualify as a rural hospital network, the members must submit a  
33 comprehensive, written memorandum of understanding to the  
34 Department of Human Resources for the Department's approval. The  
35 memorandum of understanding must include provisions for patient  
36 referral and transfer, a plan for network-wide emergency services, and  
37 a plan for sharing patient information and services between hospital  
38 members, including medical staff credentialing, risk management,  
39 quality assurance, and peer review."

40  
41 Requested by: Senators Daniel and Plyler

42 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

43 **QUALITY ASSURANCE/ACCOUNTABILITY**

1           Sec. 201. (a) The General Assembly finds, in consultation with the Governor,  
2 that it is essential to begin to develop comprehensive programs that provide high quality  
3 early childhood education and development services locally for children and their  
4 families. The General Assembly also finds that it is equally essential that these  
5 programs be developed in a manner that will provide both quality assurance and  
6 performance-based accountability to the children, their families, their communities, and  
7 the State.

8           (b) The Department of Human Resources shall develop and implement a  
9 performance-based evaluation system to evaluate the Early Childhood Education and  
10 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the  
11 General Statutes, if enacted. The Department shall design this system:

- 12           (1) To incorporate the elements of a formative evaluation, including  
13 process and efficiency studies, and of a summative evaluation,  
14 including outcome and effectiveness studies, in order to:
- 15           a. Provide information to the Department and to the General  
16 Assembly on how to improve and refine the Programs;
  - 17           b. Enable the Department and the General Assembly to assess the  
18 overall quality and impact of the existing Programs and any  
19 future ones; and
  - 20           c. Enable the Department and the General Assembly to determine  
21 whether to make the Early Childhood Education and  
22 Development Initiatives statewide;
- 23           (2) To focus the Programs, as they develop and continue, on quality  
24 assurance, by making quality a central and on-going priority and to  
25 ensure that quality improvement efforts address outcomes, such as  
26 functions and processes, rather than persons, specific details, or  
27 paperwork;
- 28           (3) To use reliable statistical methods to measure performance of  
29 processes, functions, efforts, and outcomes, which methods shall allow  
30 adequate tracking of children and families through the program and  
31 into the school system, in order to provide a real, objective measure of  
32 the outcome of the Programs; and
- 33           (4) To provide a detailed fiscal analysis of the use to which State funds for  
34 these Programs are put.

35           (b) The Department shall report to the General Assembly by October 1, 1993,  
36 on the system it has developed, prior to the beginning of the system's implementation.  
37 It shall report every three months after that date on the implementation of the system  
38 and on the cumulative results of the evaluations as they occur. The Department shall  
39 present a final cumulative report to the General Assembly by February 1, 1995.

40  
41 **PART 24. DEPARTMENT OF AGRICULTURE**

42  
43 Requested by: Senator Martin of Pitt

44 **WAREHOUSE ACT FUNDS**

1       Sec. 202. (a)     G.S. 106-435 reads as rewritten:

2     "**§ 106-435. Fund for support of system; collection and investment.**

3       In order to provide a sufficient indemnifying or guarantee fund to cover any loss not  
4 covered by the bonds hereinbefore mentioned, in order to provide the financial backing  
5 which is essential to make the warehouse receipt universally acceptable as collateral,  
6 and in order to provide that a State warehouse system intended to benefit all cotton  
7 growers in North Carolina shall be supported by the class it is designed to benefit, it is  
8 hereby declared: that on each bale of cotton ginned in North Carolina during the period  
9 from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be  
10 collected through the ginner of the bale and paid into the State treasury, to be held there  
11 as a special guarantee or indemnifying fund to safeguard the State warehouse system  
12 against any loss not otherwise covered. The State Tax Commission shall provide and  
13 enforce the machinery for the collection of this tax, which shall be held in the State  
14 treasury to the credit of the State warehouse system. Not less than ten per centum (10%)  
15 of the entire amount collected from the per bale tax shall be invested in United States  
16 government or farm loan bonds or North Carolina bonds, and the remainder may be  
17 invested in amply secured first mortgage notes or bonds to aid and encourage the  
18 establishment of warehouses operating under this system, and to aid and encourage the  
19 establishment of farm markets designed to serve the marketing, packaging, and grading  
20 needs for the sale and distribution of unprocessed farm commodities when adequate  
21 markets are not otherwise provided. Such investments shall be made by the Board of  
22 Agriculture, with the approval of the Governor and Attorney General: Provided, such  
23 first mortgages shall be for not more than one-half the actual value of the warehouse  
24 property covered by such mortgages, and run not more than 10 years: Provided further,  
25 that the interest received from all investments shall be available for appropriation for  
26 capital projects and nonrecurring expenditures as provided in the act making the  
27 appropriation, and for the administrative expense of carrying into effect the provisions  
28 of this law, including the employment of such persons and such means as the State  
29 Board of Agriculture in its discretion may deem necessary: Provided further, that the  
30 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated  
31 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be  
32 raised under this law and subject to all the provisions hereof."

33       (b) There is appropriated from the North Carolina Warehouse Act Fund to the  
34 General Fund for fiscal year 1993-94 the sum of five hundred thousand dollars  
35 (\$500,000) in accumulated interest, to be used to support expenditures for capital  
36 projects or nonrecurring expenditures as provided in this act.

37

38 Requested by: Senator Kaplan

39 **CAPITAL BILL CONTENTS**

40       Sec. 203. G.S. 146-30 reads as rewritten:

41 "**§ 146-30. Application of net proceeds.**

42       (a)     The net proceeds of any disposition made in accordance with this Subchapter  
43 shall be handled in accordance with the following priority: First, in accordance with the  
44 provisions of any trust or other instrument of title whereby title to such real property

1 was heretofore acquired or is hereafter acquired; second, as provided by any other act of  
2 the General Assembly; third, the net proceeds shall be deposited with the State  
3 Treasurer. Provided, however, nothing herein shall be construed as prohibiting the  
4 disposition of any State lands by exchange for other lands, but if the appraised value in  
5 fee simple of any property involved in the exchange is at least twenty-five thousand  
6 dollars (\$25,000), then such exchange may not be made without consultation with the  
7 Joint Legislative Commission on Governmental Operations.

8 (b) For the purposes of this Subchapter, the term 'net proceeds' means the gross  
9 amount received from the sale, lease, rental, or other disposition of any State lands, less

10 (1) Such expenses incurred incident to that sale, lease, rental, or other  
11 disposition as may be allowed under rules and regulations adopted by  
12 the Governor and approved by the Council of State;

13 (2) Amounts paid pursuant to G.S. 105-296.1, if any; and

14 (3) A service charge to be paid into the State Land Fund.

15 (c) The amount or rate of such service charge shall be fixed by rules and  
16 regulations adopted by the Governor and approved by the Council of State, but as to any  
17 particular sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of  
18 the gross amount received from such sale, lease, rental, or other disposition.  
19 Notwithstanding any other provision of this Subchapter, the net proceeds derived from  
20 the sale of land or products of land owned by or under the supervision and control of the  
21 Wildlife Resources Commission, or acquired or purchased with funds of that  
22 Commission, shall be paid into the Wildlife Resources Fund. Provided, however, the net  
23 proceeds derived from the sale of land or timber from land owned by or under the  
24 supervision and control of the Department of Agriculture shall be deposited with the  
25 State Treasurer in a capital improvement account to the credit of the Department of  
26 Agriculture, to be used for such specific capital improvement projects or other purposes  
27 as are provided by transfer of funds from those accounts in the ~~Current Operations~~  
28 Capital Improvement Appropriations Act. Provided further, the net proceeds derived  
29 from the sale of park land owned by or under the supervision and control of the  
30 Department of Environment, Health, and Natural Resources shall be deposited with the  
31 State Treasurer in a capital improvement account to the credit of the Department of  
32 Administration to be used for the purpose of park land acquisition as provided by  
33 transfer of funds from those accounts in the ~~Current Operations~~ Capital Improvement  
34 Appropriations Act. In the ~~Current Operations~~ Capital Improvement Appropriations  
35 Act, line items for purchase of park and agricultural lands will be established for use by  
36 the Departments of Administration and Agriculture. The use of such funds for any  
37 specific capital improvement project or land acquisition is subject to approval by the  
38 Director of the Budget. No other use may be made of funds in these line items without  
39 approval by the General Assembly except for incidental expenses related to the project  
40 or land acquisition. Additionally with the approval of the Director of the Budget, either  
41 Department may request funds from the Contingency and Emergency Fund when the  
42 necessity of prompt purchase of available land can be demonstrated and funds in the  
43 capital improvement accounts are insufficient. Provided further, the net proceeds  
44 derived from the sale of any portion of the land in or around the unincorporated area

1 known as Butner on or after July 1, 1980, shall be deposited with the State Treasurer in  
2 a capital improvement account to the credit of the Hospital to provide water and sewers  
3 and to bring those streets in the unincorporated area known as Butner not on the State  
4 highway system up to standards adequate for acceptance on the system, according to a  
5 plan adopted by the Department of Administration, and the Office of State Budget and  
6 Management, with the approval of the Board of County Commissioners of Granville  
7 County, to build industrial access roads to industries on the Butner lands, to construct  
8 new city streets on the Butner lands, extend water and sewer service on the Butner  
9 lands, and repair storm drains on the Butner lands."

