

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S

2

SENATE BILL 1426
Appropriations Committee Substitute Adopted 6/15/90

Short Title: Operations Appropriations/1990-91.

(Public)

Sponsors:

Referred to:

May 30, 1990

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS FOR
NORTH CAROLINA FOR THE 1990-91 FISCAL YEAR AND TO MAKE
OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

Requested by: Senator Royall

—INTRODUCTION

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

Requested by: Senator Royall

—TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1990."

An outline of the provisions of the act follows this section. The outline shows the heading "—CONTENTS/INDEX—"and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act.

1 —-CONTENTS/INDEX—-

2 (This outline is designed for reference only, and the outline and the

3 corresponding entries throughout the act in no way limit, define, or prescribe the scope

4 or application of the text of the act.)

5

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25 PART I.—GENERAL FUND APPROPRIATIONS

26

27 —CURRENT OPERATIONS/STATE GOVERNMENT

28 Sec. 3. Appropriations from the General Fund of the State for the

29 maintenance of the State departments, institutions, and agencies, and for other purposes

30 as enumerated except for aid to certain governmental and nongovernmental units are

31 made for the fiscal year ending June 30, 1991, according to the schedule that follows.

32 The amounts set out in the schedule are in addition to other appropriations from the

33 General Fund for these purposes for the 1990-91 fiscal year. Amounts set out in

34 brackets are reductions from General Fund appropriations for the 1990-91 fiscal year.

35 Current Operations - General Fund 1990-91

36

37 General Assembly \$

38 (652,119)

39

40 Judicial Department

41 (5,

42 284,241)

43

44 Department of the Governor

1 01. Office of the Governor (182,700)
 2 02. Office of State Budget
 3 and Management(112,620)
 4
 5 Lieutenant Governor's Office
 6 (4
 7 0,764)
 8
 9 Department of Secretary of State
 10 (1
 11 13,832)
 12
 13 Department of State Auditor
 14 (2
 15 43,981)
 16
 17 Department of State Treasurer
 18 (1
 19 64,311)
 20
 21 Department of Public Education
 22 (1
 23 43,950,763)
 24
 25 Department of Justice
 26 (1,
 27 464,747)
 28
 29 Department of Administration
 30 01. Administration (1,215,421)
 31 02. State Controller (174,695)
 32
 33 Department of Agriculture
 34 (1,
 35 287,933)
 36
 37 Department of Labor
 38 (2
 39 76,744)
 40
 41 Department of Insurance
 42 (4
 43 14,707)
 44

1 Department of Environment, Health, and
 2 Natural Resources
 3 (1,
 4 980,024)
 5
 6 Office of Administrative Hearings
 7 (7
 8 5,344)
 9
 10 Administrative Rules Review Commission
 11 (9,
 12 224)
 13
 14 Department of Human Resources
 15 01. Alcoholic Rehabilitation Center -
 16 Black Mountain (6,622)
 17 02. Alcoholic Rehabilitation Center -
 18 Butner(45,304)
 19 03. Alcoholic Rehabilitation Center -
 20 Greenville 19,047
 21 04. N.C. Special Care Center (2,801,430)
 22 05. Black Mountain Center 357,834
 23 06. DHR - Administration and Support
 24 Program (878,007)
 25 07. Division of Aging (630)
 26 08. Schools for the Deaf and Blind(191,384)
 27 09. Social Services (1,800,287)
 28 10. Medical Assistance (5,714,457)
 29 11. Division of Services for the
 30 Blind (221,915)
 31 12. Division of Mental Health,
 32 Developmental Disabilities, and
 33 Substance Abuse Services
 34 485,305
 35 13. Dorothea Dix Hospital (2,084,378)
 36 14. Broughton Hospital (1,656,949)
 37 15. Cherry Hospital (2,060,511)
 38 16. John Umstead Hospital (1,401,269)
 39 17. Western Carolina Center (253,371)
 40 18. O'Berry Center (1,246,897)
 41 19. Murdoch Center (628,437)
 42 20. Caswell Center (3,828,750)
 43 21. Division of Facility Services (42,280)
 44 22. Division of Vocational

1	Rehabilitation Services (930,455)		
2	23. Division of Youth Services 50,798		
3	Total Department of		
4	Human		Resources
5	(24,880,349)		
6			
7	Department	of	Correction
8			8,
9	512,961		
10			
11	Department of Economic and		
12	Community		Development
13	(627,255)		
14			
15	Department	of	Revenue
16			(1,
17	915,645)		
18			
19	Department	of	Cultural
20			Resources
21	78,323)		(6
22			
23	Department of Crime Control		
24	and	Public	Safety
25			(7
26	71,768)		
27			
28	University of North Carolina - Board		
29	of Governors		
30			
31	01. General Administration (1,837,118)		
32	02. University Operations -		
33	Lump Sum (150,000)		
34	03. Related Educational Programs (199,248)		
35	04. University of North Carolina		
36	at Chapel Hill		
37	a. Academic Affairs (4,191,631)		
38	b. Division of Health		
39	Affairs (2,630,850)		
40	c. Area Health Education		
41	Centers(776,126)		
42	05. North Carolina State University		
43	at Raleigh		
44	a. Academic Affairs (5,068,248)		

- 1 b. Agricultural Research
- 2 Service (1,182,000)
- 3 c. Agricultural Extension
- 4 Service (922,966)
- 5 06. University of North Carolina at
- 6 Greensboro (1,807,442)
- 7 07. University of North Carolina at
- 8 Charlotte (1,846,863)
- 9 08. University of North Carolina at
- 10 Asheville (498,626)
- 11 09. University of North Carolina at
- 12 Wilmington (1,057,170)
- 13 10. East Carolina University
- 14 a. Academic Affairs (2,428,095)
- 15 b. Division of Health Affairs (1,232,739)
- 16 11. North Carolina Agricultural and
- 17 Technical State University (1,147,342)
- 18 12. Western Carolina University (1,137,402)
- 19 13. Appalachian State University (1,724,988)
- 20 14. Pembroke State University (476,647)
- 21 15. Winston-Salem State University (492,863)
- 22 16. Elizabeth City State
- 23 University (435,513)
- 24 17. Fayetteville State University (526,273)
- 25 18. North Carolina Central
- 26 University (894,904)
- 27 19. North Carolina School of the
- 28 Arts (248,353)
- 29 20. North Carolina Science and
- 30 Math High School (230,356)
- 31 21. North Carolina Memorial
- 32 Hospital (1,159,170)

33 Total University of North
34 Carolina

(3

36 4,302,933)

38 Department of Community
39
40 908,198)

Colleges
(2,

42 State Board of
43
44 2,917)

Elections
(1

1
 2 Contingency and Emergency
 3 (3
 4 3,750)
 5
 6 Reserve for Salary Adjustments
 7 (1
 8 1,273)
 9
 10 Reserve to Freeze Vacant Positions
 11 (4
 12 0,000,000)
 13
 14 Debt Service
 15 4,
 16 645,800
 17
 18 GRAND TOTAL CURRENT OPERATIONS—
 19 GENERAL FUND
 20 (2
 21 50,627,820)
 22

23 —CURRENT OPERATIONS/STATE AID

24 Sec. 4. Appropriations from the General Fund of the State for aid to certain
 25 governmental and nongovernmental units as enumerated are made for the fiscal year
 26 ending June 30, 1991, according to the schedule that follows. The amounts set out in
 27 the schedule are in addition to other appropriations from the General Fund for these
 28 purposes for the 1990-91 fiscal year. Amounts set out in brackets are reductions from
 29 General Fund appropriations for the 1990-91 fiscal year.

30 General Fund 1990-91
 31
 32 Department of Administration
 33 (1
 34 16,749)
 35
 36 Department of Agriculture
 37 (8,
 38 250)
 39
 40 Department of Environment, Health,
 41 and Natural Resources
 42 859,728
 43
 44 Department of Human Resources

1 01. Social Services (1,200,000)
2 02. Social Services - State Aid
3 to Non-State Agencies 100,000
4 03. Division of Mental Health,
5 Developmental Disabilities, and
6 Substance Abuse Services 1,777,319
7 04. Division of Medical Assistance 750,000
8 Total Department of Human Resources
9 1,
10 427,319
11
12 Department of Correction
13 19
14 0,000
15
16 Department of Economic and Community Development
17 01. Economic and Community Development (260,000)
18 02. Microelectronics Center(643,003)
19 03. Biotechnology Center (248,916)
20
21 Department of Cultural Resources
22 (5
23 42,775)
24
25 Department of Crime Control and
26 Public Safety
27 165,000
28
29 University of North Carolina -
30 Board of Governors
31 01. Related Educational Programs
32 (1,214,052)
33
34 Reimbursements to Local Governments
35 (1
36 1,700,000)
37
38 Grand Total State Aid –
39 General Fund (12,091,698)
40
41 PART II.—HIGHWAY FUND APPROPRIATIONS
42
43 —CURRENT OPERATIONS/HIGHWAY FUND

1 Sec. 5. Appropriations from the Highway Fund of the State for the
 2 maintenance and operation of the Department of Transportation, and for other purposes
 3 as enumerated, are made for the fiscal year ending June 30, 1991, according to the
 4 schedule that follows. The amounts set out in the schedule are in addition to other
 5 appropriations from the Highway Fund for these purposes for the 1990-91 fiscal year.
 6 Amounts set out in brackets are reductions from Highway Fund appropriations for the
 7 1990-91 fiscal year.

8 Current Operations-Highway Fund 1990-91

9				
10	Department of Transportation			
11	01. Administration	2,775,000		
12	02. Highways			
13	a. State Construction			
14	(01) Secondary			
15	Construction			
16	(2,790,393)			
17	(02) Special Appropriation			
18	for			Highways
19	(63,371,451)			
20	b. Ferry Operations	(373,298)		
21	03. Division of Motor Vehicles	3,639,213		
22	04. Driver Education Program	28,506,761		

23				
24	Appropriations for Other State Agencies			
25	01. Crime Control and Public			
26	Safety (3,031,035)			
27	02. Other Agencies			
28	a. Department of Correction	2,883,856		
29				
30	Reserve	for	Unforeseen	Events
31				2,
32	145,177			

33

34 **GRAND TOTAL CURRENT OPERATIONS-**

35 **HIGHWAY** **FUND**

36 (2

37 9,616,170)

38

39 **---CURRENT OPERATIONS/STATE AID**

40 Sec. 6. Appropriations from the Highway Fund of the State to State
 41 departments, institutions, and agencies for aid to certain governmental and
 42 nongovernmental units are made for the fiscal year ending June 30, 1991, according to
 43 the schedule that follows. The amounts set out in the schedule are in addition to other
 44 appropriations from the Highway Fund for these purposes for the 1990-91 fiscal year.

1 Amounts set out in brackets are reductions from Highway Fund appropriations for the
2 1990-91 fiscal year.

3 Highway Fund

1990-91

4
5 State Aid to Municipalities
6 (2,
7 790,393)

8
9 Grant to Keep North Carolina Beautiful, Inc.
10 ,000 25

11
12
13 Grand Total State Aid –
14 Highway Fund (2,765,393)

15
16 PART III.—BLOCK GRANT APPROPRIATIONS

17
18 Requested by: Senators Walker, Martin of Pitt

19 —BLOCK GRANT PROVISIONS

20 Sec. 7. (a) Appropriations from federal block grant funds are made for the
21 fiscal year ending June 30, 1991, according to the following schedule:

22 JOB TRAINING PARTNERSHIP ACT

- 23 01. Title II A funds to the 27
24 service delivery areas to train
25 economically disadvantaged youth
26 and adults \$ 18,917,881
27
28 02. Education setaside to State
29 education agencies for projects
30 to serve eligible participants 1,940,295
31
32 03. Incentive grants and technical
33 assistance funds to service
34 delivery areas 1,455,222
35
36 04. Funds for training economically
37 disadvantaged older workers 727,611
38
39 05. Funds to the Department of Economic
40 and Community Development
41 to administer and audit all
42 activities related to the Job
43 Training P'ship Act Programs 1,212,685
44

1	06.	Title II B Summer Youth Employment		
2		and Training funds to service		
3		delivery areas for economically		
4		disadvantaged youth	9,695,044	
5				
6	07.	Title III Dislocated workers funds		
7		to the Employment Security		
8		Commission	3,877,627	
9				
10		TOTAL JOB TRAINING PARTNERSHIP ACT		\$
11		37,826,365		
12				
13		COMMUNITY SERVICES BLOCK GRANT		
14				
15	01.	Community Action Agencies	\$ 7,899,715	
16				
17	02.	Limited Purpose Agencies	438,873	
18				
19	03.	Department of Human Resources		
20		to administer and monitor		
21		the activities of the		
22		Community Services Block Grant	438,873	
23				
24		TOTAL COMMUNITY SERVICES BLOCK GRANT		\$
25		8,777,461		
26				
27		COMMUNITY DEVELOPMENT BLOCK GRANT		
28				
29	01.	State Administration	\$ 824,680	
30				
31	02.	Urgent Needs/Contingency	1,770,466	
32				
33	03.	Development Planning/Housing	1,770,466	
34				
35	04.	Economic Development	7,081,864	
36				
37	05.	Community Revitalization	24,786,524	
38				
39		TOTAL COMMUNITY DEVELOPMENT		
40		BLOCK GRANT		\$
41		36,234,000		
42				
43		EDUCATION CONSOLIDATION AND IMPROVEMENT		

1	BLOCK GRANT		\$
2	11,526,834		
3			
4	PREVENTIVE HEALTH BLOCK GRANT		
5			
6	01. Emergency Medical Services	\$ 455,087	
7			
8	02. Basic Public Health Services	879,362	
9			
10	03. Hypertension Programs	545,234	
11			
12	04. Health Education/Risk Reduction Programs and		
13	Health Promotion/Local Health Departments	936,118	
14			
15	05. Fluoridation of Water Supplies	146,079	
16			
17	06. Rape Prevention and Rape		
18	Crisis Programs	91,010	
19			
20	07. AIDS/HIV Education, Counseling,		
21	and Testing	294,374	
22			
23	08. TB Control Program	57,077	
24			
25	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
26	3,404,341		
27			
28	MATERNAL AND CHILD HEALTH SERVICES		
29			
30	01. Healthy Mother/Healthy Children		
31	Block Grants to Local Health		
32	Departments	\$ 11,718,781	
33			
34	02. High Risk Maternity Clinic Services,		
35	Perinatal Education, and Consultation		
36	to Local Health Departments		
37	and Other Health Care Providers	1,467,217	
38			
39	03. Services to Disabled Children	4,132,297	
40			
41	04. Sudden Infant Death Syndrome	32,633	
42			
43	05. Lead-Based Paint Poisoning	71,200	
44			

1	06.	New Special Projects	1,249,653
2			
3	07.	Reimbursements for Local Health	
4		Departments for Contracted	
5		Nutritional Services	120,530
6			
7		TOTAL MATERNAL AND CHILD	
8		HEALTH SERVICES	
9		\$ 18,792,311	
10			
11		SOCIAL SERVICES BLOCK GRANT	
12			
13	01.	County Departments of Social Services	\$ 43,304,967
14			
15	02.	Allocation for In-Home Services provided	
16		by County Departments of	
17		Social Services	1,200,000
18			
19	03.	Division of Mental Health, Developmental	
20		Disabilities, and Substance Abuse	5,881,994
21			
22	04.	Division of Services for the Blind	3,069,228
23			
24	05.	Division of Youth Services	1,051,428
25			
26	06.	Division of Facility Services	263,261
27			
28	07.	Division of Aging	333,706
29			
30	08.	Day Care Services	12,517,760
31			
32	09.	Volunteer Services	53,361
33			
34	10.	State Administration and State Level	
35		Contracts	3,401,714
36			
37	11.	Voluntary Sterilization funds	100,000
38			
39	12.	Transfer to Maternal and Child	
40		Health Block Grant	1,691,909
41			
42	13.	Adult Day Care Services	661,419
43			
44	14.	County Departments of Social Services for	

1	Child Abuse/Prevention and		
2	Permanency Planning	400,000	
3			
4	15. Allocation to Division of Health Services		
5	for Grants in Aid to Prevention		
6	Programs	445,000	
7			
8	16. Transfer to Preventive Health		
9	Block Grant for Emergency Medical Services		
10	and Basic Public Health Services	492,611	
11			
12	17. Allocation to Preventive Health Block		
13	Grant for AIDS Education	294,374	
14			
15	18. Allocation to Department of Administration		
16	for North Carolina Fund for Children	45,270	
17			
18	TOTAL SOCIAL SERVICES BLOCK GRANT		\$
19	75,208,002		
20			
21	LOW INCOME ENERGY BLOCK GRANT		
22			
23	01. Energy Assistance Programs	\$ 18,196,292	
24			
25	02. Crisis Intervention	4,441,897	
26			
27	03. Administration	1,968,611	
28			
29	04. Weatherization Program	1,737,187	
30			
31	05. Indian Affairs	27,222	
32			
33	06. Transfer to Preventive Health Block Grant		
34	for Emergency Medical Services Program	209,116	
35			
36	07. Transfer to Social Services		
37	Block Grant for Adult		
38	Day Care Services	417,648	
39			
40	08. Transfer to Social Services Block		
41	Grant for State Administration		
42	& Contract Service	192,748	
43			
44	09. Transfer to Maternal and Child Health		

1	Grant for Maternal and Child Health	
2	Block Grant in the Division of	
3	Health Services for Healthy Mothers	
4	and Children	1,696,362
5		
6	10. Transfer to SSBG for allocation to the	
7	Department of Administration for	
8	the North Carolina Fund for Children	45,270
9		
10	TOTAL LOW INCOME ENERGY BLOCK GRANT	\$
11	28,932,353	
12		
13	ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH	
14	SERVICES BLOCK GRANT	
15		
16	01. Allocate funds to the four regional	
17	offices on a per capita basis	
18	for mental health services	\$ 1,866,556
19		
20	02. Provide services for young chronically	
21	mentally ill adults, some of whom	
22	aged out of the Willie M. class	
23	prior to receiving appropriate	
24	services	200,000
25		
26	03. Programs for the Chronically	
27	Mentally Ill	3,084,847
28		
29	04. Continuation of child mental health	
30	nonresidential services in	
31	accordance with the Child Mental	
32	Health Plan	279,781
33		
34	05. Continuation of child mental health	
35	residential services including group	
36	homes, specialized foster care,	
37	therapeutic homes, professional	
38	parenting programs, and respite care,	
39	with an emphasis on children under	
40	the age of 12	341,418
41		
42	06. Continuation and expansion of community-	
43	based alcohol and drug services	
44	including prevention, early inter-	

1	vention, treatment, rehabilitation,	
2	nonhospital medical detoxification	
3	and training	5,435,884
4		
5	07. Continuation and expansion of services	
6	to female substance abusers,	
7	including specialized services at	
8	the ADATCS	2,448,946
9		
10	08. Continuation and expansion of services to	
11	IV drug abusers, including increased	
12	capacity for drug screens and IV	
13	services at the ADATCS	3,477,240
14		
15	09. Services to adolescents, including	
16	continuation and expansion of services	
17	in accordance with the Youth Substance	
18	Abuse Plan	3,140,864
19		
20	10. Funding to support the provision of	
21	Treatment Alternatives to Street	
22	Crimes (TASC) programs for adults	
23	and four demonstration projects with	
24	local jails	462,104
25		
26	11. Continuing of funding for detoxification	
27	services in the Eastern Region	1,048,110
28		
29	12. Revolving loan pool for residential living	
30	for recovering substance abusers	100,000
31		
32	13. Administration	1,000,898
33		
34	TOTAL ALCOHOL, DRUG ABUSE AND	
35	MENTAL HEALTH SERVICES	
36	BLOCK GRANT	\$
37	22,886,648	
38		
39	MENTAL HEALTH SERVICES FOR THE HOMELESS	
40	BLOCK GRANT	
41		
42	01. Specialized Community Services for the	
43	Chronically Mentally Ill	\$ 275,000
44	02. Community-based Services for Chronically	

1	Mentally Ill Youth	75,195	
2			
3	TOTAL MENTAL HEALTH SERVICES FOR THE		
4	HOMELESS BLOCK GRANT		\$
5	350,195		
6			
7	COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT		
8			
9	01. Development of Community-Based Substance		
10	Abuse Prevention Programs		
11	for Youth \$	83,623	
12			
13	02. Evaluation	6,800	
14			
15	TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM		
16	BLOCK GRANT		\$
17	90,423		

(b) Decreases in Federal Fund Availability

If federal funds are reduced below the amounts specified above after the effective date of this act, then every program, in each of the federal block grants listed above, shall be reduced by the same percentage as the reduction in federal funds. If federal funds are reduced in the Education Consolidation and Improvement Act Chapter II Block Grant, then the State Board of Education shall determine how reductions are to be made among the various local agencies.

(c) Increases in Federal Fund Availability

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

- (1) For the Community Development Block Grant or for the Preventive Health Block Grant - each program category under the Community Development Block Grant or the Preventive Health Block Grant, as applicable, shall be increased by the same percentage as the increase in federal funds.
- (2) For the Maternal and Child Health Services Block Grant - these additional funds shall be allocated to local health departments to assist in the reduction of infant mortality.
- (3) For other block grants - these additional funds may be budgeted by the appropriate department, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly. All these budgeted increases shall be reported to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division.

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

2 (d) Education Setaside of JTPA Funds

3 The Department of Economic and Community Development shall certify to
4 the Joint Legislative Commission on Governmental Operations and to the Fiscal
5 Research Division of the Legislative Services Office when Job Training Partnership Act
6 funds have been distributed to each agency, the total amount distributed to each agency,
7 and the total amount of eight percent (8%) Education Setaside funds received.

8

9 PART IV.—DEPARTMENT OF ADMINISTRATION

10

11 Requested by: Senator Martin of Guilford

12 —N.C. COALITION AGAINST DOMESTIC VIOLENCE FUNDS

13 Sec. 8. Section 15 of Chapter 752, Session Laws of 1989, reads as rewritten:

14 "Sec. 15. The funds appropriated to the Department of Administration, Council on
15 the Status of Women, for fiscal years 1989-90 and 1990-91 for domestic violence
16 centers, shall be allocated equally among all of the 61 domestic violence centers in
17 operation on February 1, 1989, that offered services including a hotline, transportation
18 services, community education programs, daytime services, and call forwarding during
19 the night. For the 1989-90 fiscal year, each grant shall be \$15,000. For the 1990-91
20 fiscal year, each grant shall be \$17,500. The North Carolina Coalition Against Domestic
21 Violence, Incorporated, is eligible for a grant of \$10,000 under this section."

22

23 Requested by: Senator Martin of Guilford

24 —REDUCTION IN COUNCIL OF GOVERNMENTS FUNDS

25 Sec. 9. Section 42 of Chapter 500, Session Laws of 1989, reads as rewritten:

26 "Sec. 42. (a) Of the funds appropriated by Section 5 of this act to the
27 Department of Administration, the sum of nine hundred ninety thousand dollars
28 (\$990,000) for the 1989-90 fiscal year and nine hundred ~~ninety thousand~~ sixty thousand
29 three hundred dollars ~~(\$990,000)~~ (\$960,300) for the 1990-91 fiscal year shall only be
30 used as provided by this section. Each regional council of government or lead regional
31 organization is allocated an amount up to fifty-five thousand dollars (\$55,000) ~~each~~
32 fiscal year in the 1989-90 fiscal year and fifty-three thousand three hundred fifty dollars
33 (\$53,350) in the 1990-91 fiscal year, with the actual amount calculated as provided in
34 subsection (b) of this section.

