

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1426

Appropriations Committee Substitute Adopted 6/15/90

Third Edition Engrossed 6/18/90

House Committee Substitute Favorable and Fourth Edition Engrossed 7/10/90

Short Title: Operations Appropriations/1990-91.

(Public)

Sponsors:

Referred to: Amendments Adopted; Passed 2nd & 3rd; Ordered Engrossed; Sent to Senate by Special Message.

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: Representative Diamont

—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: Representative Diamont

—TITLE OF ACT

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

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

4 **—CONTENTS/INDEX—**

5 (This outline is designed for reference only, and the outline and the
 6 corresponding entries throughout the act in no way limit, define, or prescribe the scope
 7 or application of the text of the act.)

8
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9 PART I.—GENERAL FUND APPROPRIATIONS

10 —CURRENT OPERATIONS/STATE GOVERNMENT/STATE AID

11 Sec. 3. Appropriations from the General Fund of the State for the
12 maintenance of the State departments, institutions, and agencies, and for other purposes
13 as enumerated and appropriations from the General Fund of the State for aid to certain
14 governmental and nongovernmental units are made for the fiscal year ending June 30,
15 1991, according to the schedule that follows. The amounts set out in the schedule are in
16 addition to other appropriations from the General Fund for these purposes for the 1990-
17 91 fiscal year. Amounts set out in brackets are reductions from General Fund
18 appropriations for the 1990-91 fiscal year.

19 Current Operations/State Aid - General Fund 1990-91

20
21
22 General Assembly

- 23 01. Current Operations \$ (652,119)
- 24 02. Reserve - Negative Appropriations (447,788)

25
26 Judicial Department

- 27 01. Current Operations (5,909,241)
- 28 02. Reserve - Negative Appropriations (4,022,067)

29
30 Department of the Governor

- 31 01. Office of the Governor
- 32 a. Current Operations (147,761)
- 33 b. Reserve - Negative Appropriations (101,462)

- 34
- 35 02. Office of State Budget and Management
- 36 a. Current Operations (111,904)
- 37 b. Reserve - Negative Appropriations (76,841)

- 38
- 39 03. Special Appropriations - State Aid
- 40 a. Reserve - Negative Appropriations (22,248)

41
42 Lieutenant Governor's Office

- 43 01. Current Operations (18,434)
- 44 02. Reserve - Negative Appropriations (12,658)

1			
2	Department of Secretary of State		
3	01. Current Operations	(113,771)	
4	02. Reserve - Negative Appropriations	(78,122)	
5			
6	Department of State Auditor		
7	01. Current Operations	(243,544)	
8	02. Reserve - Negative Appropriations	(167,285)	
9			
10	Department of State Treasurer		
11	01. Current Operations	(147,052)	
12	02. Reserve - Negative Appropriations	(100,975)	
13			
14	Department of Public Education		
15	01. Current Operations	(86,005,645)	
16	02. Reserve - Negative Appropriations	(50,948,170)	
17			
18	Department of Justice		
19	01. Current Operations	(1,485,247)	
20	02. Reserve - Negative Appropriations	(1,060,468)	
21			
22	Department of Administration		
23	01. Administration		
24	a. Current Operations	(1,128,057)	
25	b. State Aid	(116,749)	
26	c. Reserve - Negative Appropriations	(1,047,326)	
27	02. State Controller		
28	a. Current Operations	(166,298)	
29	b. Reserve - Negative Appropriations	(114,191)	
30			
31	Department of Agriculture		
32	01. Current Operations	(1,250,700)	
33	02. State Aid	(8,250)	
34	03. Reserve - Negative Appropriations	(864,479)	
35			
36	Department of Labor		
37	01. Current Operations	(266,452)	
38	02. Reserve - Negative Appropriations	(179,867)	
39			
40	Department of Insurance		
41	01. Current Operations	(403,074)	
42	02. Reserve - Negative Appropriations	(276,690)	
43			
44	Department of Environment, Health, and		

- 1 Natural Resources
- 2 01. Current Operations (906,620)
- 3 02. State Aid 2,942,215
- 4 03. Reserve - Negative Appropriations (3,570,781)
- 5
- 6 Office of Administrative Hearings
- 7 01. Current Operations (62,288)
- 8 02. Reserve - Negative Appropriations (42,771)
- 9
- 10 Administrative Rules Review Commission
- 11 01. Current Operations (8,166)
- 12
- 13 Department of Human Resources
- 14 01. Alcoholic Rehabilitation Center -
- 15 Black Mountain (5,429)
- 16 02. Alcoholic Rehabilitation Center -
- 17 Butner(30,222)
- 18 03. Alcoholic Rehabilitation Center -
- 19 Greenville 53,403
- 20 04. N.C. Special Care Center (2,794,462)
- 21 05. Black Mountain Center 1,096,184
- 22 06. DHR - Administration and Support Program
- 23 a. Current Operations (822,619)
- 24 b. Reserve - Negative Appropriations (23,176,546)
- 25 07. Division of Aging -
- 26 08. Schools for the Deaf and Blind(168,064)
- 27 09. Social Services
- 28 a. Current Operations 11,352,021
- 29 b. State Aid (1,200,000)
- 30 10. Social Services - State Aid to
- 31 Non-State Agencies 100,000
- 32 11. Medical Assistance
- 33 a. Current Operations (5,634,070)
- 34 b. State Aid 750,000
- 35 12. Division of Services for the Blind (130,975)
- 36
- 37 13. Division of Mental Health,
- 38 Developmental Disabilities, and
- 39 Substance Abuse Services
- 40 a. Current Operations 490,250
- 41 b. State Aid 5,520,170
- 42 14. Dorothea Dix Hospital (2,083,669)
- 43 15. Broughton Hospital (1,618,647)
- 44 16. Cherry Hospital (2,050,531)

1	17.	John Umstead Hospital (1,399,609)	
2	18.	Western Carolina Center (204,615)	
3	19.	O'Berry Center (1,175,094)	
4	20.	Murdoch Center (593,484)	
5	21.	Caswell Center (3,753,347)	
6	22.	Division of Facility Services -	
7	23.	Division of Vocational	
8		Rehabilitation Services (826,140)	
9	24.	Division of Youth Services 97,500	
10	Total Department of		
11	Human		Resources
12	(28,207,995)		
13			
14	Department of Correction		
15	01.	Current Operations 9,316,030	
16	02.	State Aid 190,000	
17	03.	Reserve - Negative Appropriations (8,635,480)	
18			
19	Department of Transportation		
20	01.	State Aid Aeronautics	
21	a.	Reserve - Negative Appropriations (134,241)	
22	02.	Aid to Railroads (66,002)	
23			
24	Department of Economic and		
25	Community Development		
26	01.	Economic and Community Development	
27	a.	Current Operations (462,255)	
28	b.	State Aid (425,000)	
29	c.	Reserve - Negative Appropriations (609,249)	
30	02.	Microelectronics Center	
31	a.	State Aid (3,071,670)	
32	b.	Reserve - Negative Appropriations (441,529)	
33	03.	Biotechnology Center	
34	a.	State Aid (414,860)	
35	b.	Reserve - Negative Appropriations (170,922)	
36			
37	Department of Revenue		
38	01.	Current Operations (1,703,372)	
39	02.	Reserve - Negative Appropriations (1,169,649)	
40			
41	Department of Cultural Resources		
42	01.	Current Operations (664,882)	
43	02.	State Aid (542,775)	
44	03.	Reserve - Negative Appropriations (829,258)	

- 1
- 2 Department of Crime Control
- 3 and Public Safety
- 4 01. Current Operations (922,028)
- 5 02. State Aid 165,000
- 6 03. Reserve - Negative Appropriations (605,653)
- 7
- 8 University of North Carolina - Board
- 9 of Governors
- 10
- 11 01. Reserve - Negative Appropriations (24,766,659)
- 12 02. General Administration (1,837,118)
- 13 03. University Operations -
- 14 a. Current Operations Lump Sum(885,814)
- 15 04. Related Educational Programs
- 16 a. Current Operations (120,048)
- 17 b. State Aid (1,265,421)
- 18 05. University of North Carolina
- 19 at Chapel Hill
- 20 a. Academic Affairs (4,191,631)
- 21 b. Division of Health
- 22 Affairs (2,630,850)
- 23 c. Area Health Education
- 24 Centers(776,126)
- 25 06. North Carolina State University
- 26 at Raleigh
- 27 a. Academic Affairs (5,068,248)
- 28 b. Agricultural Research
- 29 Service(1,182,000)
- 30 c. Agricultural Extension
- 31 Service(922,966)
- 32 07. University of North Carolina at
- 33 Greensboro (1,807,442)
- 34 08. University of North Carolina at
- 35 Charlotte (1,846,863)
- 36 09. University of North Carolina at
- 37 Asheville (498,626)
- 38 10. University of North Carolina at
- 39 Wilmington (1,057,170)
- 40 11. East Carolina University
- 41 a. Academic Affairs (2,428,095)
- 42 b. Division of Health Affairs (1,232,739)
- 43 12. North Carolina Agricultural and
- 44 Technical State University (1,147,342)

1	13.	Western Carolina University	(1,137,402)		
2	14.	Appalachian State University	(1,724,988)		
3	15.	Pembroke State University	(476,647)		
4	16.	Winston-Salem State University	(492,863)		
5	17.	Elizabeth City State			
6		University	(435,513)		
7	18.	Fayetteville State University	(526,273)		
8	19.	North Carolina Central			
9		University	(894,904)		
10	20.	North Carolina School of the Arts	(248,353)		
11	21.	North Carolina Science and			
12		Math High School	(230,356)		
13	22.	University of North Carolina			
14		Hospitals at Chapel Hill	(1,159,170)		
15	Total	University	of	North	Carolina
16					(6
17					0,991,627)
18					
19		Department of Community Colleges			
20	01.	Current Operations	4,547,708		
21	02.	Reserve - Negative Appropriations	(7,912,918)		
22					
23		Contingency and Emergency			
24	01.	Reserve - Negative Appropriations	(23,175)		
25					
26		Reserve for Salary Adjustments			
27	01.	Reserve - Negative Appropriations	(7,741)		
28					
29	Reserve	-	Accounting		System
30					3,
31					000,000
32					
33	Debt				Service
34					4,
35					720,800
36					
37		GRAND TOTAL CURRENT OPERATIONS—			
38		GENERAL FUND			\$
39		(255,416,089)			
40					
41		PART II.—HIGHWAY FUND APPROPRIATIONS			
42					
43		—CURRENT OPERATIONS/HIGHWAY FUND			

1 Sec. 4. 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

19 (54,963,462)

Highways

20 b. Ferry Operations (373,298)

21 c. State Maintenance

22 (01) Primary 3,332,413

23 (02) Secondary 5,899,805

24 (03) Urban 899,160

25 (04) Contract Resurfacing 9,543,039

26 03. Division of Motor Vehicles 3,639,213

27
 28 Appropriations for Other State Agencies

29 01. Crime Control and Public
 30 Safety (3,167,748)

31 02. Other Agencies

32 a. Department of Correction 2,883,856

33
 34 Reserve

for

Unforeseen

Events

2,

35
 36 145,177

37
 38 GRAND TOTAL CURRENT OPERATIONS—

39 HIGHWAY FUND

\$

40 (30,177,238)

41
 42 —CURRENT OPERATIONS/STATE AID

43 Sec. 5. Appropriations from the Highway Fund of the State to State
 44 departments, institutions, and agencies for aid to certain governmental and

1 nongovernmental units are made for the fiscal year ending June 30, 1991, according to
 2 the schedule that follows. The amounts set out in the schedule are in addition to other
 3 appropriations from the Highway Fund for these purposes for the 1990-91 fiscal year.
 4 Amounts set out in brackets are reductions from Highway Fund appropriations for the
 5 1990-91 fiscal year.

<u>Highway Fund</u>	<u>1990-91</u>
8 State Aid to Municipalities 9 (2,790,393)	\$

10
 11 PART III.—BLOCK GRANT APPROPRIATIONS

12
 13 Requested by: Representatives B. Ethridge, Redwine, and Gardner

14 —BLOCK GRANT PROVISIONS

15 Sec. 6. (a) Appropriations from federal block grant funds are made for the fiscal year
 16 ending June 30, 1991, according to the following schedule:

17 JOB TRAINING PARTNERSHIP ACT

- 18 01. Title II A funds to the 27
 19 service delivery areas to train
 20 economically disadvantaged youth
 21 and adults \$ 18,917,881
 22
- 23 02. Education setaside to State
 24 education agencies for projects
 25 to serve eligible participants 1,940,295
 26
- 27 03. Incentive grants and technical
 28 assistance funds to service
 29 delivery areas 1,455,222
 30
- 31 04. Funds for training economically
 32 disadvantaged older workers 727,611
 33
- 34 05. Funds to the Department of Economic
 35 and Community Development
 36 to administer and audit all
 37 activities related to the Job
 38 Training P'ship Act Programs 1,212,685
 39
- 40 06. Title II B Summer Youth Employment
 41 and Training funds to service
 42 delivery areas for economically
 43 disadvantaged youth 9,695,044
 44

1	07.	Title III Dislocated workers funds		
2		to the Employment Security		
3		Commission	3,877,627	
4				
5		TOTAL JOB TRAINING PARTNERSHIP ACT		\$
6		37,826,365		
7				
8		COMMUNITY SERVICES BLOCK GRANT		
9				
10	01.	Community Action Agencies	\$ 7,899,715	
11				
12	02.	Limited Purpose Agencies	438,873	
13				
14	03.	Department of Human Resources		
15		to administer and monitor		
16		the activities of the		
17		Community Services Block Grant	438,873	
18				
19		TOTAL COMMUNITY SERVICES BLOCK GRANT		\$
20		8,777,461		
21				
22		COMMUNITY DEVELOPMENT BLOCK GRANT		
23				
24	01.	State Administration	\$ 824,680	
25				
26	02.	Urgent Needs/Contingency	1,770,466	
27				
28	03.	Development Planning/Housing	1,770,466	
29				
30	04.	Economic Development	7,081,864	
31				
32	05.	Community Revitalization	24,786,524	
33				
34		TOTAL COMMUNITY DEVELOPMENT		
35		BLOCK GRANT		\$
36		36,234,000		
37				
38		EDUCATION CONSOLIDATION AND IMPROVEMENT		
39		BLOCK GRANT		\$
40		11,526,834		
41				
42		PREVENTIVE HEALTH BLOCK GRANT		
43				
44	01.	Emergency Medical Services	\$ 455,087	

1				
2	02.	Basic Public Health Services	879,362	
3				
4	03.	Hypertension Programs	545,234	
5				
6	04.	Health Education/Risk Reduction Programs and		
7		Health Promotion/Local Health Departments	936,118	
8				
9	05.	Fluoridation of Water Supplies	146,079	
10				
11	06.	Rape Prevention and Rape		
12		Crisis Programs	91,010	
13				
14	07.	AIDS/HIV Education, Counseling,		
15		and Testing	294,374	
16				
17	08.	TB Control Program	57,077	
18				
19	TOTAL PREVENTIVE HEALTH BLOCK GRANT			\$
20	3,404,341			
21				
22	MATERNAL AND CHILD HEALTH SERVICES			
23				
24	01.	Healthy Mother/Healthy Children		
25		Block Grants to Local Health		
26		Departments	\$ 11,718,781	
27				
28	02.	High Risk Maternity Clinic Services,		
29		Perinatal Education, and Consultation		
30		to Local Health Departments		
31		and Other Health Care Providers	1,467,217	
32				
33	03.	Services to Disabled Children	4,132,297	
34				
35	04.	Sudden Infant Death Syndrome	32,633	
36				
37	05.	Lead-Based Paint Poisoning	71,200	
38				
39	06.	New Special Projects	1,249,653	
40				
41	07.	Reimbursements for Local Health		
42		Departments for Contracted		
43		Nutritional Services	120,530	
44				

1 TOTAL MATERNAL AND CHILD
 2 HEALTH SERVICES
 3 \$ 18,792,311
 4
 5 SOCIAL SERVICES BLOCK GRANT
 6
 7 01. County Departments of Social Services \$ 43,304,967
 8
 9 02. Allocation for In-Home Services provided
 10 by County Departments of
 11 Social Services 1,200,000
 12
 13 03. Division of Mental Health, Developmental
 14 Disabilities, and Substance Abuse 5,881,994
 15
 16 04. Division of Services for the Blind 3,069,228
 17
 18 05. Division of Youth Services 1,051,428
 19
 20 06. Division of Facility Services 263,261
 21
 22 07. Division of Aging 333,706
 23
 24 08. Day Care Services 12,517,760
 25
 26 09. Volunteer Services 53,361
 27
 28 10. State Administration and State Level
 29 Contracts 3,401,714
 30
 31 11. Voluntary Sterilization funds 100,000
 32
 33 12. Transfer to Maternal and Child
 34 Health Block Grant 1,691,909
 35
 36 13. Adult Day Care Services 661,419
 37
 38 14. County Departments of Social Services for
 39 Child Abuse/Prevention and
 40 Permanency Planning 400,000
 41
 42 15. Allocation to Division of Health Services
 43 for Grants in Aid to Prevention
 44 Programs 445,000

1			
2	16.	Transfer to Preventive Health	
3		Block Grant for Emergency Medical Services	
4		and Basic Public Health Services	492,611
5			
6	17.	Allocation to Preventive Health Block	
7		Grant for AIDS Education	294,374
8			
9	18.	Allocation to Department of Administration	
10		for North Carolina Fund for Children	45,270
11			
12	TOTAL SOCIAL SERVICES BLOCK GRANT		\$
13	75,208,002		
14			
15	LOW INCOME ENERGY BLOCK GRANT		
16			
17	01.	Energy Assistance Programs	\$ 18,196,292
18			
19	02.	Crisis Intervention	4,441,897
20			
21	03.	Administration	1,968,611
22			
23	04.	Weatherization Program	1,737,187
24			
25	05.	Indian Affairs	27,222
26			
27	06.	Transfer to Preventive Health Block Grant	
28		for Emergency Medical Services Program	209,116
29			
30	07.	Transfer to Social Services	
31		Block Grant for Adult	
32		Day Care Services	417,648
33			
34	08.	Transfer to Social Services Block	
35		Grant for State Administration	
36		& Contract Service	192,748
37			
38	09.	Transfer to Maternal and Child Health	
39		Grant for Maternal and Child Health	
40		Block Grant in the Division of	
41		Health Services for Healthy Mothers	
42		and Children	1,696,362
43			
44	10.	Transfer to SSBG for allocation to the	

1	Department of Administration for	
2	the North Carolina Fund for Children	45,270
3		
4	TOTAL LOW INCOME ENERGY BLOCK GRANT	\$
5	28,932,353	
6		
7	ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH	
8	SERVICES BLOCK GRANT	
9		
10	01. Allocate funds to the four regional	
11	offices on a per capita basis	
12	for mental health services	\$ 1,866,556
13		
14	02. Provide services for young chronically	
15	mentally ill adults, some of whom	
16	aged out of the Willie M. class	
17	prior to receiving appropriate	
18	services	200,000
19		
20	03. Programs for the Chronically	
21	Mentally Ill	3,084,847
22		
23	04. Continuation of child mental health	
24	nonresidential services in	
25	accordance with the Child Mental	
26	Health Plan	279,781
27		
28	05. Continuation of child mental health	
29	residential services including group	
30	homes, specialized foster care,	
31	therapeutic homes, professional	
32	parenting programs, and respite care,	
33	with an emphasis on children under	
34	the age of 12	341,418
35		
36	06. Continuation and expansion of community-	
37	based alcohol and drug services	
38	including prevention, early inter-	
39	vention, treatment, rehabilitation,	
40	nonhospital medical detoxification	
41	and training	5,435,884
42		
43	07. Continuation and expansion of services	
44	to female substance abusers,	

- 1 including specialized services at
- 2 the ADATCS 2,448,946
- 3
- 4 08. Continuation and expansion of services to
- 5 IV drug abusers, including increased
- 6 capacity for drug screens and IV
- 7 services at the ADATCS 3,477,240
- 8
- 9 09. Services to adolescents, including
- 10 continuation and expansion of services
- 11 in accordance with the Youth Substance
- 12 Abuse Plan 3,140,864
- 13
- 14 10. Funding to support the provision of
- 15 Treatment Alternatives to Street
- 16 Crimes (TASC) programs for adults
- 17 and four demonstration projects with
- 18 local jails 462,104
- 19
- 20 11. Continuing of funding for detoxification
- 21 services in the Eastern Region 1,048,110
- 22
- 23 12. Revolving loan pool for residential living
- 24 for recovering substance abusers 100,000
- 25
- 26 13. Administration 1,000,898
- 27

28 TOTAL ALCOHOL, DRUG ABUSE AND
 29 MENTAL HEALTH SERVICES
 30 BLOCK GRANT
 31 22,886,648

\$

32
 33 MENTAL HEALTH SERVICES FOR THE HOMELESS
 34 BLOCK GRANT

- 35
- 36 01. Specialized Community Services for the
- 37 Chronically Mentally Ill \$ 275,000
- 38 02. Community-based Services for Chronically
- 39 Mentally Ill Youth 75,195
- 40

41 TOTAL MENTAL HEALTH SERVICES FOR THE
 42 HOMELESS BLOCK GRANT
 43 350,195

\$

1 COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT

2

3 01. Development of Community-Based Substance
4 Abuse Prevention Programs
5 for Youth \$ 83,623

6

7 02. Evaluation 6,800

8

9 TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM

10 BLOCK GRANT

\$

11 90,423

12

13 (b) Decreases in Federal Fund Availability

14

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

21

22 (c) Increases in Federal Fund Availability

23

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

26

27 (1) For the Community Development Block Grant or for the Preventive
28 Health Block Grant - each program category under the Community
29 Development Block Grant or the Preventive Health Block Grant, as
30 applicable, shall be increased by the same percentage as the increase in
31 federal funds.

32

33 (2) For the Maternal and Child Health Services Block Grant - these
34 additional funds shall be allocated to local health departments to assist
35 in the reduction of infant mortality.

36

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

39

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

40

41 (d) Education Setaside of JTPA Funds

42

43 The Department of Economic and Community Development shall certify to
44 the Joint Legislative Commission on Governmental Operations and to the Fiscal
45 Research Division of the Legislative Services Office when Job Training Partnership Act

1 funds have been distributed to each agency, the total amount distributed to each agency,
2 and the total amount of eight percent (8%) Education Setaside funds received.

3
4 PART IV.—GENERAL PROVISIONS

5
6 Requested by: Representative Diamont
7 —BUDGET FLEXIBILITY

8 Sec. 7. (a) Section 48 of Chapter 752 of the 1989 Session Laws reads as
9 rewritten:

10 "Sec. 48. Sections 156 through 160 of Chapter 479 of the 1985 Session Laws, as
11 amended, and G.S. 143-16.3, do not apply to the extent that the Director of the Budget
12 finds that compliance is impossible and that deviation is necessary because of
13 complications in the budget process that were not contemplated when the budget for the
14 1989-91 fiscal biennium was enacted.

15 The Director of the Budget shall report, on a monthly basis to the Joint Legislative
16 Commission on Governmental Operations and to the Fiscal Research Division of the
17 Legislative Services Office on any deviations from Sections 156 through 160 of Chapter
18 479 of the 1985 Session Laws, as amended, and G.S. 143-16.3, and the reasons it was
19 impossible to comply.

20 This section ~~does not authorize~~ authorizes deviations from Sections 156 through 160
21 of Chapter 479 of the 1985 Session Laws, as amended, and G.S. 143-16.3, to ~~combine~~
22 ~~fund codes; consolidate programs, even if the consolidation requires that fund codes be~~
23 ~~combined; provided, however, this section does not authorize the elimination of a~~
24 ~~program that the appropriations committees of the Senate or the House of~~
25 ~~Representatives have specifically considered during the 1990 Regular Session of the~~
26 ~~1989 General Assembly and continued funding for the 1990-91 fiscal year."~~

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

28 **"§ 143-27. Appropriations to educational, charitable and correctional institutions**
29 **are in addition to receipts by them.**

30 All appropriations now or hereafter made to the educational institutions, and to the
31 charitable and correctional institutions, and to such other departments and agencies of
32 the State as receive moneys available for expenditure by them are declared to be in
33 addition to such receipts of said institutions, departments or agencies, and are to be
34 available as and to the extent that such receipts are insufficient to meet the costs
35 anticipated in the budget authorized by the General Assembly, of maintenance of such
36 institutions, departments, and agencies; ~~Provided, however, that if the receipts, other~~
37 ~~than gifts and grants that are unanticipated and are for a specific purpose only, collected~~
38 ~~in a fiscal year by an institution, department, or agency exceed the receipts certified for~~
39 ~~it in General Fund Codes or Highway Fund Codes, the Director of the Budget shall~~
40 ~~decrease the amount he allots to that institution, department, or agency from~~
41 ~~appropriations from that Fund by the amount of the excess, unless the Director of the~~
42 ~~Budget finds that the appropriations from that Fund are necessary to maintain the~~
43 ~~function that generated the receipts at the level anticipated in the certified Budget Codes~~
44 ~~for that Fund.~~

~~The Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office within 30 days after the end of each quarter on expenditures of receipts in excess of the amounts certified in General Fund Codes or Highway Fund Codes that did not result in a corresponding reduced allotment from appropriations from that Fund. agencies."~~

(c) G.S. 143-23(a1) reads as rewritten:

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

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

The Director of the Budget shall report on a quarterly basis to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office the reason if the amount expended for a program is more than the amount appropriated for it from all sources.