10  
11 Requested by: Senator Martin of Pitt

12 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS FOREST**  
13 **LANDS**

14 Sec. 204. From funds from the sale of timber deposited with the State  
15 Treasurer under G.S. 146-30 to the credit of the Department of Agriculture in a capital  
16 improvement account, the sum of twenty thousand dollars (\$20,000) is transferred to the  
17 Reserve for Forest Management for expenditure in fiscal year 1993-94, and the sum of  
18 twenty thousand dollars (\$20,000) is transferred to the Reserve for Forest Management  
19 for expenditure in fiscal year 1994-95. These sums are in addition to any funds already  
20 in that Reserve.

21  
22 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**  
23 **RESOURCES**

24  
25 Requested by: Senator Martin of Pitt

26 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

27 Sec. 205. (a) During the 1993-94 fiscal year, the Secretary of the Department of  
28 Environment, Health, and Natural Resources may contribute from the Inactive  
29 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty  
30 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action  
31 program at up to three high priority sites that substantially endanger public health or the  
32 environment.

33 (b) No later than April 1, 1994, the Department of Environment, Health, and  
34 Natural Resources shall report to the General Assembly. This report shall contain the  
35 location of the sites for which a voluntary remedial action program was implemented  
36 under subsection (a) of this section, the rationale for the State contributing to the cost of  
37 that remedial action, and the amount of the contribution made from the Inactive  
38 Hazardous Sites Cleanup Fund.

39  
40 Requested by: Senator Martin of Pitt

41 **HAZARDOUS WASTE INSPECTORS**

42 Sec. 206. As industry is permitted that is subject to G.S. 130A-295.02  
43 requiring the establishment of resident inspectors, the Department of Environment,  
44 Health, and Natural Resources may request through the Office of State Budget and

1 Management the authorization to establish new positions and support costs necessary to  
2 comply with G.S. 130A-295.02. The Department shall report these positions as a  
3 continuation item in its next biennial budget request.

4  
5 Requested by: Senator Ballance

6 **HAZARDOUS WASTE REDUCTION AND MANAGEMENT PLAN**

7 Sec. 207. The Department of Environment, Health, and Natural Resources  
8 shall not approve any permit for a commercial hazardous waste incinerator or a  
9 commercial hazardous waste treatment facility until the Department has developed and  
10 adopted a hazardous waste reduction and management plan and has determined that  
11 additional commercial hazardous waste treatment capacity is needed.

12  
13 Requested by: Senator Martin of Pitt

14 **SUPERFUND PROGRAM FUNDS**

15 Sec. 208. (a) The Department of Environment, Health, and Natural Resources  
16 may use available funds, with the approval of the Office of State Budget and  
17 Management, in order to provide the ten percent (10%) cost share required for  
18 Superfund cleanups on the National Priority List sites. These funds may be in addition  
19 to those appropriated for this purpose.

20 (b) The Department of Environment, Health, and Natural Resources and the  
21 Office of State Budget and Management shall report to the Joint Legislative  
22 Commission on Governmental Operations the amount and the source of the funds used  
23 pursuant to subsection (a) of this section within 30 days of the expenditure of these  
24 funds.

25  
26 Requested by: Senator Martin of Pitt

27 **TECHNICAL REVIEW COMMITTEE APPOINTMENTS**

28 Sec. 209. G.S. 143-215.74B reads as rewritten:

29 **"§ 143-215.74B. Committee established.**

30 Detailed plans for implementing the program shall be reviewed and suggested  
31 changes and reasons therefor shall be given by a committee consisting of the Master of  
32 the North Carolina State Grange, President of the North Carolina Farm Bureau  
33 Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of  
34 Agriculture and Life Sciences at North Carolina State University, the Dean of the  
35 School of Agriculture at North Carolina Agricultural and Technical State University, the  
36 Chairman of the State Soil and Water Conservation Commission, the President of the  
37 North Carolina Association of Soil and Water Conservation Districts, the Executive  
38 Director of the Wildlife Resources ~~Commission, Commission or a designee,~~ and the  
39 Director of the Division of Marine ~~Fisheries, Fisheries or a designee.~~ The committee  
40 shall review the program prior to expenditure of any funds for the program.  
41 Certification documenting the committee's review of the program shall be made in  
42 writing to the Speaker of the House of Representatives, the President of the Senate, the  
43 Chairmen of the Appropriations Committees of the Senate and the House of

1 Representatives, the Director of the Fiscal Research Division of the Legislative Services  
2 Office, and the Legislative Library."

3

4 Requested by: Senator Martin of Pitt

5 **DENTAL HEALTH PROGRAM**

6 Sec. 210. G.S. 130A-366 reads as rewritten:

7 "**§ 130A-366. Department to establish dental health program.**

8 (a) The Department shall establish and administer a dental health program for the  
9 delivery of preventive, educational and dental care services to preschool children,  
10 school-age children, and adults. The program shall include, but not be limited to,  
11 providing teacher training, adult and child education, consultation, screening and  
12 referral, technical assistance, community coordination, field research and direct patient  
13 care. The primary emphasis of the program shall be the delivery of preventive,  
14 educational, and dental care services to preschool children and school-age children.

15 (b) The Commission shall adopt rules necessary to implement the program."  
16

17 Requested by: Senator Martin of Pitt

18 **PHARMACEUTICAL FUNDS/SEXUALLY TRANSMITTED DISEASE**  
19 **CONTROL PROGRAM**

20 Sec. 211. Of the funds appropriated in this act to the Department of  
21 Environment, Health, and Natural Resources, Division of Epidemiology, ninety  
22 thousand dollars (\$90,000) in each fiscal year of the biennium shall be transferred from  
23 the pharmaceuticals line item in the Tuberculosis Control Program to the  
24 pharmaceuticals line item in the Sexually Transmitted Disease Control Program.  
25

26 Requested by: Senator Martin of Pitt

27 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY**

28 Sec. 212. (a) For the 1993-94 and 1994-95 fiscal years, the Department of  
29 Environment, Health, and Natural Resources may combine and allocate funds  
30 appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the  
31 Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into  
32 one Acute Communicable Disease Control Aid to Counties Grant. Communicable  
33 disease Aid to Counties funding to local health departments and other authorized  
34 recipients will be based on a general communicable disease formula to be developed by  
35 the Department of Environment, Health, and Natural Resources.

36 (b) The Department of Environment, Health, and Natural Resources, in  
37 conjunction with local health departments, will maintain a system to monitor and  
38 identify Aid to Counties communicable disease expenditures by each communicable  
39 disease group. The Department shall report to the Joint Legislative Commission on  
40 Governmental Operations not later than October 1, 1994, on Aid to Counties  
41 expenditures by county for each communicable disease group and the purpose of the  
42 expenditures for 1993-94 fiscal year. The report shall also include an evaluation of the  
43 effectiveness of combining Aid to Counties funding into one grant fund and the  
44 effectiveness of the formula used to allocate funds.



1

2 Requested by: Senator Martin of Pitt

3 **ELIGIBILITY STANDARDS FOR PARTICIPATION IN DEPARTMENT**  
4 **REIMBURSEMENT PROGRAMS ESTABLISHED**

5 Sec. 213. G.S. 130A-29(c) is amended by adding a new subdivision to read:

6 "(5a) Establishing eligibility standards for participation in Department  
7 reimbursement programs;".

8

9 Requested by: Senators Martin of Pitt and Hoyle

10 **LIABILITY INSURANCE PREMIUMS**11 Sec. 214. (a) The Department of Environment, Health, and Natural  
12 Resources may use funds available from lapsed salaries to pay premiums for liability  
13 coverage for medical personnel as authorized in this act.14 (b) The Office of State Budget and Management shall prepare a report on  
15 professional liability insurance for State medical personnel. The report shall include:16 (1) Identification of all State agencies, including the university system,  
17 which provide professional liability insurance for their medical  
18 personnel;19 (2) Whether the insurance identified in subdivision (1) of this section is  
20 provided through self-insurance by the State agency, through payment  
21 of insurance premiums, or by other means;22 (3) The annual cost of the insurance provided by the State agency, and the  
23 source of the funding used to pay this cost;24 (4) Whether personnel for whom each State agency provides the liability  
25 coverage are administrators or active medical practitioners; and26 (5) Types of medical personnel covered by the liability insurance provided  
27 by the State agency.28 The Office of State Budget and Management shall submit the report required under this  
29 subsection to the Joint Legislative Commission on Governmental Operations not later  
30 than January 7, 1994.