35 (b) The funds shall be allocated as follows: A share of the maximum ~~fifty-five~~
36 ~~thousand dollars~~ (\$55,000) each fiscal year shall be allocated to each county and smaller
37 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 governments for the region in which that city or county is located upon receipt by the
43 Department of Administration of a resolution of the governing board of the county or
44 city requesting release of the funds. If any city or county does not so request payment

1 of 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 council of governments may use funds appropriated by this section only to
4 assist local governments in grant applications, economic development, community
5 development, support of local industrial development activities, and other activities as
6 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 V.—GENERAL ASSEMBLY
14

15 Requested by: Senator Royall

16 —DEFER CONVENING OF GENERAL ASSEMBLY

17 Sec. 10. G.S. 120-11.1 reads as rewritten:

18 "**§ 120-11.1. Time of meeting.**

19 The regular session of the Senate and House of Representatives shall be held
20 biennially beginning at 12:00 noon on the ~~first~~-third Wednesday after the second
21 Monday in January next after their election."
22

23 Requested by: Senator Basnight

24 —ECONOMIC FUTURE COMMISSION

25 Sec. 11. (a) The Economic Future Study Commission is created. The
26 Commission shall:

- 27 (1) Review the State's needs for changes in the revenue and budget
28 structure to meet the needs of the State over the long term;
- 29 (2) Make a comprehensive review of the State and local tax system,
30 particularly in light of future economic trends that may affect revenues
31 generated by existing taxes; and
- 32 (3) Recommend proposals to enhance the State's revenue position, adapt
33 the State tax structure to changes in the economy, avoid placing undue
34 tax burdens on any segment of the population, and preserve the
35 positive impact of the tax structure on the economic future of the State.
- 36 (b) The Commission shall consist of 30 members to be appointed as follows:
- 37 (1) Two members of the Senate appointed by the President Pro Tempore
38 of the Senate.
- 39 (2) Eight public members appointed by the President Pro Tempore of the
40 Senate.
- 41 (3) Two members of the House of Representatives appointed by the
42 Speaker of the House of Representatives.
- 43 (4) Eight public members appointed by the Speaker of the House of
44 Representatives.

1 (5) Two members of the General Assembly appointed by the Governor.

2 (6) Eight public members appointed by the Governor.

3 The President Pro Tempore of the Senate, the Speaker of the House of
4 Representatives, and the Governor shall ensure that the members of the Commission are
5 representative of all North Carolinians, including representatives of business and
6 industry, professionals, educators, ethnic groups, environmental advocates, low-income
7 citizens, and consumers. The three appointing officers shall jointly designate one
8 member to serve as chair of the Commission.

9 (c) Members appointed to the Commission shall serve until the Commission
10 makes its final report. Vacancies on the Commission shall be filled by the same
11 appointing officer who made the original appointments.

12 (d) Upon request of the Commission or its staff, all State departments and
13 agencies and all local government agencies shall furnish to the Commission or its staff
14 any information in their possession or available to them. The Commission, while in the
15 discharge of official duties, may exercise all the powers provided for under the
16 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4.

17 (e) The Commission shall submit a final report of its findings and
18 recommendations to the 1991 General Assembly on or before February 1, 1991, by
19 filing the report with the Speaker of the House of Representatives and President Pro
20 Tempore of the Senate. The Commission shall terminate upon filing its final report.

21 (f) The Commission shall have its initial meeting on or before September 1,
22 1990. The Commission shall meet upon the call of the chair.

23 (g) The Commission may contract for professional, clerical, or consultant
24 services as provided by G.S. 120-32.02. Upon approval of the Legislative Services
25 Commission, the Legislative Services Officer shall assign professional and clerical staff
26 to assist in the work of the Commission. Clerical staff shall be furnished to the
27 Commission through the offices of House and Senate supervisors of clerks. The
28 expenses of employment of the clerical staff shall be borne by the Commission. The
29 Commission may meet in the Legislative Building or the Legislative Office Building
30 upon the approval of the Legislative Services Commission. Commission members may
31 travel to other states in order to examine other states' revenue and budget structures,
32 upon the approval of the Legislative Services Commission.

33 (h) Members of the Commission shall receive per diem, subsistence, and
34 travel allowances as follows:

35 (1) Commission members who are also General Assembly members, at
36 the rate established in G.S. 120-3.1;

37 (2) Commission members who are officials or employees of the State or
38 local government agencies, at the rate established in G.S. 138-6; and

39 (3) All other Commission members, at the rate established in G.S. 138-5.

40

41 PART VI.—OFFICE OF THE GOVERNOR

42

43 Requested by: Senator Royall

44 —REDUCTION IN CONTINGENCY AND EMERGENCY FUND ALLOCATION

1 Sec. 12. Section 50 of Chapter 752, Session Laws of 1989 reads as rewritten:
2 "Sec. 50. Of the funds appropriated to the Contingency and Emergency Fund in
3 Section 3 of Chapter 500 of the 1989 Session Laws, the Current Operations
4 Appropriations Act of 1989, the sum of \$900,000 for the 1989-90 fiscal year and the
5 sum of \$900,000 for the 1990-91 fiscal year shall be designated for emergency
6 allocations, which are for the purposes outlined in G.S. 143-23(a1)(3), (4), and (5). The
7 sum of \$225,000 for the 1989-90 fiscal year and the sum of ~~\$225,000~~ \$191,250 for the
8 1990-91 fiscal year shall be designated for other allocations from the Contingency and
9 Emergency Fund."

10
11 PART VII.—DEPARTMENT OF REVENUE

12
13 Requested by: Senator Royall

14 —REDUCE LOCAL TAX REIMBURSEMENTS 5%

15 Sec. 13. (a) The reimbursements to be made under G.S. 105-164.44C, 105-
16 213(a), 105-213.1, 105-275.1, 105-277A, and 105-277.1A, shall be reduced by five
17 percent (5%) beginning in the 1990-91 fiscal year as provided in this section.

18 (b) Section 52(a) of Chapter 752 of the 1989 Session Laws reads as rewritten:

19 "(a) There is created in the Department of Revenue a special reserve to be known
20 as the Local Government Tax Reimbursement Reserve. Funds in the Reserve shall be
21 used to reimburse local governments for certain reductions in tax revenue resulting from
22 tax legislation enacted by the General Assembly. There is appropriated from the
23 General Fund to the Local Government Tax Reimbursement Reserve \$231,755,615 for
24 the 1989-90 fiscal year and ~~\$234,093,897~~ \$222,389,201 for the 1990-91 fiscal year.
25 The Department of Revenue shall distribute the funds appropriated to the Local
26 Government Tax Reimbursement Reserve for the 1989-90 and 1990-91 fiscal years as
27 follows:

- 28 (1) The sum of \$5,366,497 for the 1989-90 fiscal year and the sum of
29 ~~\$5,618,722~~ \$5,337,786 for the 1990-91 fiscal year shall be used as
30 needed to reimburse local governments, in accordance with G.S. 105-
31 164.44C, for the impact of the exemption of food stamp purchases
32 from sales tax under Chapter 656 of the 1985 Session Laws.
- 33 (2) The sum of \$5,439,102 for the 1989-90 fiscal year and the sum of
34 ~~\$5,874,231~~ \$5,580,519 for the 1990-91 fiscal year shall be used to
35 reimburse local governments, in accordance with the second sentence
36 of the third paragraph of G.S. 105-213(a), for the impact of the
37 intangibles tax exemption of certain accounts and accounts receivable
38 under Chapter 656 of the 1985 Session Laws.
- 39 (3) The sum of \$24,902,468 for the 1989-90 fiscal year and the sum of
40 ~~\$25,496,225~~ \$24,221,414 for the 1990-91 fiscal year shall be used to
41 reimburse local governments, in accordance with G.S. 105-213.1, for
42 the impact of the intangibles tax exemption of money on deposit and
43 money on hand under Chapter 656 of the 1985 Session Laws.

- 1 (4) The sum of \$107,973,963 for the 1989-90 fiscal year and the sum of
 2 ~~\$107,973,963~~ \$102,575,264 for the 1990-91 fiscal year shall be used
 3 to reimburse local governments, in accordance with G.S. 105-275.1 as
 4 enacted by Chapter 622 of the 1987 Session Laws and rewritten by
 5 Chapters 813 and 1041 of the 1987 Session Laws, for the impact of the
 6 property tax exemption for inventories of manufacturers and for
 7 livestock, poultry, and feed under Chapters 622, 813, and 1041 of the
 8 1987 Session Laws.
- 9 (5) The sum of \$80,373,585 for the 1989-90 fiscal year and the sum of
 10 ~~\$81,445,756~~ \$77,373,468 for the 1990-91 fiscal year shall be used to
 11 reimburse local governments, in accordance with G.S. 105-277A as
 12 rewritten by Chapters 622, 813, and 1041 of the 1987 Session Laws,
 13 for the impact of the property tax exemption for inventories of
 14 wholesalers and retailers under Chapter 656 of the 1985 Session Laws
 15 and Chapter 622 of the 1987 Session Laws.
- 16 (6) The sum of \$7,700,000 for the 1989-90 fiscal year and the sum of
 17 ~~\$7,685,000~~ \$7,300,750 for the 1990-91 fiscal year shall be used as
 18 needed to reimburse local governments, in accordance with G.S. 105-
 19 277.1A, for the impact of the expansion of the property tax homestead
 20 exemption under Chapter 1052 of the 1981 Session Laws and Chapter
 21 656 of the 1985 Session Laws.

22 The amounts designated for the reimbursements are estimates. If the amount
 23 designated is insufficient to pay for any of the reimbursements provided in this section,
 24 the Department of Revenue shall draw additional funds from the Local Government Tax
 25 Reimbursement Reserve to be used to make the reimbursement. If the funds
 26 appropriated to the Reserve are insufficient to pay for the reimbursements provided in
 27 this section, the State Budget Officer shall withhold from net collections under Article
 28 2B of Chapter 105 of the General Statutes the remaining amount necessary to pay for
 29 the reimbursements. Funds remaining in the Local Government Tax Reimbursement
 30 Reserve at the end of each fiscal year shall revert to the General Fund."

31 (c) G.S. 105-164.44C reads as rewritten:

32 "**§ 105-164.44C. Reimbursement for sales taxes on food stamp foods and**
 33 **supplemental foods.**

34 As soon as practicable after July 1 of each year, the Secretary shall determine from
 35 available information the amount of local sales taxes that would have been collected in
 36 each county during the preceding fiscal year on foods purchased with food stamp
 37 coupons or supplemental food instruments in the county, had these foods not been
 38 exempt from tax under G.S. 105-164.13(38). The Secretary shall then distribute ninety-
 39 five percent (95%) of the amount determined above for each county ~~the amounts~~
 40 ~~determined to be due each county~~ between the county and the cities located in the
 41 county in accordance with the method by which local sales and use taxes are distributed
 42 in that county. In order to pay for the reimbursement under this section and the cost to
 43 the Department of Revenue for administering the reimbursement, the Secretary of

1 Revenue shall draw from the Local Government Tax Reimbursement Reserve an
2 amount equal to the amount of the reimbursement and the cost of administration."

3 (d) G.S. 105-198 reads as rewritten:

4 **"§ 105-198. Intangible personal property.**

5 The intangible personal properties enumerated and defined in this Article or
6 schedule are hereby classified under authority of Section 2(2), Article V of the
7 Constitution, and the taxes levied thereon are for the benefit of the State for the General
8 Fund and for distribution to political subdivisions of the State as hereinafter provided.
9 Banks or banking associations, trust companies or any combination of such facilities or
10 services shall be subject to the provisions of this Article for taxable years beginning on
11 and after January 1, 1974."

12 (e) G.S. 105-213 reads as rewritten:

13 **"§ 105-213. Separate records by counties; disposition and distribution of taxes**
14 **collected; purpose of tax.**

15 (a) The Secretary of Revenue shall keep a separate record by counties of the
16 taxes collected under the provisions of this Article and shall, as soon as practicable after
17 the close of each fiscal year, certify to the State Disbursing Officer and to the State
18 Treasurer the amount of such taxes to be distributed to each county and municipality in
19 the ~~State.~~ State as provided in this section. The State Disbursing Officer shall thereupon
20 issue a warrant on the State Treasurer to each county and municipality in the amount so
21 certified.

22 In determining the amount to be distributed, the Secretary shall deduct from the net
23 amount of taxes collected under this Article, which is the total amount collected less
24 refunds, the cost to the State for the preceding fiscal year to:

- 25 (1) Collect and administer the taxes levied under this Article;
- 26 (2) Perform the duties imposed upon the Department of Revenue by
27 Article 15 of this Chapter;
- 28 (3) Operate the Property Tax Commission; and
- 29 (4) Operate a training program in property tax appraisal and assessment
30 administration by the Institute of Government.

31 The Secretary shall allocate the net amount of taxes collected under this Article, less
32 the deductions enumerated above, to the counties according to the county in which the
33 taxes were collected. The Secretary shall then increase the amount allocable to each
34 county by a sum equal to forty percent (40%) of the amount of tax on accounts
35 receivable allocated to the county on the basis of collections. The Secretary shall then
36 decrease the amount allocable to each county by five percent (5%). The amounts so
37 allocated to each county shall in turn be divided between the county and all
38 municipalities therein in proportion to the total amount of ad valorem taxes levied by
39 each during the fiscal year preceding such distribution. For the purpose of computing
40 the distribution of the intangibles tax to any county and the municipalities located
41 therein for any year with respect to which the property valuation of a public service
42 company is the subject of an appeal pursuant to the provisions of the Machinery Act, or
43 to applicable provisions of federal law, and the Department of Revenue is restrained by
44 operation of law or by a court of competent jurisdiction from certifying such valuation

1 to the county and municipalities therein, the Department shall use the last property
2 valuation of such public service company which has been so certified in order to
3 determine the ad valorem tax levies applicable to such public service company in the
4 county and the municipalities therein.

5 It shall be the duty of the chairman of the board of county commissioners of each
6 county and the mayor of each municipality therein to report to the Secretary of Revenue
7 such information as he may request for his guidance in making said allotments. In the
8 event any county or municipality fails to make such report within the time prescribed,
9 the Secretary of Revenue may disregard such defaulting unit in making said allotments.
10 The amounts so allocated to each county and municipality shall be distributed and used
11 by said county or municipality in proportion to other property tax levies made for the
12 various funds and activities of the taxing unit receiving said allotment; provided,
13 however, that a county or municipality may, without regard to any such requirement as
14 to proportionality, use amounts so allocated and amounts allocated under G.S. 105-
15 213.1 and distributed to the county or municipality to secure its obligation under a loan
16 agreement entered into pursuant to the North Carolina Solid Waste Management Loan
17 Program, Chapter 159I of the General Statutes.

18 (b) For purposes of this section, the term 'municipality' includes any urban
19 service district defined by the governing board of a consolidated city-county, and the
20 amounts due thereby shall be distributed to the government of the consolidated city-
21 county."

22 (f) G.S. 105-213.1 reads as rewritten:

23 "**§ 105-213.1. Additional distribution to counties and municipalities.**

24 (a) Distribution. – As soon as practicable after July 1 of 1986, the Secretary of
25 Revenue shall allocate for distribution to each county and the municipalities located in
26 the county the amount allocated to that county from taxes levied under G.S. 105-199,
27 105-200, and 105-205 for the last taxable year in which these taxes were levied, plus or
28 minus a sum that equals the product of this amount and the percentage by which State
29 disposable personal income has increased or decreased during the most recent 12-month
30 period for which State personal income data has been compiled by the Bureau of
31 Economic Analysis of the United States Department of Commerce.

32 Thereafter, as soon as practicable after July 1 of each ~~year~~, year through 1989, the
33 Secretary shall allocate to each county the amount of funds allocated to the county
34 under this section the preceding year, plus or minus a sum that equals the product of this
35 amount and the percentage by which State disposable personal income has increased or
36 decreased during the most recent 12-month period for which State personal income data
37 has been compiled by the Bureau of Economic Analysis of the United States
38 Department of Commerce.

39 As soon as practicable after July 1, 1990, the Secretary shall allocate to each county
40 ninety-five percent (95%) of the amount of funds allocated to the county under this
41 section the preceding year, plus or minus a sum that equals the product of this amount
42 and the percentage by which State disposable personal income has increased or
43 decreased during the most recent 12-month period for which State personal income data

1 has been compiled by the Bureau of Economic Analysis of the United States
2 Department of Commerce.

3 Thereafter, as soon as practicable after July 1 of each year, the Secretary shall
4 allocate to each county the amount of funds allocated to the county under this section
5 the preceding year, plus or minus a sum that equals the product of this amount and the
6 percentage by which State disposable personal income has increased or decreased
7 during the most recent 12-month period for which State personal income data has been
8 compiled by the Bureau of Economic Analysis of the United States Department of
9 Commerce.

10 Amounts allocated to a county under this section shall in turn be divided and
11 distributed between the county and the municipalities located in the county in
12 accordance with the method of allocating intangible tax revenue between a county and
13 the municipalities located in the county provided in G.S. 105-213.

14 (b) Restrictions on Use. – Amounts distributed to a county or a municipality
15 under this section are subject to the same restrictions as amounts distributed under G.S.
16 105-213.

17 (c) Municipality Defined. – As used in this section, the term ‘municipality’ has
18 the same meaning as in G.S. 105-213.

19 (d) Source. Funds distributed under this section shall be drawn from the Local
20 Government Tax Reimbursement Reserve."

21 (g) G.S. 105-275.1(b) reads as rewritten:

22 "(b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the
23 Secretary shall pay to each county and city the amount it received under subsection (a)
24 in 1989 plus an amount equal to the county or city average rate multiplied by the value
25 of the items described in subdivisions (ii) and (iii) of subsection (a) that were required
26 to be listed and assessed as of January 1, 1987, and were listed on or before September
27 1, 1987, in the county or city, plus or minus the percentage of this product that equals
28 the percentage by which State personal income has increased or decreased during the
29 most recent 12-month period for which State personal income data has been compiled
30 by the Bureau of Economic Analysis of the United States Department of Commerce.
31 As soon as practicable after January 1, 1990, the Secretary shall also pay to each county
32 and city an amount equal to the average rate for each special district for which the
33 county or city collected taxes in 1987, but whose tax rates were not included in the
34 county or city's rates, multiplied by the value of the items described in subdivisions (ii)
35 and (iii) of subsection (a) that were required to be listed and assessed as of January 1,
36 1987, and were listed on or before September 1, 1987, in the district, plus or minus the
37 percentage of this product that equals the percentage by which State personal income
38 has increased or decreased during the most recent 12-month period for which State
39 personal income data has been compiled by the Bureau of Economic Analysis of the
40 United States Department of Commerce. As soon as practicable after January 1, 1991,
41 except as provided in subsection (f), the Secretary shall distribute to each county and
42 city ninety-five percent (95%) of the amount it received under this section in 1990.
43 Thereafter, except as provided in subsection (f), as soon as practicable after January 1 of

1 each year, the Secretary shall distribute to each county and city the amount it received
2 under this section the preceding year.

3 Of the funds received by each county and city pursuant to this subsection in 1990,
4 the portion that was received because the county or city was collecting taxes for a
5 special district (either because the district's tax rate was included in the city or county's
6 rate or because the Secretary paid the county or city the product of the district's average
7 rate and the value of the inventories and other items in the district) shall be distributed
8 among the districts in the county or city as soon as practicable after the city or county
9 receives the funds. The county or city shall distribute to each special district in the
10 county or city the amount it distributed to the district in 1989 plus an amount equal to
11 the average rate for the district multiplied by the value of the items, other than
12 inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to
13 be listed and assessed as of January 1, 1987, and were listed on or before September 1,
14 1987, in the district, plus or minus the percentage of this product that equals the
15 percentage by which State personal income has increased or decreased during the most
16 recent 12-month period for which State personal income data has been compiled by the
17 Bureau of Economic Analysis of the United States Department of Commerce.

18 Each year thereafter, as soon as practicable after receiving funds under this
19 subsection, every county and city shall distribute among the special districts for which
20 the county or city collects tax an amount equal to the amount it distributed among such
21 districts the previous year. The Local Government Commission may adopt rules for the
22 resolution of disputes and correction of errors in the distribution among special districts
23 provided in this subsection. In addition, the Local Government Commission may adopt
24 rules for the reallocation of funds when a special district is dissolved, merged, or
25 consolidated, or when a special district ceases to levy tax, either temporarily or
26 permanently."

27 (h) G.S. 105-275.1(f) reads as rewritten:

28 "(f) Correction of Errors. – If the Secretary discovers that the amount or value of
29 any inventories or other items listed by a county or city pursuant to subsection (a) of this
30 section was overstated or understated, the Secretary shall adjust the amount to be
31 distributed under subsection (b) as follows. For the distribution to be made in the year
32 following discovery of the overstatement or understatement, the Secretary shall
33 distribute to the county or city ninety-five percent (95%) of the amount it would have
34 received under subsection (b) in 1990 if it had not overstated or understated the amount
35 or value of any inventories or other items, plus ninety-five percent (95%) of the total
36 amount it failed to receive in 1989 and subsequent years due to understatement of the
37 amount or value of the inventories or other items, or minus ninety-five percent (95%) of
38 the total amount it received in 1989 and subsequent years due to overstatement of the
39 amount or value of the inventories or other items. Thereafter, each year the Secretary
40 shall distribute to the county or city ninety-five percent (95%) of the amount it would
41 have received under subsection (b) in 1990 if it had not overstated or understated the
42 amount or value of any inventories or other items."

43 (i) G.S. 105-277A reads as rewritten:

1 "§ 105-277A. Reimbursement for exclusion of retailers' and wholesalers'
2 inventories.

3 (a) Submission of Claims. – On or before January 15, 1989, the governing body
4 of each county and city shall furnish to the Secretary a list of all the inventories owned
5 by retailers and wholesalers that were required to be listed and assessed as of January 1,
6 1987, and were listed on or before September 1, 1987, in the county or city under this
7 Subchapter. The list shall contain the value of the inventories as well as the property
8 tax rates in effect in the county or city for the eight years from 1980 through 1987. The
9 list shall also contain the property tax rates in effect for those years in each special
10 district for which the county or city collected taxes in 1987 but whose tax rates were not
11 included in the rates listed for the county or city, and the value of the inventories owned
12 by retailers and wholesalers that were required to be listed and assessed as of January 1,
13 1987, and were listed on or before September 1, 1987, in that district. The list shall be
14 accompanied by an affidavit attesting to the accuracy of the list and shall be on a form
15 prescribed by the Secretary.

16 The Secretary shall calculate an average rate for each county and city, and for each
17 special district whose tax rates were not included in the tax rates of a county or city, as
18 the arithmetic mean of the property tax rates in effect in the county, city, or district for
19 the eight years from 1980 through 1987. If a county, city, or district did not have tax
20 rates in effect for the entire eight-year period, the average rate shall be the arithmetic
21 mean of the property rates in effect for the years during the eight-year period that it did
22 have rates in effect.

23 (b) First Per Capita Distribution. – As soon as practicable after January 1 of
24 1989, the Secretary shall distribute to each taxing unit the unit's per capita share of the
25 sum of fifteen million seven hundred forty-five thousand dollars (\$15,745,000).
26 ~~Thereafter, as soon as practicable after January 1 of each year~~ As soon as practicable
27 after January 1, 1990, the Secretary shall distribute to each taxing unit the unit's per
28 capita share of an amount equal to the sum distributed to all taxing units the previous
29 year under this subsection plus or minus the product of the sum distributed the previous
30 year and the percentage by which State personal income has increased or decreased
31 during the most recent 12-month period for which State personal income data has been
32 compiled by the Bureau of Economic Analysis of the United States Department of
33 Commerce.