~~Funds appropriated for salaries and wages may only be used for salaries and wages or for premium pay, overtime pay, longevity, unemployment compensation, workers' compensation, temporary wages, contracted personal services, moving expenses, payment of accumulated annual leave, certain awards to employees, tort claims, and employer's social security, retirement, and hospitalization payments: provided, however, funds appropriated for salaries and wages may also be used for purposes for which over expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall include such use and the reason for it in his quarterly report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office. Lapsed salary funds that become available from vacant positions may not be used for new permanent employee positions or to raise the salary of existing employees.~~

As used in this subsection, 'program' means a group of expenditure and receipt line items for support of a specific budgeted activity outlined in the certified budget for each department, agency, or institution, as designated by the four-digit fund (purpose) number in the Budget Preparation System.

The requirements in this section that the Director of the Budget report to the Joint Legislative Commission on Governmental Operations shall not apply to expenditures of

1 receipts by entities that are wholly receipt supported, except for entities supported by
2 the Wildlife Resources Fund."

3 (d) The Office of State Budget and Management shall provide a quarterly
4 report to each member of the General Assembly and to the Joint Legislative
5 Commission on Governmental Operations on budgetary actions taken pursuant to this
6 section. The Office of State Budget and Management shall also report to the
7 appropriations committees of the Senate and the House of Representatives prior to
8 March 15, 1991, on budgetary actions taken through February 28, 1991, pursuant to this
9 section and any other such actions anticipated during the 1990-91 fiscal year.

10 (e) All reductions achieved pursuant to the provisions of this section shall be
11 temporary unless they are made permanent by the General Assembly.

12 (f) The Governor shall submit to the General Assembly with his proposed
13 budget for the 1991-93 fiscal biennium a report of which items in the proposed budget
14 are continuations of budget reductions achieved pursuant to the provisions of this
15 section.

16 (g) This section shall not be construed to permit the creation of any new
17 programs not authorized by the General Assembly.

18 (h) This section applies to the the 1990-91 fiscal year only. Subsections (a)
19 through (c) of this section apply only to the extent the Director of the Budget finds
20 necessary to achieve the reductions set out as "Reserves for Negative Appropriations" in
21 the appropriations for each department.

22
23 Requested by: Representative Diamont

24 ---BUDGET STABILIZATION RESERVE

25 Sec. 8. There is appropriated from the General Fund to the Office of State
26 Budget and Management the sum of \$141,000,000 for the 1990-91 fiscal year for the
27 initial establishment of a Budget Stabilization Reserve. The purpose of the Reserve is
28 to provide a mechanism to stabilize the annual funding availability for carrying out
29 State programs and providing financial assistance to local government units.

30 It is the intent of the General Assembly that the 1991 General Assembly enact
31 laws establishing a permanent budget stabilization reserve.

32 The funds in the Reserve shall not be spent during the 1990-91 fiscal year
33 without the prior approval of the General Assembly.

34
35 Requested by: Representative Diamont

36 ---APPROPRIATIONS OF FUNDS IN ACCORDANCE WITH HOUSE BILL 2377

37 Sec. 9. Appropriations from the General Fund for the 1990-91 fiscal year are
38 made, in accordance with Chapter 813 of the 1989 Session Laws, House Bill 2377,
39 according to the following schedule:

- 40
41 01. Appropriation of franchise tax revenues,
42 pursuant to G.S. 105-116 and G.S. 105-120 \$121,900,000
43 02. Appropriation of intangibles tax revenues,
44 pursuant to G.S. 105-213 99,700,000

1 03. Appropriation of beverage tax revenues,
2 pursuant to G.S. 105-113.82 21,100,000

3 The amounts designated for the disbursements are based on estimates. If the
4 amount designated is insufficient to pay for the disbursement of franchise tax,
5 intangibles tax, or beverage tax revenue, the State Budget Officer shall withhold from
6 net collections under Article 3, Article 2B, or Article 7 of Chapter 105 of the General
7 Statutes, as appropriate, the remaining amount necessary to pay for the disbursement. If
8 the amount designated is more than the amount needed to pay for any of the
9 disbursements, the excess at the end of the fiscal year shall revert to the General Fund.

10
11 Requested by: Representative Barnes

12 —LOCAL SHARED REVENUE/CONTINUING APPROPRIATION

13 Sec. 10. (a) G.S. 105-116(d), as rewritten by Chapter 813 of the 1989 Session
14 Laws, reads as rewritten:

15 "(d) Appropriation. There is annually appropriated from the General
16 Fund to each municipality an amount that equals three and nine hundredths percent
17 (3.09%) of the taxable gross receipts derived, from April 1 of the preceding fiscal year
18 to the following March 31, by an electric power company and a natural gas company
19 from sales within the municipality of the commodities and services described in
20 subsection (a). The Secretary of Revenue shall transfer the amount appropriated to a
21 municipality in quarterly installments on or before September 15, December 15, March
22 15, and June 15 based on the taxable gross receipts derived within the municipality
23 during the preceding calendar quarter. If a company's report does not state the
24 company's taxable gross receipts derived within a municipality, the Secretary of
25 Revenue shall determine a practical method of allocating part of the company's taxable
26 gross receipts to the municipality. Before transferring the amount appropriated by this
27 subsection, the Secretary of Revenue shall certify the amount to be transferred to the
28 State Controller. The appropriation made by this subsection ~~shall need not~~ be included
29 in the Current Operations Appropriations ~~Act~~Act, but shall be a continuing
30 appropriation.

31 As used in this subsection, the term 'municipality' includes an urban service district
32 defined by the governing board of a consolidated city-county. The amount due an urban
33 service district shall be distributed to the governing board of the consolidated city-
34 county."

35 (b) G.S. 105-120(c), as rewritten by Chapter 813 of the 1989 Session Laws,
36 reads as rewritten:

37 "(c) Appropriation. There is annually appropriated from the General Fund to each
38 municipality an amount that equals three and nine hundredths percent (3.09%) of the
39 taxable gross receipts derived, from April 1 of the preceding fiscal year to the following
40 March 31, from local telecommunications service provided within the municipality.
41 The Secretary of Revenue shall transfer the amount appropriated to a municipality in
42 quarterly installments on or before September 15, December 15, March 15, and June 15
43 based on the taxable gross receipts derived within the municipality during the preceding
44 calendar quarter. If a company's report does not state the company's taxable gross

1 receipts derived within a municipality, the Secretary of Revenue shall determine a
2 practical method of allocating part of the company's taxable gross receipts to the
3 municipality. Before transferring the amount appropriated by this subsection, the
4 Secretary of Revenue shall certify the amount to be transferred to the State Controller.
5 The appropriation made by this subsection ~~shall need not be included in the Current~~
6 ~~Operations Appropriations Act~~, but shall be a continuing appropriation.

7 As used in this subsection, the term 'municipality' includes an urban service district
8 defined by the governing board of a consolidated city-county. The amount due an urban
9 service district shall be distributed to the governing board of the consolidated city-
10 county."

11 (c) G.S. 105-113.82(h), as rewritten by Chapter 813 of the 1989 Session
12 Laws, reads as rewritten:

13 "(h) Act. The appropriations made by this section ~~shall need not be included in the~~
14 ~~Current Operations Appropriations Act~~, but shall be a continuing appropriation."

15 (d) G.S. 105-213(a), as rewritten by Chapter 813 of the 1989 Session Laws,
16 reads as rewritten:

17 "(a) There is annually appropriated from the General Fund to counties and
18 municipalities the amount of revenue collected under this Article during the preceding
19 fiscal year, plus an amount equal to forty percent (40%) of the tax collected on accounts
20 receivable during the preceding fiscal year and less an amount equal to the costs during
21 the preceding fiscal year of:

- 22 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 23 (2) The Department of Revenue to collect and administer the taxes levied
24 under this Article.
- 25 (3) The Department of Revenue in performing the duties imposed by
26 Article 15 of this Chapter.
- 27 (4) The Property Tax Commission.
- 28 (5) The Institute of Government in operating a training program in
29 property tax appraisal and assessment.

30 The appropriation shall be distributed by August 30 of each year. The appropriation
31 ~~shall need not be included in the Current Operations Appropriations Act~~, but shall be
32 a continuing appropriation.

33 To distribute the appropriation, the Secretary of Revenue shall keep a separate
34 record by counties of the taxes collected under this Article and shall certify to the State
35 Controller and to the State Treasurer the amount to be distributed to each county and
36 municipality in the State. The State Controller shall then issue a warrant on the State
37 Treasurer to each county and municipality in the amount certified.

38 The Secretary shall allocate the amount appropriated under this Article to the
39 counties according to the county in which the taxes were collected. The Secretary shall
40 then increase the amount allocable to each county by a sum equal to forty percent (40%)
41 of the amount of tax on accounts receivable allocated to the county on the basis of
42 collections. The amounts so allocated to each county shall in turn be divided between
43 the county and the municipalities in the county in proportion to the total amount of ad
44 valorem taxes levied by each during the fiscal year preceding the distribution. For the

1 purpose of computing the distribution of the intangibles tax to any county and the
2 municipalities located in the county for any year with respect to which the property
3 valuation of a public service company is the subject of an appeal pursuant to the
4 provisions of the Machinery Act, or to applicable provisions of federal law, and the
5 Department of Revenue is restrained by operation of law or by a court of competent
6 jurisdiction from certifying such valuation to the county and municipalities therein, the
7 Department shall use the last property valuation of such public service company which
8 has been so certified in order to determine the ad valorem tax levies applicable to such
9 public service company in the county and the municipalities therein.

10 The chairman of each board of county commissioners and the mayor of each
11 municipality shall report to the Secretary of Revenue information requested by the
12 Secretary to enable the Secretary to distribute the amount appropriated by this section.
13 If a county or municipality fails to make a requested report within the time allowed, the
14 Secretary may disregard the county or municipality in distributing the amount
15 appropriated by this section. The amount distributed to each county and municipality
16 shall be used by the county or municipality in proportion to property tax levies made by
17 it for the various funds and activities of the county or municipality, unless the county or
18 municipality has pledged the amount to be distributed to it under this section in payment
19 of a loan agreement with the North Carolina Solid Waste Management Capital Projects
20 Financing Agency. A county or municipality that has pledged amounts distributed
21 under this section in payment of a loan agreement with the Agency may apply the
22 amount the loan agreement requires."

23
24 Requested by: Representative Jack Hunt

25 ---REMOVE SUNSET ON REGULATION OF DENTAL ANESTHESIA

26 Sec. 11. (a) Chapter 1073 of the 1987 Session Laws is reenacted, and Section
27 2 of that act reads as rewritten:

28 "Sec. 2. This act is effective upon ~~ratification, ratification~~ but shall expire June 30,
29 1990, and shall have no force and effect after that date."

30 (b) This section shall become effective June 29, 1990.

31
32 PART V.—DEPARTMENT OF ADMINISTRATION

33
34 Requested by: Representatives Easterling and Michaux

35 ---N.C. COALITION AGAINST DOMESTIC VIOLENCE FUNDS

36 Sec. 12. Section 15 of Chapter 752, Session Laws of 1989 reads as rewritten:

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

1

2 Requested by: Representatives Easterling and Michaux

3 —REDUCTION IN COUNCIL OF GOVERNMENTS FUNDS

4 Sec. 13. Section 42 of Chapter 500, Session Laws of 1989 reads as rewritten:

5 "Sec. 42. (a) Of the funds appropriated by Section 5 of this act to the
6 Department of Administration, the sum of nine hundred ninety thousand dollars
7 (\$990,000) for the 1989-90 fiscal year and nine hundred ~~ninety thousand~~ sixty thousand
8 three hundred dollars (~~\$990,000~~) (\$960,300) for the 1990-91 fiscal year shall only be
9 used as provided by this section. Each regional council of government or lead regional
10 organization is allocated an amount up to fifty-five thousand dollars (\$55,000) ~~each~~
11 fiscal year in the 1989-90 fiscal year and fifty-three thousand three hundred fifty dollars
12 (\$53,350) in the 1990-91 fiscal year, with the actual amount calculated as provided in
13 subsection (b) of this section.

14 (b) The funds shall be allocated as follows: A share of the maximum ~~fifty-five~~
15 ~~thousand dollars (\$55,000)~~ each fiscal year shall be allocated to each county and smaller
16 city based on the most recent annual estimate of the Office of State Budget and
17 Management of the population of that county (less the population of any larger city
18 within that county) or smaller city, divided by the sum of the total population of the
19 region (less the population of larger cities within that region) and the total population of
20 the region living in smaller cities. Those funds shall be paid to the regional council of
21 governments for the region in which that city or county is located upon receipt by the
22 Department of Administration of a resolution of the governing board of the county or
23 city requesting release of the funds. If any city or county does not so request payment
24 of funds by June 30 of a State fiscal year, that share of the allocation for that fiscal year
25 shall revert to the General Fund.

26 (c) A council of governments may use funds appropriated by this section only to
27 assist local governments in grant applications, economic development, community
28 development, support of local industrial development activities, and other activities as
29 deemed appropriate by the member governments.

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

33 (e) As used in this section 'Larger City' means an incorporated city with a
34 population of 50,000 or over. 'Smaller City' means any other incorporated city."
35

36 Requested by: Representative DeVane

37 —THE NORTH CAROLINA STATE INDIAN HOUSING AUTHORITY IS A
38 HOUSING AUTHORITY GOVERNED BY CHAPTER 157 OF THE GENERAL
39 STATUTES, AND IS NOT A STATE AGENCY

40 Sec. 14. (a) The Director of the Office of Indian Housing has stated that if
41 the North Carolina State Indian Housing Authority is a State agency, then it will be
42 ineligible to receive more than \$1,000,000 per year in federal assistance. This section
43 clarifies that the Authority is not a State agency.

44 (b) G.S. 157-66 reads as rewritten:

1 **"§ 157-66. Authority created.**

2 There is hereby created and established a public body corporate and politic to be
3 known as the North Carolina State Indian Housing Authority which shall be governed
4 by the provisions of law controlling housing authorities as set out in this Chapter as well
5 as other applicable provisions of the General Statutes. It is the intent of the General
6 Assembly that the North Carolina State Indian Housing Authority not be treated as a
7 State agency for any purpose, but rather that it be treated as a housing authority as set
8 out above."

9

10 Requested by: Representatives Easterling and Michaux

11 ~~—LIMIT ON DOMESTIC VIOLENCE AND RAPE CRISIS PROGRAMS~~

12 Sec. 15. Notwithstanding the budget flexibility authorized in Section 7 of this
13 act, no reductions for the 1990-91 fiscal year may be taken by the Department of
14 Administration for the Domestic Violence and Rape Crisis Programs.

15

16 Requested by: Representative Ramsey

17 ~~—PARKING FEES/PARKING DECK CREDIT~~

18 Sec. 16. The Department of Administration shall make quarterly deposits to
19 total \$1,908,300 of the parking fees collected in the 1990-91 fiscal year with the State
20 Treasurer as a nontax revenue, to offset the General Fund appropriation for principal
21 and interest on the parking deck authorized by Chapter 1048 of the 1987 Session Laws,
22 Regular Session 1988.

23

24 PART VI.—DEPARTMENT OF CULTURAL RESOURCES

25

26 Requested by: Representative Easterling

27 ~~—PERMIT WASHINGTON COUNTY TO USE GRANT-IN-AID FUNDS FOR AN~~
28 ~~ADDITIONAL PURPOSE~~

29 Sec. 17. Funds appropriated in Chapter 830 of the 1987 Session Laws for
30 Washington County for a grant-in-aid to be used in preserving the history of the County
31 by microfilming **The Roanoke Beacon**, the local newspaper, may be used by
32 Washington County to pay a museum curator.

33

34 Requested by: Representative R. Hunter

35 ~~—OLD FORT MUSEUM BRANCH FUNDS~~

36 Sec. 18. The unexpended balance of funds appropriated in the amount of
37 \$50,000 to the Department of Cultural Resources in Section 4 of Chapter 1014 of the
38 1985 Session Laws, 1986 Regular Session, may be used for capital improvements for
39 Old Fort Branch Museum (Mountain Gateway Museum).

40

41 Requested by: Representative James

42 ~~—ELIMINATE THE MATCHING REQUIREMENT FOR FUNDS PREVIOUSLY~~
43 ~~APPROPRIATED FOR THE LATHAM HOUSE~~

1 Sec. 19. Section 20 of Chapter 778 of the 1985 Session Laws reads as
2 rewritten:

3 "Sec. 20. There is appropriated from the General Fund to the Department of
4 Cultural Resources, Division of Archives and History, the sum of ten thousand dollars
5 (\$10,000) for fiscal year 1985-86 to assist in the adaptive restoration of the Latham
6 ~~House. House in Plymouth, provided a like amount of non-State funds is raised by the~~
7 ~~Latham Foundation to match this appropriation on a dollar-for-dollar basis."~~

8
9 PART VII.—GENERAL ASSEMBLY

10
11 Requested by: Representatives Beall and Michaux
12 —LEGISLATIVE MEMBERS' MILEAGE

13 Sec. 20. (a) G.S. 120-3.1(d) is repealed.

14 (b) This act shall become effective upon the convening of the 1991 Regular
15 Session of the General Assembly.

16
17 Requested by: Representative Perdue

18 —LRC COMMITTEE ON GROWTH MANAGEMENT CONTINUES AS
19 COMMISSION ON FUTURE STRATEGIES FOR NORTH CAROLINA

20 Sec. 21. Chapter 120 of the General Statutes is amended by adding a new
21 Article to read:

22 **"ARTICLE 13B.**

23 **"JOINT LEGISLATIVE COMMISSION ON FUTURE STRATEGIES**
24 **FOR NORTH CAROLINA.**

25 **"§ 120-84.6. Purpose.**

26 There is hereby established the Joint Legislative Commission on Future Strategies
27 for North Carolina, hereinafter called the Commission, which shall review future trends
28 and events to consider how they may affect North Carolina, and develop policy options
29 for how State and local governments and the general public can be prepared to benefit
30 from these future trends and events.

31 **"§ 120-84.7. Membership.**

32 The Commission shall consist of six members of the House of Representatives
33 appointed by the Speaker of the House of Representatives and six members of the
34 Senate appointed by the President Pro Tempore of the Senate. Members shall serve for
35 two-year terms beginning on the convening of the General Assembly in each odd-
36 numbered year; provided, however, the terms of initial members shall begin on
37 appointment and end on the day of the convening of the 1991 General Assembly.
38 Members shall not be disqualified from completing a term of service on the
39 Commission because they fail to run or are defeated for reelection. Resignation or
40 removal from the General Assembly shall constitute resignation or removal from
41 membership on the Commission.

42 Vacancies created by resignation or otherwise shall be filled by the original
43 appointing authority.

1 A House cochairman and a Senate cochairman shall be elected by the Commission
2 from among its members.

3 **"§ 120-84.8. Powers and duties.**

4 The Commission shall have the following powers and duties:

- 5 (1) To review reports which propose future strategies, goals, or
6 recommendations for North Carolina, and determine the status of the
7 proposed strategies, goals, and recommendations.
- 8 (2) To review governmental and nongovernmental research and studies
9 relating to current and future trends and events, and to assess the
10 impact of these future trends and events on future governmental
11 policy.
- 12 (3) To review current statutes related to comprehensive planning at all
13 levels of government and propose changes considered most consistent
14 with state-of-the-art comprehensive growth management and
15 development policies.
- 16 (4) To review the history and current status of intergovernmental
17 relationships in North Carolina.
- 18 (5) To conduct periodic surveys to assess citizen attitudes toward current
19 trends and determine their impact on strategic policy options.
- 20 (6) To undertake such additional studies, surveys, or evaluations as may,
21 from time to time, be requested by the President Pro Tempore of the
22 Senate, the Speaker of the House of Representatives, the Legislative
23 Research Commission, or either house of the General Assembly.
- 24 (7) To appoint advisory committees, which may include government
25 officials and interested citizens, to examine specific issues as
26 determined by the Commission. A Commission member shall be
27 appointed chairman of such advisory committees.
- 28 (8) To conduct studies of long range fiscal impact of proposals or policies
29 under review by the Commission.
- 30 (9) To develop rules regarding the selection, design, methodology, and
31 execution of citizens attitude surveys, research and study topics for
32 Commission approval and consideration.
- 33 (10) To issue reports, forecasts, and recommendations to the General
34 Assembly, from time to time, on matters relating to the powers and
35 duties set out in this section.

36 **"§ 120-84.9. Reports to the General Assembly.**

37 The reports shall contain findings, recommendations, and forecasts of potential
38 future strategies and policy alternatives which may be beneficial to State and local
39 governments and the general public of North Carolina.

40 **"§ 120-84.10. Additional powers.**

41 The Commission shall have the following additional powers:

- 42 (1) While in the discharge of official duties, to have access to any paper or
43 document, and may compel the attendance of any State official or
44 employee before the Commission or secure any evidence under the

1 provisions of G.S. 120-19. In addition, the provisions of G.S. 120-
2 19.1 through G.S. 120-19.4 shall apply to the proceedings of the
3 Commission as if it were a joint committee of the General Assembly.

4 (2) To apply for and receive gifts and grants from private sources to assist
5 the Commission in fulfilling its duties, subject to the approval of the
6 Legislative Services Commission.

7 **"§ 120-84.11. Compensation and expenses of Commission members.**

8 Members of the commission shall serve without pay but shall receive per diem and
9 subsistence in accordance with G.S. 138-5, G.S. 138-6, or G.S. 120-3.1, as appropriate.
10 The facilities of the State Legislative Building and any other State office building used
11 by the General Assembly, shall be available to the Commission for its use.

12 **"§ 120-84.12. Commission staffing.**

13 (a) The Commission may use available clerical employees of the General
14 Assembly, with the approval of the Legislative Services Commission.

15 (b) The Commission may, with the consent of the Legislative Services
16 Commission, use employees of the Fiscal Research, Legislative Automation, General
17 Research, Bill Drafting, and Public Information Divisions of the Legislative Services
18 Commission."

19
20 PART VIII.—OFFICE OF THE GOVERNOR

21
22 Requested by: Representative Michaux

23 —REDUCTION IN CONTINGENCY AND EMERGENCY FUND ALLOCATION

24 Sec. 22. Section 50 of Chapter 752, Session Laws of 1989 reads as rewritten:

25 "Sec. 50. Of the funds appropriated to the Contingency and Emergency Fund in
26 Section 3 of Chapter 500 of the 1989 Session Laws, the Current Operations
27 Appropriations Act of 1989, the sum of \$900,000 for the 1989-90 fiscal year and the
28 sum of \$900,000 for the 1990-91 fiscal year shall be designated for emergency
29 allocations, which are for the purposes outlined in G.S. 143-23(a1)(3), (4), and (5). The
30 sum of \$225,000 for the 1989-90 fiscal year and the sum of ~~\$225,000~~ \$201,825 for the
31 1990-91 fiscal year shall be designated for other allocations from the Contingency and
32 Emergency Fund."

33
34 Requested by: Representative Stam

35 —FUND COMMITMENT LIMITATIONS

36 Sec. 23. G.S. 143-18 reads as rewritten:

37 **"§ 143-18. Unencumbered balances to revert to treasury; capital appropriations**
38 **excepted.**

39 All unencumbered balances of maintenance appropriations shall revert to the State
40 treasury to the credit of the general fund or special funds from which the appropriation
41 and/or appropriations, were made and/or expended, at the end of each fiscal year; except
42 that capital expenditures for the purchase of land, the erection of buildings, new
43 construction or renovations in progress shall continue in force until the attainment of the
44 object or the completion of the work for which the appropriations are made; except that

1 maintenance appropriations to the General Assembly shall remain available until
2 expended, unless otherwise provided by the Legislative Services Commission.

3 As used in this section, 'unencumbered' means not obligated in the form of purchase
4 orders, contracts, renovations in progress or salary commitments. No purchase orders,
5 contracts, renovations in progress, or salary commitments shall be entered into during a
6 fiscal year unless sufficient funds are available within the purpose for which the funds
7 were appropriated by the General Assembly or as authorized by the Director of the
8 Budget as allowed by law."

9
10 PART IX.—DEPARTMENT OF REVENUE

11
12 Requested by: Representative Diamont

13 —MAIL ORDER SALES TAX TO GENERAL FUND

14 Sec. 24. Effective June 30, 1990, Section 56 of Chapter 1086 of the 1987
15 Session Laws is repealed. All State sales and use tax proceeds in the State Special
16 Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be
17 credited to the General Fund. All local sales and use tax proceeds in the Local Special
18 Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be
19 distributed to local governments in accordance with Articles 39, 40, 41, and 42 of
20 Chapter 105 of the General Statutes and in accordance with Chapter 1096 of the 1967
21 Session Laws.