31

32 Requested by: Senator Martin of Pitt

33 **DWI TEST CHANGES**34 Sec. 215. (a) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-  
35 94 and 1994-95 and designated for the alcohol testing program of the Injury Control  
36 Section of the Department of Environment, Health, and Natural Resources shall not  
37 revert to the General Fund unless the amounts exceed the amounts appropriated in  
38 subsection (b) of this section.39 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-  
40 16.5(j) that are designated for the alcohol testing program of the Injury Control Section  
41 of the Department of Environment, Health, and Natural Resources and are not needed  
42 for that program shall be transferred quarterly to the Governor's Highway Safety  
43 Program for grants to local law enforcement agencies for training concerning  
44 enforcement of the laws on driving while impaired. Except for amounts transferred

1 during the fourth quarter of a fiscal year, the Governor's Highway Safety Program shall  
2 expend funds transferred to it under this section in the fiscal year in which they are  
3 received. Amounts received by the Governor's Highway Safety Program during the  
4 fourth quarter of a fiscal year shall not revert and shall be expended by the following  
5 September 30.

6 (b) There is appropriated from the General Fund to the Department of  
7 Environment, Health, and Natural Resources the sum of one million ninety-six thousand  
8 eight hundred ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year and the sum  
9 of one million ninety-one thousand nine hundred seven dollars (\$1,091,907) for the  
10 1994-95 fiscal year to fund the statewide chemical alcohol testing program administered  
11 by the Injury Control Section of the Department. If the revenues raised pursuant to  
12 subsection (a) of this section are less than one million ninety-six thousand eight hundred  
13 ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year or one million ninety-one  
14 thousand nine hundred seven dollars (\$1,091,907) for the 1994-95 fiscal year, the  
15 appropriations made in this subsection are reduced accordingly.

16  
17 Requested by: Senator Martin of Pitt

#### 18 **ASBESTOS HAZARD MANAGEMENT FUNDS**

19 Sec. 216. The fees established and collected pursuant to Article 19 of  
20 Chapter 130A of the General Statutes are appropriated to the Department of  
21 Environment, Health, and Natural Resources to support the Asbestos Hazard  
22 Management Program.

23  
24 Requested by: Senator Martin of Pitt

#### 25 **RURAL OBSTETRICAL CARE INCENTIVE**

26 Sec. 217. Of the eight hundred thousand dollars (\$800,000) appropriated in  
27 this act for the 1993-95 fiscal biennium to the Division of Maternal and Child Health,  
28 Department of Environment, Health, and Natural Resources, for the Rural Obstetrical  
29 Care Incentive Program, the Division may, each fiscal year, use four hundred thousand  
30 dollars (\$400,000) as follows:

- 31 (1) To increase the maximum amount per provider per year to no more  
32 than seven thousand five hundred dollars (\$7,500);
- 33 (2) To increase the number of counties served; and
- 34 (3) To increase the maximum any county may receive each year.

35 General surgeons who provide cesarean section backup to family physicians  
36 in counties where there are no obstetricians or where there are no obstetricians willing  
37 or able to provide such backup are also eligible for the program. Physicians and  
38 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program  
39 shall participate in an obstetrical care coverage plan developed by their local health  
40 department or community, migrant, or rural health center, and shall agree to provide  
41 services to pregnant women regardless of their ability to pay for the services.

42  
43 Requested by: Senators Martin of Pitt and Walker

#### 44 **INFANT MORTALITY PREVENTION FUNDS**

1           Sec. 218. Of the funds appropriated in this act to the Department of  
2 Environment, Health, and Natural Resources, Division of Maternal and Child Health,  
3 the sum of four hundred seventy-five thousand dollars (\$475,000) for the 1993-94 fiscal  
4 year and the sum of one million four hundred forty-five thousand dollars (\$1,445,000)  
5 for the 1994-95 fiscal year shall be used to expand the existing Comprehensive  
6 Adolescent Health Projects Program. Up to 10 additional grants will be available to be  
7 awarded each year of the biennium. To receive funding, each project must arrange for  
8 or provide preventive and primary medical care and mental health services, including,  
9 but not limited to: preventive services to delay early sexual involvement, treatment of  
10 minor problems and injuries, referrals and follow-up treatments for serious illnesses and  
11 injuries, referrals for alcohol and other drug abuse, sexually transmitted diseases, and  
12 immunizations. The Comprehensive Adolescent Health Care Projects shall be  
13 developed with the participation of the public schools, local health departments, area  
14 mental health programs, community migrant and rural health centers, private  
15 physicians, and other appropriate community programs.

16  
17 Requested by: Senator Martin of Pitt

18 **WIC PROGRAM FUNDS**

19           Sec. 219. Of the funds appropriated in this act to the Department of  
20 Environment, Health, and Natural Resources for the Women, Infants, and Children  
21 Program (WIC), the sum of five hundred thousand dollars (\$500,000) in the 1993-94  
22 fiscal year and the sum of one million two hundred thousand dollars (\$1,200,000) for  
23 the 1994-95 fiscal year shall, if sufficient federal food funds are available, be used for  
24 the WIC program as follows:

- 25           (1) Not more than \$290,000 or not less than \$160,000 in the 1993-94  
26 fiscal year, and not more than \$700,000 or not less than \$400,000 in  
27 the 1994-95 fiscal year to establish new WIC Programs in Head Start  
28 or other private or public nonprofit agencies to serve additional  
29 mothers, infants, and children. The Department shall utilize these  
30 funds for local program operations including staff to provide eligibility  
31 determination, nutrition education, and health care referrals. In  
32 selecting the new WIC programs, the Department shall consider  
33 accessibility to the target population including location and hours of  
34 operation.
- 35           (2) Not more than \$210,000 or not less than \$80,000 in the 1993-94 fiscal  
36 year, and not more than \$500,000 or not less than \$200,000 in the  
37 1994-95 fiscal year to renovate facilities of existing programs where  
38 space constraints limit program expansion, and to fund rental costs in  
39 areas where accessible donated space is not available. In selecting the  
40 facilities, the Department shall consider accessibility to the target  
41 population including location and extended hours of operation. In  
42 determining whether to fund rental of space, the Department shall  
43 ensure that options for using donated accessible space have been  
44 considered. Not more than \$65,000 of the funds allocated under this

1 subdivision in the 1993-94 fiscal year, and not more than \$150,000 in  
2 the 1994-95 fiscal year shall be used for the rental of space.

3 (3) Not more than \$105,000 or not less than \$40,000 in the 1993-94 fiscal  
4 year, and not more than \$250,000 or not less than \$100,000 in the  
5 1994-95 fiscal year to purchase physician-prescribed special formulas  
6 and nutritional supplements for infants, children, and pregnant women.

7 (4) Not more than \$60,000 or not less than \$20,000 in each fiscal year of  
8 the 1993-95 biennium to provide the required State match to the WIC  
9 farmers' market project.

10 If sufficient federal food funds are not available, then funds appropriated in this act for  
11 the WIC program shall be used to supplement federal food funds and any balance in  
12 funds remaining after such supplemental use shall be used in accordance with  
13 subdivisions (1) through (4) of this section to the extent that funds are available to meet  
14 the funding requirements of each subdivision.

15

16 Requested by: Senator Martin of Pitt

#### 17 **LEAD POISONING PREVENTION FUNDS**

18 Sec. 220. Of the funds appropriated in this act to the Department of  
19 Environment, Health, and Natural Resources for the Women, Infants, and Children  
20 Program (WIC), the sum of three hundred thirty-one thousand ninety-five dollars  
21 (\$331,095) for the 1993-94 fiscal year and the sum of one million thirty-one thousand  
22 ninety-five dollars (\$1,031,095) for the 1994-95 fiscal year shall be allocated to the  
23 Lead Poisoning Prevention Program for early identification (blood screening for lead),  
24 medical management, and environment investigation and abatement. The funds  
25 allocated pursuant to this section for the 1993-94 fiscal year shall be used for positions  
26 and operating expenses. Funds allocated pursuant to this section for the 1994-95 fiscal  
27 year shall be used for positions, operating expenses, and Aid-to-Counties.

28

29 Requested by: Senator Martin of Pitt

#### 30 **MATERNAL AND CHILD HEALTH PROGRAM FUNDS DO NOT REVERT**

31 Sec. 221. G.S. 130A-124 reads as rewritten:

32 "**§ 130A-124. Department to establish maternal and child health program.**

33 (a) The Department shall establish and administer a maternal and child health  
34 program for the delivery of preventive, diagnostic, therapeutic and habilitative health  
35 services to women of childbearing years, children and other persons who require these  
36 services. The program may include, but shall not be limited to, providing professional  
37 education and consultation, community coordination and direct care and counseling.

38 (b) The Commission shall adopt rules necessary to implement the program.