34 As soon as practicable after January 1, 1991, the Secretary shall distribute to each
35 taxing unit the unit's per capita share of ninety-five percent (95%) of an amount equal to
36 the sum distributed to all taxing units in 1990 under this subsection plus or minus the
37 product of the sum distributed the previous year and the percentage by which State
38 personal income has increased or decreased during the most recent 12-month period for
39 which State personal income data has been compiled by the Bureau of Economic
40 Analysis of the United States Department of Commerce. Thereafter, as soon as
41 practicable after January 1 of each year the Secretary shall distribute to each taxing unit
42 the unit's per capita share of an amount equal to the sum distributed to all taxing units
43 the previous year under this subsection plus or minus the product of the sum distributed
44 the previous year and the percentage by which State personal income has increased or

1 decreased during the most recent 12-month period for which State personal income data
2 has been compiled by the Bureau of Economic Analysis of the United States
3 Department of Commerce.

4 To make the per capita distributions required by this subsection, the Secretary shall
5 first allocate the sum to be distributed among the counties on a per capita basis. The
6 Secretary shall then compute a per capita distributable amount for each county by
7 dividing the amount allocated to a county by the total population of the county, plus the
8 population of any incorporated towns and cities located in the county. Each taxing unit
9 in a county, including the county itself, shall receive the product of the population of the
10 taxing unit and the per capita distributable amount for that county.

11 A city or county that receives funds under this subsection and that collects taxes for
12 another taxing unit shall distribute part of the taxes received by it to the taxing unit for
13 which it collects tax. The distribution shall be made on the basis of the proportionate
14 amount of ad valorem taxes levied, for the most recent fiscal year beginning July 1, by
15 the city or county and by all the taxing units for which the city or county collects tax.
16 This distribution shall be made as soon as practicable after a city or county receives
17 funds from the State under this section.

18 (c) Second Per Capita Distribution. – On or before March 20, 1989, the Secretary
19 shall allocate to each county the county's per capita share of the sum of thirty-nine
20 million dollars (\$39,000,000).

21 ~~Each year thereafter, as~~ As soon as practicable after January 1, 1990, the Secretary
22 of Revenue shall allocate to each county the amount it received the previous year under
23 this subsection. As soon as practicable after January 1, 1991, the Secretary of Revenue
24 shall allocate to each county ninety-five percent (95%) of the amount it received the
25 previous year under this subsection. Each year thereafter, as soon as practicable after
26 January 1, the Secretary of Revenue shall allocate to each county the amount it received
27 the previous year under this subsection.

28 Amounts allocated to a county under this subsection shall in turn be divided and
29 distributed between the county and the cities located in the county in proportion to the
30 total amount of ad valorem taxes levied by each during the fiscal year preceding the
31 distribution. For the purposes of this section, the amount of the ad valorem taxes levied
32 by a county or city shall include any ad valorem taxes collected by the county or city in
33 behalf of a special district. For the purpose of computing the distribution for any year
34 with respect to which the property valuation of a public service company is the subject
35 of an appeal and the Department of Revenue is restrained by law from certifying the
36 valuation to the appropriate counties and cities, the Department shall use the latest
37 property valuation of that public service company that has been certified.

38 The governing body of each county and city shall report to the Secretary of Revenue
39 such information as he may request in order to make the distribution under this
40 subsection. If a county or city fails to make a requested report within the time
41 prescribed, the Secretary may disregard that county or city and the other taxing units in
42 the county or city in making the distribution.

43 (c1) Claims-based Distribution. – On or before March 20, 1989, the Secretary shall
44 distribute to each county and city an amount equal to the amount by which the county or

1 city's inventory loss, as defined in subsection (d) of this section, exceeds the amount of
2 the reimbursement received by the county or city under subsection (c) of this
3 subsection.

4 As soon as practicable after January 1, 1990, except as provided in subsection (g),
5 the Secretary shall distribute to each county and city the amount it received the previous
6 year under this subsection. As soon as practicable after January 1, 1991, except as
7 provided in subsection (g), the Secretary shall distribute to each county and city ninety-
8 five percent (95%) of the amount it received the previous year under this subsection.

9 Except as provided in subsection (g) of this section, each year thereafter, as soon as
10 practicable after January 1, the Secretary shall distribute to each county and city the
11 amount it received the previous year under this subsection.

12 (c2) Supplemental Distribution. – On or before March 20, 1989, the Secretary
13 shall determine, with respect to each county and city, whether the sum of (i) the amount
14 the county or city received under subsection (c), plus (ii) the amount the county or city
15 received under subsection (c1), plus (iii) three and four-tenths percent (3.4%) of the
16 total distribution received by the county or city under G.S. 105-472, 105-486, 105-493,
17 105-501, and Chapter 1096 of the 1967 Session Laws between January 1, 1988, and
18 December 31, 1988, is less than ninety percent (90%) of the amount of taxes the county
19 or city actually levied on inventories owned by retailers and wholesalers for the 1987-88
20 tax year. If that sum is less than ninety percent (90%) of the amount of taxes the county
21 or city actually levied on those inventories for the 1987-88 tax year, the Secretary shall
22 distribute to that county or city a supplemental amount equal to the amount by which
23 ninety percent (90%) of the taxes it actually levied on inventories owned by retailers
24 and wholesalers for the 1987-88 tax year exceeds the total of subdivisions (i), (ii), and
25 (iii).

26 Except as provided in subsection (g) of this section, ~~each year thereafter,~~ as soon as
27 practicable after January 1, 1990, the Secretary shall distribute to each county and city
28 the amount it received the previous year under this subsection. Except as provided in
29 subsection (g) of this section, as soon as practicable after January 1, 1991, the Secretary
30 shall distribute to each county and city ninety-five percent (95%) of the amount it
31 received the previous year under this subsection. Except as provided in subsection (g)
32 of this section, each year thereafter, as soon as practicable after January 1, the Secretary
33 shall distribute to each county and city the amount it received the previous year under
34 this subsection.

35 (c3) Distribution to Special Districts. – Of the funds received by each county and
36 city pursuant to subsections (c), (c1), and (c2) of this section, the portion that was
37 received because the county or city was collecting taxes for a special district shall be
38 distributed among the districts in the county or city in proportion to the amount of each
39 special district's inventory levy, as defined in subsection (d) of this section, as soon as
40 practicable after the city or county receives funds under this subsection. The Local
41 Government Commission may adopt rules for the resolution of disputes and correction
42 of errors in the distribution among special districts provided in this paragraph. In
43 addition, the Local Government Commission may adopt rules for the reallocation of
44 funds when a special district is dissolved, merged, or consolidated, or when a special

1 district ceases to levy tax, either temporarily or permanently. The Local Government
2 Commission shall report to the 1990 General Assembly any errors it discovers in the
3 information furnished by local governments to the Secretary as required in subsection
4 (a) of this section.

5 (d) Definitions. – As used in this section, the term

6 (1) 'City' has the same meaning as in G.S. 153A-1(1);

7 (2) 'City's inventory loss' means the city's average rate multiplied by
8 eighty percent (80%) of the value of the inventories reported to the
9 Secretary under subsection (a) of this section by the city, plus the
10 average rate for each special district for which the city collected taxes
11 in 1987, but whose tax rates were not included in the city's rates,
12 multiplied by eighty percent (80%) of the value of the inventories
13 reported to the Secretary under subsection (a) of this section in behalf
14 of the district, plus or minus the percentage of this amount that equals
15 the lesser of five percent (5%) or the percentage by which State
16 personal income has increased or decreased during the most recent 12-
17 month period for which State personal income data has been compiled
18 by the Bureau of Economic Analysis of the United States Department
19 of Commerce, minus three and four-tenths percent (3.4%) of the total
20 distribution received by the city under G.S. 105-472, 105-486, 105-
21 493, 105-501, and Chapter 1096 of the 1967 Session Laws between
22 January 1, 1988, and December 31, 1988;

23 (3) 'County's inventory loss' means the county's average rate multiplied by
24 eighty percent (80%) of the value of the inventories reported to the
25 Secretary under subsection (a) of this section by the county, plus the
26 average rate for each special district for which the county collected
27 taxes in 1987, but whose tax rates were not included in the county's
28 rates, multiplied by eighty percent (80%) of the value of the
29 inventories reported to the Secretary under subsection (a) of this
30 section in behalf of the district, plus or minus the percentage of this
31 amount that equals the lesser of five percent (5%) or the percentage by
32 which State personal income has increased or decreased during the
33 most recent 12-month period for which State personal income data has
34 been compiled by the Bureau of Economic Analysis of the United
35 States Department of Commerce, minus three and four-tenths percent
36 (3.4%) of the total distribution received by the county under G.S. 105-
37 472, 105-486, 105-493, 105-501, and Chapter 1096 of the 1967
38 Session Laws between January 1, 1988, and December 31, 1988;

39 (4) 'Special district's inventory levy' means the special district's average
40 rate multiplied by eighty percent (80%) of the value of the inventories
41 reported to the Secretary under subsection (a) of this section in behalf
42 of the district;

43 (5) 'Taxing unit' means a unit that levied a property tax or for which
44 another unit collected a property tax for the fiscal year beginning July

1 1 of the year preceding the date a distribution is made under this
2 section.

3 (e) Population Estimates. – In making the per capita calculations under this
4 section, the Secretary shall use the most recent annual population estimates certified by
5 the State Budget Officer.

6 (f) Source of Funds. – The Secretary of Revenue shall pay for the distribution
7 required by this section and the cost of making the distribution as follows:

8 (1) For the distribution made in 1989, the Secretary shall draw an amount
9 equal to the amount distributed and the cost of making the distribution
10 first from the Inventory Tax Reimbursement Fund created in Section
11 15.1 of the School Facilities Finance Act of 1987, until it is exhausted,
12 and then the remainder of that amount from collections received by the
13 Department under Division I of Article 4 of this Chapter.

14 (2) For distributions made in subsequent years, the Secretary shall draw
15 from the Local Government Tax Reimbursement Reserve for the
16 distribution required by this section an amount equal to the amount
17 distributed and the cost of making the distribution.

18 (g) Correction of Errors. – If the Secretary discovers that the amount or value of
19 any inventories listed by a county or city pursuant to subsection (a) of this section was
20 overstated or understated, the Secretary shall adjust the amount to be distributed under
21 subsections (c1) and (c2) as follows. For the distribution to be made in the year
22 following discovery of the overstatement or understatement, the Secretary shall
23 distribute to the county or city ninety-five percent (95%) of the amount it would have
24 received under subsections (c1) and (c2) in 1989 if it had not overstated or understated
25 the amount or value of any inventories, plus ninety-five percent (95%) of the total
26 amount it failed to receive in 1989 and subsequent years due to understatement of the
27 amount or value of the inventories, or minus ninety-five percent (95%) of the total
28 amount it received in 1989 and subsequent years due to overstatement of the amount or
29 value of the inventories. Thereafter, each year the Secretary shall distribute to the
30 county or city ninety-five percent (95%) of the amount it would have received under
31 subsections (c1) and (c2) in 1989 if it had not overstated or understated the amount or
32 value of any inventories."

33 (j) G.S. 105-277.1A(d) reads as rewritten:

34 "(d) After receiving a certified list under subsections (a) through (c) of this
35 section, the Secretary of Revenue shall, within 60 days, pay to the county or city ~~fifty~~
36 ~~percent (50%)~~ forty-seven and five-tenths percent (47.5%) of the total for the entire list
37 of the product obtained by multiplying the tax exemption for each taxpayer times the
38 applicable tax rate."
39

40 Requested by: Senator Royall

41 —SCHOOL CAPITAL FUNDING FROM NONRECURRING FUNDS

42 Sec. 14. (a) It is the intent of the General Assembly that funding for the Public
43 School Building Capital Fund and the Critical School Facility Needs Fund shall not be
44 reduced but shall be appropriated each year from nonrecurring revenue in the same

1 manner as funding for other capital projects. Each year, the Public School Building
2 Capital Fund and the Critical School Facility Needs Fund shall have first priority, ahead
3 of all other capital projects, for appropriations of nonrecurring revenue.

4 (b) G.S. 115C-546.1 reads as rewritten:

5 **"§ 115C-546.1. Creation of Fund; administration.**

6 (a) There is created the Public School Building Capital Fund. The Fund shall be
7 used to assist county governments in meeting their public school building capital needs.

8 ~~(b) Beginning October 1, 1987, and each month thereafter through July 31, 1988,~~
9 ~~the Secretary of Revenue shall deposit with the State Treasurer in the Public School~~
10 ~~Building Capital Fund one-seventh (1/7) of the corporate income tax net collections~~
11 ~~received during the previous month by the Department of Revenue under Division I of~~
12 ~~Article 4 of Chapter 105 of the General Statutes. Beginning July 1, 1988, the Secretary~~
13 ~~of Revenue shall, on a quarterly basis, deposit with the State Treasurer in the Public~~
14 ~~School Building Capital Fund an amount equal to two million five hundred thousand~~
15 ~~dollars (\$2,500,000) less than one-fourteenth (1/14) of the corporate income tax net~~
16 ~~collections received during the previous quarter by the Department of Revenue under~~
17 ~~Division I of Article 4 of Chapter 105 of the General Statutes. All funds deposited in~~
18 ~~the Public School Building Capital Fund shall be invested as provided in G.S. 147-69.2~~
19 ~~and G.S. 147-69.3.~~

20 (c) The Fund shall be administered by the Office of State Budget and
21 Management."

22 (c) G.S. 115C-489.1(b) reads as rewritten:

23 **"§ 115C-489.1. Creation of fund; administration.**

24 (a) There is created the Critical School Facility Needs Fund.

25 ~~(b) On or before January 15, 1988, the Secretary of Revenue shall estimate the~~
26 ~~amount of additional tax revenue that will be collected during the twelve months ending~~
27 ~~June 30, 1988, as a result of Section 9 of the School Facilities Finance Act of 1987. The~~
28 ~~Secretary shall, prior to February 1, 1988, deposit with the State Treasurer in the~~
29 ~~Critical School Facility Needs Fund, an amount equal to that estimate. These funds~~
30 ~~shall be drawn from individual income tax net collections received by the Department~~
31 ~~of Revenue under Division II of Article 4 of Chapter 105 of the General Statutes.~~

32 ~~The Secretary of Revenue shall, on or before February 1, 1988, deposit with the~~
33 ~~State Treasurer in the Critical School Facility Needs Fund the sum of forty million~~
34 ~~dollars (\$40,000,000). These funds shall be drawn from sales and use tax net~~
35 ~~collections received by the Department of Revenue under Article 5 of Chapter 105 of~~
36 ~~the General Statutes.~~

37 ~~Effective July 1, 1988, the Secretary of Revenue shall, on a quarterly basis, deposit~~
38 ~~with the State Treasurer in the Critical School Facility Needs Fund the sum of two~~
39 ~~million five hundred thousand dollars (\$2,500,000). These funds shall be drawn from~~
40 ~~the corporate income tax collections received by the Department of Revenue under~~
41 ~~Division I of Article 4 of Chapter 105 of the General Statutes.~~

42 All funds deposited in the Critical School Facility Needs Fund shall be invested as
43 provided in G.S. 147-69.2 and G.S. 147-69.3.

1 (c) The Fund shall be administered by the State Board of Education. Monies in
2 the Fund shall be used only for the purposes specified in this Article."

3 (d) This section shall become effective July 1, 1990.
4

5 Requested by: Senator Royall

6 ~~—MAIL ORDER SALES TAX TO GENERAL FUND~~

7 Sec. 15. Effective June 30, 1990, Section 56 of Chapter 1086 of the 1987
8 Session Laws is repealed. All State sales and use tax proceeds in the State Special
9 Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be
10 credited to the General Fund. All local sales and use tax proceeds in the Local Special
11 Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be
12 distributed to local governments in accordance with Articles 39, 40, 41, and 42 of
13 Chapter 105 of the General Statutes and in accordance with Chapter 1096 of the 1967
14 Session Laws.
15

16 ~~PART VIII.—DEPARTMENT OF SECRETARY OF STATE~~

17
18 Requested by: Senator Martin of Guilford

19 ~~—REPEAL OF STATEWIDE VOTER FILE~~

20 Sec. 16. G.S. 163-66.1 is repealed.
21

22 ~~PART IX.—EMPLOYEE SALARIES AND BENEFITS~~

23
24 Requested by: Senator Royall

25 ~~—FREEZE VACANT POSITIONS FOR FISCAL YEAR 1990-91~~

26 Sec. 17. (a) There is created a negative General Fund reserve for fiscal year
27 1990-91 of \$40,000,000 in the Office of State Budget and Management.

28 The Office of State Budget and Management is directed to manage quarterly
29 allotments so as to maximize savings from the General Fund for fiscal year 1990-91 by
30 not filling vacancies (i) in positions that have never been filled or (ii) caused by
31 resignation or retirement, unless the Governor has determined that there is a critical
32 need to fill the vacancies. These actions shall result in savings of at least \$40,000,000
33 from the General Fund for the 1990-91 fiscal year.

34 This section applies to State government, to State-funded positions in the
35 community college system, and to State-funded positions in the public school system,
36 but it does not apply to any teaching position with classroom responsibilities in the
37 public school system, the community college system, and The University of North
38 Carolina system.

39 (b) The Office of State Budget and Management shall make every effort to
40 allocate the freeze equitably based on the vacant position report used by the Senate
41 Appropriations Committee in selecting this reduction and, at the same time, protecting
42 critical vacant positions needed in the State's institutions and prisons.
43

1 PART X.—DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
2 RESOURCES

3
4 Requested by: Senator Martin of Pitt
5 —LUMBER RIVER PARK RANGER

6 Sec. 18. Section 155 of Chapter 752 of the 1989 Session Laws reads as
7 rewritten:

8 "Sec. 155. From the funds appropriated ~~in Section 3 of this act~~ to the Department of
9 ~~Natural Resources and Community Development, Environment, Health, and Natural~~
10 ~~Resources, Division of Parks and Recreation for the 1989-90 fiscal year and the 1990-~~
11 ~~91 fiscal year for State Park Staff, the Department shall establish and fund ~~two~~one Park~~
12 ~~Ranger positions, position,~~ including support and equipment costs, to be allocated to the
13 Lumber River State Park."

14
15 Requested by: Senator Plyler
16 —UNION FIRE PLOW OPERATOR/COUNTY RANGERS

17 Sec. 19. (a) The Department of Environment, Health, and Natural Resources
18 shall continue to station in Union County the fire plow that was purchased with Federal
19 Emergency Management Administration (FEMA) funds. While stationed in Union
20 County, this fire suppression unit shall serve the areas of the Mt. Holly District.

21 (b) The Department of Environment, Health, and Natural Resources shall use
22 available funds, including lapsed salaries and other sources, not to exceed the sum of
23 \$83,298 for the 1990-91 fiscal year for the following positions:

24 (1) The sum of \$41,649 for a County Ranger and Assistant Ranger for
25 Union County, to be matched by the sum of \$27,766 in county funds;
26 and

27 (2) The sum of \$41,649 for a County Ranger and Assistant Ranger for
28 Mecklenburg County, to be matched by the sum of \$27,766 in county
29 funds.

30 (c) The Department of Environment, Health, and Natural Resources shall use
31 available funds, including lapsed salaries and other sources, not to exceed the sum of
32 \$33,523 for the 1990-91 fiscal year for an operator and crew for the fire plow that is
33 stationed in Union County pursuant to subsection (a) of this section.

34 (d) Subsection (c) of this section shall become effective October 1, 1990.

35
36 Requested by: Senator Martin of Pitt
37 —USE OF LAPSED SALARIES

38 Sec. 20. (a) The Office of State Budget may authorize the Department of
39 Environment, Health, and Natural Resources to use the sum of \$110,615 in
40 departmental lapsed salaries for the Air Quality Section, Division of Environmental
41 Management, to correct an error in the budgeting of federal receipts for fiscal year
42 1990-91.

43 (b) The Office of State Budget may authorize the Department of Environment,
44 Health, and Natural Resources to use the sum of \$212,178 in departmental lapsed

1 salaries for the Water Quality Section, Division of Environmental Management, to
2 correct an error in the budgeting of federal receipts for fiscal year 1990-91.

3
4 Requested by: Senator Martin of Pitt

5 —BUXTON WOODS PURCHASE FUNDS

6 Sec. 21. Funds deposited pursuant to G.S. 20-81.3(c) in the Recreation and
7 Natural Heritage Trust Fund may be used during the 1990-91 fiscal year to match
8 federal funds for the purchase of land at Buxton Woods.

9
10 Requested by: Senator Martin of Pitt

11 —WASTE STREAM ANALYSIS

12 Sec. 22. Section 34 of Chapter 754 of the 1989 Session Laws, as rewritten by
13 Section 28 of Chapter 799 of the 1989 Session Laws, reads as rewritten:

14 "Sec. 34. Of the funds allocated from the Special Reserve for Oil Overcharge Funds
15 to the North Carolina Housing Trust Fund in Section 2 of Chapter 841 of the 1987
16 Session Laws, the sum of \$500,000 shall be reallocated to the Department of ~~Commer~~
17 Economic and Community Development for the 1989-90 fiscal year to be used for a
18 study including a waste stream analysis and the development of a State and local
19 government recycling and waste management plan by the Department of Environment,
20 Health, and Natural Resources. ~~These funds shall be used to conduct 'waste stream'~~
21 ~~research in North Carolina counties.—This research study shall be contracted out by the~~
22 ~~Secretary of the Department of Environment, Health, and Natural Resources on a~~
23 ~~competitive bid basis to an organization or firm that responds successfully to a 'request~~
24 ~~for proposals' (RFP) issued at the direction and approval of the Secretary of the~~
25 ~~Department of Environment, Health, and Natural Resources. The RFP shall be issued~~
26 ~~by the Secretary and awarded no later than December 31, 1989. November 15, 1990.~~
27 ~~The RFP shall contain provisions for quarterly progress reports to be issued by the~~
28 ~~contractor to the Secretary, who shall also make provisions for distributing reports to~~
29 ~~private entities participating in the matching grants provision.—Reports to the~~
30 ~~appropriate committees of the General Assembly shall be determined by the President~~
31 ~~Pro Tempore of the Senate and the Speaker of the House of Representatives.~~

32 ~~These funds shall be matched on a one to one basis by private entities by April 30,~~
33 ~~1990. The Secretary shall appoint a special advisory panel, composed of representatives~~
34 ~~from local units of government and organizations participating in the matching grants~~
35 ~~program, to comment on contractors' responses to the RFP. Panel members from local~~
36 ~~units of government shall be appointed so as to ensure that all regions of the State are~~
37 ~~equally represented. The Secretary, however, shall have final responsibility for~~
38 ~~awarding the contract.~~

39 ~~At a minimum, the waste stream analysis research study shall include scientific and~~
40 ~~statistically significant sampling of solid waste material in each of North Carolina's 120~~
41 ~~landfills; or, the study shall contain sufficient statistically reliable data to project, at an~~
42 ~~eighty percent (80%) confidence level, the content and volume of all existing North~~
43 ~~Carolina landfills or other properly permitted solid waste disposal facilities. Based on~~

1 ~~these specific findings, additional written outcomes of this waste stream analysis shall~~
2 ~~be the following:~~

- 3 (1) ~~Recommended solid waste disposal policies, appropriate for regions or~~
4 ~~local units of government, that are considered practicable, as well as~~
5 ~~'state-of-the-art'; that evaluate the financial impact and energy~~
6 ~~avoidance of recycling and alternative methods of solid waste disposal,~~
7 ~~including incineration and waste-to-energy options; that are consistent~~
8 ~~with contractor's findings; that contain specific procedures for~~
9 ~~monitoring market demand for recyclable goods; that identify potential~~
10 ~~domestic and foreign markets; that propose collection, storage, and~~
11 ~~transportation strategies, for regions, and for multi-county and single-~~
12 ~~county collection, recycling, treatment, and disposal; and that identify~~
13 ~~all relevant operating costs, capital costs, and revenues derived through~~
14 ~~the sale of recycled waste stream components and energy, related to~~
15 ~~their implementation;~~
- 16 (2) ~~A recommended solid waste management plan, based upon the~~
17 ~~policies recommended in subdivision (1) of this section, for the State~~
18 ~~of North Carolina, or regions therein, including policies the State may~~
19 ~~consider to provide incentives for recycling facilities to locate in North~~
20 ~~Carolina; that suggest future strategies the State might consider to~~
21 ~~ensure that its investments produce measurable reductions in solid~~
22 ~~waste, offer economic alternatives to traditional landfills, and provide~~
23 ~~increased technical assistance to regions, counties, and cities;~~
- 24 (3) ~~The plan, as recommended, shall contain a year-by-year determination~~
25 ~~of all relevant operating and capital costs, and propose recommended~~
26 ~~appropriations and/or financing mechanisms needed for the number of~~
27 ~~years required for its full implementation;~~
- 28 (4) ~~Finally, the plan shall contain a specific evaluation component which~~
29 ~~shall describe criteria for measuring progress and results against the~~
30 ~~plan, and which shall be understood clearly by the general public.~~

31 The Secretary of the Department of Environment, Health, and Natural Resources
32 shall solicit matching funds from non-State entities.