22
23 Requested by: Representative Dickson

24 —INVENTORY REIMBURSEMENT ADJUSTMENT

25 Sec. 25. (a) Notwithstanding the provisions of G.S. 105-275.1, the
26 reimbursement to each city and county under G.S. 105-275.1, as amended by this
27 section, for the 1990-91 fiscal year shall be reduced by nineteen one-hundredths of one
28 percent (0.19%). The reimbursements under G.S. 105-275.1 for the 1991-92 fiscal year
29 shall be calculated as if the amount distributed for the 1990-91 fiscal year had not been
30 reduced pursuant to this subsection.

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

32 "**§ 105-275.1. Reimbursement for exclusion of manufacturers' inventories and**
33 **poultry and livestock.**

34 (a) Initial Distribution. – On or before January 15, 1989, the governing body of
35 each county and each city shall furnish to the Secretary a list of (i) all the inventories
36 owned by manufacturers that were required to be listed and assessed as of January 1,
37 1987, and were listed on or before September 1, 1987, in the county or city under this
38 Subchapter; (ii) all livestock and poultry and feed used in the production of livestock
39 and poultry that was required to be listed and assessed as of January 1, 1987, and was
40 listed on or before September 1, 1987, in the county or city under this Subchapter; (iii)
41 all the crops and other agricultural or horticultural products held for sale, whether in
42 process or ready for sale, owned by taxpayers regularly engaged in the growth,
43 breeding, raising, or other production of new products for sale, that were not included
44 under subdivision (ii) above and that were required to be listed and assessed as of

1 January 1, 1987, and were listed on or before September 1, 1987, in the county or city
2 under this Subchapter; ~~and~~ (iv) in the case of a city, all the inventories owned by
3 manufacturers that were located as of January 1, 1987, in an area for which the city
4 began annexation proceedings before September 1, 1987, and which became a part of
5 the city after January 1, 1987, and before January 1, ~~1988~~ 1988; and (v) in the case of a
6 city, all the inventories owned by manufacturers that were located as of January 1, 1987,
7 in an area for which the city began annexation proceedings before September 1, 1987,
8 and which became a part of the city after January 1, 1988, and before July 1, 1990. The
9 list shall contain the value of the inventories and other items as well as the property tax
10 rates in effect in the county or city for the eight years from 1980 through 1987. The list
11 shall also contain the property tax rates in effect for those years in each special district
12 for which the county or city collected taxes in 1987 but whose tax rates were not
13 included in the rates listed for the county or city, and the value of the inventories owned
14 by manufacturers and other items described in subdivisions (ii) and (iii) above that were
15 required to be listed and assessed as of January 1, 1987, and were listed on or before
16 September 1, 1987, in that district. The list shall be accompanied by an affidavit
17 attesting to the accuracy of the list and shall be on a form prescribed by the Secretary.

18 On or before March 20, 1989, the Secretary shall pay to each county and city that
19 submitted a list under this subsection an amount equal to the county or city average rate,
20 as provided below, multiplied by the value of the inventories described in subdivisions
21 (i) and (iv) above contained in the list submitted by the city or county, plus or minus the
22 percentage of this product that equals the percentage by which State personal income
23 has increased or decreased during the most recent 12-month period for which State
24 personal income data has been compiled by the Bureau of Economic Analysis of the
25 United States Department of Commerce.

26 On or before March 20, 1989, the Secretary shall also pay to each county and city
27 that submitted a list under this subsection an amount equal to the average rate, as
28 provided below, for each special district for which the county or city collected taxes in
29 1987, but whose tax rates were not included in the county or city's rates, multiplied by
30 the value of the inventories owned by manufacturers that were required to be listed and
31 assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the
32 district, plus or minus the percentage of this product that equals the percentage by which
33 State personal income has increased or decreased during the most recent 12-month
34 period for which State personal income data has been compiled by the Bureau of
35 Economic Analysis of the United States Department of Commerce.

36 The Secretary shall calculate an average rate for each county and city, and for each
37 special district whose tax rates were not included in the tax rates of a county or city, as
38 the arithmetic mean of the property tax rates in effect in the county, city, or district for
39 the eight years from 1980 through 1987. If a county, city, or district did not have tax
40 rates in effect for the entire eight-year period, the average rate shall be the arithmetic
41 mean of the property rates in effect for the years during the eight-year period that it did
42 have rates in effect.

43 Of the funds received by each county and city pursuant to this subsection, the portion
44 that was received because the county or city was collecting taxes for a special district

1 (either because the district's tax rate was included in the city or county's rate or because
2 the Secretary paid the county or city the product of the district's average rate and the
3 value of the inventories in the district) shall be distributed among the districts in the
4 county or city as soon as practicable after the city or county receives funds under this
5 subsection. The county or city shall distribute to each special district in the county or
6 city an amount equal to the average rate for the district multiplied by the value of the
7 inventories owned by manufacturers that were required to be listed and assessed as of
8 January 1, 1987, and were listed on or before September 1, 1987, in the district, plus or
9 minus the percentage of this product that equals the percentage by which State personal
10 income has increased or decreased during the most recent 12-month period for which
11 State personal income data has been compiled by the Bureau of Economic Analysis of
12 the United States Department of Commerce. The Local Government Commission may
13 adopt rules for the resolution of disputes and correction of errors in the distribution
14 among special districts provided in this paragraph. The Local Government Commission
15 shall report to the 1990 General Assembly any errors it discovers in the information
16 furnished by local governments to the Secretary as required in this subsection.

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

1 distribute to each county and city the amount it received under this section the preceding
2 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 (c) Use. – Funds received by a county, city, or special district under this section
28 may be used for any lawful purpose.

29 (d) 'City' Defined. – As used in this section, the term 'city' has the same meaning
30 as in G.S. 153A-1(1).

31 (e) Source of Funds. – To pay for the distribution required by this section and the
32 cost to the Department of Revenue of making the distribution, the Secretary of Revenue
33 shall draw from the Local Government Tax Reimbursement Reserve an amount equal to
34 the amount distributed and the cost of making the distribution.

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

1 amount or value of the inventories or other items. Thereafter, each year the Secretary
2 shall distribute to the county or city the amount it would have received under subsection
3 (b) in 1990 if it had not overstated or understated the amount or value of any inventories
4 or other items."

5 (c) A city affected by the amendment to G.S. 105-275.1 provided in this section
6 shall submit to the Secretary of Revenue a list of the manufacturers' inventories in the
7 annexed area as soon as practicable.

8 (d) This section is effective upon ratification.

9
10 PART X.—DEPARTMENT OF SECRETARY OF STATE

11
12 Requested by: Representative Easterling

13 —REPEAL OF STATEWIDE VOTER FILE

14 Sec. 26. G.S. 163-66.1 is repealed.

15
16 Requested by: Representative Easterling

17 —REDUCE INVENTORY OF SECRETARY OF STATE OF CERTAIN
18 PUBLICATIONS

19 Sec. 27. Effective upon ratification of this act, the Publications Division of
20 the Department of the Secretary of State may reduce inventories of the Journals for the
21 North Carolina House of Representatives, the Journals of the State Senate, the Session
22 Laws of North Carolina, and the North Carolina Manual as provided by this section.
23 All such publications issued prior to 1987-88 may be made available at cost of postage
24 only for a 60 day period commencing on the date of ratification of this act. After 60
25 days any such inventory exceeding 50 copies of each journal, 150 copies of each session
26 laws, and 50 copies of each manual, shall be recycled or destroyed.

27
28 Requested by: Representative Michaux

29 —DELAY REQUIREMENT OF CORPORATE ANNUAL REPORT UNDER NEW
30 BUSINESS CORPORATION ACT

31 Sec. 28. (a) Section 3 of Chapter 265, Session Laws of 1989, reads as
32 rewritten:

33 "Sec. 3. This act shall become effective July 1, 1990, except that G.S. 55-16-22
34 shall become effective July 1, 1991."

35 (b) This section is effective June 30, 1990.

36
37 PART XI.—DEPARTMENT OF INSURANCE

38
39 Requested by: Representative Tart

40 —RESCUE UNIT FUND CHANGES

41 Sec. 29. (a) G.S. 58-87-5 reads as rewritten:

42 "**§ 58-87-5. Volunteer Rescue/EMS Fund.**

43 (a) There is created in the Department of Insurance the Volunteer Rescue/EMS
44 Fund to provide matching grants to volunteer rescue units providing rescue ~~only~~ or

1 rescue and emergency medical services to purchase equipment and make capital
2 improvements. An eligible rescue or rescue/EMS unit may apply to the Department of
3 Insurance for a grant under this section. The application form and criteria for grants
4 shall be established by the Department. The Office of Emergency Medical Services in
5 the Department of Human Resources shall provide the Department with an advisory
6 priority listing of EMS equipment eligible for funding. The State Treasurer shall invest
7 the Fund's assets according to law, and the earnings shall remain in the Fund.
8 Beginning December 15, 1989, and on each December 15 thereafter, the Department
9 shall make grants to eligible rescue or rescue/EMS units subject to the following
10 limitations:

- 11 (1) The size of a grant may not exceed fifteen thousand dollars (\$15,000);
- 12 (2) The applicant shall match the grant on a dollar-for-dollar basis with
13 non-State funds;
- 14 (3) The grant may be used only for equipment purchases or capital
15 expenditures; and
- 16 (4) An applicant may receive no more than one grant per fiscal year.

17 In awarding grants under this section, the Department shall to the extent possible select
18 applicants from all parts of the State based upon need. Up to two percent (2%) of the
19 Fund may be used for additional staff and resources to administer the Fund in each
20 fiscal year. In addition, notwithstanding G.S. 58-78-20, up to four percent (4%) of the
21 Fund may be used for additional staff and resources for the North Carolina Fire and
22 Rescue Commission.

23 (b) A rescue or rescue/EMS unit is eligible for a grant under this section if:

- 24 ~~(1) It serves a response area of 10,000 or fewer residents or a response~~
25 ~~area that consists of an entire county;~~
- 26 (2) It is all volunteer, except that the rescue or rescue/EMS unit may have
27 paid members, not to exceed two positions, either full-time or part-
28 time; and
- 29 (3) It has been recognized by the Department as an organization that
30 provides rescue ~~only~~ or rescue and emergency medical services; and
- 31 (4) It satisfies the eligibility criteria established by the Department under
32 subsection (a) of this section.

33 (c) For the purpose of this section and Article 88 of this Chapter, 'rescue' means
34 the removal of individuals facing external, nonmedical, and nonpatient related peril to
35 areas of relative safety. A 'rescue unit' or 'rescue squad' means a group of individuals
36 who are not necessarily trained in emergency medical services, fire fighting, or law
37 enforcement, but who expose themselves to an external, nonmedical, and nonpatient
38 related peril to effect the removal of individuals facing the same type of peril to areas of
39 relative safety. The unit or squad must comply with existing State statutes and with
40 eligibility criteria established by the North Carolina Association of Rescue and
41 Emergency Medical Services, Inc."

42 (b) G.S. 20-183.7(c) reads as rewritten:

43 "(c) Fees collected for inspection certificates shall be paid to the Division of
44 Motor Vehicles in accordance with its regulations and shall be periodically transferred

1 ~~as follows: are payable to the Division of Motor Vehicles. The amount of each fee~~
 2 ~~listed in the table below shall be credited to the Highway Fund, the Volunteer~~
 3 ~~Rescue/EMS Fund established in G.S. 58-87-5, the Rescue Squad Workers' Relief Fund~~
 4 ~~established in G.S. 58-88-5, and the Division of Environmental Management of the~~
 5 ~~Department of Environment, Health, and Natural Resources:~~

- 6 (1) ~~After making the transfer provided in subdivision (3) of this~~
 7 ~~subsection, seventy five cents (75¢) of the fee for the valid inspection~~
 8 ~~certificate collected pursuant to subsection (a) shall be transferred to~~
 9 ~~the Highway Fund, and the remaining moneys shall be transferred to~~
 10 ~~the Department of Insurance for the Volunteer Rescue/EMS Fund~~
 11 ~~created in G.S. 58-87-5.~~
- 12 (2) ~~After making the transfer provided in subdivision (3) of this~~
 13 ~~subsection, the fee collected pursuant to subsection (a1) shall be~~
 14 ~~transferred as follows: the first thirty five cents (35¢) to the Division~~
 15 ~~of Environmental Management; the next twenty cents (20¢) to the~~
 16 ~~Department of Insurance for the Volunteer Rescue/EMS Fund created~~
 17 ~~in G.S. 58-87-5; and any excess up to one dollar and eighty five cents~~
 18 ~~(\$1.85) to the Highway Fund.~~
- 19 (3) ~~Five cents (5¢) of the fee for the valid inspection certificate collected~~
 20 ~~pursuant to subsections (a) and (a1) shall be transferred each quarter of~~
 21 ~~the year to the North Carolina Commissioner of Insurance, for the~~
 22 ~~purpose of funding the Rescue Squad Workers' Relief Fund under~~
 23 ~~Article 88 of General Statute Chapter 58.~~

<u>Fund or Agency</u>	<u>Fee Imposed</u>	<u>Fee Imposed</u>
<u>Under (a) Under (a1)</u>		
<u>Highway Fund</u>	<u>.75</u>	<u>1.80</u>
<u>Volunteer Rescue/EMS Fund</u>	<u>.18</u>	<u>.18</u>
<u>Rescue Squad Workers' Relief Fund</u>	<u>.07 .07</u>	
<u>Division of Environmental</u>		
<u>Management</u>	<u>.00</u>	<u>.35."</u>

32 (c) G.S. 58-88-5 reads as rewritten:

33 **"§ 58-88-5. Rescue Squad Workers' Relief Fund; trustees; disbursement of funds.**

34 (a) ~~The money paid into the hands of the Commissioner of Insurance pursuant to~~
 35 ~~G.S. 20-183.7(c)(3) shall be known and remain as the "Rescue Squad Workers' Relief~~
 36 ~~Fund", and Fund" is created. It consists of the revenue credited to the Fund under G.S.~~
 37 ~~20-183.7(c) and shall be used for the purposes set forth in this Article.~~

38 (b) The Executive Committee of the Association shall be the Board of
 39 Trustees of the Fund. The Board shall consist of the Commander, Vice-Commander,
 40 Secretary-Treasurer, and two ~~immediate~~ past Commanders of the Association. The
 41 Commander shall be the Chairman of the Board. The Commander, Vice-Commander,
 42 and Secretary-Treasurer shall appoint the two past Commanders of the Association, who
 43 shall serve at the pleasure of the appointing officers.

1 (c) The Commissioner of Insurance ~~shall have~~ has exclusive control of the funds
2 ~~realized under the provisions of this Article and G.S. 20-183.7(c), Fund~~ and shall
3 ~~disburse the funds~~ revenue in the Fund to the Association only for the following
4 purposes:

- 5 (1) To safeguard any rescue or EMS worker in active service from
6 financial loss, occasioned by sickness contracted or injury received
7 while in the performance of his or her duties as a rescue or EMS
8 worker.
- 9 (2) To provide a reasonable support for those persons actually dependent
10 upon the services of any rescue or EMS worker who may lose his or
11 her life in the service of his or her town, county, city, or the State,
12 either by accident or from disease contracted or injury received by
13 reason of such service. The amount is to be determined according to
14 the earning capacity of the deceased.
- 15 (3) To award scholarships to children of members, deceased members or
16 retired members in good standing, for the purpose of attending a two
17 year or four year college or university, and for the purpose of attending
18 a two year course of study at a community college or an accredited
19 trade or technical school, any of which is located in the State of North
20 Carolina. Continuation of the payment of educational benefits for
21 children of active members shall be conditioned on the continuance of
22 active membership in the rescue ~~of~~ or EMS service by the parent or
23 parents.
- 24 (4) To pay death benefits to those persons who were actually dependent
25 upon any member killed in the line of duty.
- 26 (5) Notwithstanding any other provision of law, no expenditures shall be
27 made pursuant to subdivisions (1), (2), (3), and (4) of this subsection
28 unless the Board has certified that such expenditures will not render
29 the Fund actuarially unsound for the purpose of providing the benefits
30 set forth in subdivisions (1), (2), (3), and (4). If, for any reason, funds
31 made available for subdivisions (1), (2), (3), and (4) are insufficient to
32 pay in full any benefit, the benefits pursuant to subdivisions (1), (2),
33 (3), and (4) shall be reduced pro rata for as long as the amount of
34 insufficient funds exists. No claims shall accrue with respect to any
35 amount by which a benefit under subdivisions (1), (2), (3), and (4) has
36 been reduced."

37 (d) G.S. 58-88-30 reads as rewritten:

38 **"§ 58-88-30. Administration costs.**

39 The Association shall withhold ~~three percent (3%)~~ eight percent (8%) from the
40 money received pursuant to G.S. 20-183.7(c) for the administration of the Fund. The
41 Commissioner of Insurance shall withhold two percent (2%) from the money received
42 pursuant to G.S. 20-183.7(c) for the administration of the Fund."

43 (e) This act shall become effective July 15, 1990. Section (b) applies to fees
44 collected on or after the effective date.

1
2 PART XII.—EMPLOYEE SALARIES AND BENEFITS

3
4 Requested by: Representative Colton

5 —SALARY RELATED CONTRIBUTIONS/EMPLOYERS

6 Sec. 30. Section 42(c) of Chapter 752 of the 1989 Session Laws reads as
7 rewritten:

8 "(c) The State's employer contribution rates budgeted for retirement and related
9 benefits as a percentage of covered salaries for the 1990-91 fiscal year are (i) eleven and
10 seventy-four hundredths percent (11.74%) - Teachers and State Employees; (ii) sixteen
11 and seventy-four hundredths percent (16.74%) - State Law Enforcement Officers; (iii)
12 ~~eight and twenty-seven hundredths percent (8.27%)~~ eight and thirty-seven hundredths
13 percent (8.37%) - University Employees' Optional Retirement Program; (iv) thirty-one
14 and thirty-six hundredths percent (31.36%) - Consolidated Judicial Retirement System;
15 and (v) ~~thirty-eight and eighty-five hundredths percent (38.85%)~~ forty and twenty-five
16 hundredths percent (40.25%) - Legislative Retirement System. Each of the foregoing
17 contribution rates includes one and sixty-five hundredths percent (1.65%) for hospital
18 and medical benefits. The rate for State Law Enforcement Officers includes five
19 percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and
20 State Employees, State Law Enforcement Officers, and for the University Employees'
21 Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the
22 Disability Income Plan."

23
24 Requested by: Representative Colton

25 —TO PROVIDE A COST-OF-LIVING INCREASE TO RETIREES OF THE
26 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
27 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE
28 RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL EMPLOYEES'
29 RETIREMENT SYSTEM.

30 Sec. 31. (a) G.S. 135-5 is amended by adding a new subsection to read:

31 "(rr) From and after July 1, 1990, the retirement allowance to or on account of
32 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
33 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989, in
34 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1990, the
35 retirement allowance to or on account of beneficiaries whose retirement commenced
36 after July 1, 1989, but before June 30, 1990, shall be increased by a prorated amount of
37 six and one-tenth percent (6.1%) of the allowance payable as determined by the Board
38 of Trustees based upon the number of months that a retirement allowance was paid
39 between July 1, 1989, and June 30, 1990."

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

41 "(k) From and after July 1, 1990, the retirement allowance to or on account of
42 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
43 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989.
44 Furthermore, from and after July 1, 1990, the retirement allowance to or on account of

1 beneficiaries whose retirement commenced after July 1, 1989, but before June 30, 1990,
 2 shall be increased by a prorated amount of six and one-tenth percent (6.1%) of the
 3 allowance payable as determined by the Board of Trustees based upon the number of
 4 months that a retirement allowance was paid between July 1, 1989, and June 30, 1990."

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

6 "(f) In accordance with subsection (a) of this section, from and after July 1, 1990,
 7 the retirement allowance to or on account of beneficiaries whose retirement commenced
 8 on or before January 1, 1990, shall be increased by the same amount as provided to
 9 retired members and beneficiaries of the Teachers' and State Employees' Retirement
 10 System pursuant to the provisions of G.S. 135-5(rr)."

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

12 "(hh) From and after July 1, 1990, the retirement allowance to or on account of
 13 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
 14 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989, in
 15 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1990, the
 16 retirement allowance to or on account of beneficiaries whose retirement commenced
 17 after July 1, 1989, but before June 30, 1990, shall be increased by a prorated amount of
 18 six and one-tenth percent (6.1%) of the allowance payable as determined by the Board
 19 of Trustees based upon the number of months that a retirement allowance was paid
 20 between July 1, 1989, and June 30, 1990."

21 (e) This section shall become effective July 1, 1990.

22
 23 Requested by: Representative Colton

24 ---TO PROVIDE POST-RETIREMENT ALLOWANCE INCREASES TO CERTAIN
 25 RETIRED GENERAL EMPLOYEES, LAW OFFICERS, AND THEIR
 26 BENEFICIARIES IN THE LOCAL GOVERNMENTAL EMPLOYEES'
 27 RETIREMENT SYSTEM AND TO CERTAIN RETIRED LAW OFFICERS AND
 28 THEIR BENEFICIARIES IN THE TEACHERS' AND STATE EMPLOYEES'
 29 RETIREMENT SYSTEM.

30 Sec. 32. (a) G.S. 128-27 is amended by adding two new subsections to read:

31 "(ii) Increases in Allowances to Certain Persons Retired before July 1, 1982.
 32 From and after July 1, 1990, the retirement allowances to or on account of beneficiaries
 33 who commenced receiving retirement allowances prior to July 1, 1982, shall be
 34 increased in accordance with the following schedule:

35 Allowances Commenced: Percentage Increases:

36 On and after July 1, 1980
 37 but before July 1, 1982 4.0%

38 On and after July 1, 1977
 39 but before July 1, 1980 6.6%

40 Before July 1, 1977 9.0%

41 The post-retirement allowance increases provided by this subsection shall not apply to
 42 or on account of beneficiaries retired from the Law Enforcement Officers' Retirement
 43 System or the Law Enforcement Officers' Benefit and Retirement Fund. The post-
 44 retirement allowance increases provided by this subsection shall be in addition to any

1 other post-retirement allowance increases provided under this Article by the 1989
 2 Session of the General Assembly (1990 Regular Session) so as not to be compounded
 3 on any other such post-retirement allowance increases that may be granted by the 1989
 4 Session of the General Assembly.

5 (jj) Increases in Allowances to Certain Persons Retired before July 1, 1981.
 6 From and after July 1, 1990, the retirement allowances to or on account of beneficiaries
 7 who commenced receiving retirement allowances from the Law Enforcement Officers'
 8 Retirement System or the Law Enforcement Officers' Benefit and Retirement Fund prior
 9 to July 1, 1981, shall be increased in accordance with the following schedule:

<u>Allowances Commenced:</u>	<u>Percentage Increases:</u>
<u>On and after July 1, 1980</u>	
<u>but before July 1, 1981</u>	<u>2.3%</u>
<u>On and after July 1, 1977</u>	
<u>but before July 1, 1980</u>	<u>9.3%</u>
<u>On and after July 1, 1976</u>	
<u>but before July 1, 1977</u>	<u>14.3%</u>
<u>Before July 1, 1976</u>	<u>21.3%</u>

18 The post-retirement allowance increases provided by this subsection shall be in addition
 19 to any other post-retirement allowance increases provided under this Article by the 1989
 20 Session of the General Assembly (1990 Regular Session) so as not to be compounded
 21 on any other such post-retirement allowance increases that may be granted by the 1989
 22 Session of the General Assembly."

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

24 "(ss) Increases in Allowances to Certain Persons Retired before July 1, 1981.
 25 From and after July 1, 1990, the retirement allowances to or on account of beneficiaries
 26 who commenced receiving retirement allowances from the Law Enforcement Officers'
 27 Retirement System or the Law Enforcement Officers' Benefit and Retirement Fund prior
 28 to July 1, 1981, shall be increased in accordance with the following schedule:

<u>Allowances Commenced:</u>	<u>Percentage Increases:</u>
<u>On and after July 1, 1980</u>	
<u>but before July 1, 1981</u>	<u>2.3%</u>
<u>On and after July 1, 1977</u>	
<u>but before July 1, 1980</u>	<u>9.3%</u>
<u>On and after July 1, 1976</u>	
<u>but before July 1, 1977</u>	<u>14.3%</u>
<u>Before July 1, 1976</u>	<u>21.3%</u>

37 The post-retirement allowance increases provided by this subsection shall be in addition
 38 to any other post-retirement allowance increases provided under this Article by the 1989
 39 Session of the General Assembly (1990 Regular Session) so as not to be compounded
 40 on any other such post-retirement allowance increases that may be granted by the 1989
 41 Session of the General Assembly."

42 (c) This section shall become effective July 1, 1990.