39 (c) Prior year refunds received by the Children's Special Health Services  
40 Program that are not encumbered or spent during a fiscal year shall not revert to the  
41 General Fund but shall remain in the Department for purchase of care and contracts in  
42 the Program. Funds appropriated for the purchase of care and contracts in the Program  
43 that are encumbered and not spent during a fiscal year shall not revert to the General

1 Fund but shall remain in the Department for the purchase of care and contracts in the  
2 Program."

3  
4 Requested by: Senator Martin of Pitt

5 **ADOLESCENT PREGNANCY PREVENTION PROJECTS**

6 Sec. 222. Article 5 of Chapter 130A of the General Statutes is amended by  
7 adding the following new Part to read:

8 **"PART 6. ADOLESCENT PREGNANCY PREVENTION PROJECTS.**

9 **"§ 130A-131.15. Department to establish program.**

10 (a) The Department shall establish and administer a program to distribute funds  
11 appropriated for adolescent pregnancy prevention projects.

12 (b) The Commission shall adopt rules necessary to implement the program.

13 (c) The Department shall evaluate all of the adolescent pregnancy projects  
14 funded as a result of this program at least yearly and shall report its findings to the  
15 Commission for Health Services, the Joint Legislative Commission on Governmental  
16 Operations, and the Chairmen of the House Appropriations Subcommittee on Natural  
17 and Economic Resources, and the Senate Appropriations Committee on Natural and  
18 Economic Resources by April 1 of each year. The evaluation shall be conducted by a  
19 firm or individual external to the Department. Any evaluation of these projects shall  
20 include a study of the effectiveness of the project in reducing the pregnancy rate within  
21 the target population.

22 (d) The Commission shall be responsible for monitoring the Department's  
23 administration of the Adolescent Pregnancy Prevention Program. The Department shall  
24 manage and fund the Adolescent Pregnancy Prevention Program projects as follows:

25 (1) Applications. Any local agency or organization or combination of  
26 agencies and organizations may apply to the Department for an  
27 allocation of money to operate a project aimed at preventing  
28 adolescent pregnancy. The application shall contain an analysis of the  
29 adolescent pregnancy and related problems in the locality the project  
30 would serve, and a description of how the project would attempt, over  
31 a period of at least five years, to prevent the problems. The application  
32 shall state how much money is needed to operate the project and how  
33 the money shall be spent. The Department shall conduct annually a  
34 proposal-writing session that shall be attended by a representative of  
35 any project that wishes to apply for funding; that session shall define  
36 the criteria for accountability and evaluation that the Department  
37 requires of projects. That session shall also provide information about  
38 additional funding sources to which projects might turn to satisfy the  
39 matching requirements of subdivision (5) of this subsection.

40 (2) Proposal Requirements. The Department shall apply the following  
41 minimum standards to projects applying for first-year funding:

42 a. Each project shall have a plan of action that extends for at least  
43 five years for prevention of adolescent pregnancy.

- 1           b.     Each project shall have realistic, specific, and measurable goals  
2                 and objectives for the prevention of adolescent pregnancy.
- 3           c.     Each project, before submitting its proposal, shall send a  
4                 representative to the proposal-writing session held by the  
5                 Department.
- 6       (3)   Operating Standards. The Department shall apply the following  
7                 minimum operating standards:
- 8           a.     Each project shall have a Board of Advisors composed of  
9                 members from outside the sponsoring agency of the project.  
10                The Board of Advisors shall include representatives from at  
11                least four of the following: media, government, charitable  
12                organizations, private business, and medical institutions. The  
13                Boards of Advisors shall meet at least quarterly and advise  
14                project staff on project policies and operations.
- 15           b.     Each project shall comply with reporting, contracting, and  
16                 evaluation requirements of the Department.
- 17           c.     Each project shall define and maintain cooperative ties with  
18                 other community institutions.
- 19           d.     Each project shall demonstrate its ability to attract financial  
20                 support from sources other than the State, including sources in  
21                 the local community.
- 22       (4)   Criteria for Project Selection. For first-year funding, the Department  
23                 shall choose from among the applicants that meet the minimum  
24                 standards in subdivision (2) of this subsection the best selection of  
25                 projects according to the following criteria:
- 26           a.     Adequacy of proposed staff to meet project objectives;
- 27           b.     Appropriateness of project strategies to reduce adolescent  
28                 pregnancy;
- 29           c.     Level of community support, including endorsement from the  
30                 appropriate local government entity and documentation from  
31                 the appropriate local government entity and from community  
32                 organizations that opportunity has been given for citizen input  
33                 into the proposed program, and that there is community support  
34                 for the proposal. Documentation may include letters or  
35                 statements of support from citizens or community  
36                 organizations, or statements that community support was  
37                 expressed at public hearings. A public hearing is not required  
38                 by this paragraph;
- 39           d.     Degree of need of the locality, including that the county has a  
40                 significant adolescent pregnancy problem as evidenced by its  
41                 attributable risk score developed by the State Center for Health  
42                 and Environmental Statistics; and
- 43           e.     Other appropriate criteria.

1           The Department shall make its recommendations for funding to the  
2           Commission. The Commission shall make the final determination of  
3           which projects are to be funded. The Commission shall consider the  
4           recommendations of the Department but shall not be bound by them.  
5           The Commission shall notify the projects that are to be funded by June  
6           1 of each year.

7           (5) Schedule of Funding. If the Commission, upon consultation with the  
8           Department, finds that a project it has chosen for first-year funding  
9           continues to meet the operating standards of subdivisions (2) and (3) of  
10           this subsection, funding for that project shall continue, to the extent of  
11           available money, for an additional four years. The level of funding  
12           provided by the Department to approved projects shall be set  
13           according to the following schedule:

14           a. First year, eighty percent (80%) of the project's annual budget  
15           not to exceed the maximum award established by the  
16           Commission for Health Services;

17           b. Second year, ninety percent (90%) of the State appropriations  
18           or federal block grant funds awarded in the first year;

19           c. Third year, seventy-five percent (75%) of the State  
20           appropriations or federal block grant funds awarded in the first  
21           year;

22           d. Fourth year, sixty-five percent (65%) of the State appropriations  
23           or federal block grant funds awarded in the first year; and

24           e. Fifth year, fifty percent (50%) of the State appropriations or  
25           federal block grant funds awarded in the first year.

26           The portion of a project's budget that must come from sources other  
27           than State or federal block grant funds may be provided as in-kind  
28           contributions as well as cash.

29           (6) Five-Year Limit on Funding. No project shall receive State funding if  
30           it has previously received State funding for five full years. Any  
31           project that has received State funding before July 1, 1990, will be  
32           eligible for consideration for an additional five years' State support,  
33           according to the schedule. The Commission may fund any such  
34           project that meets the minimum standards if it determines, after  
35           considering the experience and impact of the project and measuring its  
36           application against those of other applicants, that it should be funded.

37           (7) Maximum Level of Funding. The Commission for Health Services  
38           shall by rule determine the maximum annual amount that may be made  
39           to any one project.

40           (8) As adolescent pregnancy prevention project grant funds decrease, a  
41           project shall maintain its original budget level, less the amount  
42           expended for start-up costs. The Department shall develop guidelines  
43           for determining start-up costs, which guidelines shall be uniform for  
44           all projects. Local match percentage may come from any in-kind

1 source or newly generated funds, public or private, available to the  
2 project."

3  
4 Requested by: Senator Martin of Pitt

5 **IMMUNIZATION RECEIPTS**

6 Sec. 223. Any unexpended or unencumbered funds that were received as  
7 immunization receipts in the 1992-93 fiscal year or the 1993-94 fiscal year by the  
8 Department of Environment, Health, and Natural Resources for the Immunization  
9 Program for reimbursement for vaccines provided to Medicaid recipients or from  
10 federal excise tax refunds may be used in the 1993-94 fiscal year and the 1994-95 fiscal  
11 year:

- 12 (1) To push forward the schedule for providing measles, mumps, and  
13 rubella (MMR) vaccines to children aged 8 to 18;  
14 (2) To pay for the cost of purchasing approved vaccines when that cost  
15 exceeds prices charged in the 1992-93 fiscal year.

16 Any of these funds remaining on June 30, 1995, shall revert to the General  
17 Fund.

18  
19 Requested by: Senator Martin of Pitt

20 **COMMISSION FOR HEALTH SERVICES VACCINATION RULES**

21 Sec. 224. (a) The Commission for Health Services shall, pursuant to G.S.  
22 130A-152 and G.S. 130A-433, adopt rules establishing reasonable fees for the  
23 administration of vaccines and rules limiting the requirements that can be placed on  
24 children, their parents, guardians, or custodians as a condition for receiving vaccines  
25 provided by the State. These rules shall become effective January 1, 1994.

26 (b) Effective January 1, 1994, G.S. 130A-433 reads as rewritten:

27 "**§ 130A-433. Contracts for purchase of vaccines; distribution; fee; rules.**

28 (a) Notwithstanding any law to the contrary, the Secretary may enter into  
29 contracts with the manufacturers and suppliers of covered vaccines and with other  
30 public entities either within or without the State for the purchase of covered vaccines  
31 and may provide for the distribution or sale of the covered vaccines to health care  
32 providers. Local health departments shall distribute the covered vaccines at the request  
33 of the Department. ~~The Secretary may charge a fee for providing a covered vaccine to a~~  
34 ~~health care provider. The fee shall be set at an amount that covers the cost of the vaccine~~  
35 ~~to the Department, plus the cost to the Department of storing and distributing the~~  
36 ~~vaccine.~~ ~~The Secretary shall adopt rules to implement this Article.~~ ~~Article except for~~  
37 subsection (b) of this section.