33 The waste stream analysis shall include a representative sample of waste disposal
34 sites that considers such regional and county specific variables as topography,
35 population, agriculture, industry, and economic base. The study shall be designed so
36 that a statewide waste stream can be statistically defined. The analysis shall identify
37 components and quantities of the materials in the State's waste stream and the
38 recyclability of these components.

39 Based on the findings of the waste stream analysis, the study shall develop a State
40 and local government recycling and waste management plan as set forth in G.S. 130A-
41 309.07 and G.S. 130A-309.09. The plan shall also address the following:

- 42 (1) Strategies for recycling or managing each of the waste streams
43 identified;

- 1 (2) Development of recycling plans, which may include the marketing of
2 guaranteed waste streams, to meet the State's goal of recycling twenty-
3 five percent (25%) of the State's waste stream by 1993; and
4 (3) Development of county or regional waste stream profiles that shall be
5 used for the development of model recycling plans for cities, towns,
6 counties, and regions of the State.

7 The North Carolina Housing Finance Agency shall transfer the funds reallocated by
8 this subsection to the Department of Economic and Community Development no later
9 than September 1, 1989.

10 ~~The Department of Commerce shall submit comprehensive annual reports to the~~
11 ~~General Assembly by May 5, 1990, and January 31, 1991, which detail the use of all~~
12 ~~funds received in the Stripper Well Litigation that were used or expended by State~~
13 ~~agencies. Any State department or agency that has received oil overcharge funds shall~~
14 ~~provide all information requested by the Department of Commerce for the purpose of~~
15 ~~preparing this report. The Department of Environment, Health, and Natural Resources~~
16 shall provide all information requested by the Department of Economic and Community
17 Development for the report the Department of Economic and Community Development
18 is required to make pursuant to Section 150(c) of Chapter 752 of the 1989 Session
19 Laws. A final report of the waste stream analysis and the State and local government
20 recycling and waste management plan shall be issued by the contractor to the Secretary
21 of the Department of Environment, Health, and Natural Resources and the General
22 Assembly at the convening of the Regular Session 1991, no later than May 1, 1991."
23

24 Requested by: Senator Martin of Pitt

25 ~~—ENVIRONMENTAL HEALTH PROGRAMS~~

26 Sec. 23. Section 142 of Chapter 752 of the 1989 Session Laws reads as
27 rewritten:

28 "Sec. 142. Of the funds appropriated to the Department of ~~Human Resources,~~
29 ~~Division of Health Services in Section 5 of this act~~ Environment, Health, and Natural
30 Resources, Environmental Health Division, for the 1989-90 fiscal year ~~and for the 1990-~~
31 ~~91 fiscal year~~ the sum of \$300,000 shall be used ~~each fiscal year~~ for the purpose of
32 providing high quality environmental health programs.

33 These funds shall be allocated equally among the 100 counties."
34

35 Requested by: Senator Barker

36 ~~—WILDLIFE COMMISSION FUNDS~~

37 Sec. 24. (a) The Wildlife Resources Commission may use up to \$235,000 in
38 funds available to the Commission for the 1990-91 fiscal year for construction of a
39 boating access area at Cedar Island in Carteret County.

40 (b) The Wildlife Resources Commission may use up to \$45,000 in funds
41 available to the Commission for the 1990-91 fiscal year for construction of a boating
42 access area at Ocracoke Island in Hyde County.

43 (c) Section 38 of Chapter 754 of the 1989 Session Laws reads as rewritten:

1 "Sec. 38. The Wildlife Resources Commission may use no more than \$250,000
2 ~~\$315,000~~ for the ~~1989-90-1990-91~~ fiscal year to repair the dam at the Lake Rim Fish
3 Hatchery in Cumberland County."

4 (d) Section 31 of Chapter 1100 of the 1987 Session Laws reads as rewritten:

5 "Sec. 31. The Wildlife Resources Commission may use funds available to it for the
6 ~~1988-89-1990-91~~ fiscal year for the construction of a ~~laboratory complex~~ visitor center
7 at Pisgah Forest Fish Hatchery. The cost of the construction shall not exceed one
8 hundred fifty-six thousand dollars (\$156,000). The Wildlife Resources Commission
9 shall report to the Joint Legislative Commission on Governmental Operations on its
10 plans before spending any funds on this project."

11
12 Requested by: Senator Barker

13 ---WILDLIFE COMMITTEE EXPENSES

14 Sec. 25. G.S. 113-335 reads as rewritten:

15 "**§ 113-335. North Carolina Nongame Wildlife Advisory Committee.**

16 The North Carolina Nongame Wildlife Advisory Committee is created subject to
17 constitution, organization, and function as determined appropriate and advisable by
18 resolution of the Wildlife Resources Commission. The Advisory Committee is to be
19 comprised of knowledgeable and representative citizens of North Carolina whose
20 responsibility shall be to advise the Commission on matters related to conservation of
21 nongame wildlife including creation of protected animal lists and development of
22 conservation programs for endangered, threatened, and special concern species.

23 Members of the Advisory Committee shall receive necessary travel and subsistence
24 expenses while on official business of the Committee in accordance with G.S. 138-5
25 and G.S. 138-6, to be paid from the Nongame Account of the Wildlife Resources Fund."

26
27 Requested by: Senator Martin of Pitt

28 ---LIABILITY INSURANCE FOR HEALTH CARE EMPLOYEES

29 Sec. 26. Section 129 of Chapter 752 of the 1989 Session Laws reads as
30 rewritten:

31 "Sec. 129. The Secretary of the Department of Human ~~Resources and Resources,~~
32 the Secretary of the Department of Environment, Health, and Natural Resources, and
33 the Secretary of the Department of Correction may provide medical liability coverage
34 not to exceed \$1,000,000 on behalf of employees of the Departments licensed to
35 practice medicine or dentistry. This coverage may include commercial insurance or
36 self-insurance and shall cover these employees for their acts or omissions only while
37 they are engaged in providing medical and dental services pursuant to their State
38 employment.

39 The coverage provided pursuant to this section shall not require any additional
40 appropriations and shall not apply to any individual providing contractual service to the
41 Department of Human ~~Resources Resources,~~ the Department of Environment, Health,
42 and Natural Resources, or the Department of Correction."

43
44 Requested by: Senator Martin of Pitt

1 ---EPIDEMIOLOGY LINE ITEM TRANSFERS

2 Sec. 27. Of the funds appropriated to the Department of Environment,
3 Health, and Natural Resources, Communicable Disease Control Section, amounts may
4 be transferred from the Immunization Branch pharmaceutical line item for the 1990-91
5 fiscal year as follows: \$188,389 to the Immunization Branch salary and fringe benefits
6 line item; \$37,100 to the Immunization Branch supplies and printing line item; and
7 \$39,891 to the Immunization Branch travel line item.

8
9 Requested by: Senator Martin of Pitt

10 ---STATEWIDE MEDICAL EXAMINER FUNDS

11 Sec. 28. Section 138 of Chapter 752 of the 1989 Session Laws reads as
12 rewritten:

13 "Sec. 138. The ~~State Health Director~~ Department of Environment, Health, and
14 Natural Resources may budget for the ~~1989-90~~ 1990-91 fiscal year up to ~~\$450,000~~
15 \$250,000 of excess federal indirect cost receipts to ~~complete, staff, complete~~ and equip
16 the Statewide Medical Examiner System."

17
18 Requested by: Senator Martin of Pitt

19 ---NON-MEDICAID REIMBURSEMENT

20 Sec. 29. Section 105 of Chapter 500 of the 1989 Session Laws reads as
21 rewritten:

22 "Sec. 105. Providers of medical services under the various State programs other
23 than Medicaid offering medical care to citizens of the State shall be reimbursed at rates
24 no more than those under the North Carolina Medical Assistance Program.

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

31 Maximum net family annual income eligibility standards for services in these
32 programs with the exception of Migrant Health, School Health, AIDS Drug
33 Reimbursement Program, and Home Health shall be as follows:

34	Family		Medical Eye		All
35	<u>Size</u>	<u>Kidney</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
36	1	\$6,400	\$4,860	\$ 8,364	\$4,200
37	2	8,000	5,940	10,944	5,300
38	3	9,600	6,204	13,500	6,400
39	4	11,000	7,284	16,092	7,500
40	5	12,000	7,824	18,648	7,900
41	6	12,800	8,220	21,228	8,300
42	7	13,600	8,772	21,708	8,800
43	8	14,400	9,312	22,220	9,300

1 The eligibility level each fiscal year for outpatient services for all clients and for
2 inpatient services for children under the age of five in the Children's Special Health
3 Services Program shall be one hundred percent (100%) of the federal poverty guidelines
4 as revised annually by the United States Department of Health and Human Services, in
5 effect on July 1, of each fiscal year. The eligibility level for children in the Medical Eye
6 Care Program in the Division of Services for the Blind shall be the same as that for
7 children in the Children's Special Health Services Program."
8

9 Requested by: Senator Martin of Pitt

10 —REDUCE INFANT MORTALITY

11 Sec. 30. (a) Of the funds appropriated from the General Fund to the
12 Department of Environment, Health, and Natural Resources, Division of Maternal and
13 Child Health, the sum of \$300,000 for the 1990-91 fiscal year shall be used to expand
14 the Rural Obstetrical Care Incentive Program established under Section 39.3 of Chapter
15 1100, 1987 Session Laws, Regular Session 1988. The Rural Obstetrical Care Incentive
16 Program will be used to assist with the cost of malpractice insurance for family
17 physicians, obstetricians, and certified nurse midwives who agree to provide prenatal
18 and obstetrical services in medically underserved areas of the State. Physicians and
19 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program
20 are required to participate in an obstetrical care coverage plan developed by their local
21 health department or community, migrant, or rural health center, and must agree to
22 provide services to pregnant women regardless of their ability to pay for the services.

23 (b) The Department of Environment, Health, and Natural Resources, Division of
24 Maternal and Child Health, shall report to the Joint Legislative Commission on
25 Governmental Operations in December 1990 about the feasibility of setting up a nurse
26 midwifery education program in North Carolina.

27 (c) The Department of Environment, Health, and Natural Resources and the
28 Department of Human Resources shall conduct a needs assessment in each county to
29 determine the availability of prenatal care and necessary supportive services to pregnant
30 women. The assessment shall include the availability of Women, Infants, and Children
31 nutritional supplements, and maternity care coordination. The assessment shall also
32 determine the extent to which the lack of such services impacts on low birthweight and
33 infant mortality in the county. The Departments shall report their findings to the Joint
34 Legislative Commission on Governmental Operations on March 15, 1991.

35
36 PART XI.—DEPARTMENT OF ECONOMIC AND COMMUNITY
37 DEVELOPMENT

38
39 Requested by: Senator Martin of Pitt.

40 —ECONOMIC DEVELOPMENT PUBLICATIONS

41 Sec. 31. G.S. 143B-435 reads as rewritten:

42 "**§ 143B-435. Publications.**

43 The Department of Economic and Community Development may also cause to be
44 prepared for publication, from time to time, reports and statements, with illustrations,

1 maps and other descriptions, which may adequately set forth the natural and material
2 resources of the State and its industrial and commercial developments, with a view to
3 furnishing information to educate the people with reference to the material advantages
4 of the State, to encourage and foster existing industries, and to present inducements for
5 investment in new enterprises. Such information shall be published and distributed as
6 the Department of Economic and Community Development may ~~direct, at the expense~~
7 ~~of the State as other public documents.~~ direct. The costs of publishing and distributing
8 such information shall be paid from:

9 (1) State funds as other public documents; or

10 (2) Private funds received:

11 a. As donations, or

12 b. From the sale of appropriate advertising in such published
13 information."

14
15 Requested by: Senator Martin of Pitt

16 ---NORTH CAROLINA MANUFACTURING DIRECTORY PROCEEDS

17 Sec. 32. (a) All the proceeds from the sales of the North Carolina
18 Manufacturing Directory collected by the Department of Economic and Community
19 Development in excess of the cost of publishing the Directory shall be allocated as
20 follows:

21 (1) The sum of \$50,000 shall be deposited in the General Fund for the
22 1990-91 fiscal year; and

23 (2) The remaining funds shall be retained by the Department for the 1990-
24 91 fiscal year for advertising for industrial recruitment.

25 (b) Beginning October 1, 1990, the Department shall submit quarterly reports to
26 the Chairmen of the Senate and House Appropriations Committees and to the Director
27 of the Fiscal Research Division. These reports shall include the amount of proceeds
28 collected from the sales of the Directory and the amount spent on advertising pursuant
29 to the provisions of this section.

30
31 Requested by: Senator Martin of Pitt

32 ---WORKER TRAINING TRUST FUND

33 Sec. 33. (a) Section 149 of Chapter 752 of the 1989 Session Laws reads as
34 rewritten:

35 "Sec. 149. (a) There is appropriated from the Worker Training Trust Fund to the
36 Employment Security Commission of North Carolina the sum of \$1,200,000 for the
37 1989-90 fiscal year ~~and the sum of \$1,200,000 for the 1990-91 fiscal year~~ for a Worker
38 Readjustment Program to provide a statewide program of rapid response to plant
39 closings. Funds appropriated by this section for the 1989-90 fiscal year but not spent or
40 encumbered by June 30, 1990, shall be reallocated to the North Carolina Department of
41 Economic and Community Development for the 1990-91 fiscal year for a State job
42 training program to be administered through the Job Training Partnership Act system
43 and aimed at the unemployed and the working poor.

1 (b) The Employment Security Commission shall report quarterly to the Joint
2 Legislative Commission on Governmental Operations ~~by the first of each month prior to~~
3 ~~the expenditure of any funds appropriated by this section.~~ Operations. The report
4 required by this subsection may be included in any other report that the Employment
5 Security Commission is required to make to the Joint Legislative Commission on
6 Governmental Operations.

7 (c) The Employment Security Commission shall use supplemental federal funds
8 or other additional funds received by the Employment Security Commission for similar
9 purposes before expending funds appropriated by this section."

10 (b) Section 111 of Chapter 500 of the 1989 Session Laws reads as rewritten:

11 "Sec. 111. (a) There is appropriated from the Worker Training Trust Fund to the
12 Employment Security Commission of North Carolina the sum of four million five
13 hundred thirty-seven thousand seven hundred eight dollars (\$4,537,708) for the 1989-90
14 fiscal year and the sum of ~~four million five hundred thirty-seven thousand seven~~
15 ~~hundred eight dollars (\$4,537,708)~~ \$5,000,000 for the 1990-91 fiscal year for the
16 operation of local offices at the 1986-87 level of service.

17 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
18 Employment Security Administration Fund to the Employment Security Commission of
19 North Carolina, the sum of one million dollars (\$1,000,000) for the 1989-90 fiscal year
20 and the sum of ~~one million dollars (\$1,000,000)~~ \$2,000,000 for the 1990-91 fiscal year
21 for administration of the Veterans Employment Program, Employment Services
22 Program, and Unemployment Insurance Program.

23 (c) Beginning October 1, 1989, the Employment Security Commission shall
24 report to the Appropriations Committee on Natural and Economic Resources and the
25 Joint Legislative Commission on Governmental Operations ~~by the first of each month,~~
26 ~~prior to the expenditure of any funds appropriated by this section.~~ on a quarterly basis.
27 Supplemental federal funds or other additional funds received by the Employment
28 Security Commission for similar purposes shall be expended prior to the expenditure of
29 funds appropriated by this section."

30 (c) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from
31 the Worker Training Trust Fund to the following agencies the following sums for the
32 1990-91 fiscal year for the following purposes:

- 33 (1) The sum of \$2,000,000, less the sum reallocated in subsection
34 (a) of this section, to the North Carolina Department of
35 Economic and Community Development for a State job training
36 program to be administered through the Job Training
37 Partnership Act system aimed at the unemployed and the
38 working poor.
- 39 (2) The sum of \$250,000 to the North Carolina Department of
40 Public Education for local implementation grants to establish
41 five new Tech Prep programs in the public schools. These
42 grants shall be provided to local school units that have a plan
43 meeting the standards of the State Board of Education and the
44 State Board of Community Colleges.

1 (3) The sum of \$500,000 to the North Carolina Department of
2 Labor for customized training of the hard-core unemployed for
3 specific jobs needed by employers through the Department's
4 Pre-Apprenticeship Division.

5 (4) The sum of \$2,000,000 to the North Carolina Department of
6 Human Resources to assist welfare recipients in gaining
7 employment through the federally funded Job Opportunities and
8 Basic Skills program in such a way as to gain the maximum
9 match of federal funds for the State dollars appropriated.

10 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
11 Worker Training Trust Fund to the Employment Security Commission for the 1990-91
12 fiscal year the sum of \$1,459,673 for operation of local offices.

13 (e) Subsection (d) of this section shall become effective October 1, 1990.

14
15 Requested by: Senator Martin of Pitt

16 ---RURAL ECONOMIC DEVELOPMENT CENTER

17 Sec. 34. Section 110 of Chapter 500 of the 1989 Session Laws, as amended
18 by Section 64 of Chapter 770 of the 1989 Session Laws, reads as rewritten:

19 "Sec. 110. (a) Of the funds appropriated to the Department of ~~Commerce in~~
20 ~~Section 5 of this act, Economic and Community Development,~~ the sum of two million
21 dollars (\$2,000,000) for fiscal year 1989-90 and the sum of ~~two million dollars~~
22 ~~(\$2,000,000) one million nine hundred forty thousand dollars (\$1,940,000)~~ for fiscal
23 year 1990-91 shall be used for a grant-in-aid to the Rural Economic Development
24 Center, Inc., for the administrative costs of the Center and for its pilot projects and
25 research. No more than five hundred thousand dollars (\$500,000) of the funds
26 appropriated for each fiscal year may be used for the administrative costs of the Rural
27 Economic Development Center, Inc.

28 (b) Beginning October 1, 1989, the Rural Economic Development Center, Inc.,
29 shall provide quarterly reports on the Center's pilot projects and research program to the
30 Chairmen of the House Appropriations Committees on Natural and Economic
31 Resources, the Chairman of the Senate Appropriations Committee on Natural and
32 Economic Resources, The Joint Legislative Commission on Governmental Operations,
33 and the Fiscal Research Division not less than 48 hours prior to the beginning of the
34 Commission's full meeting. These reports shall include information of the activities and
35 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
36 year, sources of funding for the past and prospective fiscal years, and planned activities
37 and planned expenditures for at least the next fiscal year.

38 (c) The Rural Economic Development Center, Inc., shall provide a report
39 containing detailed budget, personnel, and salary information to the Office of State
40 Budget and Management in the same manner as State departments and agencies in
41 preparation for biennium budget requests."
42

43 Requested by: Senator Martin of Pitt

44 ---CELEBRATION FOUNDATION, INC.

1 Sec. 35. Section 30 of Chapter 799 of the 1989 Session Laws reads as
2 rewritten:

3 "Sec. 30. The Department of ~~Commerce~~Economic and Community Development
4 may continue for the 1989-91 biennium the development and implementation of North
5 Carolina Celebration '91 activities, 1991 Foundation, Inc. activities, a series of activities
6 and events which are scheduled to occur across the State in 1991 to demonstrate local
7 history and ~~heritage~~heritage, promote travel to the State, and establish a permanent
8 privately funded foundation for programs to address persistent issues in our State
9 including adult illiteracy, infant mortality, environmental awareness, housing, and
10 others."

11
12 Requested by: Senator Johnson of Wake

13 —HOUSING PARTNERSHIP

14 Sec. 36. G.S. 122E-4(b) reads as rewritten:

15 "(b) The Partnership shall consist of ~~13~~18 members as follows:

- 16 (1) The Executive Director of the North Carolina Housing Finance
17 Agency shall serve ex officio;
- 18 (2) The Secretary of the Department of Economic and Community
19 Development or his designee shall serve ex officio;
- 20 (3) The State Treasurer or his designee shall serve ex officio;
- 21 (4) In accordance with G.S. 120-121, five members shall be appointed by
22 the General Assembly upon the recommendation of the President of
23 the Senate, provided that one member shall be a representative of the
24 homebuilding industry, one member shall be a low income housing
25 advocate, and one member shall be a representative of the League of
26 Municipalities;
- 27 (5) In accordance with G.S. 120-121, five members shall be appointed by
28 the General Assembly upon the recommendation of the Speaker of the
29 House of Representatives, provided that one member shall be a
30 representative of the real estate lending industry; one member shall be
31 a representative of a non-profit housing development corporation; and
32 one member shall be a resident of low income ~~housing~~housing;
- 33 (6) In accordance with G.S. 120-121, five members shall be appointed by
34 the General Assembly upon the recommendation of the president pro
35 tempore of the Senate, provided that one member shall be a
36 representative of the manufactured housing industry, one member shall
37 be a representative of the County Commissioners, and one member
38 shall be an expert in subsidized housing development.

39 The members of the Partnership shall elect one of their members to serve as
40 Chairman for a term of one year. ~~Seven~~Ten members of the Partnership shall
41 constitute a quorum. All members shall have the right to vote on all issues before the
42 Partnership."

43
44 PART XII.—DEPARTMENT OF HUMAN RESOURCES

1

2 Requested by: Senator Walker

3 —MEDICAID PROGRAM FUNDS/ADMINISTRATIVE ACTIVITIES

4

5 Sec. 37. The Department of Human Resources may use Medicaid funds
6 budgeted from program services to support the cost of administrative activities to the
7 extent that these administrative activities produce a net savings in services requirements.
8 Administrative initiatives funded by this section shall be first approved by the Office of
9 State Budget and Management.

9

10 Requested by: Senator Walker

11 —EMERGENCY ASSISTANCE FUNDS

12

13 Sec. 38. The Secretary of the Department of Human Resources may use
14 funds available within the Department for the 1990-91 fiscal year to fund the
15 Emergency Assistance Program to a level not to exceed a total of \$1,384,117 of State
16 funds. Within this limit, Emergency Assistance benefits shall not exceed \$300.00 per
17 year, per family, payable over a 30-day period. After this 30-day period, Emergency
18 Assistance benefits are not available to the same family until 12 months have elapsed
19 from the date of the initial authorization date. The family may have no more than a total
20 of \$300.00 in liquid assets in order to qualify for any Emergency Assistance pursuant to
21 this section.

21

22 It is the intent of the General Assembly that these Emergency Assistance
23 funds shall be used only to provide assistance to persons to alleviate an emergency. In
24 evaluating whether an emergency exists, the county departments of social services shall
25 apply prudent judgment to evaluate each emergency on its own merits. Prudent
26 judgment permits departments of social services to consider whether the client created
27 the emergency and whether the assistance will resolve the emergency.