43
 44 Requested by: Representative Beard

1 —PROVIDE RECIPROCITY OF CREDITABLE SERVICE TO DETERMINE
2 ELIGIBILITY FOR BENEFITS AMONG THE LEGISLATIVE RETIREMENT
3 SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT
4 SYSTEM, THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM,
5 AND THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM

6 Sec. 33. (a) Article 1A of Chapter 120 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 120-4.12A. Reciprocity of creditable service with other State-administered**
9 **retirement systems.**

10 (a) Only for the purpose of determining eligibility for benefits accruing under
11 this Article, creditable service standing to the credit of a member of the Consolidated
12 Judicial Retirement System, Teachers' and State Employees' Retirement System, or
13 Local Governmental Employees' Retirement System shall be added to the creditable
14 service standing to the credit of a member of this System; provided, that in the event a
15 person is a retired member of any of the foregoing retirement systems, such creditable
16 service standing to the credit of the retired member prior to retirement shall be likewise
17 counted. In no instance shall service credits maintained in the aforementioned
18 retirement systems be added to the creditable service in this System for application of
19 this System's benefit accrual rate in computing a service retirement benefit unless
20 specifically authorized by this Article.

21 (b) A person who was a former member of this System and who has forfeited his
22 creditable service in this System by receiving a return of contributions and who has
23 creditable service in the Consolidated Judicial Retirement System, Teachers' and State
24 Employees' Retirement System, or the Local Governmental Employees' Retirement
25 System may count such creditable service for the purpose of restoring the creditable
26 service forfeited in this System under the terms and conditions as set forth in this Article
27 and reestablish membership in this System.

28 (c) Creditable service under this section shall not be counted twice for the same
29 period of time whether earned as a member, purchased, or granted as prior service
30 credits."

31 (b) Article 3 of Chapter 128 of the General Statutes is amended by adding a new
32 section to read:

33 **"§ 128-26A. Reciprocity of creditable service with other State-administered**
34 **retirement systems.**

35 (a) Only for the purpose of determining eligibility for benefits accruing under
36 this Article, creditable service standing to the credit of a member of the Legislative
37 Retirement System, Consolidated Judicial Retirement System, or the Teachers' and
38 State Employees' Retirement System shall be added to the creditable service standing to
39 the credit of a member of this System; provided, that in the event a person is a retired
40 member of any of the foregoing retirement systems, such creditable service standing to
41 the credit of the retired member prior to retirement shall be likewise counted. In no
42 instance shall service credits maintained in the aforementioned retirement systems be
43 added to the creditable service in this System for application of this System's benefit

1 accrual rate in computing a service retirement benefit unless specifically authorized by
2 this Article.

3 (b) A person who was a former member of this System and who has forfeited his
4 creditable service in this System by receiving a return of contributions and who has
5 creditable service in the Legislative Retirement System, Consolidated Judicial
6 Retirement System, or the Teachers' and State Employees' Retirement System may
7 count such creditable service for the purpose of restoring the creditable service forfeited
8 in this System under the terms and conditions as set forth in this Article and reestablish
9 membership in this System.

10 (c) Creditable service under this section shall not be counted twice for the same
11 period of time whether earned as a member, purchased, or granted as prior service
12 credits."

13 (c) Article 1 of Chapter 135 of the General Statutes is amended by adding a new
14 section to read:

15 **"§ 135-4A. Reciprocity of creditable service with other State-administered**
16 **retirement systems.**

17 (a) Only for the purpose of determining eligibility for benefits accruing under
18 this Article, creditable service standing to the credit of a member of the Legislative
19 Retirement System, Consolidated Judicial Retirement System, or the Local
20 Governmental Employees' Retirement System shall be added to the creditable service
21 standing to the credit of a member of this System; provided, that in the event a person is
22 a retired member of any of the foregoing retirement systems, such creditable service
23 standing to the credit of the retired member prior to retirement shall be likewise
24 counted. In no instance shall service credits maintained in the aforementioned
25 retirement systems be added to the creditable service in this System for application of
26 this System's benefit accrual rate in computing a service retirement benefit unless
27 specifically authorized by this Article.

28 (b) A person who was a former member of this System and who has forfeited his
29 creditable service in this System by receiving a return of contributions and who has
30 creditable service in the Legislative Retirement System, Consolidated Judicial
31 Retirement System, or the Local Governmental Employees' Retirement System may
32 count such creditable service for the purpose of restoring the creditable service forfeited
33 in this System under the terms and conditions as set forth in this Article and reestablish
34 membership in this System.

35 (c) Creditable service under this section shall not be counted twice for the same
36 period of time whether earned as a member, purchased, or granted as prior service
37 credits."

38 (d) Article 4 of Chapter 135 of the General Statutes is amended by adding a new
39 section to read:

40 **"§ 135-56A. Reciprocity of creditable service with other State-administered**
41 **retirement systems.**

42 (a) Only for the purpose of determining eligibility for benefits accruing under
43 this Article, creditable service standing to the credit of a member of the Legislative
44 Retirement System, Teachers' and State Employees' Retirement System, or the Local

1 Governmental Employees' Retirement System shall be added to the creditable service
2 standing to the credit of a member of this System; provided, that in the event a person is
3 a retired member of any of the foregoing retirement systems, such creditable service
4 standing to the credit of the retired member prior to retirement shall be likewise
5 counted. In no instance shall service credits maintained in the aforementioned
6 retirement systems be added to the creditable service in this System for application of
7 this System's benefit accrual rate in computing a service retirement benefit unless
8 specifically authorized by this Article.

9 (b) A person who was a former member of this System and who has forfeited his
10 creditable service in this System by receiving a return of contributions and who has
11 creditable service in the Legislative Retirement System, Teachers' and State Employees'
12 Retirement System, or the Local Government Employees' Retirement System may count
13 such creditable service for the purpose of restoring the creditable service forfeited in
14 this System under the terms and conditions as set forth in this Article and reestablish
15 membership in this System.

16 (c) Creditable service under this section shall not be counted twice for the same
17 period of time whether earned as a member, purchased, or granted as prior service
18 credits."

19 (e) This section shall become effective October 1, 1990.

20
21 Requested by: Representative Barnes

22 —STATE EMPLOYEES/SEVERANCE PAY CLARIFICATION

23 Sec. 34. (a) G.S. 143-27.2 reads as rewritten:

24 "**§ 143-27.2. Discontinued service retirement allowance and severance wages for**
25 **certain State employees.**

26 When the Director of the Budget determines that the closing of a State institution or
27 a reduction in force will accomplish economies in the State Budget, he shall pay either a
28 discontinued service retirement allowance or severance wages to any affected State
29 employee, provided reemployment is not available. As used in this section, 'economies
30 in the State Budget' means economies resulting from elimination of a job and its
31 responsibilities or from a lack of funds to support the job. In determining whether to pay
32 a discontinued service retirement allowance or severance wages, the Director of the
33 Budget shall consider the recommendation of the department head involved and any
34 recommendation of the State Personnel Director. Severance wages shall not be paid to
35 an employee who chooses a discontinued service retirement. Severance wages shall not
36 be subject to employer or employee retirement contributions. Severance wages shall be
37 paid according to the policies adopted by the State Personnel Commission.

38 Notwithstanding any other provisions of the State's retirement laws, any employee of
39 the State who is a member of the Teachers' and State Employees' Retirement System or
40 the Law-Enforcement Officers' Retirement System and who has his job involuntarily
41 terminated as a result of economies in the State Budget may be entitled to a
42 discontinued service retirement allowance, subject to the approval of the employing
43 agency and the availability of agency funds. An unreduced discontinued service
44 retirement allowance, not otherwise allowed, may be approved for employees with 20 or

1 more years of creditable retirement service who are at least 55 years of age; or a
2 discontinued service retirement allowance, not otherwise allowed, may be approved for
3 employees with 20 or more years of creditable retirement service who are at least 50
4 years of age, reduced by one-fourth of one percent (1/4 of 1%) for each month that
5 retirement precedes his fifty-fifth birthday. In cases where a discontinued service
6 retirement allowance is approved, the employing agency shall make a lump sum
7 payment to the Administrator of the State Retirement Systems equal to the actuarial
8 present value of the additional liabilities imposed upon the System, to be determined by
9 the System's consulting actuary, as a result of the discontinued service retirement, plus
10 an administrative fee to be determined by the Administrator."

11 (b) This section shall not affect litigation pending as of the date of ratification
12 of this act.

13
14 Requested by: Representative Barnes

15 —ACCELERATED PAY PLAN FOR LOWEST STATE EMPLOYEES

16 Sec. 34.1. (a) The State Personnel Commission shall develop an accelerated pay
17 plan for those State employees in the lowest pay grades. This accelerated pay plan shall
18 be designed to take into consideration the labor market and economic indicators and to
19 advance and retain a fully competent work force. In developing and implementing this
20 pay plan, the State Personnel Commission shall:

- 21 (1) Identify which pay grades are to be subject to this accelerated pay
22 plan;
- 23 (2) Adopt policies and rules to implement this plan;
- 24 (3) Review the plan annually; and
- 25 (4) Amend the plan as necessary, based on the labor market and economic
26 indicators.

27 (b) Upward movement within the accelerated pay plan shall be based on the job
28 performance of an employee meeting or exceeding performance requirements as
29 determined by a specifically tailored performance appraisal system for employees
30 within those pay grades subject to the accelerated pay plan.

31 (c) Employees who participate in the accelerated pay plan may not receive an
32 additional performance increase pursuant to G.S. 126-7.

33 (d) To the extent that sufficient funds are available in the amount of \$750,000 in
34 the 1990-91 Salary Increase Fund, the Director of the Budget shall transfer those funds
35 to the Salary Adjustment Fund to be used for the Accelerated Pay Plan for Lowest State
36 Employees.

37
38 PART XIII.—DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
39 RESOURCES

40
41 Requested by: Representatives B. Ethridge and Redwine

42 —USE OF LAPSED SALARIES

43 Sec. 35. (a) The Office of State Budget may authorize the Department of
44 Environment, Health, and Natural Resources to use the sum of \$110,615 in

1 departmental lapsed salaries for the Air Quality Section, Division of Environmental
2 Management, to correct an error in the budgeting of federal receipts for fiscal year
3 1990-91.

4 (b) The Office of State Budget may authorize the Department of Environment,
5 Health, and Natural Resources to use the sum of \$212,178 in departmental lapsed
6 salaries for the Water Quality Section, Division of Environmental Management, to
7 correct an error in the budgeting of federal receipts for fiscal year 1990-91.

8

9 Requested by: Representatives B. Ethridge and Redwine

10 ---BUXTON WOODS PURCHASE FUNDS

11 Sec. 36. Funds deposited pursuant to G.S. 20-81.3(c) in the Recreation and
12 Natural Heritage Trust Fund may be used during the 1990-91 fiscal year to match
13 federal funds for the purchase of land at Buxton Woods.

14

15 Requested by: Representatives B. Ethridge and Redwine

16 ---WASTE STREAM ANALYSIS

17 Sec. 37. Section 34 of Chapter 754 of the 1989 Session Laws, as rewritten by
18 Section 28 of Chapter 799 of the 1989 Session Laws, reads as rewritten:

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

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

1 ~~At a minimum, the waste stream analysis research study shall include scientific and~~
2 ~~statistically significant sampling of solid waste material in each of North Carolina's 120~~
3 ~~landfills; or, the study shall contain sufficient statistically reliable data to project, at an~~
4 ~~eighty percent (80%) confidence level, the content and volume of all existing North~~
5 ~~Carolina landfills or other properly permitted solid waste disposal facilities. Based on~~
6 ~~these specific findings, additional written outcomes of this waste stream analysis shall~~
7 ~~be the following:~~

8 ~~(1) Recommended solid waste disposal policies, appropriate for regions or~~
9 ~~local units of government, that are considered practicable, as well as~~
10 ~~'state of the art'; that evaluate the financial impact and energy~~
11 ~~avoidance of recycling and alternative methods of solid waste disposal,~~
12 ~~including incineration and waste-to-energy options; that are consistent~~
13 ~~with contractor's findings; that contain specific procedures for~~
14 ~~monitoring market demand for recyclable goods; that identify potential~~
15 ~~domestic and foreign markets; that propose collection, storage, and~~
16 ~~transportation strategies, for regions, and for multi-county and single-~~
17 ~~county collection, recycling, treatment, and disposal; and that identify~~
18 ~~all relevant operating costs, capital costs, and revenues derived through~~
19 ~~the sale of recycled waste stream components and energy, related to~~
20 ~~their implementation;~~

21 ~~(2) A recommended solid waste management plan, based upon the~~
22 ~~policies recommended in subdivision (1) of this section, for the State~~
23 ~~of North Carolina, or regions therein, including policies the State may~~
24 ~~consider to provide incentives for recycling facilities to locate in North~~
25 ~~Carolina; that suggest future strategies the State might consider to~~
26 ~~ensure that its investments produce measurable reductions in solid~~
27 ~~waste, offer economic alternatives to traditional landfills, and provide~~
28 ~~increased technical assistance to regions, counties, and cities;~~

29 ~~(3) The plan, as recommended, shall contain a year by year determination~~
30 ~~of all relevant operating and capital costs, and propose recommended~~
31 ~~appropriations and/or financing mechanisms needed for the number of~~
32 ~~years required for its full implementation;~~

33 ~~(4) Finally, the plan shall contain a specific evaluation component which~~
34 ~~shall describe criteria for measuring progress and results against the~~
35 ~~plan, and which shall be understood clearly by the general public.~~

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

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

1 Based on the findings of the waste stream analysis, the study shall develop a State
2 and local government recycling and waste management plan as set forth in G.S. 130A-
3 309.07 and G.S. 130A-309.09. The plan shall also address the following:

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

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

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

28
29 Requested by: Representative Beard

30 ~~---~~ WILDLIFE COMMISSION FUNDS

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

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

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

38 "Sec. 38. The Wildlife Resources Commission may use no more than \$250,000
39 \$315,297 for the 1989-90-1990-91 fiscal year to repair the dam at the Lake Rim Fish
40 Hatchery in Cumberland County."

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

42 "Sec. 31. The Wildlife Resources Commission may use funds available to it for the
43 1988-89-1990-91 fiscal year for the construction of a laboratory complex-visitor center
44 at Pisgah Forest Fish Hatchery. The cost of the construction shall not exceed one

1 hundred fifty-six thousand dollars (\$156,000). The Wildlife Resources Commission
2 shall report to the Joint Legislative Commission on Governmental Operations on its
3 plans before spending any funds on this project."
4

5 Requested by: Representatives B. Ethridge and Redwine

6 ---LIABILITY INSURANCE FOR HEALTH CARE EMPLOYEES

7 Sec. 39. Section 129 of Chapter 752 of the 1989 Session Laws reads as
8 rewritten:

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

17 The coverage provided pursuant to this section shall not require any additional
18 appropriations and shall not apply to any individual providing contractual service to the
19 Department of Human ~~Resources-Resources,~~ the Department of Environment, Health,
20 and Natural Resources, or the Department of Correction."
21

22 Requested by: Representatives B. Ethridge and Redwine

23 ---EPIDEMIOLOGY LINE ITEM TRANSFERS

24 Sec. 40. Of the funds appropriated to the Department of Environment,
25 Health, and Natural Resources, Communicable Disease Control Section, amounts may
26 be transferred from the Immunization Branch pharmaceutical line item for the 1990-91
27 fiscal year as follows: \$188,389 to the Immunization Branch salary and fringe benefits
28 line item; \$37,100 to the Immunization Branch supplies and printing line item; and
29 \$39,891 to the Immunization Branch travel line item.
30

31 Requested by: Representatives B. Ethridge and Redwine

32 ---STATEWIDE MEDICAL EXAMINER FUNDS

33 Sec. 41. Section 138 of Chapter 752 of the 1989 Session Laws reads as
34 rewritten:

35 "Sec. 138. The ~~State Health Director-Department of Environment, Health, and~~
36 Natural Resources may budget for the ~~1989-90-1990-91~~ fiscal year up to ~~\$450,000~~
37 \$250,000 of excess federal indirect cost receipts to ~~complete, staff, complete and equip~~
38 the Statewide Medical Examiner System."
39

40 Requested by: Representatives B. Ethridge and Redwine

41 ---NON-MEDICAID REIMBURSEMENT

42 Sec. 42. Section 105 of Chapter 500 of the 1989 Session Laws reads as
43 rewritten:

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

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

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

13 Family		Medical Eye		All
14 <u>Size</u>	<u>Kidney</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
15 1	\$6,400	\$4,860	\$ 8,364	\$4,200
16 2	8,000	5,940	10,944	5,300
17 3	9,600	6,204	13,500	6,400
18 4	11,000	7,284	16,092	7,500
19 5	12,000	7,824	18,648	7,900
20 6	12,800	8,220	21,228	8,300
21 7	13,600	8,772	21,708	8,800
22 8	14,400	9,312	22,220	9,300

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

30
 31 Requested by: Representatives Redwine and B. Ethridge

32 —REDUCE INFANT MORTALITY

33 Sec. 43. (a) Of the funds appropriated from the General Fund to the
 34 Department of Environment, Health, and Natural Resources, Division of Maternal and
 35 Child Health, the sum of \$300,000 for the 1990-91 fiscal year shall be used to expand
 36 the Rural Obstetrical Care Incentive Program established under Section 39.3 of Chapter
 37 1100, 1987 Session Laws, Regular Session 1988. The Rural Obstetrical Care Incentive
 38 Program will be used to assist with the cost of malpractice insurance for family
 39 physicians, obstetricians, and certified nurse midwives who agree to provide prenatal
 40 and obstetrical services in medically underserved areas of the State. Physicians and
 41 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program
 42 are required to participate in an obstetrical care coverage plan developed by their local
 43 health department or community, migrant, or rural health center, and must agree to
 44 provide services to pregnant women regardless of their ability to pay for the services.

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

Requested by: Representative Diamont

—NURSE MIDWIVES FOR UNDERSERVED COUNTIES

Sec. 43.1. Of the funds appropriated to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, \$400,000 for the 1990-91 fiscal year shall be used to fund four teams of certified nurse midwives in critically underserved counties throughout the State.

Requested by: Representatives B. Ethridge and Redwine

—LAPSED SALARIES FOR FEDERAL MATCHING FUNDS

Sec. 44. Effective for the 1990-91 fiscal year only, the Department of Environment, Health, and Natural Resources may, with the approval of the Secretary of the Department and the Director of the Budget, use funds from departmental lapsed salaries where necessary to match federal dollars for water resources development projects.

Requested by: Representatives B. Ethridge, Redwine, DeVane, and Isenhower

—OFFICE OF WASTE REDUCTION FUNDS

Sec. 45. The Department of Environment, Health, and Natural Resources may transfer up to \$165,000 of the funds appropriated for the 1990-91 fiscal year for research and education grants for the Pollution Prevention Pays Program to the Office of Waste Reduction to establish four positions, which positions shall provide technical assistance to local governments and industries for waste reduction.

Requested by: Representatives B. Ethridge and Redwine

—EHNHR PERMITTING FUNDS

Sec. 46. The Department of Environment, Health, and Natural Resources may use the sum of \$447,240 in available funds, including lapsed salaries and other sources, for the 1990-91 fiscal year as follows:

- (1) The sum of \$54,730 for one position and support costs for hazardous waste management facility permitting by the Environmental Management Division;
 - (2) The sum of \$50,796 for one position and support costs for hazardous waste facility assessment by the Environmental Management Division;
- and

- 1 (3) The sum of \$341,714 for six positions and support costs for the
2 permitting of low-level radioactive and hazardous waste facilities by
3 the Division of Solid Waste Management.
4

5 Requested by: Representatives B. Ethridge and Redwine

6 —DEPARTMENTAL USE OF FEES

7 Sec. 47. (a) If either Senate Bill 1583, 1989 Regular Session, or House Bill
8 2353, 1989 Regular Session, is ratified, then there is appropriated from the General
9 Fund to the Department of Environment, Health, and Natural Resources for the 1990-91
10 fiscal year the sum of \$70,000 for permitting, education, and compliance activities,
11 including establishing and supporting two positions in the Division of Coastal
12 Management; provided, however, if the revenues raised from Senate Bill 1583, 1989
13 Regular Session, or House Bill 2353, 1989 Regular Session, as ratified, are less than
14 \$70,000, then the appropriation is hereby reduced accordingly.

15 (b) If either Senate Bill 1536, 1989 Regular Session, or House Bill 2266, 1989
16 Regular Session, is ratified, then there is appropriated from the General Fund to the
17 Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year
18 the sum of \$80,000 for education, erosion control plan approval, and compliance
19 activities in the Sedimentation Control Program, including establishing and supporting
20 two positions in the Division of Land Resources; provided, however, if the revenues
21 raised from Senate Bill 1536, 1989 Regular Session, or House Bill 2266, 1989 Regular
22 Session, as ratified, are less than \$80,000, then the appropriation is hereby reduced
23 accordingly.

24 (c) If either Senate Bill 1535, 1989 Regular Session, or House Bill 2264, 1989
25 Regular Session, is ratified, then there is appropriated from the General Fund to the
26 Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year
27 the sum of \$20,000 for permitting, education, and compliance activities in the Dam
28 Safety Program, including establishing and supporting one half-time position in the
29 Division of Land Resources; provided, however, if the revenues raised from Senate Bill
30 1535, 1989 Regular Session, or House Bill 2264, 1989 Regular Session, as ratified, are
31 less than \$20,000, then the appropriation is hereby reduced accordingly.

32 (d) If either Senate Bill 1534, 1989 Regular Session, or House Bill 2265, 1989
33 Regular Session, is ratified, then there is appropriated from the General Fund to the
34 Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year
35 the sum of \$40,000 for permitting, education, and compliance activities in the Mining
36 Program, including establishing and supporting one position and one half-time position
37 in the Division of Land Resources; provided, however, if the revenues raised from
38 Senate Bill 1534, 1989 Regular Session, or House Bill 2265, 1989 Regular Session, as
39 ratified, are less than \$40,000, then the appropriation is hereby reduced accordingly.

40 (e) If either Senate Bill 1552, 1989 Regular Session, or House Bill 2331,
41 1898 Regular Session, is ratified, then there is appropriated from the General Fund to
42 the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal
43 year the sum of \$24,000 for support costs in the Nuclear Emergency Planning and
44 Response Program in the Division of Radiation Protection; provided, however, if the

1 revenues raised from either Senate Bill 1552, 1989 Regular Session, or House Bill 2331,
 2 1989 Regular Session, as ratified, are less than \$24,000, then the appropriation is hereby
 3 reduced accordingly.

4 (f) If either Senate Bill 1559, 1989 Regular Session, or House Bill 2341, 1989
 5 Regular Session, is ratified, then there is appropriated from the General Fund to the
 6 Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year
 7 the sum of \$488,400 to implement the restaurant and lodging fee collection program and
 8 to establish a computerized inventory of all restaurants and lodging facilities, including
 9 establishing and supporting four positions for the collection program, for the inventory
 10 program, or for both programs; and to increase Environmental Health Aid to Counties in
 11 the Division of Environmental Health; provided, however, if the revenues raised from
 12 Senate Bill 1559, 1989 Regular Session, or House Bill 2341, 1989 Regular Session, as
 13 ratified, are less than \$488,400, then the appropriation is hereby reduced accordingly.

14
 15 Requested by: Representative Michaux

16 —SICKLE CELL FUNDS/NOT SUBJECT TO BUDGET FLEXIBILITY

17 Sec. 47.1. The budget flexibility authorized in Section 7 of this act does not
 18 apply to funds appropriated to the Department of Environment, Health, and Natural
 19 Resources, Division of Maternal and Child Health, for the 1990-91 fiscal year for sickle
 20 cell center contracts.

21
 22 PART XIV.—DEPARTMENT OF ECONOMIC AND COMMUNITY
 23 DEVELOPMENT

24
 25 Requested by: Representatives B. Ethridge and Redwine

26 —ECONOMIC DEVELOPMENT PUBLICATIONS

27 Sec. 48. G.S. 143B-435 reads as rewritten:

28 "**§ 143B-435. Publications.**

29 The Department of Economic and Community Development may also cause to be
 30 prepared for publication, from time to time, reports and statements, with illustrations,
 31 maps and other descriptions, which may adequately set forth the natural and material
 32 resources of the State and its industrial and commercial developments, with a view to
 33 furnishing information to educate the people with reference to the material advantages
 34 of the State, to encourage and foster existing industries, and to present inducements for
 35 investment in new enterprises. Such information shall be published and distributed as
 36 the Department of Economic and Community Development may ~~direct, at the expense~~
 37 ~~of the State as other public documents.~~ direct. The costs of publishing and distributing
 38 such information shall be paid from:

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

40 (2) Private funds received:

41 a. As donations, or

42 b. From the sale of appropriate advertising in such published
 43 information."

1 Requested by: Representatives B. Ethridge and Redwine
2 ---NC MANUFACTURING DIRECTORY PROCEEDS

3 Sec. 49. (a) The Department of Economic and Community Development
4 may expend for industrial promotional advertising any amount collected from the sales
5 of the North Carolina Manufacturing Directory above the sum of \$155,000 already
6 budgeted for the 1990-91 fiscal year.