38 (b) A health care provider who receives vaccine from the State may charge no  
39 ~~more than the cost of the vaccine and a reasonable fee for the administration of the~~  
40 ~~vaccine.~~ than a reasonable fee established by the Commission for Health Services for  
41 the administration of the vaccine. Vaccines provided by the State to local health  
42 departments for administration shall be administered at no cost to the patient."  
43

44 Requested by: Senator Martin of Pitt



**1 PARKS RECEIPTS**

2           Sec. 225. The Department of Environment, Health, and Natural Resources  
3 shall use any overrealized receipts from the Division of Parks and Recreation's sale of  
4 pine straw, timber, or any other forest products for the maintenance of State parks and  
5 State reservoirs.

6  
7 Requested by: Senator Martin of Pitt

**8 COASTAL BOATING GUIDE**

9           Sec. 226. The Wildlife Resources Commission shall use funds available to it  
10 for the 1993-94 fiscal year to publish and distribute the North Carolina Coastal Boating  
11 Guide.

12  
13 Requested by: Senator Martin of Pitt

**14 SOIL AND WATER CONSERVATION DISTRICT SUPERVISORS' EXPENSES**

15           Sec. 227. Of the funds appropriated in this act to the Division of Soil and  
16 Water Conservation, Department of Environment, Health, and Natural Resources, two  
17 hundred eighty-nine thousand five hundred ninety-four dollars (\$289,594) for the 1993-  
18 94 fiscal year and two hundred eighty-nine thousand five hundred ninety-four dollars  
19 (\$289,594) for the 1994-95 fiscal year shall be used for the per diem and travel expenses  
20 of the Soil and Water Conservation District Supervisors.

21  
22 Requested by: Senator Martin of Pitt

**23 SALES TAX TRANSFER TO WILDLIFE RESOURCES FUND**

24           Sec. 228. (a) G.S. 105-164.44B reads as rewritten:

25 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**  
26 **fishing supplies and equipment.**

27           Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter  
28 from the State sales and use tax net collections received by the Department of Revenue  
29 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the  
30 Wildlife Resources Fund, one fourth of ~~two million eight hundred thirty four thousand~~  
31 ~~six hundred seventy five dollars (\$2,834,675)~~ three million seven hundred thirty-one  
32 thousand one hundred sixteen dollars (\$3,731,116) plus or minus the percentage of that  
33 amount by which the total collection of State sales and use taxes increased or decreased  
34 during the preceding fiscal year ~~year~~ plus the cost of any legislative salary increase for  
35 employees of the Wildlife Resources Commission."

36           (b) G.S. 105-164.44B, as amended by subsection (a) of this section, reads as  
37 rewritten:

38 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**  
39 **fishing supplies and equipment.**

40           Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter  
41 from the State sales and use tax net collections received by the Department of Revenue  
42 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the  
43 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty one thousand~~  
44 ~~one hundred sixteen dollars (\$3,731,116)~~ the amount transferred the preceding fiscal

1 ~~year plus or minus the percentage of that amount by which the total collection of State~~  
2 ~~sales and use taxes increased or decreased during the preceding fiscal year plus the cost~~  
3 ~~of any legislative salary increase for employees of the Wildlife Resources Commission.~~  
4 ~~year."~~

5 (c) Subsection (a) of this section expires June 30, 1994.

6 (d) Subsection (b) of this section becomes effective July 1, 1994.

7  
8 Requested by: Senator Martin of Pitt

9 **DISMAL SWAMP STATE PARK**

10 Sec. 229. (a) During the 1994-95 fiscal year, the Division of Parks and  
11 Recreation, Department of Environment, Health, and Natural Resources shall update the  
12 master plan for the Dismal Swamp State Park. This update shall be conducted with  
13 public participation, including a public hearing.

14 (b) The Division of Parks and Recreation shall ensure that the fire lines in the  
15 Dismal Swamp State Park are adequately maintained for fire suppression purposes.

16  
17 Requested by: Senator Martin of Pitt

18 **B.R.I.D.G.E. YOUTHFUL OFFENDERS/PARK MAINTENANCE**

19 Sec. 230. Of the funds appropriated in this act to the Department of  
20 Environment, Health, and Natural Resources, Division of Parks and Recreation, for the  
21 pilot program to supervise county jail inmates working in State parks, one hundred  
22 thousand dollars (\$100,000) for the 1993-94 fiscal year and one hundred thousand  
23 dollars (\$100,000) for the 1994-95 fiscal year shall be allocated to the Division of  
24 Forest Resources to establish and support two positions for the B.R.I.D.G.E. Youthful  
25 Offenders Program (the Building, Rehabilitating, Instructing, Developing, Growing, and  
26 Employing Youthful Offenders Program) and for Program operating expenses. The  
27 Division of Forest Resources shall enter into an agreement with the Division of Parks  
28 and Recreation whereby the Division of Forest Resources shall use B.R.I.D.G.E.  
29 youthful offenders to perform maintenance and repairs in State parks.

30  
31 **PART 26. DEPARTMENT OF COMMERCE**

32  
33 Requested by: Senator Martin of Pitt

34 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

35 Sec. 231. Local governments requesting financial assistance from the  
36 Industrial Development Fund shall demonstrate to the satisfaction of the Department of  
37 Commerce that it would be an economic hardship for the local government to match  
38 State assistance from the Fund with local funds.

39  
40 Requested by: Senator Martin of Pitt

41 **NC MANUFACTURING DIRECTORY PROCEEDS**

42 Sec. 232. (a) The Department of Commerce may expend for industrial  
43 promotional advertising any amount collected from the sales of the North Carolina

1 Manufacturing Directory above the sum of one hundred fifty-five thousand dollars  
2 (\$155,000) already budgeted for the 1993-94 and 1994-95 fiscal years.

3 (b) The Department shall submit quarterly reports to the Joint Legislative  
4 Commission on Governmental Operations and the Fiscal Research Division. These  
5 reports shall include the amount of proceeds collected from the sales of the Directory  
6 and the amount spent on advertising pursuant to the provisions of this section.

7  
8 Requested by: Senator Martin of Pitt

9 **HOME PROGRAM MATCHING FUNDS**

10 Sec. 233. (a) Funds appropriated in this act to the Department of Commerce  
11 for the federal HOME Program shall be transferred to the Housing Finance Agency in  
12 the Office of the Governor and shall be used by the Agency to match federal funds  
13 appropriated for the HOME Program. In allocating State funds appropriated to match  
14 federal HOME Program funds, the Agency shall give priority to HOME Program  
15 projects, as follows:

- 16 (1) First priority to projects that are located in counties designated as  
17 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-  
18 151.17(c); and  
19 (2) Second priority to projects that benefit persons and families whose  
20 incomes are fifty percent (50%) or less of the median family income  
21 for the local area, with adjustments for family size, according to the  
22 latest figures available from the U.S. Department of Housing and  
23 Urban Development.

24 The Housing Finance Agency shall report to the General Assembly by April 1  
25 of each year concerning the status of the HOME Programs and shall include in the  
26 report information on priorities met, types of activities funded, and types of activities  
27 not funded.

28 (b) If the United States Congress changes the HOME Program such that  
29 matching funds are not required for a given program year, then the Agency may not  
30 spend the matching funds appropriated under this act for that program year.

31 (c) Funds appropriated in this act to match federal HOME Program funds  
32 shall not revert to the General Fund on June 30, 1994, and on June 30, 1995.

33  
34 Requested by: Senator Martin of Pitt

35 **HOUSING PROGRAMS TRANSFER**

36 Sec. 234. (a) The statutory authority, powers, duties, and functions, records,  
37 personnel, property, and unexpended balances of appropriations, allocations, or other  
38 funds of the Housing Coordination and Policy Council, the HOME Program, the  
39 Permanent Housing for the Handicapped Homeless Program, and the Comprehensive  
40 Housing Affordability Strategy, are transferred from the Division of Community  
41 Assistance, Department of Commerce, to the Housing Finance Agency.

42 (b) G.S. 122A-5 is amended by adding the following new subdivisions to  
43 read:

1           "(24) To advise the Governor regarding the coordination of public and  
2           private low- and moderate-income housing programs;

3           (25) To participate in and administer federal housing programs, including  
4           housing rehabilitation, construction of new housing, assistance to the  
5           homeless, and home ownership assistance;".

6           (c) Part 1A of Article 10 of Chapter 143B of the General Statutes is repealed.