27

28 Requested by: Senator Walker

29 —DHR PROGRAMS FUNDS

30

31 Sec. 39. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
32 Department of Human Resources, with the approval of the Office of State Budget and
33 Management, may use, to the extent possible, any funds appropriated or otherwise
34 available to the Department in the 1990-91 fiscal year, for the following needs, pursuant
35 to the Governor's recommended changes to the 1990-91 State Budget:

35

(1) Aid to Families with Dependent Children Caseload Increase/FFP
36 Reduction;

36

(2) Job Opportunities and Basic Skills Training Program (JOBS);

37

(3) Foster Care Caseload increase; and

38

(4) State/County Special Assistance for Adults Program (Rest Homes.)

39

40

41 Requested by: Senator Walker

42 —MEDICAID SERVICES COVERAGE CHANGE

1 Sec. 40. (a) Section 70(a) of Chapter 500 of the 1989 Session Laws, as
2 amended by Section 139(a) of Chapter 752 of the 1989 Session Laws, reads as
3 rewritten:

4 "(a) Appropriations in Section 3 of this act for services provided in accordance
5 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
6 needy and the medically needy. Funds appropriated for these services shall be
7 expended in accordance with the following schedule of services and payment bases. All
8 services and payments are subject to the language at the end of this subsection.

9
10 Services and payment bases:

- 11 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
12 based on a prospective rate reimbursement plan as established by the
13 Department of Human Resources. Administrative days for any period
14 of hospitalization shall be limited to a maximum of three days.
- 15 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
16 prospective reimbursement plan as established by the Department of
17 Human Resources.
- 18 (3) Mental Hospitals - Allowable costs or a prospective reimbursement if
19 approved by the Director of the Budget.
- 20 (4) Skilled Nursing Facilities and Intermediate Care Facilities - As Prior
21 to October 1, 1990, as prescribed under the State Plan for reimbursing
22 Long-Term Care Facilities. Skilled nursing facility participation in the
23 Medicare program is a condition of participation in the North Carolina
24 Medicaid skilled nursing facility program. Effective October 1, 1990,
25 skilled nursing facilities and intermediate care facilities, except those
26 intermediate care facilities for the mentally retarded, will be
27 designated for Medicaid purposes as nursing facilities. Nursing
28 facilities will be reimbursed as prescribed under the State Plan for
29 reimbursing Long-Term Care Facilities. Nursing facilities providing
30 services to Medicaid recipients who also qualify for Medicare, must be
31 enrolled in the Medicare program as a condition of participation in the
32 Medicaid program, subject to phase-in certification for those nursing
33 facilities not already enrolled in Medicare.
- 34 (5) Intermediate Care Facilities for the Mentally Retarded - As prescribed
35 under the State Plan for reimbursing intermediate care facilities for the
36 mentally retarded.
- 37 (6) Drugs - Drug costs as allowed by federal regulations plus four dollars
38 twenty-four cents (\$4.24) professional services fee per month
39 excluding refills for the same drug or generic equivalent during the
40 same month. Reimbursement shall be available for up to six
41 prescriptions per recipient, per month, including refills. Payments for
42 drugs are subject to the provisions of subsection (g) of this section and
43 to the provisions at the end of subsection (a) of this section, or in

- 1 accordance with a plan adopted by the Department of Human
2 Resources consistent with federal reimbursement regulations.
- 3 (7) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
4 Nurse Midwife Services - Fee schedules as developed by the
5 Department of Human Resources. Payments for dental services are
6 subject to the provisions of subsection (f) of this section.
- 7 (8) Community Alternative Program, EPSDT Screens - Payment to be
8 made in accordance with a rate schedule developed by the Department
9 of Human Resources.
- 10 (9) Home Health, Private Duty Nursing, Clinic Services, ~~Mental Health~~
11 ~~Clinics~~, Prepaid Health Plans - Payment to be made according to
12 reimbursement plans developed by the Department of Human
13 Resources.
- 14 (10) Medicare Buy-In - Social Security Administration premium.
- 15 (11) Ambulance Services - Uniform fee schedules as developed by the
16 Department of Human Resources.
- 17 (12) Hearing Aids - Actual cost plus a dispensing fee.
- 18 (13) Rural Health Clinic Services - Provider based - reasonable cost;
19 nonprovider based - single cost reimbursement rate per clinic visit.
- 20 (14) Family Planning - Negotiated rate for local health departments. For
21 other providers - see specific services, for instance, hospitals,
22 physicians.
- 23 (15) Independent Laboratory and X-Ray Services - Uniform fee schedules
24 as developed by the Department of Human Resources.
- 25 (16) Optical Supplies - One hundred percent (100%) of reasonable
26 wholesale cost of materials.
- 27 (17) Ambulatory Surgical Centers - Negotiated rates, established by the
28 Department of Human Resources.
- 29 (18) Medicare Crossover Claims - Actual coinsurance or deductible or
30 both.
- 31 (19) Physical Therapy and Speech Therapy - Services limited to EPSDT
32 eligible children. Payments are to be made only to the Children's
33 Special Health Services program at rates negotiated by the Department
34 of Human Resources.
- 35 (20) Personal Care Services - Payment in accordance with plan approved
36 by the Department of Human Resources.
- 37 (21) Case Management Services - Reimbursement in accordance with the
38 availability of funds to be transferred within the Department of Human
39 Resources.
- 40 (22) Hospice - Services may be provided in accordance with plan
41 developed by the Department of Human Resources.
- 42 (23) Mental Health Services - Coverage is limited to agencies meeting the
43 requirements of the rules established by the Commission for Mental
44 Health, Developmental Disabilities, and Substance Abuse Services and

1 reimbursement is made according with a plan developed by the
2 Department of Human Resources not to exceed the upper limits
3 established in federal regulations.

4 (24) Medically Necessary Prosthetics/Orthotics for EPSDT Eligible
5 Children - Reimbursement in accordance with plan approved by the
6 Department of Human Resources.

7 Reimbursement is available for up to 24 visits per recipient per year to any one or
8 combination of the following: physicians, clinics, hospital outpatient, optometrists,
9 chiropractors, and podiatrists. Prenatal services, ~~EPSDT screens,~~ all EPSDT eligible
10 children, and emergency rooms are exempt from the visit limitations contained in this
11 paragraph. Exceptions may be authorized by the Department of Human Resources
12 where the life of the patient would be threatened without such additional care. Any
13 person who is determined by the Department to be exempt from the 24-visit limitation
14 may also be exempt from the six-prescription limitation."

15 (b) This section does not repeal Section 139(b) of Chapter 752, Session Laws of
16 1989, which may become effective as provided therein.

17
18 Requested by: Senator Walker

19 ---INFANT MORTALITY REDUCTION

20 Sec. 41. (a) The Division of Medical Assistance shall develop a statewide
21 plan to inform Medicaid recipients about the availability of transportation, to determine
22 the extent to which each local department of social services provides Medicaid
23 transportation when requested, and to ensure that each local department provides
24 Medicaid transportation. In gathering this information and designing the plan, the
25 Division shall consult with other public and private agencies that work with Medicaid
26 patients who need transportation services.

27 (b) The Department of Human Resources shall establish a Food Stamp Outreach
28 Program. Under the Program, the Department shall inform public and private agencies,
29 community groups, potentially-eligible persons, and the general public regarding the
30 eligibility requirements of the Food Stamp Program. The Department shall develop a
31 referral list of public and private agencies, community groups, and interested persons
32 and organizations who serve low-income persons. The Department shall inform these
33 agencies and persons regarding the Food Stamp Program and changes in the law that
34 affect client eligibility or the extent of benefits. The Department shall develop and
35 distribute informational materials, such as public service announcements, brochures,
36 pamphlets, posters, and correspondence.

37
38 Requested by: Senator Walker

39 ---REVISED MEDICAID COVERAGE FOR PREGNANT WOMEN AND
40 CHILDREN

41 Sec. 42. Section 70(m) of Chapter 500 of the 1989 Session Laws, as
42 rewritten by Section 133 of Chapter 752 of the 1989 Session laws, reads as rewritten:

43 "(m) The Department of Human Resources shall provide Medicaid coverage to
44 pregnant women, to infants, and to children according to the following schedule:

- 1 (1) ~~Effective July 1, 1989, through December 31, 1989, pregnant women~~
2 ~~with family incomes equal to or less than the federal poverty~~
3 ~~guidelines as revised annually shall be covered for Medicaid benefits;~~
4 (2~~1~~) ~~Effective January 1, 1990, to September 30, 1990, pregnant women~~
5 ~~with incomes equal to or less than one hundred fifty percent (150%) of~~
6 ~~the federal poverty guidelines as revised annually each July 1 shall be~~
7 ~~covered for Medicaid benefits;~~
8 (2) Effective October 1, 1990, pregnant women with incomes equal to or
9 less than one hundred eighty-five percent (185%) of the federal
10 poverty guidelines as revised each July 1 shall be covered for
11 Medicaid benefits.
12 (3) ~~Effective July 1, 1989, through December 31, 1989, infants under the~~
13 ~~age of one with family incomes equal to or less than the federal~~
14 ~~poverty guidelines as revised annually shall be covered for Medicaid~~
15 ~~benefits;~~
16 (4~~3~~) ~~Effective January 1, 1990, to September 30, 1990, infants under the~~
17 ~~age of one with family incomes equal to or less than one hundred fifty~~
18 ~~percent (150%) of the federal poverty guidelines as revised annually~~
19 ~~each July 1 shall be covered for Medicaid benefits;~~
20 (4) Effective October 1, 1990, infants under the age of 1 with family
21 incomes equal to or less than one hundred eighty-five percent (185%)
22 of the federal poverty guidelines as revised each July 1, shall be
23 covered for Medicaid benefits.
24 (5) Effective October 1, 1989, through September 30, 1990, children aged
25 1 through 5 with family incomes equal to or less than the federal
26 poverty guidelines as revised each July 1 shall be covered for
27 Medicaid benefits;
28 (6) Effective October 1, 1990, children aged 1 through 5 with family
29 incomes equal to or less than one hundred thirty-three percent (133%)
30 of the federal poverty guidelines as revised each July 1 shall be
31 covered for Medicaid benefits.
32 (7) Effective October 1, 1990, children aged 6 and 7 with family incomes
33 equal to or less than the federal poverty guidelines as revised each July
34 1 shall be covered for Medicaid benefits;
35 (5) ~~Effective July 1, 1989, through September 30, 1989, children under the~~
36 ~~age of three with family incomes equal to or less than the federal~~
37 ~~poverty guidelines as revised annually shall be covered for Medicaid~~
38 ~~benefits; and~~
39 (6) ~~Effective October 1, 1989, children under the age of six with family~~
40 ~~incomes equal to or less than the federal poverty guidelines as revised~~
41 ~~annually shall be covered for Medicaid benefits.~~
42 (7) ~~Effective October 1, 1990, children under the age of seven with family~~
43 ~~incomes equal to or less than the federal poverty guidelines as revised~~
44 ~~annually shall be covered for Medicaid benefits.~~

1 Services to pregnant women eligible under this section continue throughout the
2 pregnancy but include only those related to pregnancy and to those other conditions
3 determined by the Department as conditions that may complicate pregnancy. In order to
4 reduce county administrative costs and to expedite the provision of medical services to
5 pregnant women, to infants, and to children eligible under this section, no resources test
6 shall be applied."

7
8 Requested by: Senators Royall and Walker

9 ---USE OF OVERREALIZED RECEIPTS FOR PIONEER PROJECT

10 Sec. 43. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
11 Department of Human Resources, with the approval of the Office of State Budget and
12 Management, may use overrealized receipts and other sources of funds during the 1990-
13 91 fiscal year to continue the statewide implementation of the Pioneer Funding Project.

14
15 Requested by: Senator Walker

16 ---WILLIE M. REPORTING CHANGE

17 Sec. 44. Section 82(e) of Chapter 500 of the 1989 Session Laws reads as
18 rewritten:

19 "(e) Reporting Requirements. The Department of Human Resources and the
20 Department of Public Education shall submit, by May 1, ~~1990~~, 1991, a joint report to
21 the Governor and the General Assembly on the progress achieved in serving members
22 of the Willie M. Class. The report shall include the following unduplicated data for
23 each county: (i) the number of children nominated for the Willie M. Class; (ii) the
24 number of children actually identified as members of the Class in each county; (iii) the
25 number of children served as members of the Class in each county; (iv) the number of
26 children who remain unserved; (v) the types and locations of treatment and
27 education services provided to Class members; (vi) the cost of services, by type, to
28 members of the Class; (vii) information on the impact of treatment and education
29 services on members of the Class."

30
31 Requested by: Senator Walker

32 ---EASTERN REGIONAL DETOXIFICATION FUNDS CHANGE

33 Sec. 45. Section 124 of Chapter 752 of the 1989 Session Laws reads as
34 rewritten:

35 "Sec. 124. Funds appropriated to the Department of Human Resources, Division of
36 Mental Health, ~~Mental Retardation, Developmental Disabilities,~~ and Substance Abuse
37 Services, ~~for the 1989-90 fiscal year and for the 1990-91 fiscal year~~ for Eastern
38 Regional Detoxification Services shall be allocated to the Division's Eastern Regional
39 Office and distributed to area mental health, mental retardation, and substance abuse
40 authorities ~~as determined by the regional management team.~~"

41
42 Requested by: Senator Walker

43 ---CHRONICALLY MENTALLY ILL FUNDS ALLOCATION

1 Sec. 46. Funds appropriated to the Department of Human Resources,
2 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
3 for the 1990-91 fiscal year for the chronically mentally ill shall be allocated to the
4 Department's regions on a per capita basis and distributed by the regional offices to the
5 area mental health, mental retardation, and substance abuse authorities.

6
7 Requested by: Senator Walker

8 ---ADAP TRANSPORTATION REIMBURSEMENT

9 Sec. 47. Section 84 of Chapter 500 of the 1989 Session Laws reads as
10 rewritten:

11 "Sec. 84. (a) Reimbursement of Adult Developmental Activity Programs for
12 transportation of clients shall be based on a cost per client basis. ~~The minimum amount~~
13 ~~that a program may be reimbursed for transportation cost shall be eleven dollars~~
14 ~~(\$11.00) per client per month. The maximum amount that a program may be~~
15 ~~reimbursed for transportation cost shall be twenty-seven dollars (\$27.00) per client per~~
16 ~~month. There shall be different levels of reimbursement based on documented cost~~
17 ~~levels.~~

18 (b) In reimbursing Adult Developmental Activity Programs, the Department shall
19 base the reimbursement on the distribution by cost range developed by the Division of
20 Mental Health, ~~Mental Retardation, Developmental Disabilities,~~ and Substance Abuse
21 Services, in accordance with its most recently conducted survey cost study."

22
23 Requested by: Senator Walker

24 ---SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSIONS

25 Sec. 48. Section 125 of Chapter 752 of the 1989 Session Laws reads as
26 rewritten:

27 "Sec. 125. Funds made available as a result of the conversion of State supported
28 beds in specialized residential centers to ICF/MR beds shall be used to increase the
29 State subsidy provided to centers. Funds made available to centers by this section shall
30 be used, as they become available, to increase the subsidy rate to sixty-five percent
31 (65%) of the statewide ~~1988-89~~ average cost of providing this service based on the
32 most recent Specialized Community Residential Cost Study.

33 Funds made available in addition to those needed to increase the subsidy rate shall
34 be transferred to the Division of Medical Assistance to be used as State match for the
35 converted ICF/MR beds."

36
37 Requested by: Senator Walker

38 ---DHR PLANNING FUNDS

39 Sec. 49. The Department of Human Resources may use funds that become
40 available to it through gifts, federal or private grants, receipts from federal programs, or
41 any other source, including lapsed salaries, in the 1990-91 fiscal year, for advance
42 planning through the working drawings phase for a psychiatric facility at John Umstead
43 Hospital.

44

1 Requested by: Senator Royall
2 ---AUTISM SOCIETY FUNDS

3 Sec. 50. Of the funds appropriated from the General Fund for the 1990-91
4 fiscal year, \$345,960 shall be allocated to the Autism Society of North Carolina, Inc., to
5 continue the State grant for operations and for stipends for the autistic children's and
6 adults' summer camp.

7
8 Requested by: Senator Royall
9 ---BUDGET REQUIRED TO INCLUDE STATE COST OF LOCAL PROGRAMS

10 Sec. 51. Effective July 1, 1991, the Office of State Budget and Management
11 and the Director, with the advice of the Commission, shall prepare the State budget in a
12 format that adequately and fairly reflects the continuation costs for the State's share of
13 locally operated programs established by statute or State appropriation. These
14 continuation costs shall be computed using the same budget preparation guidelines and
15 rules prepared by the Office of State Budget and Management for use in State agency
16 and institution budgets. Furthermore, in the projections for the expansion costs related
17 to employee compensation, the budget shall include the expansion costs necessary to
18 cover the State's share of salary and salary-related items for employees in locally
19 operated State-funded programs. Local governments or organizations spending State
20 funds to operate local programs shall provide necessary information to the Office of
21 State Budget and Management to establish the necessary continuation and expansion
22 costs.

23
24 Requested by: Senator Walker
25 ---CUED SPEECH FUNDS LIMITS

26 Sec. 52. Section 140 of Chapter 752 of the 1989 Session Laws reads as
27 rewritten:

28 "Sec. 140. Of the funds appropriated to the Department of Human Resources, ~~in~~
29 ~~Section 5 Resources~~ for the 1989-90 fiscal year ~~and the 1990-91 fiscal year~~ the sum of
30 \$50,000 shall be allocated ~~each fiscal year~~ to the Cued Speech Center, Incorporated, in
31 Wake County to establish and operate a preschool deaf education program that will
32 include a model center in two triangle areas of the State, to provide services by
33 interpreters who will work throughout the State in local mainstream situations, to
34 provide workshops for families, interpreters and professionals who work with hearing
35 impaired infants and preschool children, and to provide direct services to hearing
36 impaired senior citizens."

37
38 Requested by: Senator Walker
39 ---DAY CARE RATES

40 Sec. 53. (a) Section 101 of Chapter 500 of the 1989 Session Laws reads as
41 rewritten:

42 "Sec. 101. (a) Rules for the monthly schedule of payments for the purchase of day
43 care services for low income children shall be established by the Social Services

1 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
2 requirements:

3 (1) ~~For facilities~~ day care facilities, as defined in G.S. 110-86(3), in which
4 fewer than fifty percent (50%) of the enrollees are subsidized by State
5 or federal funds, the State shall continue to pay the same fee paid by
6 private paying parents for a child in the same age group in the same
7 facility.

8 (2) Facilities in which fifty percent (50%) or more of the enrollees are
9 subsidized by State or federal funds may choose annually one of the
10 following payment options:

11 a. The facility's payment rate for fiscal year 1985-86; or

12 b. The county market rate, as calculated annually by the Division
13 of Facility Services' Child Day Care Section in the Department
14 of Human Resources' Office of Child Day Care Services.
15 Resources. A market rate shall be calculated for each county
16 and for each age group of enrollees, and shall be the county
17 average of all representative of fees charged to unsubsidized
18 private paying parents for each age group of enrollees.
19 Effective July 1, 1987, and thereafter, the enrollees within the
20 county. The county market rates shall be calculated from
21 facility fee schedules collected by the Office of Child Day Care
22 Services Section during its annual routine inspection visits.

23 (3) Child day care homes as defined in G.S. 110-86(4) and individual
24 child care arrangements may be paid the county market rate for day
25 care homes which shall be calculated at least biennially by the Child
26 Day Care Section according to the method described in subsection
27 (a)(2) of this section, using day care home fee schedules collected by
28 the section during its routine inspection visits.

29 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
30 Statutes may participate in the program that provides for the purchase of ~~slots~~ care in
31 day care facilities, for minor children of needy families. No separate licensing
32 requirements may be used to select facilities to participate.

33 Day care ~~plans~~ homes from which the State purchases day care services shall meet
34 the standards established by the Child Day Care Commission pursuant to G.S. 110-101
35 and G.S. 110-105.1. Individual child care arrangements shall meet the requirements
36 established by the Social Services Commission. Until it can demonstrate that it meets
37 the standards adopted by the Child Day Care Commission, a day care plan from which
38 the State purchases day care services for minor children of needy families shall meet all
39 certification standards adopted by the Department of Human Resources' Office of Child
40 Day Care Services. The fee for the purchase of care from a day care plan is one
41 hundred fifty dollars (\$150.00) per month. The fee for the purchase of care from
42 individual Child Caring Providers is one hundred dollars (\$100.00) per month.

43 (c) ~~Providers whose programs exceed licensing standards may modify their~~
44 ~~programs to standards consistent with licensing standards.~~

1 (d) ~~Any savings that result by reason of this schedule shall be used by the~~
2 ~~Department to provide for payment of the costs of necessary day care for more minor~~
3 ~~children of needy families.~~

4 (e) (c) County departments of social services shall continue to negotiate
5 with day care providers for day care services below those rates prescribed by subsection
6 (a) of this section. County departments are directed to purchase day care services so as
7 to serve the greatest number of children possible with existing resources."

8 (b) Section 102 of Chapter 500 of the 1989 Session Laws reads as rewritten:

9 "Sec. 102. (a) To simplify current day care allocation methodology and more
10 equitably distribute State day care funds, the Department of Human Resources shall
11 apply the following allocation formula to all noncategorical federal and State day care
12 funds used to pay the costs of necessary day care for minor children of needy families:

13 (1) ~~Fifty percent (50%) of budgeted funds shall be distributed according to~~
14 ~~the county's population; and~~

15 (2) ~~Fifty percent (50%) of budgeted funds shall be distributed based upon~~
16 ~~the county's poverty rate as a percentage of the sum total of all North~~
17 ~~Carolina's county poverty rates.~~

18 (1) One-third of budgeted funds shall be distributed according to the
19 county's population in relation to the total population of the State;

20 (2) One-third of the budgeted funds shall be distributed according to the
21 number of children under 6 years of age in a county who are living in
22 families whose income is below the State poverty level in relation to
23 the total number of children under 6 in the State in families whose
24 income is below the poverty level; and

25 (3) One-third of budgeted funds shall be distributed according to the
26 number of working mothers with children under 6 years of age in a
27 county in relation to the total number of working mothers with
28 children under 6 in the State.

29 (b) Counties whose allocation, if based on previously used formulas, exceeds the
30 allocation produced by the formula prescribed by this section may not have their
31 allocations reduced in either fiscal year 1989-90 or fiscal year 1990-91 to the level that
32 results from application of the new formula. Counties whose allocation, if based on
33 previously used formulas, is less than the allocation produced by the formula prescribed
34 by this section shall continue to receive the proportional share of those funds that they
35 received pursuant to appropriations for this purpose by the 1985 General Assembly.
36 The formula prescribed by this section shall not be implemented unless additional State
37 or federal funds are made available. The additional funds must be sufficient to apply
38 the new formula without reducing any county's allocation below the previous year's
39 initial allocation for child day care."

40
41 Requested by: Senator Walker

42 —COMMUNITY ACTION PROGRAM FUNDS

43 Sec. 54. Section 119 of Chapter 500 of the 1989 Session Laws reads as
44 rewritten:

1 "Sec. 119. For the 1989-90 fiscal year and the 1990-91 fiscal year, all agencies
2 designated as eligible agencies pursuant to G.S. 113-28.24 that receive Community
3 Service Block Grant funds may use those funds for the administration of agency
4 programs. The amount of those funds used for administration of agency programs shall
5 be limited to ten percent (10%) of the total annual budget of the agency as certified in
6 the prior year's audit of the agency. The Department of ~~Natural Resources and~~
7 ~~Community Development~~ Human Resources shall report ~~quarterly~~ annually to the Joint
8 Legislative Commission on Governmental Operations and the Appropriations
9 Committee on ~~Natural and Economic Resources~~ Human Resources beginning October
10 1, ~~1989~~, 1990, on the use of Community Service Block Grant Funds for administration
11 of agency programs. The report shall show:

- 12 (1) The total budget for each community action agency or limited purpose
13 agency by program-funding source;
- 14 (2) The amount of funds for administration provided by each program;
- 15 (3) The criteria for determining the amount of funds used for
16 administrative expenses; and
- 17 (4) The number of persons served by each program."