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

12
13 Requested by: Representative G. Wilson
14 ---WORKER TRAINING TRUST FUND

15 Sec. 50. (a) Section 149 of Chapter 752 of the 1989 Session Laws reads as
16 rewritten:

17 "Sec. 149. (a) There is appropriated from the Worker Training Trust Fund to the
18 Employment Security Commission of North Carolina the sum of \$1,200,000 for the
19 1989-90 fiscal year ~~and the sum of \$1,200,000 for the 1990-91 fiscal year~~ for a Worker
20 Readjustment Program to provide a statewide program of rapid response to plant
21 closings. Funds appropriated by this section for the 1989-90 fiscal year but not spent or
22 encumbered by June 30, 1990, shall be reallocated to the North Carolina Department of
23 Economic and Community Development for the 1990-91 fiscal year for a State job
24 training program to be administered through the Job Training Partnership Act system
25 and aimed at the unemployed and the working poor.

26 (b) The Employment Security Commission shall report quarterly to the Joint
27 Legislative Commission on Governmental ~~Operations by the first of each month prior to~~
28 ~~the expenditure of any funds appropriated by this section.~~ Operations. The report
29 required by this subsection may be included in any other report that the Employment
30 Security Commission is required to make to the Joint Legislative Commission on
31 Governmental Operations.

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

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

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

42 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
43 Employment Security Administration Fund to the Employment Security Commission of
44 North Carolina, the sum of one million dollars (\$1,000,000) for the 1989-90 fiscal year

1 and the sum of ~~one million dollars (\$1,000,000)~~ \$2,000,000 for the 1990-91 fiscal year
2 for administration of the Veterans Employment Program, Employment Services
3 Program, and Unemployment Insurance Program.

4 (c) Beginning October 1, 1989, the Employment Security Commission shall
5 report to the Appropriations Committee on Natural and Economic Resources and the
6 Joint Legislative Commission on Governmental Operations ~~by the first of each month,~~
7 ~~prior to the expenditure of any funds appropriated by this section.~~ on a quarterly basis.
8 Supplemental federal funds or other additional funds received by the Employment
9 Security Commission for similar purposes shall be expended prior to the expenditure of
10 funds appropriated by this section."

11 (c) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from
12 the Worker Training Trust Fund to the following agencies the following sums for the
13 1990-91 fiscal year for the following purposes:

14 (1) The sum of \$2,000,000, less the sum reallocated in subsection (a) of
15 this section, to the North Carolina Department of Economic and
16 Community Development for a State job training program to be
17 administered through the Job Training Partnership Act system aimed at
18 the unemployed and the working poor.

19 (2) The sum of \$250,000 to the North Carolina Department of Public
20 Education for local implementation grants to establish five new Tech
21 Prep programs in the public schools. These grants shall be provided to
22 local school units that have a plan meeting the standards of the State
23 Board of Education and the State Board of Community Colleges.

24 (3) The sum of \$500,000 to the North Carolina Department of Labor for
25 customized training of the unemployed and the working poor for
26 specific jobs needed by employers through the Department's Pre-
27 Apprenticeship Division.

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

33 (d) Beginning October 1, 1990, each of the departments receiving funds pursuant
34 to subsection (c) of this section shall report on a quarterly basis to the Joint Legislative
35 Commission on Governmental Operations on the use of these funds.

36 (e) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from
37 the Worker Training Trust Fund to the Employment Security Commission for the 1990-
38 91 fiscal year the sum of \$1,459,673 for operation of local offices.

39 (f) Subsection (e) of this section shall become effective October 1, 1990.

40
41 Requested by: Representatives B. Ethridge and Redwine
42 —RURAL ECONOMIC DEVELOPMENT CENTER

43 Sec. 51. Section 110 of Chapter 500 of the 1989 Session Laws, as amended
44 by Section 64 of Chapter 770 of the 1989 Session Laws, reads as rewritten:

1 "Sec. 110. (a) Of the funds appropriated to the Department of ~~Commerce~~ in
2 ~~Section 5 of this act, Economic and Community Development,~~ the sum of two million
3 dollars (\$2,000,000) for fiscal year 1989-90 and the sum of ~~two million dollars~~
4 ~~(\$2,000,000) one million seven hundred twenty-five thousand dollars (\$1,725,000)~~ for
5 fiscal year 1990-91 shall be used for a grant-in-aid to the Rural Economic Development
6 Center, Inc., for the administrative costs of the Center and for its pilot projects and
7 research. No more than five hundred thousand dollars (\$500,000) of the funds
8 appropriated for each fiscal year may be used for the administrative costs of the Rural
9 Economic Development Center, Inc.

10 (b) Beginning October 1, 1989, the Rural Economic Development Center, Inc.,
11 shall provide quarterly reports on the Center's pilot projects and research program to the
12 Chairmen of the House Appropriations Committees on Natural and Economic
13 Resources, the Chairman of the Senate Appropriations Committee on Natural and
14 Economic Resources, The Joint Legislative Commission on Governmental Operations,
15 and the Fiscal Research Division not less than 48 hours prior to the beginning of the
16 Commission's full meeting. These reports shall include information of the activities and
17 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
18 year, sources of funding for the past and prospective fiscal years, and planned activities
19 and planned expenditures for at least the next fiscal year.

20 (c) The Rural Economic Development Center, Inc., shall provide a report
21 containing detailed budget, personnel, and salary information to the Office of State
22 Budget and Management in the same manner as State departments and agencies in
23 preparation for biennium budget requests."
24

25 Requested by: Representative DeVane
26 ---CELEBRATION FOUNDATION, INC.

27 Sec. 52. Section 30 of Chapter 799 of the 1989 Session Laws reads as
28 rewritten:

29 "Sec. 30. The Department of ~~Commerce~~ Economic and Community Development
30 may continue for the 1989-91 biennium the development and implementation of North
31 Carolina Celebration '91 activities, ~~1991 Foundation, Inc., activities,~~ a series of
32 activities and events which are scheduled to occur across the State in 1991 to
33 demonstrate local history and ~~heritage.~~ heritage, promote travel to the State, and
34 establish a permanent privately funded foundation for programs to address persistent
35 issues in our State, including adult illiteracy, infant mortality, environmental awareness,
36 housing, and others."
37

38 Requested by: Representatives B. Ethridge and Redwine
39 ---LIMIT FOR RURAL ECONOMIC DEVELOPMENT CENTER REDUCTIONS

40 Sec. 54. Notwithstanding the budget flexibility authorized in Section 7 of this
41 act, reductions in the Department of Economic and Community Development for the
42 Rural Economic Development Center, Inc., for the 1990-91 fiscal year shall equal no
43 more than two and six hundredths percent (2.06%) of the budget of the Rural Economic
44 Development Center, Inc.

1

2 Requested by: Representative Diamont

3 —TRAVEL AND TOURISM FUNDS

4 Sec. 55. Keep North Carolina Beautiful, Inc., shall receive no State
5 appropriations from any State agency for the 1990-91 fiscal year other than the funds
6 appropriated to the Department of Economic and Community Development, Division of
7 Travel and Tourism, for Keep North Carolina Beautiful, Inc.

8

9 PART XV.—DEPARTMENT OF LABOR

10

11 Requested by: Representatives B. Ethridge and Redwine

12 —LIMIT FOR MIGRANT HOUSING INSPECTION PROGRAM REDUCTIONS

13 Sec. 56. Notwithstanding the budget flexibility authorized in Section 7 of this
14 act, no reductions for the 1990-91 fiscal year may be taken in the Department of Labor
15 for the Migrant Housing Inspection Program.

16

17 PART XVI.—DEPARTMENT OF HUMAN RESOURCES

18

19 Requested by: Representative Gardner

20 —MEDICAID PROGRAM FUNDS/ADMINISTRATIVE ACTIVITIES

21 Sec. 57. The Department of Human Resources may use Medicaid funds
22 budgeted from program services to support the cost of administrative activities to the
23 extent that these administrative activities produce a net savings in services requirements.
24 Administrative initiatives funded by this section shall be first approved by the Office of
25 State Budget and Management.

26

27 Requested by: Representative Gardner

28 —MEDICAID SERVICES COVERAGE CHANGE

29 Sec. 58. (a) Section 70(a) of Chapter 500 of the 1989 Session Laws, as
30 amended by Section 139(a) of Chapter 752 of the 1989 Session Laws, reads as
31 rewritten:

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

37 Services and payment bases:

38 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
39 based on a prospective rate reimbursement plan as established by the
40 Department of Human Resources. Administrative days for any period
41 of hospitalization shall be limited to a maximum of three days.

42 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
43 prospective reimbursement plan as established by the Department of
44 Human Resources.

- 1 (3) Mental Hospitals - Allowable costs or a prospective reimbursement if
2 approved by the Director of the Budget.
- 3 (4) Skilled Nursing Facilities and Intermediate Care Facilities - As Prior to
4 October 1, 1990, as prescribed under the State Plan for reimbursing
5 Long-Term Care Facilities. Skilled nursing facility participation in the
6 Medicare program is a condition of participation in the North Carolina
7 Medicaid skilled nursing facility program. Effective October 1, 1990,
8 skilled nursing facilities and intermediate care facilities, except those
9 intermediate care facilities for the mentally retarded, will be
10 designated for Medicaid purposes as nursing facilities. Nursing
11 facilities will be reimbursed as prescribed under the State Plan for
12 reimbursing Long-Term Care Facilities. Nursing facilities providing
13 services to Medicaid recipients who also qualify for Medicare, must be
14 enrolled in the Medicare program as a condition of participation in the
15 Medicaid program, subject to phase-in certification for those nursing
16 facilities not already enrolled in Medicare.
- 17 (5) Intermediate Care Facilities for the Mentally Retarded - As prescribed
18 under the State Plan for reimbursing intermediate care facilities for the
19 mentally retarded.
- 20 (6) Drugs - Drug costs as allowed by federal regulations plus four dollars
21 twenty-four cents (\$4.24) professional services fee per month
22 excluding refills for the same drug or generic equivalent during the
23 same month. Reimbursement shall be available for up to six
24 prescriptions per recipient, per month, including refills. Payments for
25 drugs are subject to the provisions of subsection (g) of this section and
26 to the provisions at the end of subsection (a) of this section, or in
27 accordance with a plan adopted by the Department of Human
28 Resources consistent with federal reimbursement regulations.
- 29 (7) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
30 Nurse Midwife Services - Fee schedules as developed by the
31 Department of Human Resources. Payments for dental services are
32 subject to the provisions of subsection (f) of this section.
- 33 (8) Community Alternative Program, EPSDT Screens - Payment to be
34 made in accordance with a rate schedule developed by the Department
35 of Human Resources.
- 36 (9) Home Health, Private Duty Nursing, Clinic Services, ~~Mental Health~~
37 ~~Clinics,~~ Prepaid Health Plans - Payment to be made according to
38 reimbursement plans developed by the Department of Human
39 Resources.
- 40 (10) Medicare Buy-In - Social Security Administration premium.
- 41 (11) Ambulance Services - Uniform fee schedules as developed by the
42 Department of Human Resources.
- 43 (12) Hearing Aids - Actual cost plus a dispensing fee.

- 1 (13) Rural Health Clinic Services - Provider based - reasonable cost;
 2 nonprovider based - single cost reimbursement rate per clinic visit.
- 3 (14) Family Planning - Negotiated rate for local health departments. For
 4 other providers - see specific services, for instance, hospitals,
 5 physicians.
- 6 (15) Independent Laboratory and X-Ray Services - Uniform fee schedules
 7 as developed by the Department of Human Resources.
- 8 (16) Optical Supplies - One hundred percent (100%) of reasonable
 9 wholesale cost of materials.
- 10 (17) Ambulatory Surgical Centers - Negotiated rates, established by the
 11 Department of Human Resources.
- 12 (18) Medicare Crossover Claims - Actual coinsurance or deductible or
 13 both.
- 14 (19) Physical Therapy and Speech Therapy - Services limited to EPSDT
 15 eligible children. Payments are to be made only to the Children's
 16 Special Health Services program at rates negotiated by the Department
 17 of Human Resources.
- 18 (20) Personal Care Services - Payment in accordance with plan approved
 19 by the Department of Human Resources.
- 20 (21) Case Management Services - Reimbursement in accordance with the
 21 availability of funds to be transferred within the Department of Human
 22 Resources.
- 23 (22) Hospice - Services may be provided in accordance with plan
 24 developed by the Department of Human Resources.
- 25 (23) Medically Necessary Prosthetics/Orthotics for EPSDT Eligible
 26 Children - Reimbursement in accordance with plan approved by the
 27 Department of Human Resources.

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

36 (b) This section does not repeal Section 139(b) of Chapter 752, Session Laws of
 37 1989, which may become effective as provided therein.

38
 39 Requested by: Representative Gardner

40 ---INFANT MORTALITY REDUCTION

41 Sec. 59. (a) The Division of Medical Assistance shall develop a statewide
 42 plan to inform Medicaid recipients about the availability of transportation, to determine
 43 the extent to which each local department of social services provides Medicaid
 44 transportation when requested, and to ensure that each local department provides

1 Medicaid transportation. In gathering this information and designing the plan, the
2 Division shall consult with other public and private agencies that work with Medicaid
3 patients who need transportation services.

4 (b) The Department of Human Resources shall establish a Food Stamp
5 Outreach Program. Under the Program, the Department shall inform public and private
6 agencies, community groups, potentially eligible persons, and the general public
7 regarding the eligibility requirements of the Food Stamp Program. The Department
8 shall develop a referral list of public and private agencies, community groups, and
9 interested persons and organizations who serve low-income persons. The Department
10 shall inform these agencies and persons regarding the Food Stamp Program and changes
11 in the law that affect client eligibility or the extent of benefits. The Department shall
12 develop and distribute informational materials, such as public service announcements,
13 brochures, pamphlets, posters, and correspondence.

14
15 Requested by: Representative Gardner

16 ---REVISED MEDICAID COVERAGE FOR PREGNANT WOMEN AND
17 CHILDREN

18 Sec. 60. Section 70(m) of Chapter 500 of the 1989 Session Laws, as
19 rewritten by Section 133 of Chapter 752 of the 1989 Session laws, reads as rewritten:

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

- 22 ~~(1) Effective July 1, 1989, through December 31, 1989, pregnant women~~
23 ~~with family incomes equal to or less than the federal poverty~~
24 ~~guidelines as revised annually shall be covered for Medicaid benefits;~~
25 ~~(2) Effective January 1, 1990, to September 30, 1990, pregnant women~~
26 ~~with incomes equal to or less than one hundred fifty percent (150%) of~~
27 ~~the federal poverty guidelines as revised annually each July 1 shall be~~
28 ~~covered for Medicaid benefits;~~
29 ~~(2) Effective October 1, 1990, pregnant women with incomes equal to or~~
30 ~~less than one hundred eighty-five percent (185%) of the federal~~
31 ~~poverty guidelines as revised each July 1 shall be covered for~~
32 ~~Medicaid benefits.~~
33 ~~(3) Effective July 1, 1989, through December 31, 1989, infants under the~~
34 ~~age of one with family incomes equal to or less than the federal~~
35 ~~poverty guidelines as revised annually shall be covered for Medicaid~~
36 ~~benefits;~~
37 ~~(4) Effective January 1, 1990, to September 30, 1990, infants under the~~
38 ~~age of one with family incomes equal to or less than one hundred fifty~~
39 ~~percent (150%) of the federal poverty guidelines as revised annually~~
40 ~~each July 1 shall be covered for Medicaid benefits;~~
41 ~~(4) Effective October 1, 1990, infants under the age of 1 with family~~
42 ~~incomes equal to or less than one hundred eighty-five percent (185%)~~
43 ~~of the federal poverty guidelines as revised each July 1, shall be~~
44 ~~covered for Medicaid benefits.~~

- 1 (5) Effective October 1, 1989, through September 30, 1990, children aged
 2 1 through 5 with family incomes equal to or less than the federal
 3 poverty guidelines as revised each July 1 shall be covered for
 4 Medicaid benefits;
 5 (6) Effective October 1, 1990, children aged 1 through 5 with family
 6 incomes equal to or less than one hundred thirty-three percent (133%)
 7 of the federal poverty guidelines as revised each July 1 shall be
 8 covered for Medicaid benefits; and
 9 ~~(5) Effective July 1, 1989, through September 30, 1989, children under the~~
 10 ~~age of three with family incomes equal to or less than the federal~~
 11 ~~poverty guidelines as revised annually shall be covered for Medicaid~~
 12 ~~benefits; and~~
 13 ~~(6) Effective October 1, 1989, children under the age of six with family~~
 14 ~~incomes equal to or less than the federal poverty guidelines as revised~~
 15 ~~annually shall be covered for Medicaid benefits.~~
 16 (7) Effective October 1, 1990, children under the age of seven with family
 17 incomes equal to or less than the federal poverty guidelines as revised
 18 ~~annually July 1, 1990~~ shall be covered for Medicaid benefits.

19 Services to pregnant women eligible under this section continue throughout the
 20 pregnancy but include only those related to pregnancy and to those other conditions
 21 determined by the Department as conditions that may complicate pregnancy. In order to
 22 reduce county administrative costs and to expedite the provision of medical services to
 23 pregnant women, to infants, and to children eligible under this section, no resources test
 24 shall be applied."
 25

26 Requested by: Representative Gardner
 27 ---WILLIE M. REPORTING CHANGE

28 Sec. 61. Section 82(e) of Chapter 500 of the 1989 Session Laws reads as
 29 rewritten:

30 "(e) Reporting Requirements. The Department of Human Resources and the
 31 Department of Public Education shall submit, by May 1, ~~1990, 1991~~, a joint report to
 32 the Governor and the General Assembly on the progress achieved in serving members
 33 of the Willie M. Class. The report shall include the following unduplicated data for
 34 each county: (i) the number of children nominated for the Willie M. Class; (ii) the
 35 number of children actually identified as members of the Class in each county; (iii) the
 36 number of children served as members of the Class in each county; (iv) the number of
 37 children who remain unserved; (v) the types and locations of treatment and
 38 education services provided to Class members; (vi) the cost of services, by type, to
 39 members of the Class; (vii) information on the impact of treatment and education
 40 services on members of the Class."
 41

42 Requested by: Representative Gardner
 43 ---EASTERN REGIONAL DETOXIFICATION FUNDS CHANGE

1 Sec. 62. Section 124 of Chapter 752 of the 1989 Session Laws reads as
2 rewritten:

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

9

10 Requested by: Representative Gardner

11 ~~—~~CHRONICALLY MENTALLY ILL FUNDS

12 Sec. 63. Funds to provide expanded community-based services to adults with
13 severe and persistent mental illness are to be allocated to the Department of Human
14 Resources' regions on a per capita basis. Within each region, ninety percent (90%) of
15 the funds shall be distributed to the area mental health programs on a per capita basis
16 and ten percent (10%) to area mental health programs for special needs as determined
17 by the Division of Mental Health, Developmental Disabilities, and Substance Abuse
18 Services. The Division may reallocate any unexpended funds within the specified
19 region.

20

21 Requested by: Representative Gardner

22 ~~—~~ADAP TRANSPORTATION REIMBURSEMENT

23 Sec. 64. Section 84 of Chapter 500 of the 1989 Session Laws reads as
24 rewritten:

25 "Sec. 84. (a) Reimbursement of Adult Developmental Activity Programs for
26 transportation of clients shall be based on a cost per client basis. ~~The minimum amount~~
27 ~~that a program may be reimbursed for transportation cost shall be eleven dollars~~
28 ~~(\$11.00) per client per month. The maximum amount that a program may be~~
29 ~~reimbursed for transportation cost shall be twenty seven dollars (\$27.00) per client per~~
30 ~~month. There shall be different levels of reimbursement based on documented cost~~
31 levels.

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

36

37 Requested by: Representative Gardner

38 ~~—~~SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSIONS

39 Sec. 65. Section 125 of Chapter 752 of the 1989 Session Laws reads as
40 rewritten:

41 "Sec. 125. Funds made available as a result of the conversion of State supported
42 beds in specialized residential centers to ICF/MR beds shall be used to increase the
43 State subsidy provided to centers. Funds made available to centers by this section shall
44 be used, as they become available, to increase the subsidy rate to sixty-five percent

1 (65%) of the statewide ~~1988-89~~ average cost of providing this service based on the
2 most recent Specialized Community Residential Cost Study.

3 Funds made available in addition to those needed to increase the subsidy rate shall
4 be transferred to the Division of Medical Assistance to be used as State match for the
5 converted ICF/MR beds."
6

7 Requested by: Representative Gardner

8 ~~---~~DAY CARE RATES

9 Sec. 66. (a) Section 101 of Chapter 500 of the 1989 Session Laws reads as
10 rewritten:

11 "Sec. 101. (a) Rules for the monthly schedule of payments for the purchase of day
12 care services for low income children shall be established by the Social Services
13 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
14 requirements:

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

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

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

24 b. The county market rate, as calculated annually by the Division
25 of Facility Services' Child Day Care Section in the Department
26 of Human Resources' Office of Child Day Care Services.
27 Resources. A market rate shall be calculated for each county
28 and for each age group of enrollees, and shall be ~~the county~~
29 ~~average of all representative of~~ fees charged to unsubsidized
30 private paying parents for each age group of enrollees.
31 ~~Effective July 1, 1987, and thereafter, the enrollees within the~~
32 county. The county market rates shall be calculated from
33 facility fee schedules collected by the ~~Office of Child Day Care~~
34 ~~Services Section~~ during its annual routine inspection visits.

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

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

1 Day care ~~plans~~ homes from which the State purchases day care services shall meet
2 the standards established by the Child Day Care Commission pursuant to G.S. 110-101
3 and G.S. 110-105.1. Individual child care arrangements shall meet the requirements
4 established by the Social Services Commission. ~~Until it can demonstrate that it meets~~
5 ~~the standards adopted by the Child Day Care Commission, a day care plan from which~~
6 ~~the State purchases day care services for minor children of needy families shall meet all~~
7 ~~certification standards adopted by the Department of Human Resources' Office of Child~~
8 ~~Day Care Services. The fee for the purchase of care from a day care plan is one~~
9 ~~hundred fifty dollars (\$150.00) per month. The fee for the purchase of care from~~
10 ~~individual Child-Caring Providers is one hundred dollars (\$100.00) per month.~~

11 ~~(e) Providers whose programs exceed licensing standards may modify their~~
12 ~~programs to standards consistent with licensing standards.~~

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

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

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

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

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

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

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

32 (2) One-third of the budgeted funds shall be distributed according to the
33 number of children under 6 years of age in a county who are living in
34 families whose income is below the State poverty level in relation to
35 the total number of children under 6 in the State in families whose
36 income is below the poverty level; and

37 (3) One-third of budgeted funds shall be distributed according to the
38 number of working mothers with children under 6 years of age in a
39 county in relation to the total number of working mothers with
40 children under 6 in the State.

41 (b) Counties whose allocation, if based on previously used formulas, exceeds the
42 allocation produced by the formula prescribed by this section may not have their
43 allocations reduced in either fiscal year 1989-90 or fiscal year 1990-91 to the level that
44 results from application of the new formula. Counties whose allocation, if based on

1 previously used formulas, is less than the allocation produced by the formula prescribed
2 by this section shall continue to receive the proportional share of those funds that they
3 received pursuant to appropriations for this purpose by the 1985 General Assembly.
4 The formula prescribed by this section shall not be implemented unless additional State
5 or federal funds are made available. The additional funds must be sufficient to apply
6 the new formula without reducing any county's allocation below the previous year's
7 initial allocation for child day care."

8
9 Requested by: Representative Gardner

10 ---COMMUNITY ACTION PROGRAM FUNDS

11 Sec. 67. Section 119 of Chapter 500 of the 1989 Session Laws reads as
12 rewritten:

13 "Sec. 119. For the 1989-90 fiscal year and the 1990-91 fiscal year, all agencies
14 designated as eligible agencies pursuant to G.S. 113-28.24 that receive Community
15 Service Block Grant funds may use those funds for the administration of agency
16 programs. The amount of those funds used for administration of agency programs shall
17 be limited to ten percent (10%) of the total annual budget of the agency as certified in
18 the prior year's audit of the agency. The Department of ~~Natural Resources and~~
19 ~~Community Development~~ Human Resources shall report ~~quarterly~~ annually to the Joint
20 Legislative Commission on Governmental Operations and the Appropriations
21 Committee on ~~Natural and Economic Resources~~ Human Resources beginning October
22 1, ~~1989~~, 1990, on the use of Community Service Block Grant Funds for administration
23 of agency programs. The report shall show:

- 24 (1) The total budget for each community action agency or limited purpose
25 agency by program-funding source;
- 26 (2) The amount of funds for administration provided by each program;
- 27 (3) The criteria for determining the amount of funds used for
28 administrative expenses; and
- 29 (4) The number of persons served by each program."

30
31 Requested by: Representatives Gardner and Stam

32 ---ABORTION FUNDING

33 Sec. 68. (a) Section 93 of Chapter 479 of the 1985 Session Laws, as amended
34 by Section 75 of Chapter 738 of the 1987 Session Laws and Section 72 of Chapter 500
35 of the 1989 Session Laws, is repealed. Funds in the amount of \$100,000 appropriated
36 for the 1990-91 fiscal year to the Division of Social Services, Department of Human
37 Resources to reimburse medical providers, including licensed physicians, licensed
38 hospitals, and other facilities for those services provided under G.S. 14-45.1 shall be
39 expended only as provided by this section. State funds shall be limited to reimbursing
40 providers for services provided within the first 135 days of pregnancy. No State funds
41 in excess of \$100,000, whether from tax revenue, gift, bequest, grant, or any other
42 sources, may be expended for the performance of abortions during the 1990-91 fiscal
43 year.