7           (d) Chapter 122A of the General Statutes is amended by adding the following  
8 sections to read:

9 **"§ 122A-5.10. Housing Coordination and Policy Council; creation; duties.**

10          (a) There is created the Housing Coordination and Policy Council in the Office  
11 of the Governor. The Housing Coordination and Policy Council shall have the following  
12 functions and duties:

13           (1) To advise the Governor regarding the coordination of various public  
14 and private low- and moderate-income housing programs;

15           (2) To advise the Governor in the preparation of an overall,  
16 comprehensive State housing plan with specific recommendations to  
17 address identified areas of need, which report shall be presented to the  
18 General Assembly;

19           (3) To advise the Governor with respect to the best use of housing  
20 resources; and

21           (4) To advise the Governor regarding any other matter relating to housing  
22 the Governor may refer to it.

23          (b) Nothing herein shall abrogate the existing statutory responsibility of any other  
24 agency to develop housing plans and policies relating to specific housing programs.

25 **"§ 122A-5.11. Council membership; compensation; procedures.**

26          (a) The Housing Coordination and Policy Council shall consist of 15  
27 representatives, as follows:

28           (1) Two members of the N.C. Housing Partnership who are experienced  
29 with housing programs for low-income persons, as designated by the  
30 chairman.

31           (2) Two members of the Community Development Council who are  
32 experienced with federal, State, and local housing programs, as  
33 designated by the chairman.

34           (3) Two members of the N.C. Housing Finance Agency Board of  
35 Directors who are experienced with real estate finance and  
36 development, as designated by the chairman.

37           (4) One member of the Weatherization Policy Advisory Council who is  
38 experienced with community weatherization programs, as designated  
39 by the chairman.

40           (5) One member of the Governor's Advocacy Council for Persons with  
41 Disabilities who is familiar with the housing needs of the disabled.

42           (6) The executive director of the Commission of Indian Affairs, or a  
43 designee familiar with Indian housing programs.

1           (7) The Deputy Secretary or Assistant Secretary of Community  
2           Development and Housing, or a designee familiar with housing  
3           programs related to community development and housing functions.

4           (8) The assistant secretary of the Division of Aging, or a designee familiar  
5           with the housing programs of the Division.

6           (9) The executive director of the N.C. Housing Finance Agency, or a  
7           designee familiar with the housing programs of the Agency.

8           (10) The director of the Division of Mental Health or a designee familiar  
9           with housing for those with mental disabilities.

10          (11) The executive director of the N.C. Human Relations Commission or a  
11          designee familiar with federal and State fair housing laws.

12          (12) A chairman designated by the Governor.

13          (b) All members except those serving ex officio shall be appointed by the  
14          Governor. The Governor shall designate one member of the Council to serve as Chair.

15          (c) The initial members of the Council other than those serving ex officio shall  
16          be appointed to serve for terms of four years and until their successors are appointed  
17          and qualified. Any appointment to fill a vacancy created by resignation, dismissal,  
18          death, or disability of a member shall be for the balance of the term.

19          (d) Members of the Council may receive per diem and necessary travel and  
20          subsistence expenses in accordance with the provisions of G.S. 138-5.

21          (e) A majority of the Council shall constitute a quorum for the transaction of  
22          business.

23          (f) All clerical and other services required by the Council shall be supplied by  
24          the Housing Finance Agency.

25          **"§ 122A-5.12. Council meetings; report.**

26          (a) The Housing Coordination and Policy Council shall meet at least quarterly  
27          and may hold special meetings at any time and place within the State at the call of the  
28          Chair or upon written request of a majority of the members.

29          (b) The Council shall assist in the preparation and filing of an annual written  
30          report which contains a review of work completed, a review of ongoing activities, and  
31          housing policy recommendations. This report shall be filed with the General Assembly  
32          and the Governor by May 1."

33  
34 Requested by: Senator Martin of Pitt

35 **COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS**

36           Sec. 235. The Department of Commerce shall report on a quarterly basis to  
37 the House Appropriations Subcommittee on Natural and Economic Resources and the  
38 Senate Appropriations Committee on Natural and Economic Resources on the  
39 Community Development Block Grant. Each report shall include a listing and  
40 description of the most recent grant awards, the status of the administration of each  
41 component of the block grant, the current status of next year's program design, and a  
42 description of any proposed or necessary changes to the program design.

43  
44 Requested by: Senator Martin of Pitt

**TOURISM PROMOTION FUNDS**

Sec. 236. Funds appropriated in this act to the Department of Commerce for tourism promotion grants shall be allocated according to per capita income, unemployment, and population growth in an effort to direct funds to counties most in need in terms of lowest per capita income, highest unemployment, and slowest population growth, in the following manner:

- (1) Counties 1 through 20 are each eligible to receive a maximum grant of \$7,500 for each fiscal year, provided these funds are matched on the basis of one non-State dollar for every four State dollars.
- (2) Counties 21 through 50 are each eligible to receive a maximum grant of \$3,500 for two of the next three fiscal years, provided these funds are matched on the basis of one non-State dollar for every three State dollars.
- (3) Counties 51 through 100 are each eligible to receive a maximum grant of \$3,500 for alternating fiscal years, beginning with the 1991-92 fiscal year, provided these funds are matched on the basis of four non-State dollars for every State dollar.

Requested by: Senator Martin of Pitt

**CENTER FOR COMMUNITY SELF-HELP FUNDS**

Sec. 237. (a) Of the funds appropriated in this act to the Department of Commerce, the sum of one million dollars (\$1,000,000) for the 1993-94 fiscal year shall be allocated to the Center for Community Self-Help to further a statewide program of lending to small businesses and other economic development projects in rural and other depressed or disadvantaged communities throughout North Carolina, provided these funds are matched on the basis of one dollar (\$1.00) of funds from the Center for Community Self-Help or its affiliates for every one dollar (\$1.00) of State funds. The appropriation shall be equally allocated among the eastern, central, and western regions of North Carolina. Loans or loan guarantees made under the program shall be conditioned on the unavailability of loans for the same purposes from private lenders upon reasonably equivalent terms and conditions. Payments of principal shall be available for further loans.

(b) The Center for Community Self-Help shall submit, within 180 days after the close of its fiscal year, audited financial statements to the State Auditor. All records pertaining to the use of State funds shall be made available to the State Auditor upon request. The Center for Community Self-Help shall make quarterly reports on the use of State funds to the State Auditor, in form and format prescribed by the State Auditor or his designee. The Center for Community Self-Help shall make a written report by May 1 of each year for the next three years to the General Assembly on the use of the funds allocated under this section.

(c) The Center for Community Self-Help shall report to the Joint Legislative Commission on Governmental Operations, the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and

1 Economic Resources, and the Department of Commerce on a quarterly basis for the next  
2 three years.

3 (d) The Office of the State Auditor may conduct an annual end-of-year audit  
4 of the revolving fund for economic development lending created by this appropriation  
5 for each year of the life of the revolving fund.

6 (e) If the Center for Community Self-Help dissolves, the corporation shall  
7 transfer the remaining assets of the revolving fund to the State and shall refrain from  
8 disposing of the revolving fund assets without approval of the State Treasurer.

9 (f) The Department of Commerce shall disburse this appropriation within 15  
10 working days of the receipt of a request for the funds from the Center for Community  
11 Self-Help. The request shall include a commitment of the matching funds by the Center  
12 for Community Self-Help or its affiliates.

13  
14 Requested by: Senator Martin of Pitt

### 15 **ECONOMIC DEVELOPMENT FUNDS**

16 Sec. 238. (a) Of the funds appropriated in this act to the Department of  
17 Commerce, three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year shall  
18 be allocated for the Land Loss Prevention Project, Inc., to provide free legal  
19 representation to low-income financially distressed small farmers. The Land Loss  
20 Prevention Project, Inc., shall not use these funds to represent farmers who have income  
21 and assets that would make them financially ineligible for legal services pursuant to  
22 Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention  
23 Project, Inc., shall report quarterly to the Joint Legislative Commission on  
24 Governmental Operations on the use of these funds.

25 (b) Of the funds appropriated in this act to the Department of Commerce, two  
26 hundred fifty thousand dollars (\$250,000) for the 1993-94 fiscal year shall be allocated  
27 for the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm  
28 Economic Development Project. These funds shall be used to foster economic  
29 development within the State's rural farm communities by offering financial, marketing,  
30 and technical assistance to small and limited resource farmers. The North Carolina  
31 Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint Legislative  
32 Commission on Governmental Operations on the use of these funds.

33 (c) Of the funds appropriated in this act to the Department of Commerce, two  
34 hundred thousand dollars (\$200,000) for the 1993-94 fiscal year shall be allocated to the  
35 North Carolina Institute for Minority Economic Development, Inc., to foster minority  
36 economic development within the State through policy analysis, information and  
37 technical assistance, and resource expansion. The North Carolina Institute for Minority  
38 Economic Development, Inc., shall research and identify key issues affecting the  
39 economic well-being of the State's ethnic minority community and issue annual reports  
40 with appropriate recommendations; provide information and technical assistance to  
41 organizations with minority economic development-based projects in common areas of  
42 need and interests; develop a resource bank of data and information; facilitate training  
43 in appropriate areas of need; and provide technical assistance to minority construction  
44 contractors. The North Carolina Institute for Minority Economic Development, Inc.,

1 shall report quarterly to the Joint Legislative Commission on Governmental Operations  
2 on the use of these funds.