18
19 PART XIII.—COLLEGES AND UNIVERSITIES

20
21 Requested by: Senator Royall

22 —AID TO PRIVATE COLLEGES CLARIFICATION

23 Sec. 55. Section 30 of Chapter 500 of the 1989 Session Laws, as rewritten by
24 Section 93 of Chapter 752 of the 1989 Session Laws, reads as rewritten:

25 "Sec. 30. (a) Funds appropriated in this act to the Board of Governors of The
26 University of North Carolina for aid to private colleges shall be disbursed in accordance
27 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
28 to four hundred fifty dollars (\$450.00) per full-time equivalent North Carolina
29 undergraduate student enrolled at a private institution as of October 1 each year.

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

36 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
37 to all other financial assistance made available to private educational institutions located
38 within the State, or to students attending these institutions, there is granted to each full-
39 time North Carolina undergraduate student attending an approved institution as defined
40 in G.S. 116-22, ~~the sum of a sum, not to exceed~~ one thousand one hundred fifty dollars
41 (\$1,150) per academic year, which shall be distributed to the student as hereinafter
42 provided. Initial allocations of these grants shall be at a level of ninety-seven percent
43 (97%) of the maximum grant for which a student is eligible. The State Education
44 Assistance Authority shall project the number of students eligible, and the funds

1 required, for the full academic year, and the Authority shall allocate grants at the highest
2 proportion possible of the maximum grants.

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

11 In the event a student on whose behalf a grant has been paid is not enrolled and
12 carrying a minimum academic load as of the 10th classroom day following the
13 beginning of the school term for which the grant was paid, the institution shall refund
14 the full amount of the grant to the State Education Assistance Authority. Each approved
15 institution shall be subject to examination by the State Auditor for the purpose of
16 determining whether the institution has properly certified eligibility and enrollment of
17 students and credited grants paid on the behalf of the students.

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

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

27 Any remaining funds shall revert to the General Fund.

28 (c) Expenditures made pursuant to this section may be used only for secular
29 educational purposes at nonprofit institutions of higher learning."

30
31 Requested by: Senators Chalk and Ward

32 —UNC INSTITUTIONS' CENTENNIAL CELEBRATION FUNDS

33 Sec. 56. The Board of Governors of The University of North Carolina may
34 allocate from funds available to General Administration for the 1990-91 fiscal year up
35 to \$100,000 per campus in the 1990-91 fiscal year for centennial celebrations at the
36 constituent institutions.

37
38 PART XIV.—COMMUNITY COLLEGES

39
40 Requested by: Senator Conder

41 —RICHMOND COMMUNITY COLLEGE/CHILDBIRTH CLASSES

42 Sec. 57. Notwithstanding any other provision of law, the Board of Trustees
43 of Richmond Community College may permit students under 16 years of age to
44 participate in childbirth classes at the college under The Support Mother's Program.

1 These students may not be included in the computation of budget full-time equivalent
2 student enrollment for the college; however, community services funds may be used to
3 operate this Program.

4
5 Requested by: Senator Ward

6 —STATE BOARD OF COMMUNITY COLLEGES GUIDELINES

7 Sec. 58. Notwithstanding any other provision of law, the State Board of
8 Community Colleges shall establish budget guidelines not inconsistent with Section 80
9 of Chapter 752 of the 1989 Session Laws for the expenditure of individual community
10 college budgets for the 1990-91 fiscal year. In establishing these guidelines the Board
11 shall assure that statewide priorities are met, to the extent resources are available. The
12 State Board of Community Colleges shall establish parameters for expenditure of
13 appropriations to assure that:

- 14 (1) Literacy funds shall not be spent for any other purpose and, to the
15 maximum extent possible, anyone requesting literacy education will be
16 served;
- 17 (2) New Industry Training, Focused Industrial Training and Small
18 Business Center funds shall not be reduced without full justification
19 and assurances that needs are being met;
- 20 (3) Salary increase funds shall be used to provide a four percent (4%)
21 across-the-board salary increase to all full-time employees. Two
22 percent (2%) salary increase funds shall be used to provide merit pay
23 or to maintain quality in educational programs through expenditures
24 for personnel only.

25 The State Board shall require each college to submit a plan detailing how the
26 budget reduction will be accomplished in order to assure a balanced educational
27 program that meets statewide priorities.

28 The State Board shall report to the 1991 General Assembly on these
29 guidelines and their implementation by each college.

30
31 Requested by: Senator Ward

32 —COMMUNITY COLLEGE TUITION INCREASE

33 Sec. 59. Section 79 of Chapter 752 of the 1989 Session Laws reads as
34 rewritten:

35 "Sec. 79. The State Board of Community Colleges shall adopt tuition rates
36 beginning in the fall quarter of ~~1989-1990~~ in the amount of ~~ninety dollars (\$90.00)~~ one
37 hundred five dollars (\$105.00) per quarter for in-State students and ~~eight hundred forty~~
38 ~~dollars (\$840.00)~~ nine hundred eighty-one dollars (\$981.00) per quarter for out-of-State
39 students.

40 The State Board of Community Colleges shall adopt tuition rates beginning in the
41 fall quarter of 1990 in the amount of twenty-five dollars (\$25.00) a course for
42 occupational extension courses."

43
44 Requested by: Senator Ward

1 —" TECH PREP"IMPLEMENTATION

2 Sec. 60. Of the funds available to the Department of Public Education for
3 vocational education in the 1990-91 fiscal year, the sum of \$50,000 shall be allocated to
4 the North Carolina Tech Prep Leadership Development Center at Richmond
5 Community College for assistance to local education agencies and community colleges
6 in planning and implementing "Tech Prep"across the State. The Department of
7 Community Colleges shall allocate \$50,000 from funds available to it for the 1990-91
8 fiscal year for the North Carolina "Tech Prep"Leadership Development Center at
9 Richmond Community College.

10
11 Requested by: Senator Ward

12 —COMMUNITY COLLEGE BOOKSTORE SALES

13 Sec. 61. G.S. 115D-5 is amended by adding a new subsection to read:

14 "(a1) Notwithstanding G.S. 66-58(c)(3) or any other provisions of law, the State
15 Board of Community Colleges may adopt rules governing the expenditure of funds
16 derived from bookstore sales by community colleges. These expenditures shall be
17 consistent with the mission and purpose of the Community College System. Profits
18 may be used in the support and enhancement of the bookstores, for student aid or
19 scholarships, for expenditures of direct benefit to students, and for other similar
20 expenditures authorized by the board of trustees, subject to rules adopted by the State
21 Board. These funds shall not be used to supplement salaries of any personnel."

22
23 PART XV.—PUBLIC SCHOOLS

24
25 Requested by: Senator Ward

26 —SCHOOL TRANSPORTATION BUDGET REDUCTION/IMPLEMENTATION

27 Sec. 62. (a) G.S. 115C-240(d) reads as rewritten:

28 "(d) The State Board of Education shall assist local boards of education by
29 establishing guidelines and a framework through which local boards may establish,
30 review and amend school bus routes prepared pursuant to G.S. 115C-246. The State
31 Board shall also require local boards to implement the Transportation Information
32 Management System or an equivalent system approved by the State Board of Education,
33 no later than July 1, 1992. The State Board of Education shall also assist local boards of
34 education with reference to the acquisition and maintenance of school buses or any
35 other question which may arise in connection with the organization and operation of
36 school bus transportation systems of local boards."

37 (b) G.S. 115C-246(a) reads as rewritten:

38 "(a) The principal of the school to which a school bus has been assigned
39 superintendent of the local school administrative unit shall, prior to the commencement
40 of each regular school year, prepare and submit to the superintendent of the local school
41 administrative unit a plan for a definite route, including stops for receiving and
42 discharging pupils, for each school bus assigned to such school so as to assure the most
43 efficient use of such bus and the safety and convenience of the pupils assigned thereto.
44 The superintendent shall examine such plan and may, in his discretion, obtain the

1 advice of the State Board of Education with reference thereto. ~~to the plan. The~~
2 ~~superintendent shall make such changes in the proposed bus routes as he shall deem~~
3 ~~proper for the said purposes and, thereupon, shall approve the route. When so approved~~
4 ~~the~~ The buses shall be operated upon the route so established and not otherwise, except
5 as provided in this Article. From time to time the principal may suggest changes in any
6 such bus route as he shall deem proper for the said purposes, and the same shall be
7 effective when approved by the superintendent of the local school administrative unit."

8 (c) The Department of Public Instruction shall report to the Joint Legislative
9 Commission on Governmental Operations prior to December 1, 1990, on its efforts to
10 lower fuel costs and improve efficiency in the student transportation system.

11
12 Requested by: Senator Ward

13 ~~—~~CAREER DEVELOPMENT PROGRAM FUNDING LEVEL

14 Sec. 63. Section 7 of Chapter 778 of the 1989 Session Laws reads as
15 rewritten:

16 "Sec. 7. Existing Career Development and Lead Teacher Pilot Programs.

17 (a) Notwithstanding the provisions of Article 24B of Chapter 115C of the
18 General Statutes, Article 24D of Chapter 115C of the General Statutes, or any other
19 provision of law, funding for the career development pilot projects and the lead teacher
20 pilot projects shall continue through the 1989-90 fiscal year: Provided, however, that
21 any additional compensation received by an employee as a result of the unit's
22 participation in the pilot program for the 1989-90 fiscal year and for subsequent fiscal
23 years shall be paid as a bonus or supplement to the employee's regular salary.

24 Funding of these pilot projects shall continue for subsequent fiscal years only if the
25 pilot units successfully submit local school improvement plans pursuant to the
26 Performance-based Accountability Program, during the 1989-90 school year and during
27 subsequent school years.

28 (b) Beginning with the ~~1993-94~~ 1990-91 fiscal year, if the career development
29 and the lead teacher pilot units participate in differentiated pay plans in accordance with
30 G.S. 115C-238.4, they shall receive only the amount of State funds available for school
31 units participating in a differentiated pay plan pursuant to the School Improvement and
32 Accountability Act of 1989; they State funds for differentiated pay in an amount not to
33 exceed seven percent (7%) of teacher and administrator salaries and of the employer's
34 contributions for social security and retirement. They shall receive no State funding as
35 career development pilot units or lead teacher pilot units.

36 (c) The local school improvement plan for each career development pilot
37 program shall include ~~a schedule of modifications to the career development program.~~
38 ~~This schedule shall result in an incremental reduction or increase, as appropriate, in the~~
39 ~~amount of funds allocated for differentiated pay so that, for the 1993-94 fiscal year and~~
40 ~~subsequent fiscal years, differentiated pay plan, necessary to assure that the cost of the~~
41 ~~differentiated pay plan equals the amount of State and local funds available for~~
42 ~~differentiated pay for school units participating in differentiated pay plans pursuant to~~
43 ~~the School Improvement and Accountability Act of 1989. the school unit. It is the~~
44 intent of the General Assembly that, in making these modifications to the differentiated

1 pay plans, local school administrative units assure that adequate funds remain available
2 to provide bonuses or supplements to teachers.

3 If the differentiated pay plan, as modified for the 1990-91 fiscal year, qualifies as a
4 differentiated pay plan pursuant to G.S. 115C-238.4(a)(1), the local school
5 administrative unit is not required to resubmit the plan to affected employees for a vote
6 before submitting it to the State Superintendent; if it qualifies as a differentiated pay
7 plan pursuant to G.S. 115C-238.4(a)(2) through (a)(5), the local school administrative
8 unit is required to resubmit the plan to affected employees for a vote.

9 (d) If an employee in a career development pilot unit is recommended for Career
10 Status I or II and that status is approved by the local board of education prior to the
11 beginning of the 1989-90 school year, the local board of education may pay that
12 employee a bonus or supplement to his regular salary. For the 1989-90 fiscal year only,
13 the local board of education may use any State or local funds available to it for the
14 career development pilot program to pay these bonuses or supplements.

15 (e) Effective at the beginning of the 1989-90 school year, an employee may be
16 considered for Career Status II no earlier than his third year in Career Status I; an
17 employee may be considered for Career Status III no earlier than his third year in Career
18 Status II.

19 (f) Any career ladder pilot project in a school unit that has resulted from a
20 merger of school units, within the last calendar year preceding the effective date of this
21 act, may be modified by the local school board, upon the recommendation of the State
22 Superintendent of Public Instruction and with the approval of the State Board of
23 Education. ~~This modification shall require no more funds than allocated to the~~
24 ~~particular project by the State Board of Education from funds appropriated to the State~~
25 ~~Board of Education in Chapter 500 of the 1989 Session Laws, the Current Operations~~
26 ~~Appropriations Act of 1989. The merged pilot unit shall receive State funds for~~
27 ~~differentiated pay in an amount not to exceed seven percent (7%) of teacher and~~
28 ~~administrator salaries and of the employer's contributions for social security and~~
29 ~~retirement. It shall receive no State funding as a career development pilot unit.~~

30 (g) No provision of this section shall be construed to allow a local school
31 administrative unit to pay any teacher, in salary and bonus or supplement, less than it
32 paid that teacher each month during the prior school year."

33
34 Requested by: Senator Ward

35 ---BASIC EDUCATION FUNDS

36 Sec. 64. Section 61 of Chapter 752 of the 1989 Session Laws reads as
37 rewritten:

38 "Sec. 61. Funds are appropriated in Section 3 of this act to the Department of Public
39 Education for further implementation of the Basic Education Program in public schools.
40 These funds will provide for the fifth and sixth years of the planned eight-year
41 implementation schedule. The following information chart shows the ~~major increases in~~
42 ~~State funds over the 1988-89 fiscal year.~~ expansion budget funds for the Basic
43 Education Program for 1989-90 totaling \$69,277,440 and an additional \$29,994,568 in
44 1990-91 for teachers for a total of \$99,272,008 in 1990-91.

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BASIC EDUCATION PROGRAM

Basic Education Plan:

	<u>1989-90</u>	<u>1990-91</u>		
1. Additional Teachers	\$ 46,735,714		\$ 90,342,391	<u>76,730,282</u>
2. Vocational Education				
Teachers	1,039,116	2,078,823	<u>1,039,116</u>	
3. In-School Suspension		-	1,726,921	=
4. Instructional Support	15,477,126		39,113,549	<u>15,477,126</u>
5. Instructional/Lab				
Clerical Assistants	-	17,073,432	=	
6. Athletic Trainer Supplement	15,000		15,000	<u>15,000</u>
7. Assistant Principals -				
Extension of Term	-	11,166,375	=	
8. Asst/Associate				
Superintendents	-	4,767,421	=	
9. Clerical Assistants	6,010,484		11,637,563	<u>6,010,484</u>
10. Supervisors		-	2,611,375	=
TOTAL BASIC				
EDUCATION PLAN				
	\$ 69,277,440	\$180,532,850		<u>99,272,008</u>

Of these funds, the sum of \$12,157,644 for the 1990-91 fiscal year shall be used to reduce class size in grades 10-12.

With regard to the remainder of these funds, local boards of education may request waivers of State laws pertaining to the purposes for which State funds for the public schools may be used, pursuant to G.S. 115C-238.3(d), so as to use these funds for purposes, other than for classroom teachers, to implement the Basic Education Program. The General Assembly urges the State Superintendent and the State Board of Education to construe their authority to grant such waivers under G.S. 115C-238.6 broadly when they consider any such requests for waivers."

Requested by: Senators Ward and Taft

—COMPLETION OF BASIC EDUCATION PROGRAM

Sec. 65. (a) The General Assembly finds that given the current revenue situation of the State, the original implementation schedule of the Basic Education Program cannot be met and that the recently enacted School Improvement and Accountability Act has moved the State to a student performance orientation that is predicated on school systems using their resources flexibly to address unique local needs. The General Assembly is committed to the improvement of education and to the complete implementation of the strongest possible Basic Education Program; therefore, the Legislative Study Commission on the Basic Education Program is hereby created to advise the General Assembly on ways that the Basic Education Program can be

1 strengthened and on a lengthened implementation schedule for the Basic Education
2 Program.

3 The Commission shall consist of 18 members: one school superintendent, one
4 classroom teacher, and four members at large, appointed by the Governor; three
5 members of the Senate, one school principal, one PTA member, and one member at
6 large appointed by the President Pro Tempore of the Senate; and three members of the
7 House of Representatives, one classroom teacher, one school board member, and one
8 member at large, appointed by the Speaker of the House of Representatives.

9 (b) The President Pro Tempore of the Senate shall designate one of his
10 appointees who is a member of the Senate as cochairman and the Speaker of the House
11 of Representatives shall designate one of his appointees who is a member of the House
12 of Representatives as cochairman. Each chairman shall serve as chairman until he
13 ceases to be a member of the General Assembly.

14 (c) The Commission shall study the Basic Education Program, how it has been
15 implemented to date, and what effect the Basic Education Program has had on
16 educational achievement throughout the State. The Commission shall also examine the
17 remainder of the schedule of implementation of the Basic Education Program, review
18 all items to be funded under the Basic Education Program, consider the relationship
19 between the Basic Education Program and the School Improvement and Accountability
20 Act, and recommend any changes or modifications to the Basic Education Program and
21 the School Improvement and Accountability Act that it deems appropriate.

22 (d) The Commission shall submit a final report of its findings and
23 recommendations to the General Assembly on or before March 31, 1991, by filing the
24 report with the President Pro Tempore of the Senate and the Speaker of the House of
25 Representatives. Upon filing its final report, the Commission shall terminate.

26 (e) The Commission, while in the discharge of official duties, may exercise
27 all the powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1
28 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of
29 the cochairmen. The Commission may meet in the Legislative Building or the
30 Legislative Office Building.

31 (f) Members of the Commission shall receive subsistence and travel expenses
32 at the rates set forth in G.S. 120-3.1.

33 (g) The Commission may contract for professional, clerical, or consultant
34 services as provided by G.S. 120-32.02. The Legislative Services Commission, through
35 the Legislative Administrative Officer, shall assign professional staff to assist in the
36 work of the Commission. The House of Representatives' and the Senate's Supervisor of
37 Clerks shall assign clerical staff to the commission or committee, upon the direction of
38 the Legislative Services Commission. The expenses relating to clerical employees shall
39 be borne by the Commission.

40 (h) When a vacancy occurs in the membership of the Commission the
41 vacancy shall be filled by the same appointing officer who made the initial appointment.

42 (i) All State departments and agencies and local governments and their
43 subdivisions shall furnish the Commission with any information in their possession or
44 available to them.

1 Sec. 66. G.S. 115C-81(a) reads as rewritten:

2 "(a) The State Board of Education shall adopt a Basic Education Program for the
3 public schools of the State. Before it adopts or revises the Basic Education Program, the
4 State Board shall consult with an Advisory Committee, including at least eight members
5 of local boards of education, that the State Board appoints from a list of nominees
6 submitted by the North Carolina School Boards Association. The State Board shall
7 report annually to the General Assembly on any changes it has made in the program in
8 the preceding 12 months and any changes it is considering for the next 12 months.

9 The State Board shall implement the Basic Education Program within funds
10 appropriated for that purpose by the General Assembly and by units of local
11 government. It is the goal of the General Assembly that the Basic Education Program be
12 fully funded and completely operational in each local school administrative unit by July
13 1, ~~1993~~. 1995."

14

15 Requested by: Senator Ward

16 ---TEACHING FELLOWS FUND USES

17 Sec. 67. (a) G.S. 115C-363.23A(e) reads as rewritten:

18 "(e) The Commission shall forgive the loan if, within seven years after graduation,
19 the recipient teaches for four years at a North Carolina public school or at a school
20 operated by the United States government in North Carolina. The Commission shall
21 also forgive the loan if it finds that it is impossible for the recipient to teach for four
22 years, within seven years after graduation, at a North Carolina public school or at a
23 school operated by the United States government in North Carolina, because of the
24 death or permanent disability of the recipient."

25 (b) G.S. 115C-363.23A(f) reads as rewritten:

26 "(f) All funds appropriated to or otherwise received by the Teaching Fellows
27 Program for scholarships, all funds received as repayment of scholarship loans, and all
28 interest earned on these funds, shall be placed in a revolving fund. This revolving fund
29 may be used only for scholarship loans granted under the Teaching Fellows ~~Program~~.
30 Program, campus and summer program support, and costs related to disbursement of
31 awards and collection of loan repayments."

32

33 Requested by: Senator Ward

34 ---ELIMINATE EDUCATION REPORTS

35 Sec. 68. (a) G.S. 115C-363.10 is repealed.

36 (b) Section 55(b)(12)a. of Chapter 479 of the 1985 Session Laws is repealed.

37 (c) Section 68 of Chapter 752 of the 1989 Session Laws reads as rewritten:

38 "Sec. 68. Funds are appropriated to the Department of Public Education for the
39 1989-91 fiscal biennium for additional teacher positions to be used to expand curricular
40 offerings in accordance with the Basic Education Program. Local boards of education
41 shall use positions allocated to them with these funds to expand curricular offerings to
42 those contained in the Basic Education Program at any grade level and in any of the
43 identified curricular offerings based on the identification of local needs, priorities, and
44 local schedules for implementing the Basic Education Program.

1 The local board of education may, with the approval of the State Board of
2 Education, use the funds allocated to it for expanded curricular offerings to otherwise
3 provide a curricular offering at that school, as called for in the Basic Education
4 Program. The State Board of Education shall monitor the alternative uses of these funds
5 and shall report on such uses by February 1 of each year to the President of the Senate,
6 the Speaker of the House of Representatives, and the Fiscal Research Division. funds."

7
8 Requested by: Senator Conder

9 ---ACCREDITATION STANDARDS REASSESSED

10 Sec. 69. The State Board of Education shall reassess the accreditation
11 standards it adopted pursuant to G.S. 115C-12(9)c. that are scheduled to be
12 implemented in 1990-91.

13
14 Requested by: Senator Ward

15 ---SMALL SCHOOL PROGRAM ALLOTMENTS

16 Sec. 70. G.S. 115C-416 reads as rewritten:

17 **"§ 115C-416. Power to allot funds for teachers and other personnel.**

18 The Board shall have power to provide for the enrichment and strengthening of
19 educational opportunities for the children of the State, and when sufficient State funds
20 are available to provide first for the allotment of such a number of teachers as to prevent
21 the teacher loan from being too great in any school, the Board is authorized, in its
22 discretion, to make an additional allotment of teaching personnel to local school
23 administrative units of the State to be used either jointly or separately, as the Board may
24 prescribe. Such additional teaching personnel may be used in the local school
25 administrative units as librarians, special teachers, or supervisors of instruction and for
26 other special instructional services such as art, music, physical education, adult
27 education, special education, or industrial arts as may be authorized and approved by
28 the Board. The salary of all such personnel shall be determined in accordance with the
29 State salary schedule adopted by the Board.

30 In addition, the Board is authorized and empowered in its discretion, to make
31 allotments of funds for clerical assistants for classified principals and for school social
32 workers.

33 The Board is further authorized, in its discretion, to allot teaching personnel to local
34 school administrative units for experimental programs and purposes.

35 The Board may also allot teaching and other positions, within funds available, to
36 local school administrative units to allow local units to place personnel occupying those
37 positions in private hospitals and treatment facilities for the limited purpose of
38 providing education to students confined to those institutions. The Board shall adopt
39 rules to ensure that any such placements do not contribute to the profitability of private
40 institutions and that they are otherwise in accordance with State and federal law."