1 (b) Eligibility for the State Abortion Fund. It is the policy of North Carolina
2 that the State Abortion Fund shall not be available for abortion on demand, but shall be
3 limited in accordance with this section. Applicants for services under this section shall
4 be residents of North Carolina. The fund shall be administered by the Division of
5 Social Services in accordance with financial eligibility criteria to be established by the
6 Social Service Commission and shall cover only:

7 (1) Those pregnancies that are the result of rape or incest; or

8 (2) Those pregnancies in which the woman is mentally retarded as defined
9 in G.S. 122C-3; or

10 (3) Those pregnancies in which, in the opinion of two physicians, at least
11 one of whom has no financial interest in the performance of the
12 abortion, the woman's life is endangered or her health, exclusive of
13 mental or psychological health, is gravely impaired by the pregnancy.

14 The cost of obtaining the opinion of both doctors is a reimbursable
15 expense from the fund in accordance with the rules of the Social
16 Services Commission.

17
18 Requested by: Representative Gardner

19 —USE OF STATE FUNDS AT MCLEOD PROGRAM

20 Sec. 69. The Blue Ridge Center for Mental Health, Developmental
21 Disabilities, and Substance Abuse Services shall ensure that State funds appropriated for
22 the operation of the McLeod Center Residential Drug Program are expended only after
23 other program receipts are expended and that all remaining unexpended State funds
24 revert to the General Fund.

25
26 Requested by: Representative Gardner

27 —DHR PROGRAMS FUNDS

28 Sec. 70. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
29 Department of Human Resources, with the approval of the Office of State Budget and
30 Management, may use, to the extent possible, any funds appropriated or otherwise
31 available to the Department in the 1990-91 fiscal year for the following needs, pursuant
32 to the Governor's recommended changes to the 1990-91 State Budget:

33 (1) Mental Health Accounting System; and

34 (2) Day Care Abuse/Neglect Investigators.

35
36 Requested by: Representative Gardner

37 —DOMICILIARY RATE INCREASE

38 Sec. 71. Section 81 of Chapter 500 of the 1989 Session Laws, as rewritten
39 by Section 131 of Chapter 752 of the 1989 Session Laws, reads as rewritten:

40 "Sec. 81. Effective January 1, 1990, the maximum monthly rate for ambulatory
41 residents in domiciliary care facilities shall be ~~seven hundred twenty-four dollars~~
42 ~~(\$724.00)~~ \$724.00 and the maximum monthly rate for semi-ambulatory residents shall
43 be ~~seven hundred sixty dollars~~ ~~(\$760.00)~~ \$760.00. Effective January 1, 1991, the
44 maximum monthly rates for ambulatory residents shall be increased to ~~seven hundred~~

1 ~~thirty-four dollars (\$734.00)~~ \$756.00 and for semi-ambulatory residents ~~seven hundred~~
2 ~~seventy dollars (\$770.00)~~ \$793.00."

3
4 Requested by: Representative Wisner
5 —REST HOME AIDE TRAINING

6 Sec. 72. The Legislative Research Commission Study Committee on Care
7 Provided by Rest Homes, Intermediate Care Facilities, and Skilled Nursing Homes; and
8 Necessity for Certificate of Need; and Continuing Care Issues shall consider the entire
9 issue of requirements for rest home aide training and State reimbursements to rest
10 homes in its study and shall make recommendations on this issue as part of its report to
11 the North Carolina Study Commission on Aging and to the Legislative Research
12 Commission for transmittal to the 1991 General Assembly. The Social Services
13 Commission shall consider the recommendations made by the Study Committee.

14
15 PART XVII.—COLLEGES AND UNIVERSITIES

16
17 Requested by: Representatives J. Crawford and Tart
18 —AID TO PRIVATE COLLEGES CLARIFICATION

19 Sec. 73. Section 30 of Chapter 500 of the 1989 Session Laws, as rewritten by
20 Section 93 of Chapter 752 of the 1989 Session Laws, reads as rewritten:

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

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

32 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
33 to all other financial assistance made available to private educational institutions located
34 within the State, or to students attending these institutions, there is granted to each full-
35 time North Carolina undergraduate student attending an approved institution as defined
36 in G.S. 116-22, ~~the sum of a sum, not to exceed~~ one thousand one hundred fifty dollars
37 (\$1,150) per academic year, which shall be distributed to the student as hereinafter
38 provided. Initial allocations of these grants shall be at a level of ninety-four and ninety-
39 four hundredths percent (94.94%) of the maximum grant for which a student is eligible.
40 The State Education Assistance Authority shall project the number of students eligible,
41 and the funds required, for the full academic year, and the Authority shall allocate
42 grants at the highest proportion possible of the maximum grants.

43 The tuition grants provided for in this section shall be administered by the State
44 Education Assistance Authority pursuant to rules adopted by the State Education

1 Assistance Authority not inconsistent with this section. The State Education Assistance
2 Authority may not approve any grant until it receives proper certification from an
3 approved institution that the student applying for the grant is an eligible student. Upon
4 receipt of the certification, the State Education Assistance Authority shall remit at such
5 times as it shall prescribe the grant to the approved institution on behalf, and to the
6 credit, of the student.

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

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

- 16 (1) The Board of Governors of The University of North Carolina, with the
17 approval of the Office of State Budget and Management, may transfer
18 available funds to meet the needs of the programs provided by
19 subsections (a) and ~~(b) of (b)~~, up to the level of ninety-four and ninety-
20 four hundredths percent (94.94%) of the maximum allocation allowed
21 in this section; and
22 (2) Each eligible student shall receive a pro rata share of funds then
23 available for the remainder of the academic year within the fiscal
24 period covered by the current appropriation.

25 Any remaining funds shall revert to the General Fund.

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

29 Requested by: Representative Jones

30 ---UNC EMPLOYEES PAYROLL DEDUCTIONS FOR UNC CHARITIES AND
31 ATHLETICS

32 Sec. 74. G.S. 143-3.3(a) reads as rewritten:

33 "(a) All transfers and assignments made of any claim upon the State of North
34 Carolina or any of its departments, bureaus or commissions or upon any State institution
35 or of any part or share thereof or interest therein, whether absolute or conditional and
36 whatever may be the consideration therefor and all powers of attorney, orders or other
37 authorities for receiving payment of any such claim or any part or share thereof shall be
38 absolutely null and void unless such claim has been duly audited and allowed and the
39 amount due thereon fixed and a warrant for the payment thereof has been issued; and no
40 warrant shall be issued to any assignee of any claim or any part or share thereof or
41 interest therein: Provided that this section shall not apply to assignments made in favor
42 of hospitals, building and loan associations, prepaid legal services, uniform rental firms
43 to allow employees of the Department of Transportation to rent uniforms that include
44 day-glo orange shirts or vests as required by federal and State law, and medical,

1 hospital, disability and life insurance companies: Provided further, that any employee of
2 the State or of any of its institutions, departments, bureaus, agencies or commissions,
3 who is a member of any credit union organized pursuant to Chapter 54 of the North
4 Carolina General Statutes having a membership at least one half of whom are employed
5 by the State or its institutions, departments, bureaus, agencies or commissions, may
6 authorize, in writing, the periodic deduction from his salary of wages as such employee
7 of a designated lump sum, which shall be paid to such credit unions when said salaries
8 or wages are payable, for deposit to such accounts, purchase of such shares or payment
9 of such obligations as the employee and the credit union may agree: Provided further,
10 that any employee of the State or of any of its institutions, departments, bureaus,
11 agencies or commissions, or any of its community colleges, who is a member of a
12 domiciled State employees' association with a membership of not less than 5,000
13 members, the majority of whom are State employees, may authorize in writing the
14 periodic deduction from his salary or wages a designated sum to be paid to the
15 employees' association. This plan of payroll deductions for State employees and other
16 association members shall become null and void at such time as the employee
17 association engages in collective bargaining. Except as otherwise provided, nothing in
18 this last proviso shall apply to local boards of education, county or municipal
19 governments or any local governmental units. Provided further, that subject to the rules
20 and regulations adopted by the State Controller, any employee of the State or of any of
21 its institutions, departments, bureaus, agencies or commissions may authorize in writing
22 the withholding from his salary or wages an amount to satisfy his pledge to the State
23 Employees Combined Campaign. Provided further, that subject to any rules and
24 regulations adopted by the State Controller, any employee of a local board of education
25 or community college may authorize in writing the withholding from his salary or
26 wages a periodic deduction of a designated sum to be paid to any organization which
27 qualifies for recognition of exemption by the Internal Revenue Service as a charitable
28 organization as defined in Section 501(c)(3) of the Internal Revenue Code which has
29 first been approved by his local board of education or community college board.
30 Provided further, that subject to any rules and regulations adopted by the State
31 Controller, any employee of a constituent institution of The University of North
32 Carolina which processes its own payroll, may authorize in writing the withholding
33 from his salary or wages a periodic deduction of a designated sum to be paid to any
34 organization which qualifies for recognition of exemption by the Internal Revenue
35 Service as a charitable organization as defined in Section 501(c)(3) of the Internal
36 Revenue Code and which exists to support athletic or charitable programs at the
37 constituent institution where the employee is employed; Provided further that such
38 organization must be approved by the President of The University of North Carolina as
39 existing to support such athletic or charitable programs; Provided, further that such
40 withholding is allowed only at those eligible constituent institutions that have
41 authorized withholding plans under this proviso. If a withholding plan results in
42 additional costs to a campus, these costs shall be paid by those charitable organizations
43 receiving contributions under the withholding plan."
44

1 Requested by: Representative J. Crawford

2 ---PLAN FOR NURSE MIDWIFERY EDUCATION PROGRAMS

3 Sec. 75. The Board of Governors of The University of North Carolina shall
4 plan for the development of nurse midwifery education programs at those institutions
5 with appropriate supporting academic programs. The Board of Governors shall work
6 with the Area Health Education Centers in planning for the development of clinical sites
7 for the nurse midwifery education programs and shall report to the General Assembly
8 by January 1991 on the cost required to implement the nurse midwifery programs in the
9 1991-92 academic year.

10

11 Requested by: Representative Hardaway

12 ---RURAL DEVELOPMENT PROGRAMS

13 Sec. 76. (a) The General Assembly finds that local capacity to plan and manage
14 development efforts in rural areas has traditionally been impaired due to the lack of
15 fiscal resources to attract and maintain the full-time, professional expertise required.
16 Budget limitations and the resulting dearth of positions for planning and development
17 specialists in rural areas have created the false impression that there is no demand for
18 specially trained professionals to address these important rural needs. Consequently,
19 few universities offer a curriculum tailored to the development needs of rural
20 communities. This persistent shortage of trained planning and development personnel
21 tends to exacerbate the already serious disadvantages rural areas face in trying to
22 compete with the faster growing, more prosperous urban areas. The large number of
23 relatively small units of government in rural areas with their attendant budget and staff
24 limitations have resulted in a fragmentation of development efforts.

25 Where expertise, technical support, and adequate compensation are in short
26 supply, the creation of a county-level planning and development position complete with
27 an appropriately trained specialist can provide the focus, initiative, and direction
28 necessary to help overcome programming deficiencies and problems of organization
29 and coordination. By strengthening and broadening local and regional institutional
30 capacity, rural areas will be in a better position to solve their problems and capture
31 development opportunities.

32 (b) The Board of Governors of The University of North Carolina shall review the
33 need for a two-year graduate degree program in rural economic planning and
34 development, which may include a broad range of courses in relevant fields of study
35 such as agriculture, rural sociology, economics, public administration, and regional
36 development.

37 The Board of Governors may appoint a special ad hoc committee to advise
38 the Board in planning the rural economic planning and development program.
39 Membership of such a committee should include University of North Carolina System
40 faculty and administrators, representatives of local governments, and experts in rural
41 economic development.

42 (c) The North Carolina Rural Economic Development Center, Inc., shall study
43 the development of (i) a program to provide rural economic development internships
44 and (ii) a matching grant program to enable distressed counties to fund development

1 personnel positions, and (iii) an economic development scholarship loan program. Any
2 plans for those programs shall be developed as State-funded programs in accordance
3 with the proposals in House Bill 2253.

4 (d) All studies and plans to be developed in this section shall be submitted to the
5 General Assembly by February 1, 1991.

6
7 Requested by: Representative Rhyne

8 —HIGHER EDUCATION OPPORTUNITY STUDY

9 Sec. 77. (a) There is established the Higher Education Opportunity Study
10 Commission. The Commission shall be composed of 19 members, as follows:

- 11 (1) The Superintendent of Public Instruction, or his designee;
- 12 (2) The Chairman of the State Board of Education, or his designee;
- 13 (3) The President of the Community College System, or his designee;
- 14 (4) The President of The University of North Carolina, or his designee;
- 15 (5) The Chairman of the Association of Independent Colleges and
16 Universities, or his designee;
- 17 (6) Five members appointed by the Governor;
- 18 (7) Five members appointed by the President of the Senate;
- 19 (8) Five members appointed by the Speaker of the House of
20 Representatives.

21 (b) The President of the Senate shall designate one of his appointees as cochair
22 and the Speaker of the House of Representatives shall designate one of his appointees as
23 cochair.

24 (c) When a vacancy occurs in the membership of the Commission, the vacancy
25 shall be filled by the same appointing officer who made the initial appointment. All
26 initial appointments shall be made within one calendar month from the effective date of
27 this act.

28 (d) The Commission shall study the issue of providing tuition and fees grants for
29 higher education to North Carolina students of proven academic ability who lack the
30 necessary financial resources otherwise to attend a public four year institution of higher
31 education. The Commission shall report the results of this examination, including any
32 legislative and and appropriations recommendations to the 1991 Session of the 1991
33 General Assembly by April 1, 1991, at which point the Commission will terminate.

34 (e) The Commission's study shall include:

- 35 (1) An analysis of Louisiana's, and other states', initiatives in providing
36 financial opportunity for higher education to their students of proven
37 academic ability;
- 38 (2) An analysis of the costs and future savings involved in providing such
39 opportunity for North Carolina students;
- 40 (3) A determination of what specific residence criteria, other than those
41 currently being used by The University of North Carolina, if any,
42 would need to be employed;

- 1 (4) A determination of what academic standards eligible students would
2 need to prove they have met, including high school course
3 requirements, and standardized test scores;
- 4 (5) A determination of what financial needs tests the students and their
5 families must meet in order to qualify;
- 6 (6) A determination of whether to allow a percentage deviation from the
7 set standards for a certain number of students receiving financial help
8 under this program;
- 9 (7) A determination of what, if any, additional criteria students attending
10 constituent institutions of higher education under this program must
11 continue to meet to continue to receive financial aid under this
12 program;
- 13 (8) A determination of what entity should administer this program,
14 whether the Board of Governors of The University of North Carolina,
15 the State Education Assistance Authority, or other entity; and
- 16 (9) Any additional determination or examination the Higher Education
17 Opportunity Study Commission considers necessary to carry out its
18 mandate.
- 19 (f) The University of North Carolina and the Department of Public
20 Instruction shall cooperate with the Higher Education Opportunity Study Commission
21 as it carries out the mandate established in this act.
- 22 (g) The Commission may meet at any time on the joint call of the chairs. The
23 Commission, with the approval of the Legislative Services Commission, may meet in
24 the Legislative Building or the Legislative Office Building.
- 25 (h) Members of the Commission who are legislators shall receive subsistence
26 and travel expenses at the rates set forth in G.S. 120-3.1. Members of the Commission
27 who are officials or employees of the State shall receive travel allowances at the rate set
28 forth in G.S. 138-6. Other members of the Commission shall be paid per diem and
29 allowances at the rates set forth in G.S. 138-5.
- 30 (i) The Commission may contract for professional, clerical, or consultant
31 services as provided by G.S. 120-32.02. The Legislative Services Commission, through
32 the Legislative Administration Officer, shall assign professional staff to assist in the
33 work of the Commission. The House of Representatives' and the Senate's supervisor of
34 Clerks shall assign clerical staff to the Commission upon the direction of the Legislative
35 Services Commission. The expenses relating to clerical employees shall be borne by
36 the Commission.
- 37 (j) Of the funds appropriated to the General Assembly for the 1990-91 fiscal
38 year, the sum of \$35,000 shall be allocated to the Higher Education Opportunity Study
39 Commission for its work.

40
41 Requested by: Representative Jones

42 —ECU MRI FUNDS

43 Sec. 78. Section 92 of Chapter 752 of the 1989 Session Laws reads as
44 rewritten:

1 "Sec. 92. (a) Effective July 1, 1989 funds appropriated to the Board of
2 Governors of The University of North Carolina for the East Carolina University School
3 of Medicine for Medicare education shall be allocated as follows:

4 (1) That portion of the Medicare reimbursement that can be identified as
5 having been generated through the effort and at the expense of the
6 School's Medical Faculty Practice Plan shall be transferred to the
7 appropriate Medical Faculty Practice Plan account within the School;
8 and

9 (2) The remainder shall be transferred to a special nonreverting account
10 within the School.

11 Funds deposited in the account pursuant to subdivision (2) of this section shall be
12 spent for nonrecurring items of equipment and facilities that are required to maintain the
13 School of Medicine's teaching facilities within Pitt County Memorial Hospital and the
14 Brody Medical Sciences Building.

15 (b) All revenue ~~heretofore or~~ subsequently received by the East Carolina
16 University School of Medicine Medical Faculty Practice Plan from patients or their
17 health insurance companies for treatment received in the Radiation Therapy Facility
18 shall be retained by the School's Medical Faculty Practice Plan and used to defray
19 current operating expenses and for future support and enhancement of the facility.

20 (b1) All funds subsequently received by the East Carolina University School of
21 Medicine from Pitt County Memorial Hospital for the lease of the Magnetic Resonance
22 Imaging (MRI) building and equipment shall be retained by the School of Medicine in a
23 nonreverting account and expended to defray current operating expenses and for future
24 support and enhancement of the MRI facility.

25 (c) All the receipts in subsections (a), (b), and (b1) shall appear in the General
26 Fund Budget Code (16066) at East Carolina University.

27 (d) This section shall expire June 30, 1991."
28

29 PART XVIII.—COMMUNITY COLLEGES

30
31 Requested by: Representative J. Crawford

32 —RICHMOND COMMUNITY COLLEGE/CHILDBIRTH CLASSES

33 Sec. 79. Notwithstanding any other provision of law, the Board of Trustees
34 of Richmond Community College may permit students under 16 years of age to
35 participate in childbirth classes at the college under The Support Mother's Program.
36 These students may not be included in the computation of budget full-time equivalent
37 student enrollment for the college; however, community services funds may be used to
38 operate this Program.
39

40 Requested by: Representative J. Crawford

41 —STATE BOARD OF COMMUNITY COLLEGES GUIDELINES

42 Sec. 80. Notwithstanding any other provision of law, the State Board of
43 Community Colleges shall establish budget guidelines not inconsistent with Section 80
44 of Chapter 752 of the 1989 Session Laws for the expenditure of individual community

1 college budgets for the 1990-91 fiscal year. In establishing these guidelines the Board
2 shall assure that statewide priorities are met, to the extent resources are available. The
3 State Board of Community Colleges shall establish parameters for expenditure of
4 appropriations to assure that:

- 5 (1) Literacy funds shall not be reduced or spent for any other purpose and,
6 to the maximum extent possible, anyone requesting literacy education
7 will be served;
- 8 (2) New Industry Training, Focused Industrial Training, and Small
9 Business Center funds shall not be reduced without full justification
10 and assurances that needs are being met;
- 11 (3) Salary increase funds shall be used to provide a four percent (4%)
12 across-the-board salary increase to all full-time and permanent part-
13 time employees. Two percent (2%) salary increase funds shall be used
14 to provide merit pay or to maintain quality in educational programs
15 through expenditures for personnel only.

16 The State Board is not obligated to make budget reduction allocations on a
17 pro rata basis and may specify various programs for reduction.

18 The State Board shall require each college to submit a plan detailing how its
19 budget reduction will be accomplished in order to assure a balanced educational
20 program that meets statewide priorities.

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

23
24 Requested by: Representative J. Crawford

25 —COMMUNITY COLLEGE TUITION INCREASE

26 Sec. 81. Section 79 of Chapter 752 of the 1989 Session Laws reads as
27 rewritten:

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

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

36
37 Requested by: Representative J. Crawford

38 —"TECH PREP"IMPLEMENTATION

39 Sec. 82. Of the funds available to the Department of Public Education for
40 vocational education in the 1990-91 fiscal year, the sum of \$50,000 shall be allocated to
41 the North Carolina Tech Prep Leadership Development Center at Richmond
42 Community College for assistance to local education agencies and community colleges
43 in planning and implementing "Tech Prep" across the State. The Department of
44 Community Colleges shall allocate \$50,000 from funds available to it for the 1990-91

1 fiscal year for the North Carolina "Tech Prep" Leadership Development Center at
2 Richmond Community College.

3
4 PART XIX.—PUBLIC SCHOOLS

5
6 Requested by: Representative J. Crawford
7 —DIFFERENTIATED PAY FUNDS ALLOCATION

8 Sec. 83. (a) G.S. 115C-238.4 reads as rewritten:

9 **"§ 115C-238.4. Differentiated pay.**

10 (a) Local school administrative units may include, but are not required to
11 include, a differentiated pay plan for certified instructional staff, certified instructional
12 support staff, and certified administrative staff as a part of their local school
13 improvement plans. Units electing to include differentiated pay plans in their school
14 improvement plans shall base their differentiated pay plans on:

- 15 (1) The Career Development Pilot Program, G.S. 115C-363 **et seq.**;
- 16 (2) The Lead Teacher Pilot Program, G.S. 115C-363.28 **et seq.**;
- 17 (3) A locally designed school-based performance program, subject to
18 limitations and guidelines adopted by the State Board of Education;
- 19 (4) A differentiated pay plan that the State Board of Education finds has
20 been successfully implemented in another state; or
- 21 (5) A locally designed plan including any combination or modification of
22 the foregoing plans.

23 (b) Support among affected staff members is essential to successful
24 implementation of a differentiated pay plan; therefore, a local board of education that
25 decides that a differentiated pay plan should be included in its local school improvement
26 plan shall present a proposed differentiated pay plan to affected staff members for their
27 review and vote. The vote shall be by secret ballot. The local board of education shall
28 include the proposed differentiated pay plan in its local school improvement plan only if
29 the proposed plan has the approval of a majority of the affected paid certificated
30 instructional and instructional support staff and a majority of the affected certificated
31 administrators.

32 Every three years after a differentiated pay plan receives such approval, the local
33 board of education shall present a proposed plan to continue, discontinue, or modify that
34 differentiated pay plan to affected staff members for their review and vote. The vote
35 shall be by secret ballot. The local board of education shall include the proposed plan in
36 its local school improvement plan only if the proposed plan has the approval of a
37 majority of the affected paid certificated instructional and instructional support staff and
38 a majority of the affected certificated administrators.

39 (c) Local school administrative units electing to participate in a differentiated pay
40 plan shall receive State funds according to the terms of the plan but not to exceed:

- 41 (1) 1990-91: two percent (2%) of teacher and administrator salaries, and
42 the employer's contributions for social security and retirement;
- 43 (2) 1991-92: three percent (3%) of teacher and administrator salaries, and
44 the employer's contributions for social security and retirement;

- 1 (3) 1992-93: four percent (4%) of teacher and administrator salaries, and
2 the employer's contributions for social security and retirement; ~~and~~
3 (4) 1993-94 ~~and thereafter: seven percent (7%);~~ five and one-half percent
4 (5 1/2%) of teacher and administrator salaries, and the employer's
5 contributions for social security and ~~retirement.~~ retirement; and
6 (5) 1994-95 and thereafter: seven percent (7%) of teacher and
7 administrator salaries, and the employer's contributions for social
8 security and retirement.

9 Any differentiated pay plan developed in accordance with this section shall be
10 implemented within State and local funds available for differentiated pay.

11 (d) Attainment of the equivalent of Career Status I shall be rewarded through a
12 new salary schedule that provides a salary differential when a certified educator
13 successfully completes his probationary period.

14 (e) Any additional compensation received by an employee as a result of the unit's
15 participation in the Program shall be paid as a bonus or supplement to the employee's
16 regular salary. If an employee in a participating unit does not receive additional
17 compensation, such failure to receive additional compensation shall not be construed as
18 a demotion, as that term is used in G.S. 115C-325.

19 Payments of bonuses or supplements shall be paid no more frequently than once
20 every calendar quarter: Provided, however, prior to the 1994-95 school year, payments
21 in the career development pilot units may be made on a monthly basis."

22 (b) Funds in the amount of \$19,703,746 are appropriated for the 1990-91 fiscal
23 year to the Department of Public Education in Section 3 of this act to implement the
24 differentiated pay plans under the School Improvement and Accountability Act of 1989
25 for the 1990-91 school year. It is the intent of the General Assembly to appropriate
26 \$19,732,300 for the 1991-92 fiscal year to complete the implementation of the
27 differentiated pay plans for the 1990-91 school year.