3

4 Requested by: Senator Martin of Pitt

5 **RURAL ECONOMIC DEVELOPMENT CENTER**

6 Sec. 239. (a) Of the funds appropriated in this act to the Rural Economic  
7 Development Center the sum of one million four hundred seventy thousand dollars  
8 (\$1,470,000) for the 1993-94 fiscal year and the sum of one million four hundred  
9 seventy thousand dollars (\$1,470,000) for the 1994-95 fiscal year shall be used for the  
10 administrative costs of the Center and for its pilot projects and research. No more than  
11 four hundred thousand dollars (\$400,000) of the funds appropriated for each fiscal year  
12 may be used for the administrative costs of the Rural Economic Development Center,  
13 Inc.

14 (b) The Rural Economic Development Center, Inc., shall provide quarterly  
15 reports on the Center's programs to the Joint Legislative Commission on Governmental  
16 Operations. The initial report shall include information on the activities and  
17 accomplishments during the past fiscal year, itemized expenditures during the past fiscal  
18 year with sources of funding, planned activities, and accomplishments for at least the  
19 next 12 months, and itemized anticipated expenditures with sources of funding for the  
20 next 12 months. Subsequent reports shall include quarterly updates of the information  
21 in the initial report.

22 (c) The Rural Economic Development Center, Inc., shall provide a report  
23 containing detailed budget, personnel, and salary information to the Office of State  
24 Budget and Management in the same manner as State departments and agencies in  
25 preparation for biennium budget requests.

26 (d) Not more than fifty percent (50%) of the interest earned on State funds  
27 appropriated to the Rural Economic Development Center, Inc., may be used by the  
28 Rural Economic Development Center, Inc., for administrative purposes, including  
29 salaries and fringe benefits.

30

31 Requested by: Senator Martin of Pitt

32 **BIOTECHNOLOGY CENTER**

33 Sec. 240. (a) The North Carolina Biotechnology Center shall recapture funds  
34 spent in support of successful research efforts in the nonacademic private sector.

35 (b) The North Carolina Biotechnology Center shall provide funding for  
36 biotechnology and related bioscience applications under its Economic and Corporate  
37 Development Program.

38 (c) The North Carolina Biotechnology Center shall provide quarterly reports  
39 on all of the Center's programs to the Joint Legislative Commission on Governmental  
40 Operations. The initial report shall include information on the activities, and  
41 accomplishments during the past fiscal year, itemized expenditures during the past fiscal  
42 year with sources of funding, planned activities and accomplishments for at least the  
43 next 12 months, and itemized anticipated expenditures with sources of funding for the  
44 next 12 months. Subsequent reports shall include quarterly updates of the initial report.



1 (d) The North Carolina Biotechnology Center shall provide a report  
 2 containing detailed budget, personnel, and salary information to the Office of State  
 3 Budget and Management and to the Fiscal Research Division in the same manner as  
 4 State departments and agencies in preparation for biennium budget requests.

5  
 6 Requested by: Senator Martin of Pitt

7 **MCNC**

8 Sec. 241. (a) MCNC shall provide quarterly reports on all of its programs to  
 9 the Joint Legislative Commission on Governmental Operations, and the Fiscal Research  
 10 Division. These reports shall include information on the activities and accomplishments  
 11 during the past fiscal year, itemized expenditures during the past fiscal year with  
 12 sources of funding, planned activities, and accomplishments for at least the next 12  
 13 months, and itemized anticipated expenditures with sources of funding for the next 12  
 14 months. The quarterly report on the activities of the Supercomputer program shall  
 15 identify the users of the Supercomputer, the major projects conducted by the users, and  
 16 the potential benefits of the projects.

17 (b) MCNC shall provide a report containing detailed budget information to  
 18 the Office of State Budget and Management in the same manner as State departments  
 19 and agencies in preparation for biennium budget requests. Specific salary information  
 20 will be provided upon written request by the Chairmen of the Joint Legislative  
 21 Commission on Governmental Operations or the Chairmen of the House Appropriations  
 22 Subcommittee on Natural and Economic Resources and the Chairman of the Senate  
 23 Appropriations Committee on Natural and Economic Resources.

24 (c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1993-94</u>	<u>FY 1994-95</u>
25 Microelectronics Program	\$4,768,966	
26 \$4,768,966		
27 Grants Program	-0-	-
28 0-		
29 Administration & Support	2,000,000	
30 2,000,000		
31 Supercomputer	5,224,705	
32 5,224,705		
33 Telecommunications	4,006,329	
34 4,006,329		

36 (d) Of the funds appropriated to MCNC for the Microelectronics Program,  
 37 four million seven hundred sixty-eight thousand nine hundred sixty-six dollars  
 38 (\$4,768,966) in each fiscal year is contingent upon a dollar-for-dollar match in non-  
 39 State funds.

40 (e) MCNC shall reduce the amounts appropriated to it by three hundred  
 41 twenty thousand dollars (\$320,000) in each fiscal year. The reductions may be taken in  
 42 any of the programs listed in subsection (c) of this section.

1 (f) If MCNC finds it necessary to make changes in the program allocations  
2 specified in subsection (a) of this section, MCNC shall report such changes to the Joint  
3 Legislative Commission on Governmental Operations 30 days before the reallocation.

4  
5 Requested by: Senator Martin of Pitt

6 **WORKER TRAINING TRUST FUND**

7 Sec. 242. (a) There is appropriated from the Worker Training Trust Fund to the  
8 Employment Security Commission of North Carolina the sum of five million five  
9 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,539,964) for the 1993-  
10 94 fiscal year and the sum of five million five hundred thirty-nine thousand nine  
11 hundred sixty-four dollars (\$5,539,964) for the 1994-95 fiscal year for the operation of  
12 local offices.

13 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special  
14 Employment Security Administration Fund to the Employment Security Commission of  
15 North Carolina, the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year  
16 and the sum of two million dollars (\$2,000,000) for the 1994-95 fiscal year for  
17 administration of the Veterans Employment Program, Employment Services Program,  
18 and Unemployment Insurance Program.

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

22 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the  
23 Worker Training Trust Fund to the following agencies the following sums for the 1993-  
24 94 and the 1994-95 fiscal years for the following purposes:

- 25 (1) \$2,400,000 for the 1993-94 fiscal year and \$2,400,000 for the 1994-95  
26 fiscal year to the Department of Economic and Community  
27 Development, Division of Employment and Training, for the  
28 Employment and Training Grant Program;
- 29 (2) \$1,000,000 for the 1993-94 fiscal year and \$1,000,000 for the 1994-95  
30 fiscal year to the North Carolina Department of Labor for customized  
31 training of the unemployed and the working poor for specific jobs  
32 needed by employers through the Department's Pre-Apprenticeship  
33 Division;
- 34 (3) \$2,826,658 for the 1993-94 fiscal year and \$1,528,067 for the 1994-95  
35 fiscal year to the North Carolina Department of Human Resources to  
36 assist welfare recipients in gaining employment through the federally  
37 funded Job Opportunities and Basic Skills Program in such a way as to  
38 gain the maximum match of federal funds for the State dollars  
39 appropriated;
- 40 (4) \$1,746,000 for the 1993-94 fiscal year and \$1,746,000 for the 1994-95  
41 fiscal year to the North Carolina Department of Community Colleges  
42 to continue the Focused Industrial Training Program;
- 43 (5) \$225,000 for the 1993-94 fiscal year to the Employment Security  
44 Commission for the North Carolina Occupational Information

1 Coordinating Committee to develop and operate an interagency system  
2 to track former participants in State education and training programs;  
3 and

- 4 (6) \$300,000 for the 1993-94 fiscal year and \$300,000 for the 1994-95  
5 fiscal year to the Department of Community Colleges for a training  
6 program in entrepreneurial skills to be operated by North Carolina  
7 REAL Enterprises.  
8

9 Requested by: Senator Perdue

#### 10 **STUDY STATE PORTS STATUS AS SEPARATE AGENCY**

11 Sec. 243. The Economic Development Board of the Department of  
12 Commerce shall study the North Carolina State Ports Authority's status as a State  
13 agency. The study shall include the appropriateness of the Authority's current status  
14 and recommendations on the future status of the Authority. The Board shall report the  
15 results of its study to the Joint Legislative Commission on Governmental Operations not  
16 later than April 1, 1994.  
17

18 Requested by: Senator Perdue

#### 19 **STUDY CONTINUED NECESSITY FOR PORTS RAILWAY COMMISSION**

20 Sec. 244. The Economic Development Board of the Department of  
21 Commerce shall study whether the North Carolina Ports Railway Commission provides  
22 a necessary service to the State and thus should be continued or abolished. The Board  
23 shall report the results of its study to the Joint Legislative Commission on  
24 Governmental Operations not later than April 1, 1994.  
25

26 Requested by: Senator Martin of Pitt

#### 27 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

28 Sec. 245. (a) The funds and interest thereon received from the case of United  
29 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There  
30 is appropriated from the Special Reserve to the Department of Commerce the sum of  
31 one million seven hundred thousand dollars (\$1,700,000) for the 1993-94 fiscal year and  
32 the sum of one million seven hundred thousand dollars (\$1,700,000) for the 1994-95  
33 fiscal year to be used for projects under the State Energy Conservation Plan.