41
42 Requested by: Senator Ward

43 ---LEAVE ACCUMULATION/PUBLIC SCHOOL EMPLOYEES

44 Sec. 71. G.S. 115C-272(b) reads as rewritten:

1 "(b) Superintendents shall be paid promptly when their salaries are due provided
2 the legal requirements for their employment and service have been met. All
3 superintendents employed by any local school administrative unit who are paid from
4 local funds shall be paid promptly as provided by law and as State allotted
5 superintendents are paid. Superintendents paid from State funds shall be paid as
6 follows:

- 7 (1) Salary payments to superintendents shall be made monthly on the basis
8 of each calendar month of service. Included within their term of
9 employment shall be annual vacation leave at the same rate provided
10 for State employees. Included within the 12 months' employment each
11 local board of education shall designate the same or an equivalent
12 number of legal holidays as those designated by the State Personnel
13 Commission for State employees.
- 14 (2) Notwithstanding any provisions of this section to the contrary no
15 person shall be entitled to pay for any vacation day not earned by that
16 person. Vacation days shall not be used for extending the term of
17 employment of individuals and shall not be cumulative from one fiscal
18 year to another fiscal year: Provided, that superintendents may
19 accumulate annual vacation leave days as follows: annual leave may
20 be accumulated without any applicable maximum until ~~December 31~~
21 June 30 of each year. On ~~December 31~~ June 30 of each year, any
22 superintendent with more than 30 days of accumulated leave shall
23 have the excess accumulation cancelled so that only 30 days are
24 carried forward to ~~January 1~~ July 1 of the ~~next same~~ year. All vacation
25 leave taken by the superintendent will be upon the authorization of his
26 immediate supervisor and under policies established by the local board
27 of education. An employee shall be paid in a lump sum for
28 accumulated annual leave not to exceed a maximum of 240 hours
29 when separated from service due to resignation, dismissal, reduction in
30 force, death, or service retirement. If the last day of terminal leave
31 falls on the last workday in the month, payment shall be made for the
32 remaining nonworkdays in that month. Employees retiring on
33 disability retirement may exhaust annual leave rather than be paid in a
34 lump sum. The provisions of this subdivision shall be accomplished
35 without additional State and local funds being appropriated for this
36 purpose. The State Board of Education shall adopt rules and
37 regulations for the administration of this subdivision.
- 38 (3) Each local board of education shall sustain any loss by reason of an
39 overpayment to any superintendent paid from State funds.
- 40 (4) All of the foregoing provisions of this section shall be subject to the
41 requirement that at least fifty dollars (\$50.00), or other minimum
42 amount required by federal social security laws, of the compensation
43 of each school employee covered by the Teachers' and State
44 Employees' Retirement System or otherwise eligible for social security

1 coverage shall be paid in each of the four quarters of the calendar
2 year."

3 Sec. 72. G.S. 115C-316(a) reads as rewritten:

4 "(a) School officials and other employees shall be paid promptly when their
5 salaries are due provided the legal requirements for their employment and service have
6 been met. All school officials and other employees employed by any local school
7 administrative unit who are to be paid from local funds shall be paid promptly as
8 provided by law and as state-allotted school officials and other employees are paid.

9 Public school employees paid from State funds shall be paid as follows:

- 10 (1) Employees Other than Superintendents, Supervisors and Classified
11 Principals on an Annual Basis. – Salary payments to employees other
12 than superintendents, supervisors, and classified principals employed
13 on an annual basis shall be made monthly at the end of each calendar
14 month of service. Included within their term of employment shall be
15 annual vacation leave at the same rate provided for State employees,
16 computed at one-twelfth (1/12) of the annual rate for state employees
17 for each calendar month of employment. On a day that employees are
18 required to report for a workday but pupils are not required to attend
19 school due to inclement weather, an employee may elect not to report
20 due to hazardous travel conditions and to take one of his annual
21 vacation days or to make up the day at a time agreed upon by the
22 employee and his immediate supervisor or principal. Included within
23 their term of employment each local board of education shall designate
24 the same or an equivalent number of legal holidays as those designated
25 by the State Personnel Commission for State employees.
- 26 (2) School Employees Paid on an Hourly or Other Basis. – Salary
27 payments to employees other than those covered in G.S. 115C-
28 272(b)(1), 115C-285(a)(1) and (2), 115C-302(a)(1) and (2), and 115C-
29 316(a)(1) shall be made at a time determined by each local board of
30 education. Expenditures for the salary of these employees from State
31 funds shall be within allocations made by the State Board of Education
32 and in accordance with rules and regulations approved by the State
33 Board of Education concerning allocations of State funds: Provided,
34 that any individual school employee employed for a term of 10
35 calendar months may be paid in 12 monthly installments if the
36 employee so requests on or before the first day of the school year.
37 Such request shall be filed in the administrative unit which employs
38 the employee. The payment of the annual salary in 12 installments
39 instead of 10 shall not increase or decrease said annual salary nor in
40 any other way alter the contract between the employee and the said
41 administrative unit. Included within the term of employment shall be
42 provided for full-time employees annual vacation leave at the same
43 rate provided for State employees, computed at one-twelfth (1/12) of
44 the annual rate for State employees for each calendar month of

1 employment, to be taken under policies determined by each local
2 board of education. On a day that employees are required to report for
3 a workday but pupils are not required to attend school due to inclement
4 weather, an employee may elect not to report due to hazardous travel
5 conditions and to take one of his annual vacation days or to make up
6 the day at a time agreed upon by the employee and his immediate
7 supervisor or principal. Included within their term of employment,
8 each local board of education shall designate the same or an equivalent
9 number of legal holidays occurring within the period of employment
10 as those designated by the State Personnel Commission for State
11 employees.

12 (3) Notwithstanding any provisions of this section to the contrary no
13 person shall be entitled to pay for any vacation day not earned by that
14 person. The first 10 days of annual leave earned by a 10- or 11-month
15 employee during any fiscal year period shall be scheduled to be used
16 in the school calendar adopted by the respective local boards of
17 education. Vacation days shall not be used for extending the term of
18 employment of individuals. Ten- or 11-month employees may
19 accumulate annual vacation leave days as follows: annual leave may
20 be accumulated without any applicable maximum until June 30 of each
21 year. On June 30 of each year, any of these employees with more than
22 30 days of accumulated leave shall have the excess accumulation
23 cancelled so that only 30 days are carried forward to July 1 of the same
24 year. All vacation leave taken by these employees will be upon the
25 authorization of their immediate supervisor and under policies
26 established by the local board of education. An employee shall be paid
27 in a lump sum for accumulated annual leave not to exceed a maximum
28 of 240 hours when separated from service due to resignation,
29 dismissal, reduction in force, death or service retirement. If the last
30 day of terminal leave falls on the last workday in the month, payment
31 shall be made for the remaining nonworkdays in that month.
32 Employees retiring on disability retirement may exhaust annual leave
33 rather than be paid in a lump sum. The provisions of this subdivision
34 shall be accomplished without additional State and local funds being
35 appropriated for this purpose. The State Board of Education shall
36 adopt rules and regulations for the administration of this subdivision.

37 (4) Twelve-month school employees other than superintendents,
38 supervisors and classified principals paid on an hourly or other basis
39 whether paid from State or from local funds may accumulate annual
40 vacation leave days as follows: annual leave may be accumulated
41 without any applicable maximum until ~~December 31~~ June 30 of each
42 year. On ~~December 31~~ June 30 of each year, any employee with more
43 than 30 days of accumulated leave shall have the excess accumulation
44 cancelled so that only 30 days are carried forward to ~~January 1~~ July 1

1 of the ~~next~~ same year. All vacation leave taken by the employee will
 2 be upon the authorization of his immediate supervisor and under
 3 policies established by the local board of education. An employee shall
 4 be paid in a lump sum for accumulated annual leave not to exceed a
 5 maximum of 240 hours when separated from service due to
 6 resignation, dismissal, reduction in force, death, or service retirement.
 7 If the last day of terminal leave falls on the last workday in the month,
 8 payment shall be made for the remaining nonworkdays in that month.
 9 Employees retiring on disability retirement may exhaust annual leave
 10 rather than be paid in a lump sum. The provisions of this subdivision
 11 shall be accomplished without additional State and local funds being
 12 appropriated for this purpose. The State Board of Education shall
 13 adopt rules and regulations for the administration of this subdivision.

- 14 (5) All of the foregoing provisions of this section shall be subject to the
 15 requirement that at least fifty dollars (\$50.00), or other minimum
 16 amount required by federal social security laws, of the compensation
 17 of each school employee covered by the Teachers' and State
 18 Employees' Retirement System or otherwise eligible for social security
 19 coverage shall be paid in each of the four quarters of the calendar year.
 20 (6) Each local board of education shall sustain any loss by reason of an
 21 overpayment to any school official or other employee paid from State
 22 funds."
 23

24 Requested by: Senator Ward

25 —PROSPECTIVE TEACHER SCHOLARSHIP LOAN PROGRAM/EXPANDED TO
 26 COVER ADDITIONAL CERTIFIED EMPLOYEES

27 Sec. 73. G.S. 115C-471 reads as rewritten:

28 "**§ 115C-471. Fund administered by State Superintendent of Public Instruction;
 29 rules and regulations.**

30 The Scholarship Loan Fund for Prospective Teachers shall be administered by the
 31 State Superintendent of Public Instruction, under the following rules and regulations,
 32 and under such further rules and regulations as the State Board of Education shall in its
 33 discretion promulgate:

- 34 (1) Any resident of North Carolina who is interested in preparing to teach
 35 in the public schools of the State shall be eligible to apply in writing to
 36 the State Superintendent of Public Instruction for a regular scholarship
 37 loan in the amount of not more than two thousand dollars (\$2,000) per
 38 academic school year.
 39 (2) All scholarship loans shall be evidenced by notes made payable to the
 40 State Board of Education which shall bear interest at the rate of six
 41 percent (6%) per annum from and after September 1 following
 42 fulfillment by a prospective teacher of the requirements for a ~~teacher's~~
 43 certificate based upon the ~~bachelor's~~ entry level degree; or in the case
 44 of persons already teaching in the public schools who obtain

1 scholarship loans such notes shall bear interest at the prescribed rate
2 from and after September 1 of the school year beginning immediately
3 after the use of such scholarship loans; or in the event any such
4 scholarship shall be terminated under the provisions of subdivision (3)
5 of this section then such notes shall bear interest from the date of such
6 termination. A minor recipient who signs such note or notes shall also
7 obtain the endorsement thereon by a parent, if there be a living parent,
8 unless such endorsement is waived by the Superintendent of Public
9 Instruction. Such minor recipient shall be obligated upon such note or
10 notes as fully as if he or she were of age and shall not be permitted to
11 plead such minority as a defense in order to avoid the obligations
12 undertaken upon such note or notes.

13 (3) Each recipient of a scholarship loan under the provisions of this
14 program shall be eligible for scholarship loans each year until he has
15 qualified for a ~~teacher's~~-certificate based upon the ~~bachelor's~~-entry
16 level degree, but he shall not be so eligible for more than ~~four years~~
17 ~~nor after~~—the minimum number of years required by the college or
18 university for qualifying for said certificate. The permanent
19 withdrawal of any recipient from college or failure of such recipient to
20 do college work in a manner acceptable to the State Superintendent of
21 Public Instruction will immediately forfeit such recipient's right to
22 retain such scholarship and subject such scholarship to termination by
23 the State Superintendent of Public Instruction in his discretion. All
24 terminated scholarships shall be regarded as vacant and subject to
25 being awarded to other eligible persons.

26 (4) Except under emergency conditions applicable to the State
27 Superintendent of Public Instruction, recipients of scholarship loans
28 shall enter the public school system of North Carolina at the beginning
29 of the next school term after qualifying for a ~~teacher~~-certificate based
30 upon the ~~bachelors~~-entry level degree or in case of persons already
31 teaching in the public schools at the beginning of the next school term
32 after the use of such loan. All teaching service for which the recipient
33 of any scholarship loan is obligated shall be rendered within seven
34 years after the completion of the use of each such scholarship loan.

35 (5) For each full school year taught in a North Carolina public school, the
36 recipient of a scholarship loan shall receive credit upon the amount due
37 by reason of such loan equal to all interest accrued upon the loan to
38 that time plus a credit of two thousand dollars (\$2,000) upon the
39 principal amount of such obligation or such lesser amount as may
40 remain due upon said principal; provided, however, that in lieu of
41 teaching in the public school, a recipient may elect to pay in cash the
42 full amount of scholarship loans received plus interest then due
43 thereon or any part thereof which has not been canceled by the State
44 Board of Education by reason of teaching service rendered.

- 1 (6) If any recipient of a scholarship loan who is fulfilling his obligation
2 under subdivision (4) of this section dies within the seven-year period,
3 or if any recipient dies during the period of attendance at a college or
4 university under a scholarship loan, any balance that has not been
5 discharged through service shall be automatically canceled.

6 If any recipient of a scholarship loan fails to fulfill his obligations
7 under subdivision (4) of this section, other than as provided above, the
8 amount of his loan and accrued interest, if any, shall be due and
9 payable from the time of failure to fulfill such obligations.

- 10 (7) The State Superintendent of Public Instruction shall award scholarship
11 loans with due consideration to such factors and circumstances as:
12 aptitude, purposefulness, scholarship, character, financial need, and
13 areas or subjects of instruction in which the demands for teachers are
14 greatest. Since the primary purpose of this Article is to attract worthy
15 young people to the teaching profession, preference shall be given to
16 high school seniors in the awarding of scholarships."
17

18 Requested by: Senator Ward

19 —CHILD NUTRITION STAFF DEVELOPMENT

20 Sec. 74. Section 56 of Chapter 752 of the 1989 Session Laws reads as
21 rewritten:

22 "Sec. 56. Of the funds appropriated to the Department of Public Education for the
23 1989-90 fiscal year and for the 1990-91 fiscal year for aid to local school administrative
24 units for staff development, the State Board of Education shall allocate \$280,000 each
25 fiscal year to local school units for staff development of school food service personnel."
26

27 Requested by: Senator Basnight

28 —UNIFORM EDUCATION REPORTING SYSTEM FUNDS

29 Sec. 75. Of the funds available to the Department of Public Education for the
30 1990-91 fiscal year for aid to local school administrative units, the Department shall use
31 \$438,642 to reimburse 13 local school administrative units for expenses incurred in
32 converting to AS/400 equipment as required to implement the Uniform Education
33 Reporting System.

34 Before providing these funds to any of the 13 local units that request it, the
35 Department of Public Education shall first conduct an electronic data processing audit
36 of the local school administrative unit that is to receive the funds to determine: (i) if the
37 unit had used the previous equipment that was replaced by the AS/400 in a manner
38 consistent with standard data processing management and operational procedures; and
39 (ii) if the unit is using the current equipment in a manner consistent with standard data
40 processing management and operational procedures. The results of the electronic data
41 processing audits shall be delivered to the Fiscal Research Division, the Legislative
42 Automated Systems Division, and, if requested, to the Joint Legislative Commission on
43 Governmental Operations.
44

1 Requested by: Senator Conder

2 —-EDUCATION FOUNDATIONS

3 Sec. 76. Chapter 115C of the General Statutes is amended by adding a new
4 section to read:

5 **"§ 115C-6. Establishment of private, nonprofit corporations.**

6 The Superintendent of Public Instruction shall encourage the establishment of
7 private, nonprofit corporations to support the public education system. If the sole
8 purpose of such a corporation is to support the public school system, the Superintendent
9 may assign employees to assist with the establishment and operation of the corporation
10 and may make available to the corporation the Department's office space, equipment,
11 supplies, and other related resources.

12 The Superintendent of Public Instruction may require the board of directors of each
13 private, nonprofit corporation, to which the Superintendent assigns employees or makes
14 available resources pursuant to this section, to secure and pay for the services of the
15 State Auditor's Office or employ a public accountant to conduct an audit of the financial
16 accounts of the corporation. The board of directors shall transmit to the Superintendent
17 of Public Instruction a copy of the annual financial audit report of said private nonprofit
18 corporation."

19

20 Requested by: Senator Taft

21 —-LIMIT UNIFORM EDUCATION REPORTING SYSTEM FINES

22 Sec. 77. G.S. 115C-438 reads as rewritten:

23 **"§ 115C-438. Provision for disbursement of State money.**

24 The deposit of money in the State treasury to the credit of local school
25 administrative units shall be made in monthly installments, and additionally as
26 necessary, at such time and in such a manner as may be most convenient for the
27 operation of the public school system. Before an installment is credited, the school
28 finance officer shall certify to the State Board of Education the expenditures to be made
29 by the local school administrative unit from the State Public School Fund during the
30 month. This certification shall be filed on or before the fifth day following the end of
31 the month preceding the period in which the expenditures will be made. The State
32 Board of Education shall determine whether the moneys requisitioned are due the local
33 school administrative unit, and upon determining the amount due, shall cause the
34 requisite amount to be credited to the local school administrative unit. Upon receiving
35 notice from the State Treasurer of the amount placed to the credit of the local school
36 administrative unit, the finance officer may issue State warrants up to the amount so
37 certified.

38 The State Board of Education may withhold money for payment of salaries for
39 administrative officers of local school administrative units if any report required to be
40 filed with State school authorities is more than 30 days overdue. The State Board of
41 Education shall withhold money for payment of salaries for the superintendent, finance
42 officer, and all other administrative officers charged with providing payroll information
43 pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the
44 payroll information to the State Board in a timely fashion and substantially in

1 accordance with the standards set by the State ~~Board~~-Board; provided, however, the
2 maximum amount withheld from any local school administrative unit shall be twenty-
3 five thousand dollars (\$25,000).

4 Money in the State Public School Fund and State bond moneys shall be released
5 only on warrants drawn on the State Treasurer, signed by such local official as may be
6 required by the State Board of Education."

7
8 PART XVI.—DEPARTMENT OF CORRECTION

9
10 Requested by: Senator Basnight

11 —GATES COUNTY SCHOOL WASTEWATER TREATMENT

12 Sec. 78. The Wastewater treatment systems of the Gates County Junior High
13 School and the Gates County High School may be tied into the wastewater treatment
14 system of the Gates County Correctional Center.

15
16 Requested by: Senator Parnell

17 —ELECTRONIC SURVEILLANCE FUNDS

18 Sec. 79. Of the funds appropriated to the Department of Correction for the
19 1990-91 fiscal year as a reserve for the operation of Redd Dorm at Cameron Morrison
20 and as a reserve for additional improvements/alternatives in the corrections system,
21 \$1,672,010 shall be used by the Department of Correction in the 1990-91 fiscal year to
22 expand the electronic surveillance program.

23
24 Requested by: Senator Parnell

25 —DEPARTMENT OF CORRECTION EXPANSION FUNDS

26 Sec. 80. (a) The \$1,531,800 appropriated in Section 4 of Chapter 754 of the
27 1989 Session Laws to the Office of State Budget and Management for the 1990-91
28 fiscal year for construction of a metal products plant at the Harnett County prison unit is
29 repealed.

30 (b) The \$1,028,100 appropriated in Section 4 of Chapter 754 of the 1989
31 Session Laws to the Office of State Budget and Management for the 1990-91 fiscal year
32 for a tailoring plant at the Harnett County prison unit is repealed.

33 (c) The \$3,953,533 appropriated in Section 4 of Chapter 754 of the 1989
34 Session Laws to the Office of State Budget and Management for the 1990-91 fiscal year
35 for medium custody dormitories and ancillary facilities at Pender County prison unit is
36 reduced by \$456,059.

37 (d) The \$7,668,211 appropriated in Section 3 of Chapter 8 of the 1989
38 Session Laws to the Office of State Budget and Management for the 1990-91 fiscal year
39 for dayroom additions to existing minimum security field unit dorms is repealed.

40 (e) The \$1,583,141 appropriated in Section 3 of Chapter 8 of the 1989
41 Session Laws to the Office of State Budget and Management for the 1990-91 fiscal year
42 for renovation and site preparation for classroom and vocational facilities is repealed.

43
44 Requested by: Senator Parnell

1 —LIMIT USE OF OPERATIONAL FUNDS

2 Sec. 81. Funds appropriated in Section 3 of this act to the Department of
3 Correction for early operational costs for additional facilities shall be used for the
4 personnel and operating expenses set forth in the budget approved by the General
5 Assembly in this act. These funds may not be expended for any other purpose, and may
6 not be expended for additional prison personnel positions until the new facilities are
7 within 90 days of completion.

8

9 Requested by: Senator Parnell

10 —RAISE PER DIEM REIMBURSEMENT

11 Sec. 82. Of the funds appropriated to the Department of Correction for the
12 1990-91 fiscal year, the sum of \$604,678 shall be used to raise the per diem
13 reimbursement to counties from twelve dollars and fifty cents (\$12.50) per day to
14 fourteen dollars and fifty cents (\$14.50) per day for State inmates serving sentences of
15 more than 30 days in local confinement facilities.

16

17 Requested by: Senator Parnell

18 —SOUTHERN APPALACHIA MAINSTREAM FUNDS

19 Sec. 83. Of the funds appropriated to the Department of Correction, Division
20 of Adult Probation and Parole for the 1990-91 fiscal year, \$190,000 shall be used as a
21 grant-in-aid for a pilot program at Southern Appalachia Mainstream, Inc., a community-
22 based residential program for offenders who are leaving the Division of Prisons and
23 who are in need of residence plans, community service jobs, and/or social readiness
24 skills. Southern Appalachia Mainstream, Inc., shall provide a quarterly report to the
25 Joint Legislative Commission on Governmental Operations on the expenditure of State
26 funds and the effectiveness of the program, including information on the number of
27 clients served and the number of clients who successfully complete the program while
28 residing at Southern Appalachia Mainstream.

29

30 Requested by: Senator Parnell

31 —PRIVATE ALCOHOL AND DRUG ABUSE DETENTION CENTER

32 Sec. 84. The Department of Correction shall develop a proposal for a pilot
33 program for contracting with the private sector for one or more privately operated, for-
34 profit or not for-profit detention centers for alcohol and drug abusers with an emphasis
35 on the self-help recovery model. The plan should provide for the private construction,
36 operation, and maintenance of a facility or facilities not to exceed a total of 500 beds
37 and should include considerations of size, level of custody, construction and operation
38 costs, and the possible use of existing buildings. The Department shall submit this
39 proposal to the Joint Legislative Commission on Governmental Operations by January
40 1, 1991.

41

42 PART XVII.—JUDICIAL DEPARTMENT

43

44 Requested by: Senator Marvin

1 —RESERVE FOR RESENTENCING HEARINGS IN CAPITAL CASES

2 Sec. 85. (a) There is created in the Judicial Department a non-reverting
3 special fund to be known as "The Special Capital Case Rehearing Fund." The funds
4 shall be used to provide resentencing hearings, related appeals, and post-conviction
5 hearings required by the decisions of the United States Supreme Court in **McKoy v.**
6 **North Carolina**, March 5, 1990, and of the Supreme Court of North Carolina upon the
7 remand of that case, for the payment of attorneys fees and related expenses for
8 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
9 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all
10 funds remaining in it shall revert to the General Fund, when the Director of the
11 Administrative Office of the Courts certifies to the State Controller that all reasonably
12 foreseeable resentencing hearings, related appeals, and post-conviction hearings have
13 been substantially completed.

14 (b) Of the funds appropriated to the Judicial Department for the 1990-91
15 fiscal year the sum of \$500,000 shall be allocated to The Special Capital Case
16 Rehearing Fund for the purposes indicated in this section.

17

18 Requested by: Senator Marvin

19 —EXTEND CERTAIN SPECIAL SUPERIOR COURT JUDGE TERMS

20 Sec. 86. (a) Notwithstanding G.S. 7A-45, G.S. 7A-45.1, Section 7 of Chapter
21 509, Session Laws of 1987, or any other provision of law, if any special superior court
22 judge who is holding office on the effective date of this act first took office as an
23 appointed or elected regular or special superior court judge in the calendar year 1986,
24 the term of office of that judge is extended through December 31, 1994.

25 (b) Notwithstanding G.S. 143-23 the Judicial Department may use lapsed
26 salary funds for fiscal year 1990-91, not to exceed the sum of \$61,260, to cover the
27 costs of the extended term for the period of January 1, 1991, through June 30, 1991, as
28 provided in subsection (a).