28 The State Board of Education shall adopt rules for allocating funds for
29 differentiated pay so as to implement the differentiated pay plans within funds available.

30
31 Requested by: Representative J. Crawford

32 ---CAREER LADDER PROGRAM TRANSITION

33 Sec. 84. Section 7 of Chapter 778 of the 1989 Session Laws reads as
34 rewritten:

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

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

43 Funding of these pilot projects shall continue for subsequent fiscal years only if the
44 pilot units successfully submit local school improvement plans pursuant to the

1 Performance-based Accountability Program, during the 1989-90 school year and during
2 subsequent school years.

3 (b) ~~Beginning with the 1993-94 fiscal year, year and for each year thereafter, the~~
4 ~~career development and the lead teacher pilot units shall receive only the amount of~~
5 ~~State funds available for school units participating in a differentiated pay plan pursuant~~
6 ~~to the School Improvement and Accountability Act of 1989; seven percent (7%) of~~
7 ~~teacher and administrator salaries and of the employer's contributions for social security~~
8 ~~and retirement, so long as they participate in differentiated pay plans in accordance with~~
9 ~~G.S. 115C-238.4; they shall receive no additional State funding as career development~~
10 ~~pilot units or lead teacher pilot units.~~

11 For fiscal years 1990-91 through 1993-94, the provisions of G.S. 115C-363.28
12 regarding flexible funding continue to apply to the lead teacher pilot units.

13 (c) The local school improvement plan for each career development pilot
14 program shall include a schedule of modifications to the ~~career development~~
15 differentiated pay program. This schedule shall result in an incremental reduction or
16 increase, as appropriate, in the amount of funds allocated for differentiated pay so that,
17 for the 1993-94 fiscal year and subsequent fiscal years, the cost of the differentiated pay
18 plan equals (i) seven percent (7%) of teacher and administrator salaries and of the
19 employer's contributions for social security and retirement and (ii) the amount of State
20 and local funds available for differentiated pay for school units participating in
21 differentiated pay plans pursuant to the School Improvement and Accountability Act of
22 1989 pay.

23 For the 1990-91 fiscal year, the total amount appropriated for the career
24 development pilot units is \$4,693,368 less than it was for the 1989-90 fiscal year. It is
25 the intent of the General Assembly to phase out the amount appropriated for the career
26 development pilot units by reducing it by \$4,693,368 each year.

27 The State Board of Education shall require the pilot units to modify their
28 differentiated pay programs so that the schedules of incremental reductions or increases
29 result in these reductions.

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

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

40 (f) Any career ladder pilot project in a school unit that has resulted from a
41 merger of school units, within the last calendar year preceding the effective date of this
42 act, may be modified by the local school board, upon the recommendation of the State
43 Superintendent of Public Instruction and with the approval of the State Board of
44 Education. ~~This For the 1989-90 fiscal year, this modification shall require no more~~

1 funds than allocated to the particular project by the State Board of Education from funds
 2 appropriated to the State Board of Education in Chapter 500 of the 1989 Session Laws,
 3 the Current Operations Appropriations Act of 1989. For the 1990-91 fiscal year, the
 4 merged unit shall receive (i) the amount of funds that was previously allocated to the
 5 particular pilot project, reduced by the State Board pursuant to subsection (b) of this
 6 section, and (ii) the amount of funds it is entitled to receive pursuant to G.S. 115C-
 7 238.4(c)(1), for the portion of the merged unit that did not participate in the pilot
 8 project.

9 (g) No provision of this section shall be construed to allow a local school
 10 administrative unit to pay any teacher, in salary and State-funded bonus or supplement,
 11 less than it paid that teacher on a monthly basis during the prior school year, so long as
 12 the teacher qualifies for a bonus or supplement under the local differentiated pay plan."

13
 14 Requested by: Representatives Tart and J. Crawford

15 ---BASIC EDUCATION PROGRAM FUNDS

16 Sec. 85. Section 61 of Chapter 752 of the 1989 Session Laws reads as
 17 rewritten:

18 "Sec. 61. Funds are appropriated in Section 3 of this act to the Department of Public
 19 Education for further implementation of the Basic Education Program in public schools.
 20 These funds will provide for the fifth and sixth years of the planned eight-year
 21 implementation schedule. The following information chart shows the ~~major increases in~~
 22 ~~State funds over the 1988-89 fiscal year.~~ expansion budget funds for the Basic
 23 Education Program for 1989-90 totaling \$69,277,440 and an additional \$49,998,109 in
 24 1990-91.

25
 26 BASIC EDUCATION PROGRAM

27 Basic Education Plan:

	<u>1989-90</u>	<u>1990-91</u>		
29 1. Additional Teachers	\$ 46,735,714		\$ 90,342,391	<u>139,986,192</u>
30 2. Vocational Education				
31 Teachers	1,039,116	2,078,823	-	-
32 3. In-School Suspension			-	1,726,921
33 4. Instructional Support	15,477,126		39,113,549	<u>10,011,917</u>
34 5. Instructional/Lab				
35 Clerical Assistants	-	17,073,432	-	-
36 6. Athletic Trainer Supplement	15,000		15,000	-
37 7. Assistant Principals -				
38 Extension of Term	-	11,166,375	-	-
39 8. Asst/Associate				
40 Superintendents	-	4,767,421	-	-
41 9. Clerical Assistants	6,010,484		11,637,563	-
42 10. Supervisors	-		2,611,375	-

43
 44 TOTAL BASIC

1 EDUCATION PLAN \$ 69,277,440 ~~\$180,532,850~~ 49,998,109

2 Of these funds, the sum of \$12,925,543 for the 1990-91 fiscal year shall be used to
3 reduce class size in grades 10-12.

4 With regard to the remainder of the funds for additional teachers, local boards of
5 education may elect to vary from the State laws pertaining to the purposes for which
6 State funds for the public schools may be used so as to use these funds to hire teachers
7 to reduce class size in science, mathematics, and language arts classes; local boards of
8 education shall report any such uses of the funds to the Department of Public Education
9 within 10 days of the decision to use these funds for these purposes."

10

11 Requested by: Representatives J. Crawford and Tart

12 —COMPLETION OF BASIC EDUCATION PROGRAM

13 Sec. 86. (a) The General Assembly finds that given the current revenue
14 situation of the State, the original implementation schedule of the Basic Education
15 Program cannot be met and that the recently enacted School Improvement and
16 Accountability Act has moved the State to a student performance orientation that is
17 predicated on school systems using their resources flexibly to address unique local
18 needs. The General Assembly is committed to the improvement of education and to the
19 complete implementation of the strongest possible Basic Education Program; therefore,
20 the Legislative Study Commission on the Basic Education Program is hereby created to
21 advise the General Assembly on ways that the Basic Education Program can be
22 strengthened and on a lengthened implementation schedule for the Basic Education
23 Program.

24 The Commission shall consist of 26 members: the Superintendent of Public
25 Instruction; the chairman of the State Board of Education; one member of the Senate,
26 one member of the House of Representatives, one school superintendent, one classroom
27 teacher, and four members at large, appointed by the Governor; five members of the
28 Senate, one school principal, one PTA member, and one member at large appointed by
29 the President Pro Tempore of the Senate; and five members of the House of
30 Representatives, one classroom teacher, one school board member, and one member at
31 large, appointed by the Speaker of the House of Representatives.

32 (b) The President Pro Tempore of the Senate shall designate one of his
33 appointees who is a member of the Senate as cochairman and the Speaker of the House
34 of Representatives shall designate one of his appointees who is a member of the House
35 of Representatives as cochairman. Each chairman shall serve as chairman until he
36 ceases to be a member of the General Assembly.

37 (c) The Commission shall study the Basic Education Program, how it has been
38 implemented to date, and what effect the Basic Education Program has had on
39 educational achievement throughout the State. The Commission shall also examine the
40 remainder of the schedule of implementation of the Basic Education Program, review
41 all items to be funded under the Basic Education Program, consider the relationship
42 between the Basic Education Program and the School Improvement and Accountability
43 Act, and recommend any changes or modifications to the Basic Education Program and
44 the School Improvement and Accountability Act that it deems appropriate.

1 (d) The Commission shall submit a report on its activities to the Joint
2 Legislative Education Oversight Commission, which is established in Section 100 of
3 this act, prior to February 15, 1991. The Commission shall submit a final report of its
4 findings and recommendations to the General Assembly on or before March 31, 1991,
5 by filing the report with the President Pro Tempore of the Senate and the Speaker of the
6 House of Representatives. Upon filing its final report, the Commission shall terminate.

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

12 (f) Members of the Commission shall receive per diem, subsistence, and
13 travel allowances in accordance with G.S. 138-5, G.S. 138-6, or G.S. 120-3.1, as
14 appropriate.

15 (g) The Commission may contract for professional, clerical, or consultant
16 services as provided by G.S. 120-32.02. The Legislative Services Commission, through
17 the Legislative Administrative Officer, shall assign professional staff to assist in the
18 work of the Commission. The House of Representatives' and the Senate's Supervisor of
19 Clerks shall assign clerical staff to the commission or committee, upon the direction of
20 the Legislative Services Commission. The expenses relating to clerical employees shall
21 be borne by the Commission.

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

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

27 Sec. 87. G.S. 115C-81(a) reads as rewritten:

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

35 The State Board shall implement the Basic Education Program within funds
36 appropriated for that purpose by the General Assembly and by units of local
37 government. It is the goal of the General Assembly that the Basic Education Program be
38 fully funded and completely operational in each local school administrative unit by July
39 1, ~~1993-1995.~~"

40
41 Requested by: Representatives Tart and J. Crawford

42 —SMALL SCHOOL PROGRAM ALLOTMENTS

43 Sec. 88. G.S. 115C-416 reads as rewritten:

44 "§ 115C-416. Power to allot funds for teachers and other personnel.

1 The Board shall have power to provide for the enrichment and strengthening of
2 educational opportunities for the children of the State, and when sufficient State funds
3 are available to provide first for the allotment of such a number of teachers as to prevent
4 the teacher loan from being too great in any school, the Board is authorized, in its
5 discretion, to make an additional allotment of teaching personnel to local school
6 administrative units of the State to be used either jointly or separately, as the Board may
7 prescribe. Such additional teaching personnel may be used in the local school
8 administrative units as librarians, special teachers, or supervisors of instruction and for
9 other special instructional services such as art, music, physical education, adult
10 education, special education, or industrial arts as may be authorized and approved by
11 the Board. The salary of all such personnel shall be determined in accordance with the
12 State salary schedule adopted by the Board.

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

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

18 The Board may also allot teaching and other positions, within funds available, to
19 local school administrative units to allow local units to place personnel occupying those
20 positions in private hospitals and treatment facilities for the limited purpose of
21 providing education to students confined to those institutions. The Board shall adopt
22 rules to ensure that any such placements do not contribute to the profitability of private
23 institutions and that they are otherwise in accordance with State and federal law."
24

25 Requested by: Representatives Tart and J. Crawford

26 ~~—~~LEAVE ACCUMULATION/PUBLIC SCHOOL EMPLOYEES

27 Sec. 89. G.S. 115C-272(b) reads as rewritten:

28 "(b) Superintendents shall be paid promptly when their salaries are due provided
29 the legal requirements for their employment and service have been met. All
30 superintendents employed by any local school administrative unit who are paid from
31 local funds shall be paid promptly as provided by law and as State allotted
32 superintendents are paid. Superintendents paid from State funds shall be paid as
33 follows:

34 (1) Salary payments to superintendents shall be made monthly on the basis
35 of each calendar month of service. Included within their term of
36 employment shall be annual vacation leave at the same rate provided
37 for State employees. Included within the 12 months' employment each
38 local board of education shall designate the same or an equivalent
39 number of legal holidays as those designated by the State Personnel
40 Commission for State employees.

41 (2) Notwithstanding any provisions of this section to the contrary no
42 person shall be entitled to pay for any vacation day not earned by that
43 person. Vacation days shall not be used for extending the term of
44 employment of individuals and shall not be cumulative from one fiscal

1 year to another fiscal year: Provided, that superintendents may
2 accumulate annual vacation leave days as follows: annual leave may
3 be accumulated without any applicable maximum until ~~December 31~~
4 June 30 of each year. On ~~December 31~~ June 30 of each year, any
5 superintendent with more than 30 days of accumulated leave shall
6 have the excess accumulation cancelled so that only 30 days are
7 carried forward to ~~January 1~~ July 1 of the ~~next same~~ year. All vacation
8 leave taken by the superintendent will be upon the authorization of his
9 immediate supervisor and under policies established by the local board
10 of education. An employee shall be paid in a lump sum for
11 accumulated annual leave not to exceed a maximum of 240 hours
12 when separated from service due to resignation, dismissal, reduction in
13 force, death, or service retirement. If the last day of terminal leave
14 falls on the last workday in the month, payment shall be made for the
15 remaining nonworkdays in that month. Employees retiring on
16 disability retirement may exhaust annual leave rather than be paid in a
17 lump sum. The provisions of this subdivision shall be accomplished
18 without additional State and local funds being appropriated for this
19 purpose. The State Board of Education shall adopt rules and
20 regulations for the administration of this subdivision.

21 (3) Each local board of education shall sustain any loss by reason of an
22 overpayment to any superintendent paid from State funds.

23 (4) All of the foregoing provisions of this section shall be subject to the
24 requirement that at least fifty dollars (\$50.00), or other minimum
25 amount required by federal social security laws, of the compensation
26 of each school employee covered by the Teachers' and State
27 Employees' Retirement System or otherwise eligible for social security
28 coverage shall be paid in each of the four quarters of the calendar
29 year."

30 Sec. 90. G.S. 115C-316(a) reads as rewritten:

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

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

37 (1) Employees Other than Superintendents, Supervisors and Classified
38 Principals on an Annual Basis. – Salary payments to employees other
39 than superintendents, supervisors, and classified principals employed
40 on an annual basis shall be made monthly at the end of each calendar
41 month of service. Included within their term of employment shall be
42 annual vacation leave at the same rate provided for State employees,
43 computed at one-twelfth (1/12) of the annual rate for state employees
44 for each calendar month of employment. On a day that employees are

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

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

39 (3) Notwithstanding any provisions of this section to the contrary no
40 person shall be entitled to pay for any vacation day not earned by that
41 person. The first 10 days of annual leave earned by a 10- or 11-month
42 employee during any fiscal year period shall be scheduled to be used
43 in the school calendar adopted by the respective local boards of
44 education. Vacation days shall not be used for extending the term of

1 employment of individuals. Ten- or 11-month employees may
2 accumulate annual vacation leave days as follows: annual leave may
3 be accumulated without any applicable maximum until June 30 of each
4 year. On June 30 of each year, any of these employees with more than
5 30 days of accumulated leave shall have the excess accumulation
6 cancelled so that only 30 days are carried forward to July 1 of the same
7 year. All vacation leave taken by these employees will be upon the
8 authorization of their immediate supervisor and under policies
9 established by the local board of education. An employee shall be paid
10 in a lump sum for accumulated annual leave not to exceed a maximum
11 of 240 hours when separated from service due to resignation,
12 dismissal, reduction in force, death or service retirement. If the last
13 day of terminal leave falls on the last workday in the month, payment
14 shall be made for the remaining nonworkdays in that month.
15 Employees retiring on disability retirement may exhaust annual leave
16 rather than be paid in a lump sum. The provisions of this subdivision
17 shall be accomplished without additional State and local funds being
18 appropriated for this purpose. The State Board of Education shall
19 adopt rules and regulations for the administration of this subdivision.

20 (4) Twelve-month school employees other than superintendents,
21 supervisors and classified principals paid on an hourly or other basis
22 whether paid from State or from local funds may accumulate annual
23 vacation leave days as follows: annual leave may be accumulated
24 without any applicable maximum until ~~December 31~~ June 30 of each
25 year. On ~~December 31~~ June 30 of each year, any employee with more
26 than 30 days of accumulated leave shall have the excess accumulation
27 cancelled so that only 30 days are carried forward to ~~January 1~~ July 1
28 of the ~~next same~~ year. All vacation leave taken by the employee will
29 be upon the authorization of his immediate supervisor and under
30 policies established by the local board of education. An employee shall
31 be paid in a lump sum for accumulated annual leave not to exceed a
32 maximum of 240 hours when separated from service due to
33 resignation, dismissal, reduction in force, death, or service retirement.
34 If the last day of terminal leave falls on the last workday in the month,
35 payment shall be made for the remaining nonworkdays in that month.
36 Employees retiring on disability retirement may exhaust annual leave
37 rather than be paid in a lump sum. The provisions of this subdivision
38 shall be accomplished without additional State and local funds being
39 appropriated for this purpose. The State Board of Education shall
40 adopt rules and regulations for the administration of this subdivision.

41 (5) All of the foregoing provisions of this section shall be subject to the
42 requirement that at least fifty dollars (\$50.00), or other minimum
43 amount required by federal social security laws, of the compensation
44 of each school employee covered by the Teachers' and State

- 1 Employees' Retirement System or otherwise eligible for social security
 2 coverage shall be paid in each of the four quarters of the calendar year.
 3 (6) Each local board of education shall sustain any loss by reason of an
 4 overpayment to any school official or other employee paid from State
 5 funds."
 6

7 Requested by: Representatives Tart and J. Crawford

8 —PROSPECTIVE TEACHER SCHOLARSHIP LOAN PROGRAM/EXPANDED TO
 9 COVER ADDITIONAL CERTIFIED EMPLOYEES

10 Sec. 91. G.S. 115C-471 reads as rewritten:

11 **"§ 115C-471. Fund administered by State Superintendent of Public Instruction;
 12 rules and regulations.**

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

- 17 (1) Any resident of North Carolina who is interested in preparing to teach
 18 in the public schools of the State shall be eligible to apply in writing to
 19 the State Superintendent of Public Instruction for a regular scholarship
 20 loan in the amount of not more than two thousand dollars (\$2,000) per
 21 academic school year.
 22 (2) All scholarship loans shall be evidenced by notes made payable to the
 23 State Board of Education which shall bear interest at the rate of six
 24 percent (6%) per annum from and after September 1 following
 25 fulfillment by a prospective teacher of the requirements for a ~~teacher's~~
 26 certificate based upon the ~~bachelor's~~ entry level degree; or in the case
 27 of persons already teaching in the public schools who obtain
 28 scholarship loans such notes shall bear interest at the prescribed rate
 29 from and after September 1 of the school year beginning immediately
 30 after the use of such scholarship loans; or in the event any such
 31 scholarship shall be terminated under the provisions of subdivision (3)
 32 of this section then such notes shall bear interest from the date of such
 33 termination. A minor recipient who signs such note or notes shall also
 34 obtain the endorsement thereon by a parent, if there be a living parent,
 35 unless such endorsement is waived by the Superintendent of Public
 36 Instruction. Such minor recipient shall be obligated upon such note or
 37 notes as fully as if he or she were of age and shall not be permitted to
 38 plead such minority as a defense in order to avoid the obligations
 39 undertaken upon such note or notes.
 40 (3) Each recipient of a scholarship loan under the provisions of this
 41 program shall be eligible for scholarship loans each year until he has
 42 qualified for a ~~teacher's~~ certificate based upon the ~~bachelor's~~ entry
 43 level degree, but he shall not be so eligible for more than ~~four years~~
 44 ~~nor after~~ the minimum number of years required by the college or

1 university for qualifying for said certificate. The permanent
2 withdrawal of any recipient from college or failure of such recipient to
3 do college work in a manner acceptable to the State Superintendent of
4 Public Instruction will immediately forfeit such recipient's right to
5 retain such scholarship and subject such scholarship to termination by
6 the State Superintendent of Public Instruction in his discretion. All
7 terminated scholarships shall be regarded as vacant and subject to
8 being awarded to other eligible persons.

9 (4) Except under emergency conditions applicable to the State
10 Superintendent of Public Instruction, recipients of scholarship loans
11 shall enter the public school system of North Carolina at the beginning
12 of the next school term after qualifying for a ~~teacher~~-certificate based
13 upon the ~~bachelors~~-entry level degree or in case of persons already
14 teaching in the public schools at the beginning of the next school term
15 after the use of such loan. All teaching service for which the recipient
16 of any scholarship loan is obligated shall be rendered within seven
17 years after the completion of the use of each such scholarship loan.

18 (5) For each full school year taught in a North Carolina public school, the
19 recipient of a scholarship loan shall receive credit upon the amount due
20 by reason of such loan equal to all interest accrued upon the loan to
21 that time plus a credit of two thousand dollars (\$2,000) upon the
22 principal amount of such obligation or such lesser amount as may
23 remain due upon said principal; provided, however, that in lieu of
24 teaching in the public school, a recipient may elect to pay in cash the
25 full amount of scholarship loans received plus interest then due
26 thereon or any part thereof which has not been canceled by the State
27 Board of Education by reason of teaching service rendered.

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

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

37 (7) The State Superintendent of Public Instruction shall award scholarship
38 loans with due consideration to such factors and circumstances as:
39 aptitude, purposefulness, scholarship, character, financial need, and
40 areas or subjects of instruction in which the demands for teachers are
41 greatest. Since the primary purpose of this Article is to attract worthy
42 young people to the teaching profession, preference shall be given to
43 high school seniors in the awarding of scholarships."
44

1 Requested by: Representative J. Crawford

2 —STUDY OF NONCERTIFIED EMPLOYEES' SALARIES

3 Sec. 92. The State Board of Education and the Superintendent of Public
4 Instruction shall submit a joint report to the 1991 General Assembly on the disposition
5 of the two percent (2%) salary reserve funds for noncertified public school employees
6 established by Section 38(c) of Chapter 752 of the 1989 Session Laws. The report shall
7 address:

- 8 (1) Continuing discrepancies between the actual current salaries of
9 noncertified public school employees and the salaries of State
10 employees;
- 11 (2) Discrepancies between the actual salaries of noncertified employees
12 and the salary levels recommended for the employees in studies
13 conducted by the State Board of Education during the past 10 years, as
14 adjusted for inflation;
- 15 (3) Salaries and numbers of noncertified employees at or below the
16 poverty level, as established by the federal government; and
- 17 (4) A long-term, comprehensive plan to upgrade the salaries of
18 noncertified public school employees so as to be consistent with the
19 salaries of comparable State employees, consistent with
20 recommendations contained in studies authorized and funded by the
21 State Board of Education, and to increase the salaries of public school
22 employees above the designated poverty level.

23 This plan shall make recommendation regarding groups in need of salary increases
24 consistent with the above criteria and should recommend a multiyear plan with a
25 maximum of six years to implement these increases, providing complete cost
26 information.

27

28 Requested by: Representative Bowen

29 —SAMPSON SCHOOL FUNDS/DEADLINE EXTENDED

30 Sec. 93. Funds in the amount of \$2,000,000 awarded from the Critical
31 School Facility Needs Fund by the Commission on School Facility Needs to the
32 Sampson County Board of Education and the Sampson County Commissioners to
33 construct school facilities as approved by the Commission on School Facility Needs
34 shall remain available to the Sampson County Board of Education and the Sampson
35 County Commissioners until December 1, 1991.

36

37 Requested by: Representatives Tart and J. Crawford

38 —SCHOOL PSYCHOLOGIST SALARY RECLASSIFICATION

39 Sec. 94. Of the funds appropriated to the Department of Public Education for
40 the 1990-91 fiscal year for aid to local school administrative units, the State Board of
41 Education shall use \$800,000 for a salary reclassification for school psychologists. The
42 starting salary for school psychologists shall be Step 5, corresponding to 5 years of
43 experience, on the salary schedule for certified personnel of the public schools who are
44 classified as "G"teachers. Certified psychologists who were employed in the public

1 schools prior to the 1990-91 fiscal year shall be placed on the salary schedule at an
2 appropriate step based on their years of experience.

3

4 Requested by: Representative J. Crawford

5 ---NATIONAL CONFERENCE ON GOVERNORS' SCHOOLS

6 Sec. 95. Of the funds appropriated to the Department of Public Education for
7 the 1990-91 fiscal year for aid to local school administrative units, the State Board of
8 Education may allocate \$20,000 to provide the support to conduct the Fourth National
9 Conference on Governors' Schools.

10

11 Requested by: Representatives J. Crawford and Tart

12 ---PUBLIC SCHOOL TEACHERS/LIABILITY PROTECTION

13 Sec. 96. Of the funds appropriated to the Department of Public Education for
14 the 1990-91 fiscal year, an amount equal to five dollars (\$5.00) for each teacher paid
15 from the General Fund shall be allocated by the State Board of Education to each local
16 school administrative unit to provide comprehensive general liability protection,
17 including coverage for errors and omissions, for teachers employed by the local school
18 administrative unit for the 1990-91 school year.