34 (b) There is appropriated from funds and interest thereon received from the  
35 United States Department of Energy's Stripper Well Litigation (MDL378) which remain  
36 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the  
37 sum of three million seven hundred thousand dollars (\$3,700,000) for the 1993-94 fiscal  
38 year and three million dollars (\$3,000,000) for the 1994-95 fiscal year to be allocated as  
39 follows:

- 40 (1) \$3,200,000 for the 1993-94 fiscal year and \$3,000,000 for the 1994-95  
41 fiscal year for the Low Income Weatherization Program; and  
42 (2) \$500,000 for the 1993-94 fiscal year for the Transportation  
43 Information Management System (TIMS) in the Department of Public  
44 Instruction.

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

6 (d) The funds and interest thereon received from the Diamond Shamrock  
7 Settlement which remain in a reserve in the Office of State Budget and Management for  
8 the Division of Energy to administer the petroleum overcharge funds pursuant to  
9 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to  
10 the Division of Energy in the Department of Commerce on an as-needed basis.

11 (e) The Department of Commerce shall submit comprehensive annual reports to  
12 the Office of State Budget and Management and the General Assembly by May 15,  
13 1994, and January 31, 1995, which detail the use of all petroleum overcharge funds.  
14 Any State department or agency that has received petroleum overcharge funds shall  
15 provide all information requested by the Department of Commerce for the purpose of  
16 preparing these reports.

17  
18 Requested by: Senator Martin of Pitt

#### 19 **PETROLEUM OVERCHARGE ATTORNEYS' FEES**

20 Sec. 246. (a) Unless prohibited by federal law, rule, or regulation or preexisting  
21 settlement agreement, no later than October 1, 1989, the North Carolina Attorney  
22 General shall direct the withdrawal of all funds received in the cases of United States v.  
23 Exxon and Stripper Well that are held in accounts or reserves located out-of-State for  
24 payment of attorneys' fees and reasonable expenses incurred in connection with oil  
25 overcharge litigation authorized by the Attorney General. The Attorney General shall  
26 deposit these funds, and all funds to be received from petroleum overcharge funds in the  
27 future for attorneys' fees and reasonable expenses, into the Special Reserve for Oil  
28 Overcharge Funds.

29 (b) All attorneys' fees and reasonable expenses incurred in connection with oil  
30 overcharge litigation shall be paid by the State Treasurer from petroleum overcharge  
31 funds that have been received by this State and deposited into the Special Reserve for  
32 Oil Overcharge Funds.

33 (c) Notwithstanding any other provision of law, the Attorney General may  
34 authorize the payment of attorney fees and reasonable expenses from the Special  
35 Reserve for Oil Overcharge Funds without further action of the General Assembly and  
36 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for  
37 the 1993-94 fiscal year and for the 1994-95 fiscal year for that purpose.

#### 38 39 **PART 27. DEPARTMENT OF LABOR**

40  
41 Requested by: Senator Martin of Pitt

#### 42 **INCREASE AMUSEMENT DEVICE INSPECTION FEES**

43 Sec. 247. G.S. 95-106 reads as rewritten:

44 "**§ 95-106. Amusement, aerial tramway, and inclined railroad inspection fees.**

(a) The Department of Labor shall assess and collect the following inspection service fees for annual inspections for each location within the State of amusement devices, aerial passenger tramways, and inclined railroads:

Type Inspection	Unit	Fee
Amusement Devices		\$15
Gondolas, Chairlifts, and Inclined Railroads	137	
J- or T-Bars	62	
Rope Tows	31	

(b) In the event that an amusement device owner or operator notifies the Department of Labor pursuant to G.S. 95-111.8 that he intends to operate one or more amusement devices for the public at a particular location and requests an inspection at a particular time:

(1) When the inspector arrives and no amusement devices are present, the Department shall assess a fee against the owner or operator at an amount sufficient to cover the cost of travel to and from the location at ~~a rate not to exceed twenty-three cents (23¢) per mile~~ the rate set forth in G.S. 138-6 plus the time expended by the inspector in travelling to and from the location at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.

(2) When the inspector arrives and amusement devices are present but are not ready for inspection, the Department shall assess a fee in an amount sufficient to cover the time the inspector must wait before he can make the inspection at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.

(3) If the inspector must make an additional trip to the location because the devices were not ready for inspection at the appropriate time, the Department shall add to the fees authorized under this subdivision the cost of the additional travel required at ~~a rate not to exceed twenty-three cents (23¢) per mile~~ the rate set forth in G.S. 138-6 plus the cost of the travel time expended by the inspector at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.

(4) No fee shall be assessed pursuant to this subsection if the owner or operator has notified the Department of Labor at least 24 hours in advance that the amusement devices will not be present or that the devices will not be ready for inspection until a later specified time.

(c) The Commissioner of Labor may adopt, modify, or revoke such rules as are necessary for the purpose of carrying out the provisions of this section. The rules adopted pursuant to this authority shall conform to the Amusement Device Safety Act of North Carolina and shall promote the effective utilization of the staff of the Commissioner."

Requested by: Senator Martin of Pitt

**INCREASE ELEVATOR FEES**

1           Sec. 248. (a) G.S. 95-105 reads as rewritten:

2   "**§ 95-105. Elevator, escalator, dumbwaiter, and special equipment inspection fees.**

3       The Department of Labor shall assess and collect the following inspection service  
4 fees for the installation and alteration of elevators, escalators, dumbwaiters that are not  
5 installed or altered in restaurants, and special equipment based on the cost of installation  
6 or alteration:

7    Cost of Installation or Alteration	Unit Fee
8       \$0       -       \$ 10,000	\$ 100
9       10,001   -       30,000	150
10      30,001   -       50,000	200
11      50,001   -       80,000	250
12      80,001   -       100,000	300
13      Over 100,000	350

14   An additional fee of one hundred dollars (\$100.00) shall be assessed for each follow-up  
15 inspection of a new installation required subsequent to the original inspection.

16   The Department of Labor shall assess and collect a fee of ten dollars (\$10.00) for the  
17 periodic inspection of special equipment and shall assess and collect the following fees  
18 for the periodic inspection of elevators, escalators, and dumbwaiters:

19   Number of Building Floors	
20       1-5 Floors	<del>\$20</del> <u>30</u>
21       6-10 Floors	<del>30</del> <u>40</u>
22       11-15 Floors	<del>40</del> <u>50</u>
23       16-20 Floors	<del>50</del> <u>60</u>
24       21 Floors and over	<del>60</del> <u>70"</u>

25       (b) Fees increased pursuant to this section apply to inspections conducted on  
26 or after July 1, 1993.

27  
28   Requested by: Senator Martin of Pitt

29   **OSHA POSITIONS**

30       Sec. 249. (a) The Department of Labor may use funds appropriated to the  
31 Department of Labor for the Occupational Safety and Health Act of North Carolina  
32 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of  
33 the OSHANC program, provided the Department of Labor certifies to the Office of  
34 State Budget and Management that no federal match is available for the 1993-94 fiscal  
35 year and for the 1994-95 fiscal year.

36       (b) If federal Occupational Safety and Health Administration funds are  
37 granted to match all or part of the funds for enforcement positions and support that are  
38 one hundred percent (100%) State-funded, then State funds equivalent to the federal  
39 match shall revert to the General Fund at the end of the fiscal year for which the federal  
40 match was received.

41  
42   **PART 28. MISCELLANEOUS PROVISIONS**

43  
44   Requested by: Senators Daniel and Plyler

**EFFECT OF HEADINGS**

Sec. 250. The headings to the Parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Senators Daniel and Plyler

**EXECUTIVE BUDGET ACT REFERENCE**

Sec. 251. The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Senators Daniel and Plyler

**COMMITTEE REPORT**

Sec. 252. The Senate Appropriations Committee Report on Base Budget Reductions and Expansion Budget dated May 11, 1993, which was distributed in the Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act.

Requested by: Senators Daniel and Plyler

**MOST TEXT APPLIES ONLY TO 1993-95**

Sec. 253. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1993-95 biennium, the textual provisions of this act shall apply only to funds appropriated for and activities occurring during the 1993-95 biennium.

Requested by: Senators Daniel and Plyler

**SEVERABILITY CLAUSE**

Sec. 254. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senators Daniel and Plyler

**CONTINGENT EFFECTIVENESS**

Sec. 254.1. This act is effective only if Senate Bill 1139 is ratified.

Requested by: Senators Daniel and Plyler

**EFFECTIVE DATE**

Sec. 255. Except as otherwise provided, this act becomes effective July 1, 1993.