29

30 Requested by: Senator Marvin

31 —INCREASED JUDICIAL DEPARTMENT OPERATING EXPENSE
32 REQUIREMENTS

33 Sec. 87. From the funds appropriated to the Judicial Department for the
34 1990-91 fiscal year, the Administrative Office of the Courts may use up to \$1,530,000
35 to meet the 1990-91 fiscal year's additional operating expenses in the areas of office,
36 warehouse, and print shop rental, supplies, jury and witness fees, court record book
37 restoration, telephone system repairs, moving-related expenses, indigent person attorney
38 fees, and postage if the postage rate is increased.

39

40 PART XVIII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

41

42 Requested by: Senator Parnell

43 —CONTINUE SUMMIT HOUSE FUNDING

1 Sec. 88. Section 113 of Chapter 752 of the 1989 Session Laws reads as
2 rewritten:

3 "Sec. 113. Of the funds appropriated to the Department of Crime Control and Public
4 Safety for the ~~1989-90~~ 1990-91 fiscal year, ~~\$75,000~~ \$165,000 shall be used to support a
5 pilot program at Summit House, a community-based residential alternative to
6 incarceration for mothers and pregnant women convicted of nonviolent crimes. Summit
7 House shall provide a quarterly report to the Joint Legislative Commission on
8 Governmental Operations on the expenditure of State appropriations and on the
9 effectiveness of the program, including information on the number of clients served, the
10 number of clients who have their probation revoked, and the number of clients who
11 successfully complete the program while housed at Summit House."
12

13 Requested by: Senators Marvin and Parnell
14 —COMMUNITY PENALTIES PROGRAMS FUNDS

15 Sec. 89. (a) Notwithstanding any other provision of this act, funds in the
16 amount of \$1,403,637 appropriated to the Department of Crime Control and Public
17 Safety for community penalties programs and funds in the amount \$143,346 contained
18 in the reduction in Sec. 80(c) of this act are allocated as follows in lieu of the allocations
19 made in Chapter 8 of the 1989 Session Laws and Chapter 752 of the 1989 Session
20 Laws:

- 21 (1) \$1,252,578 to provide State support for the 15 existing community
22 penalties programs. Those programs are listed below and shall receive
23 no less than the amounts indicated. Contracts for the programs listed
24 below shall be executed by the Department of Crime Control and
25 Public Safety before **sine die** adjournment of the 1989 Regular Session
26 of the General Assembly.

27		
28	One Step Further, Inc.	\$139,664
29		
30	Rockingham/Caswell	
31	(Rural Services Contract)	40,900
32		
33	Fayetteville Area Sentencing	
34	Center, Inc.	131,878
35		
36	Re-Entry, Inc.	93,500
37		
38	Repay, Inc.	100,045
39		
40	Community Corrections	
41	Resources, Inc.	100,045
42		
43	Western Carolinians for	
44	Criminal Justice, Inc.	100,300

1		
2	Prison & Jail Project, Inc.	100,300
3		
4	Community Penalties Program,	
5	Inc.	68,213
6		
7	Jacksonville Community	
8	Penalties, Inc.	89,250
9		
10	Gaston Community Penalties,	
11	Inc.	53,661
12		
13	Dispute Settlement Center,	
14	Inc.	53,661
15		
16	Appropriate Punishment	
17	Option, Inc.	53,661
18		
19	Mecklenburg Community	
20	Corrections	93,500
21		
22	Neuse River Community	
23	Penalties Program	34,000
24	(2) \$35,000 to establish a new community penalties program to be located	
25	in the 16thB Superior Court Division;	
26	(3) \$35,000 to establish a new community penalties program to be located	
27	in the Third Superior Court Division;	
28	(4) \$35,000 to establish a new community penalties program to be located	
29	in Nash County;	
30	(5) \$45,000 to provide contractual services to Sampson, Duplin, and Jones	
31	Counties through Jacksonville Community Penalties, Inc.;	
32	(6) \$26,705 to provide contractual services to Cleveland and Lincoln	
33	Counties through Gaston Community Penalties, Inc.; and	
34	(7) \$117,700 to cover administrative costs.	

35 (b) The Department of Crime Control and Public Safety shall report to the
36 Joint Legislative Commission on Governmental Operations and the Fiscal Research
37 Division by October 1, 1990, on the use of the funds authorized by this section.

38

39 Requested by: Senator Basnight

40 —HIGHWAY PATROL POSITIONS FILLED ONLY IN FISCAL YEAR IN WHICH
41 THEY OCCUR

42 Sec. 90. G.S. 20-185 is amended by adding a new subsection to read:

43 "(i) Positions in the Highway Patrol Division approved by the General Assembly
44 in the first fiscal year of a biennium to be added in the second fiscal year of a biennium

1 may not be filled before adjustments to the budget for the second fiscal year of the
2 budget are enacted by the General Assembly. If a position to be added in the Highway
3 Patrol Division for the second fiscal year of the biennium requires training, no applicant
4 may be trained to fill the position until the budget adjustments for the second fiscal year
5 are enacted by the General Assembly."
6

7 Requested by: Senator Parnell

8 ---NO REORGANIZATION OF COMMUNITY PENALTIES PROGRAMS

9 Sec. 91. The Department of Crime Control and Public Safety may not
10 restructure or reorganize the community penalties programs.

11
12 Requested by: Senator Marvin

13 ---ELIGIBILITY FOR VICTIMS COMPENSATION FUNDS

14 Sec. 92. G.S. 15B-11(a) reads as rewritten:

15 "(a) An award of compensation will be denied if:

- 16 (1) The claimant fails to file his application for an award within one year
17 after the date of the criminally injurious conduct that caused the injury
18 or death for which he seeks the award;
- 19 (2) The economic loss is incurred after one year from the date of the
20 criminally injurious conduct that caused the injury or death for which
21 the victim seeks the award;
- 22 (3) The criminally injurious conduct was not reported to a law
23 enforcement officer or agency within 72 hours of its occurrence, and
24 there was no good cause for the delay;
- 25 (4) The award would benefit the ~~offender, his accomplice, a spouse of or a~~
26 ~~person living in the same household with the offender or his~~
27 ~~accomplice, or a parent, child, brother, or sister of the offender or his~~
28 ~~accomplice, offender or his accomplice,~~ unless a determination is
29 made that the interests of justice require that an award be approved in a
30 particular case; or
- 31 (5) The criminally injurious conduct occurred while the victim was
32 confined in any State, county, or city prison, correctional, youth
33 services, or juvenile facility, or local confinement facility, or half-way
34 house, group home, or similar facility."

35
36 PART XIX.—DEPARTMENT OF JUSTICE

37
38 Requested by: Senator Marvin

39 ---STATE BUREAU OF INVESTIGATION SALARY ADJUSTMENT

40 Sec. 93. Sec. 24 of Chapter 799 of the 1989 Session Laws reads as rewritten:

41 "Sec. 24. The State Bureau of Investigation may continue in fiscal year ~~1989-90~~
42 1990-91 to pay overtime compensation for 25 supervisory personnel positions as is
43 being done on June 30, ~~1989~~, 1990, up to a maximum of five thousand two hundred
44 dollars (\$5,200) annually per individual. The Office of State Personnel has reported its

1 findings and recommendations regarding the issue of overtime compensation for State
 2 Bureau of Investigation supervisory personnel to the Senate and House Appropriations
 3 Committees on Justice and Public Safety and the Fiscal Research Division. The State
 4 Bureau of Investigation shall review and respond to those recommendations and shall
 5 provide its written response to the Office of State Personnel, the Senate and House
 6 Appropriations Committees on Justice and Public Safety and the Fiscal Research
 7 Division by October 31, 1990. The Office of State Personnel shall continue to study the
 8 issue of overtime compensation for State Bureau of Investigation supervisory personnel
 9 and shall make its final recommendations to the Senate and House Appropriations
 10 Committee on Justice and Public Safety and the Fiscal Research Division by ~~April 15,~~
 11 ~~1990~~ December 15, 1990 as to whether such compensation should continue."

12
 13 Requested by: Senators Marvin and Parnell

14 ---MOBIL PLAN RESPONSE PROJECT

15 Sec. 94. Of the funds appropriated to the Department of Justice, the sum of
 16 \$155,259 for the 1990-91 fiscal year may be used to provide continued support for the
 17 staff in the Environmental Protection Section to provide legal services for the Mobil
 18 Plan Response Project.

19
 20 PART XX.—DEPARTMENT OF TRANSPORTATION

21
 22 Requested by: Senator Martin of Pitt

23 ---CAPITAL IMPROVEMENT REVERSIONS

24 Sec. 95. (a) Unexpended and unencumbered funds in the amount of
 25 \$1,188,365, from the following capital improvement projects, less \$120,615 to cover the
 26 listed deficits, shall revert to the Highway Fund on June 30, 1990.

27	<u>PROJECT</u>	<u>AMOUNT</u>	<u>STATUTORY AUTHORITY</u>
28	I. Division of Motor Vehicles		
29	Building-Carteret County	\$1,275	SL1983,Ch.757,Sec.5
30	Building-Raleigh Renovations	525	SL1983,Ch.1034,Sec.3
31	Roof Replacements-Salisbury and		
32	Greensboro	9,508	SL1985,Ch.480,Sec.5
33	Newton Building Expansion	30,914	SL1987,Ch.795,Sec.5
34	Building-Raleigh Renovations	17,693	SL1987,Ch.795,Sec.5
35	Elizabeth City Building Addition	39	SL1987,Ch.795,Sec.5
36	Repave Parking Areas-Wilson,		
37	Kinston, and Hendersonville	3,212	SL1987,Ch.795,Sec.5
38	Building-Rocky Mount Addition	(3,857)	SL1987,Ch.795,Sec.5
39	Salisbury Septic System		
40	Replacement	2,542	SL1987,Ch.1101,Sec.4
41	II. Crime Control and Public Safety		
42	Law Enforcement Precision Driving		
43	Track and Classroom Tower	270,600	SL1987,Ch.795,Sec.5
44	Upgrade Communications Tower		

1	and Radio System, Greensboro	59,244	SL1987,Ch.795,Sec.5
2	III. Division of Highways		
3	Statewide Energy Savings		
4	Improvement	5,715	SL1983,Ch.757,Sec.5
5	Method/Design and Sitework	(733)	SL1983,Ch.1034,Sec.3
6	Method/Construction	(36,255)	SL1985,Ch.480,Sec.5
7	Method/Supplement	(52,813)	SL1987,Ch.1101,Sec.4
8	Hatteras/Ferry Facility	16,706	SL1985,Ch.1018,Sec.6
9	Grantsboro/Equipment Shop	1,326	SL1985,Ch.1018,Sec.6
10	Charlotte Maintenance Facility	25,233	SL1985,Ch.1018,Sec.6
11	Carteret/Ferry & Shore Facility	(26,003)	SL1985,Ch.1018,Sec.6
12	Carteret/Supplement to Ferry	15,669	SL1985,Ch.1101,Sec.4
13	Dare/Ferry Replacement Supplement	78,413	SL1987,Ch.1101,Sec.4
14	Dare/Ferry Replacement	586,068	SL1987,Ch.795,Sec.5
15			SL1987,Ch.1101,Sec.4
16	Raleigh/Thompson Building	7,511	SL1987,Ch.795,Sec.5
17	Raleigh/Highway Building Roof		
18	Replacement	55,442	SL1987,Ch.1101,Sec.4
19	Graham/Inspector's Office	(954)	SL1989,Ch.754,Sec.6
20	Raleigh/Roof Replacement Storage		
21	Warehouse 730		SL1989,Ch.754,Sec.6

22 (b) If any additional unexpected expenditures are required on the projects listed
 23 in subsection (a) of this section, they shall be paid from funds appropriated from the
 24 Highway Fund to the Departments listed for other capital improvements.

25 (c) This section shall become effective June 30, 1990.

26
 27 Requested by: Senator Martin of Pitt

28 **—SPECIAL APPROPRIATIONS FOR HIGHWAYS**

29 Sec. 96. Section 98 of Chapter 752 of the 1989 Session Laws reads as
 30 rewritten:

31 "Sec. 98. Of the funds appropriated to the Department of Transportation for special
 32 appropriations for highways in Chapter 500 of the 1989 Session Laws, the Current
 33 Operations Appropriations Act of 1989, and in this act, sixty-six million dollars
 34 (\$66,000,000) for fiscal year 1989-90 and ~~sixty-six million dollars (\$66,000,000)~~ two
 35 million six hundred twenty-eight thousand five hundred forty-nine dollars (\$2,628,549)
 36 for fiscal year 1990-91 may be used for:

- 37 (1) Supplemental funding for highway construction, reconstruction, and
- 38 rehabilitation projects for State and Federal Aid road systems;
- 39 (2) Supplemental funding for the planning, design, and engineering of
- 40 highways and acquisition of highway rights-of-way;
- 41 (3) Matching funds for unanticipated federal-aid construction funds;
- 42 (4) Payment for all or any portion of the interest or principal on bonds
- 43 issued by the State for road and highway purposes;

(5) A means of maintaining a uniform seasonal pace of highway construction, including scheduled ferry replacement.

Construction funds shall be allocated equitably each year among the 14 Highway Divisions. ~~Notwithstanding any other provisions of Chapter 136 of the General Statutes, the Department shall make allocations under this section in a manner that assures that at the end of the second year each of the 14 Highway Divisions, over the two year period, has been allocated an equal amount, insofar as possible, of all funds allocated under this section, including those for scheduled ferry replacement. The Secretary shall report in writing, on a monthly basis, in accordance with G.S. 136-17.2A. The Department of Transportation shall report to the Joint Legislative Commission on Governmental Operations Highway Oversight Committee and the Fiscal Research Division on the projects that have been funded, and those projects that he reasonably expects to be funded under this section. The report shall set out the reasons this method of funding serves the best interest of the State's transportation improvement programs. That report shall include, among other things, the cost savings realized, and the manner in which the cost savings have been realized by the use of the funds allocated under this section in accordance with G.S. 120-70.51(a)(1)."~~

Requested by: Senator Martin of Pitt

—CASH FLOW HIGHWAY FUND APPROPRIATIONS

Sec. 97. Section 48 of Chapter 500 of the 1989 Session Laws reads as rewritten:

"Sec. 48. The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 1991-92	\$ 981,100,000 <u>\$954,000,000</u>
For Fiscal Year 1992-93	\$1,005,000,000 <u>\$973,080,000.</u>

Requested by: Senator Martin of Pitt

—CASH FLOW - HIGHWAY TRUST FUND APPROPRIATION

Sec. 98. Section 22 of Chapter 799 of the 1989 Session Laws reads as rewritten:

"Sec. 22. The General Assembly authorizes and certifies anticipated revenues of the North Carolina Highway Trust Fund as follows:

For fiscal year 1991-92	\$734,800,000 <u>\$539,700,000</u>
For fiscal year 1992-93	\$756,700,000 <u>\$555,900,000."</u>

Requested by: Senator Goldston

—TRANSFER OF DRIVER EDUCATION PROGRAM TO D.O.T.

Sec. 99. (a) G.S. 20-88.1 reads as rewritten:

"§ 20-88.1. Driver training and safety education.

(a) ~~In accordance with criteria and standards approved by the State Board of Education, the State Superintendent of Public Instruction~~ The Commissioner shall organize, implement, and administer a program of driver education to be offered at the ~~public high schools of this State~~ for all persons of provisional license age. This program

1 shall be made available to all physically and mentally qualified persons of provisional
2 license age, including public school students, nonpublic school students and out-of-
3 school youths under 18 years of age. ~~The State Board of Education~~ Department of
4 Transportation shall use for ~~such~~ this purpose all funds appropriated to it for said
5 purpose, and may use all other funds that become available for its use for said purpose.
6 The drivers' education program established pursuant to this section shall include
7 instructions on the rights and privileges of the handicapped and the signs and symbols
8 used to assist the handicapped relative to motor vehicles, including the 'international
9 symbol of accessibility' and other symbols and devices as provided in Article 2A of this
10 Chapter. In addition, this program shall include at least six hours of instruction on the
11 offense of driving while impaired and related subjects.

12 (b) ~~The State Board of Education~~ Secretary of Transportation shall adopt an
13 interim salary schedule for Driver's Education Training Instructors effective until
14 December 31, 1991. Thereafter, the State Personnel Commission shall establish a
15 position classification plan and a compensation plan for Driver's Education Training
16 Instructors. No educational degree requirement may be a criterion used in setting
17 salaries. ~~The State Board of Education shall report the salary schedule and criteria~~
18 ~~developed for a drivers' education program to the 1983 General Assembly, Second~~
19 ~~Session 1984.~~

20 (c) All expenses incurred by the State in carrying out the provisions of this
21 section shall be paid out of the General Highway Fund. To the extent that savings can
22 be realized in the driver's education program, unexpended funds may be transferred,
23 quarterly, to the Highway Maintenance Account by the Office of State Budget and
24 Management."

25 (b) G.S. 115C-238.5 reads as rewritten:

26 "**§ 115C-238.5. Flexible funding.**

27 For fiscal years beginning with the 1990-91 fiscal year, the State Board of
28 Education, only upon the recommendation of the State Superintendent, shall increase
29 flexibility in the use of State funds for schools by combining into a single funding
30 category the existing categories for instructional materials, supplies and equipment,
31 textbooks, ~~testing support, and drivers education except for funds for classroom teachers~~
32 ~~of drivers education, and testing support.~~ Only local school administrative units
33 electing to participate in the Performance-based Accountability Program shall be
34 eligible to receive this flexible funding.

35 Local boards of education shall provide maximum flexibility in the use of funds to
36 individual schools to enable them to accomplish their individual schools' goals."

37 (c) The drivers education program, implemented pursuant to Article 14 of
38 Chapter 115C of the General Statutes is transferred from the Department of Public
39 Education to the Department of Transportation. This transfer shall be a Type I transfer,
40 as defined in G.S. 143A-6. All personnel actions taken to implement this transfer shall
41 be in accordance with the applicable provisions of Chapter 126 of the General Statutes
42 or Part 3 of Article 22 of Subchapter V of Chapter 115C of the General Statutes as the
43 case may be. The Secretary of Transportation shall report all personnel actions taken to
44 implement this transfer to the Joint Legislative Highway Oversight Committee.

1 (d) G.S. 115C-215 and G.S. 115C-216 are repealed.

2
3 Requested by: Senator Plyler

4 ---CONFORM DOT MINORITY PARTICIPATION TO FEDERAL REGULATIONS

5 Sec. 100. G.S. 136-28.4 reads as rewritten:

6 "**§ 136-28.4. State policy concerning participation by ~~minority contractors.~~**
7 **disadvantaged businesses in highway contracts.**

8 (a) It is the policy of this State to encourage and promote ~~the use of minority~~
9 ~~contractors in the construction, alteration and maintenance of State roads, streets,~~
10 ~~highways, and bridges~~ participation by disadvantaged businesses in contracts let by the
11 Department pursuant to this Chapter for the design, construction, alteration, and
12 maintenance of State highways, roads, streets, and bridges, and in the procurement of
13 materials for such projects. All State agencies, institutions and political subdivisions
14 shall cooperate with the Department of Transportation and all other State agencies,
15 institutions and political subdivisions in efforts to encourage and promote the use of
16 ~~minority contractors~~ disadvantaged businesses in such ~~State construction, alteration,~~
17 ~~maintenance and procurement.~~ design, construction, alteration, maintenance, and
18 procurement contracts.

19 (b) A ten percent (10%) goal for participation by ~~minority businesses in road or~~
20 ~~bridge construction, alteration, or maintenance projects~~ disadvantaged businesses in
21 contracts let by the Department of Transportation for the design, construction,
22 alteration, or maintenance of State highways, roads, streets, or bridges is established.
23 The Department of Transportation shall endeavor to award to ~~minority businesses~~
24 disadvantaged businesses at least ten percent (10%), by value, of the contracts it lets for
25 the design, construction, alteration or maintenance of roads and bridges. ~~of State~~
26 highways, roads, streets, or bridges. The Department shall adopt written procedures
27 specifying the steps it will take to achieve this goal, provided that the Department shall
28 give equal opportunity for contracts it lets without regard to race, religion, color, creed,
29 national origin, sex, age, or handicapping condition, as defined in G.S. 168A-3, to all
30 contractors and businesses otherwise qualified.

31 (c) As used in this section, the term "~~minority~~" 'disadvantaged business' has the
32 same meaning as in 49 C.F.R. ~~§ 23.5.~~ § 23.62."

33
34 Requested by: Senator Basnight

35 ---FILL CERTAIN HIGHWAY FUND COMPUTER POSITIONS

36 Sec. 101. Positions authorized by the General Assembly in Chapter 752,
37 Session Laws of 1989, funded by the Highway Fund, for the transportation computing
38 center to reorganize and expand the information processing services, shall be filled
39 during the 1990-91 fiscal year.

40
41 Requested by: Senator Martin of Pitt

42 ---INMATE LABOR FUNDING

43 Sec. 102. For the 1990-91 fiscal year, and for subsequent years in which
44 medium custody inmates are used, the Department of Transportation shall reimburse the

1 Department of Correction for the full cost of the Medium Custody Inmate Program.
2 The cost of this program for the 1990-91 fiscal year is \$4,633,856.

3

4 **PART XXI.—MISCELLANEOUS PROVISIONS**

5

6 Requested by: Senator Royall

7 **—EXECUTIVE BUDGET ACT APPLIES**

8 Sec. 103. The provisions of the Executive Budget Act, Chapter 143, Article 1
9 of the General Statutes are reenacted and shall remain in full force and effect and are
10 incorporated in this act by reference.

11

12 Requested by: Senator Royall

13 **—COMMITTEE REPORT**

14 Sec. 104. The June 14, 1990, Report of the Senate Appropriations Committee
15 which was distributed in the Senate and used to explain this act, shall indicate action by
16 the General Assembly on this act and shall therefore be used to construe this act, as
17 provided in G.S. 143-15 of the Executive Budget Act, and for such purposes shall be
18 considered a part of this act.

19

20 Requested by: Senator Royall

21 **—MOST TEXT APPLIES ONLY TO 1990-91**

22 Sec. 105. Except for statutory changes or other provisions that clearly
23 indicate an intention to have effects beyond the 1990-91 fiscal year, the textual
24 provisions of this act apply only to funds appropriated for, and activities occurring
25 during, the 1990-91 fiscal year.

26

27 Requested by: Senator Royall

28 **—1989-90 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

29 Sec. 106. Except where expressly repealed or amended by this act, the
30 provisions of Chapters 500, 752, 754, 795, and 799 of the 1989 Session Laws as
31 amended remain in effect.

32 Sec. 107. Notwithstanding any modifications by this act in the amounts
33 appropriated, except where expressly repealed or amended, the limitations and
34 directions for the 1990-91 fiscal year in Chapters 500, 752, 754, 795, and 799 of the
35 1989 Session Laws that applied to appropriations to particular agencies or for particular
36 purposes apply to the newly enacted appropriations and budget reductions of this act for
37 those same particular purposes.

38

39 Requested by: Senator Royall

40 **—EFFECT OF HEADINGS**

41 Sec. 108. The headings to the parts and sections of this act are a convenience
42 to the reader and are for reference only. The headings do not expand, limit, or define
43 the text of this act.

44

1 Requested by: Senator Royall

2 ---SEVERABILITY CLAUSE

3 Sec. 109. If any section or provision of this act is declared unconstitutional or
4 invalid by the courts, it does not affect the validity of this act as a whole or any part
5 other than the part so declared to be unconstitutional or invalid.

6

7 Requested by: Senator Royall

8 ---EFFECTIVE DATE

9 Sec. 110. Except as otherwise provided, this act shall become effective July
10 1, 1990.