19

20 Requested by: Representatives J. Crawford and Tart

21 ---NORTH CAROLINA GEOGRAPHIC ALLIANCE NETWORK FUNDS

22 Sec. 97. Of the funds appropriated to the Department of Public Education for
23 the 1990-91 fiscal year for aid to local school administrative units, the State Board of
24 Education may use up to \$50,000 to fund the North Carolina Geographic Alliance
25 Network Program, which is headquartered at East Carolina University. The funds shall
26 be used to:

27 (1) Increase communication and cooperation between the professional
28 geographic community and the network of Regional Education
29 Centers,

30 (2) Increase the number of in-service workshops conducted by
31 professional geographers for the Regional Education Centers and local
32 education agencies,

33 (3) Increase the membership of professional geographers in the North
34 Carolina Council for Social Studies,

35 (4) Increase the number of professional geographers doing sessions at the
36 annual meetings of the North Carolina Council for Social Studies,

37 (5) Increase advisory interaction of professional geographers with the
38 North Carolina Board of Education with regard to geography in the
39 curriculum,

40 (6) Increase involvement of public school teachers with the North
41 Carolina Geographic Society.

42

43 Requested by: Representative Jeralds

44 ---CLASS SIZE WAIVERS/TEACHER POSITIONS

1 Sec. 98. The Department of Public Instruction shall monitor and provide a
2 report to the General Assembly by May 1, 1991, and annually thereafter showing the
3 school units that have been granted class size waivers pursuant to G.S. 115C-238.3(d),
4 have reported class size exceptions, and have converted State-funded teacher positions
5 to other positions, dollars, or other expenditures.
6

7 Requested by: Representative Rhyne
8 ---CITIES-IN-SCHOOLS FUNDS

9 Sec. 99. Of the funds appropriated to the Department of Public Education for
10 the 1990-91 fiscal year for aid to local school administrative units, the State Board of
11 Education shall allocate the sum of \$83,000 to fund the Cities-in-Schools Dropout
12 Prevention programs in North Carolina, which provide remediation, interagency
13 coordination of services, and general counseling for at-risk middle grades and high
14 school students. These funds shall be matched on a dollar-for-dollar basis with a grant
15 already received for these programs.
16

17 Requested by: Representative Diamont
18 ---JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

19 Sec. 100. Chapter 120 of the General Statutes is amended by adding a new
20 Article to read:

21 **“ARTICLE 12H.**

22 **"JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.**

23 **"§ 120-70.80. Creation and membership of Joint Legislative Education Committee.**

24 The Joint Legislative Education Committee is established. The Committee consists
25 of 16 members as follows:

- 26 (1) Eight members of the Senate appointed by the President Pro Tempore
27 of the Senate, at least two of whom are members of the minority party;
28 and
29 (2) Eight members of the House of Representatives appointed by the
30 Speaker of the House of Representatives, at least three of whom are
31 members of the minority party.

32 Terms on the Committee are for two years and begin on the convening of the
33 General Assembly in each odd-numbered year, except the terms of the initial members,
34 which begin on appointment and end on the day of the convening of the 1991 General
35 Assembly. Members may complete a term of service on the Committee even if they do
36 not seek reelection or are not reelected to the General Assembly, but resignation or
37 removal from service in the General Assembly constitutes resignation or removal from
38 service on the Committee.

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

41 **"§ 120-70.81. Purpose and powers of Committee.**

42 (a) The Joint Legislative Education Oversight Committee shall examine, on a
43 continuing basis, the several educational institutions in North Carolina, in order to make
44 ongoing recommendations to the General Assembly on ways to improve public

1 education from kindergarten through higher education. In this examination, the
2 Committee shall:

- 3 (1) Study the budgets, programs, and policies of the Department of Public
4 Instruction, the State Board of Education, the Department of
5 Community Colleges, the Board of Governors of The University of
6 North Carolina, and the constituent institutions of The University of
7 North Carolina to determine ways in which the General Assembly may
8 encourage the improvement of all education provided to North
9 Carolinians and may aid in the development of more integrated
10 methods of institutional accountability;
- 11 (2) Examine, in particular, the Basic Education Plan and the School
12 Improvement and Accountability Act of 1989, to determine whether
13 changes need to be built into the plans, whether implementation
14 schedules need to be restructured, and how to manage the ongoing
15 development of the policies underlying these legislative plans,
16 including a determination of whether there is a need for the legislature
17 to develop ongoing funding patterns for these plans;
- 18 (3) Study other states' educational initiatives in public schools, community
19 colleges, and public universities, in order to provide an ongoing
20 commentary to the General Assembly on these initiatives and to make
21 recommendations for implementing similar initiatives in North
22 Carolina; and
- 23 (4) Study any other educational matters that the Committee considers
24 necessary to fulfill its mandate.

25 (b) The Committee may make interim reports to the General Assembly on
26 matters for which it may report to a regular session of the General Assembly. A report
27 to the General Assembly may contain any legislation needed to implement a
28 recommendation of the Committee.

29 **"§ 120-70.82. Organization of Committee.**

30 (a) The President Pro Tempore of the Senate and the Speaker of the House of
31 Representatives shall each designate a cochair of the Joint Legislative Education
32 Committee. The Committee shall meet at least once a quarter and may meet at other
33 times upon the joint call of the cochairs.

34 (b) A quorum of the Committee is nine members. No action may be taken except
35 by a majority vote at a meeting at which a quorum is present. While in the discharge of
36 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
37 and G.S. 120-19.1 through G.S. 120-19.4.

38 (c) Members of the Committee receive subsistence and travel expenses as
39 provided in G.S. 120-3.1. The Committee may contract for consultants or hire
40 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
41 through the Legislative Administrative Officer, shall assign professional staff to assist
42 the Committee in its work. Upon the direction of the Legislative Services Commission,
43 the Supervisors of Clerks of the Senate and of the House of Representatives shall assign

1 clerical staff to the Committee. The expenses for clerical employees shall be borne by
2 the Committee."

3
4 PART XX.—DEPARTMENT OF CORRECTION

5
6 Requested by: Representatives Huffman and Justus

7 —LIMIT USE OF OPERATIONAL FUNDS

8 Sec. 101. Funds appropriated in Section 3 of this act to the Department of
9 Correction for early operational costs for additional facilities shall be used for the
10 personnel and operating expenses set forth in the budget approved by the General
11 Assembly in this act. These funds may not be expended for any other purpose, and may
12 not be expended for additional prison personnel positions until the new facilities are
13 within 90 days of completion.

14
15 Requested by: Representative Barnes

16 —RAISE PER DIEM REIMBURSEMENT (H2292)

17 Sec. 102. Of the funds appropriated to the Department of Correction for the
18 1990-91 fiscal year, the sum of \$604,678 shall be used to raise the per diem
19 reimbursement to counties from twelve dollars and fifty cents (\$12.50) per day to
20 fourteen dollars and fifty cents (\$14.50) per day for State inmates serving sentences of
21 more than 30 days in local confinement facilities.

22
23 Requested by: Representative Barnes

24 —SOUTHERN APPALACHIA MAINSTREAM FUNDS (H2291)

25 Sec. 103. Of the funds appropriated to the Department of Correction,
26 Division of Adult Probation and Parole for the 1990-91 fiscal year, \$190,000 shall be
27 used as a grant-in-aid for a pilot program at Southern Appalachia Mainstream, Inc., a
28 community-based residential program for offenders who are leaving the Division of
29 Prisons and who are in need of residence plans, community service jobs, and/or social
30 readiness skills. Southern Appalachia Mainstream, Inc., shall provide a quarterly report
31 to the Joint Legislative Commission on Governmental Operations on the expenditure of
32 State funds and the effectiveness of the program, including information on the number
33 of clients served and the number of clients who successfully complete the program
34 while residing at Southern Appalachia Mainstream.

35
36 Requested by: Representative Barnes

37 —PRIVATE ALCOHOL AND DRUG ABUSE DETENTION CENTER (H2291)

38 Sec. 104. The Department of Correction shall develop a proposal for a pilot
39 program for contracting with the private sector for a privately operated, for-profit or not
40 for-profit detention center or centers for alcohol and drug abusers with an emphasis on
41 the self-help recovery model. The plan should provide for the private construction,
42 operation, and maintenance of a facility or facilities not to exceed a total of 500 beds
43 and should include considerations of size, level of custody, construction and operation
44 costs, and the possible use of existing buildings. The Department shall submit this

1 proposal to the Joint Legislative Commission on Governmental Operations by January
2 1, 1991.

3

4 Requested by: Representative Justus

5 —CONTINUE CORRECTIONS CENTRALIZATION STUDY

6 Sec. 105. Section 120 of Chapter 752 of the 1989 Session Laws reads as
7 rewritten:

8 "Sec. 120. The House Appropriations Committees on Justice and Public Safety and
9 the Senate Appropriations Committee on Justice and Public Safety shall study the
10 desirability of adopting a more centralized approach to corrections in this State. The
11 primary purpose of this study shall be a comparison of the cost of maintaining the
12 present 89 correctional facilities across the State and the cost of building and
13 maintaining a more regionalized system consisting of substantially fewer facilities. The
14 study shall include:

- 15 (1) An examination of the existing correctional facilities, the anticipated
16 lifespan of those facilities, and the projected cost of renovating them to
17 meet acceptable standards;
- 18 (2) An estimate of the cost of constructing and maintaining new,
19 regionalized facilities;
- 20 (3) An estimate of the reduction in personnel costs that would result from
21 a more regionalized correctional system; and
- 22 (4) A comparison of this State's correctional system with the correctional
23 systems of other states with comparable prison populations, including
24 any steps those states have made to centralize their correctional
25 systems.

26 The Committees may consult with the Office of State Construction, the Office of
27 State Budget and Management, and the Office of the State Auditor in conducting their
28 study. The Committees may request funds from the Legislative Services Commission,
29 if necessary, to hire outside consultants to assist in this study.

30 The balance of funds previously approved for this study for the 1989-90 fiscal year
31 by the Legislative Services Commission may be used to complete the study.

32 ~~The Committees shall keep the Special Committee on Prisons informed of their~~
33 ~~activities, and may submit their report by May 1, 1990, to the Special Committee on~~
34 ~~Prisons and to the 1989 General Assembly, 1990 Regular Session. to the 1991 General~~
35 ~~Assembly.~~

36

37 Requested by: Representatives Huffman and Justus

38 —FUNDS FOR EARLY OPERATIONAL COSTS

39 Sec. 106. Of the funds appropriated to the Department of Correction for the
40 1990-91 fiscal year as a reserve for the operation of Redd Dorm at Cameron Morrison
41 and as a reserve for additional improvements/alternatives in the corrections system,
42 \$1,672,010 shall be used by the Department of Correction in the 1990-91 fiscal year to
43 fund early operational costs for additional facilities.

44

1 Requested by: Representatives Huffman, Justus, and Barnes
2 ---ROAD CREW PERFORMANCE AUDIT

3 Sec. 107. The State Auditor shall conduct a performance audit of inmate road
4 crews performing duties contracted for by the Department of Transportation. The audit
5 shall include an examination of work performance, hours worked, and costs. The State
6 Auditor shall report his findings by March 1, 1991, to the Chairmen of the Senate and
7 House Appropriations Committees, the Chairmen of the House Appropriations
8 Committees on Justice and Public Safety, the Chairmen of the Senate Appropriations
9 Committee on Justice and Public Safety, and the Joint Legislative Commission on
10 Governmental Operations.

11

12 Requested by: Representatives Colton, Huffman, and Justus
13 ---AIDS EDUCATION PROGRAMS

14 Sec. 108. Community Health Centers may offer educational programs
15 approved by the AIDS Control Branch, Department of Environment, Health, and
16 Natural Resources regarding AIDS and the prevention of AIDS to prisoners
17 incarcerated in the State prison system as supplemental programs to those offered by the
18 Department of Correction.

19

20 Requested by: Representative Barnes
21 ---CRIMINAL JUSTICE FACILITY FUND (H2289)

22 Sec. 109. (a) There is created in the Office of State Budget and Management
23 the Criminal Justice Facility Fund to provide State matching grant funds on a dollar-for-
24 dollar basis for units of local government for construction or renovation of jails and
25 work release centers. Units of local government may apply to the Office for a grant
26 under this section. The application shall be in a form established by the Office. The
27 Office shall:

28

(1) Develop application and grant criteria which include consideration of
29 the resources available to the applicant, and the need of the applicant
30 for State funds;

31

(2) Provide all applicants with the criteria and appropriate application
32 forms, technical assistance, if requested, and a proposed written
33 agreement;

34

(3) Review all applications;

35

(4) Select grantees and award grants;

36

(5) Award no more than \$500,000 for any unit of local government;

37

(6) Take into consideration the utilization of existing buildings suitable for
38 renovation where appropriate;

39

(7) Take into consideration the timeliness with which the applicant
40 proposes to complete and occupy the unit;

41

(8) Take into consideration the appropriateness and cost effectiveness of
42 the proposal; and

43

(9) Take into consideration the plan with which the applicant intends to
44 coordinate the unit with other available facilities.

1 When considering the items listed in subdivisions (6) through (9), the Office shall
2 determine the appropriate weight to be given each item.

3 (b) If funds are appropriated to the Office of State Budget and Management for
4 the 1990-91 fiscal year for funding the Criminal Justice Facility Fund established by
5 subsection (a) of this section, the Office of State Budget and Management may use no
6 more than one percent (1%) of the funds appropriated for costs of administering the
7 Fund.

8

9 PART XXI.—JUDICIAL DEPARTMENT

10

11 Requested by: Representatives Huffman and Justus

12 —RESERVE FOR RESENTENCING HEARINGS IN CAPITAL CASES

13

14 Sec. 110. (a) There is created in the Judicial Department a nonreverting
15 special fund to be known as "The Special Capital Case Rehearing Fund." The funds
16 shall be used to provide resentencing hearings, related appeals, and post-conviction
17 hearings required by the decisions of the United States Supreme Court in **McKoy v.**
18 **North Carolina**, March 5, 1990, and of the Supreme Court of North Carolina upon the
19 remand of that case, for the payment of attorneys fees and related expenses for
20 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
21 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all
22 funds remaining in it shall revert to the General Fund, when the Director of the
23 Administrative Office of the Courts certifies to the State Controller that all reasonably
24 foreseeable resentencing hearings, related appeals, and post-conviction hearings have
25 been substantially completed.

25

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

28

29 Requested by: Representatives Huffman and Justus

30 —EXTEND CERTAIN SPECIAL SUPERIOR COURT JUDGE TERMS

31

32 Sec. 111. (a) Notwithstanding G.S. 7A-45, G.S. 7A-45.1, Section 7 of
33 Chapter 509, Session Laws of 1987, or any other provision of law, if any special
34 superior court judge who is holding office on the effective date of this act first took
35 office as an appointed or elected regular or special superior court judge in the calendar
36 year 1986, the term of office of that judge is extended through December 31, 1994.

36

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

40

41 Requested by: Representatives Huffman and Justus

42 —INCREASED JUDICIAL DEPARTMENT OPERATING EXPENSE

43

43 REQUIREMENTS

1 Sec. 112. From the funds appropriated to the Judicial Department for the
2 1990-91 fiscal year, the Administrative Office of the Courts may use up to \$1,530,000
3 to meet the 1990-91 fiscal year's additional operating expenses in the areas of office,
4 warehouse, and print shop rental, supplies, jury and witness fees, court record book
5 restoration, telephone system repairs, moving-related expenses, indigent person attorney
6 fees, and postage if the postage rate is increased.

7
8 Requested by: Representative Holt

9 —COMPREHENSIVE CHILD SUPPORT ENFORCEMENT STUDY

10 Sec. 113. Section 28.2(b) of Chapter 795 of the 1989 Session Laws reads as
11 rewritten:

12 "(b) The Department of Human Resources and the Administrative
13 Office of the Courts shall jointly undertake a comprehensive study of child support
14 enforcement services in North Carolina. The report shall examine the current delivery
15 of all child support services (IV-D and non-IV-D) by the Department of Human
16 Resources, court offices, and county departments of social services. Such a study shall
17 evaluate the efficiency and effectiveness of the current system and make organizational,
18 administrative, and procedural recommendations to optimize effective delivery of
19 service to families. The study shall examine the potential for the delivery of child
20 support enforcement services which would provide equitable treatment of cases
21 regardless of case type.

22 The study shall examine the organizational and fiscal relationship between State-
23 and county-administered programs with the goal of eliminating or reducing duplication
24 and fragmentation in local IV-D programs and court offices. Proposals for system-wide
25 reform of the program shall take into consideration the use of federal IV-D revenues to
26 support program services. The report shall include the recommendations of the
27 respective agencies, accompanied by estimates of the costs and potential benefits of
28 those recommendations and a plan for the implementation of these proposals. The
29 Department of Human Resources and the Administrative Office of the Courts may
30 contract for outside consultation and assistance with the study with funds from existing
31 resources in their budgets. An interim report shall be submitted to the Legislative
32 Services Office by May 15, 1990, and to the 1989 General Assembly, 1990 Regular
33 Session. A final report shall be submitted to the Legislative Services Office by ~~January~~
34 ~~15, 1991, March 15, 1991,~~ and to the 1991 General Assembly."

35
36 Requested by: Representatives Huffman and Justus

37 —CREATE DURHAM COUNTY DEFENDER DISTRICT

38 Sec. 114. (a) Effective July 1, 1990, a new Defender District 14, consisting
39 of Durham County, is created and an office of public defender for Defender District 14
40 is established.

41 (b) Effective July 1, 1990, G.S. 7A-465(a) reads as rewritten:

42 "(a) The following counties of the State are organized into the defender districts listed
43 below and in each of those defender districts an office of public defender is ~~established~~
44 ~~effective January 1, 1989; established:~~

1 Defender
2 District Counties

3
4
5 3A Pitt
6 3B Carteret
7 12 Cumberland
8 14 Durham
9 15B Orange, Chatham
10 16A Scotland, Hoke
11 16B Robeson
12 18 Guilford
13 26 Mecklenburg
14 27A Gaston
15 28 Buncombe

16 Provided that the effective date of the establishment of the office of public defender
17 in Defender District 16B shall be the date that a superior court judge for Superior Court
18 District 16B, other than the judge holding the judgeship for that district established by
19 Chapter 509, Session Laws of 1987, takes office."

20 (c) Effective July 1, G.S 7A-466(c) reads as rewritten:

21 "(c) The terms of the public defenders for Defender Districts 3A, 3B, and 16A shall
22 begin on January 1, 1989. The term of the public defender for defender district 16B
23 shall begin upon the appointment of the initial public defender for that district. The term
24 of the public defender for Defender District 14 shall begin on July 1, 1990."

25 (d) Notwithstanding any other provision of law to the contrary and for the
26 initial term beginning July 1, 1990, only, the public defender shall be appointed, as soon
27 as practical after the effective date of this act, by the Senior Resident Superior Court
28 Judge for the set of districts, as defined in G.S. 7A-41.1, which consists of Durham
29 County.

30 (e) Of the funds appropriated to the Indigent Persons' Attorney Fee Fund in
31 the Judicial Department for fiscal year 1990-91, the Administrative Office of the Courts
32 may use up to \$759,292 for salaries, benefits, and related expenses for the office of
33 public defender which is established for Defender District 14 effective July 1, 1990.

34
35 Requested by: Representatives Huffman and Justus

36 ---CLARIFY WARRANTLESS ARREST AUTHORITY

37 Sec. 115. Effective October 1, 1990, G.S. 15A-401(b) reads as rewritten:

38 "(b) Arrest by Officer Without a Warrant. --

39 (1) Offense in Presence of Officer. -- An officer may arrest without a
40 warrant any person who the officer has probable cause to believe has
41 committed a criminal offense in the officer's presence.

42 (2) Offense Out of Presence of Officer. -- An officer may arrest without a
43 warrant any person who the officer has probable cause to believe:

44 a. Has committed a felony; or

- 1 b. Has committed a misdemeanor, and:
2 1. Will not be apprehended unless immediately arrested, or
3 2. May cause physical injury to himself or others, or
4 damage to property unless immediately arrested; or
5 c. Has committed a misdemeanor under G.S. ~~14-72.1~~, 14-72.1, 14-
6 33(b)(2), or 14-134.3.

7 (3) ~~Subdivision (1) and (2) shall apply to arrest for assault, for~~
8 ~~communicating a threat, or for domestic criminal trespass, already~~
9 ~~committed or being committed by a person who is the spouse or~~
10 ~~former spouse of the alleged victim or by a person with whom the~~
11 ~~alleged victim is living or has lived as if married."~~
12

13 Requested by: Representatives Huffman and Nesbitt

14 —RAPE VICTIM WITNESS COUNSELOR PROGRAM

15 Sec. 116. Section 27.2 of Chapter 795 of the 1989 Session Laws reads as
16 rewritten:

17 "Sec. 27.2. From the funds specifically appropriated to the Judicial Department in
18 the certified budget for the ~~1989-90-1990-91~~ fiscal year, the Administrative Office of
19 the Courts may transfer within its budget up to \$25,000 to support the existing Rape
20 Victim Witness Counselor Program. If these funds are not used for this purpose, the
21 Administrative Office of the Courts may use them to fund the Custody Mediation
22 Program in Buncombe County."
23

24 PART XXII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
25

26 Requested by: Representative Huffman

27 —CONTINUE SUMMIT HOUSE FUNDING

28 Sec. 117. Section 113 of Chapter 752 of the 1989 Session Laws reads as
29 rewritten:

30 "Sec. 113. Of the funds appropriated to the Department of Crime Control and Public
31 Safety for the ~~1989-90-1990-91~~ fiscal year, ~~\$75,000~~ \$165,000 shall be used to support a
32 pilot program at Summit House, a community-based residential alternative to
33 incarceration for mothers and pregnant women convicted of nonviolent crimes. Summit
34 House shall provide a quarterly report to the Joint Legislative Commission on
35 Governmental Operations on the expenditure of State appropriations and on the
36 effectiveness of the program, including information on the number of clients served, the
37 number of clients who have their probation revoked, and the number of clients who
38 successfully complete the program while housed at Summit House."
39

40 Requested by: Representatives Huffman and Holt

41 —COMMUNITIES PENALTIES PROGRAMS FUNDS

42 Sec. 118. (a) Of the funds appropriated to the Department of Crime Control
43 and Public Safety for the 15 existing local communities penalties programs, the funds
44 allocated to each one of the existing programs for the 1990-91 fiscal year shall be at

1 least equal to the amount allocated to that program for the 1989-90 fiscal year and may
2 not be reduced below that amount, provided however that the Rockingham-Caswell
3 Program shall be allocated funds in the amount of \$40,900 and the Neuse River
4 Community Penalties Program shall be allocated funds in the amount of \$34,000.

5 (b) Funds appropriated to the Department of Crime Control and Public Safety
6 for the expansion of the communities penalties programs shall be held in a reserve until
7 October 1, 1990, to allow the completion of an operational audit of the communities
8 penalties programs by the State Auditor. The funds shall be released from the reserve
9 on October 1, 1990. The State Auditor shall conduct an operational audit of the
10 communities penalties programs that shall include an evaluation of the administration of
11 the funding by the Department of Crime Control and Public Safety for communities
12 penalties programs and the Department's management of those programs, an evaluation
13 of each local communities penalties program, and an evaluation of the use made by each
14 judicial district of the communities penalties program. The State Auditor shall complete
15 the operational audit and report his findings and recommendations to the Joint
16 Legislative Commission on Governmental Operations, the House and Senate
17 Appropriations Committees on Justice and Public Safety, and the Fiscal Research
18 Division by October 1, 1990.

19
20 Requested by: Representative Barnes

21 ---NO REORGANIZATION OF COMMUNITY PENALTIES PROGRAMS

22 Sec. 119. The Department of Crime Control and Public Safety may not
23 restructure or reorganize the community penalties programs.

24
25 Requested by: Representative Huffman

26 ---ELIGIBILITY FOR VICTIMS COMPENSATION FUNDS

27 Sec. 120. G.S. 15B-11(a) reads as rewritten:

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

- 29 (1) The claimant fails to file his application for an award within one year
30 after the date of the criminally injurious conduct that caused the injury
31 or death for which he seeks the award;
- 32 (2) The economic loss is incurred after one year from the date of the
33 criminally injurious conduct that caused the injury or death for which
34 the victim seeks the award;
- 35 (3) The criminally injurious conduct was not reported to a law
36 enforcement officer or agency within 72 hours of its occurrence, and
37 there was no good cause for the delay;
- 38 (4) The award would benefit the ~~offender, his accomplice, a spouse of or a~~
39 ~~person living in the same household with the offender or his~~
40 ~~accomplice, or a parent, child, brother, or sister of the offender or his~~
41 ~~accomplice, offender or his accomplice, unless a determination is~~
42 made that the interests of justice require that an award be approved in a
43 particular case; or

- 1 (5) The criminally injurious conduct occurred while the victim was
2 confined in any State, county, or city prison, correctional, youth
3 services, or juvenile facility, or local confinement facility, or half-way
4 house, group home, or similar facility."
5

6 Requested by: Representative Huffman

7 —LAW ENFORCEMENT DRIVING TRACK FUNDS

8 Sec. 121. Section 27 of Chapter 754 reads as rewritten:

9 "Sec. 27. Of the unexpended funds appropriated for the 1987-88 fiscal year to the
10 Department of Crime Control and Public Safety in Section 5 of Chapter 795 of the 1987
11 Session Laws for the law enforcement precision driving track, \$239,400 shall be used
12 for the construction of a ~~control tower~~ support building that houses a control tower,
13 classroom facilities, and maintenance bays to be located at the driving track."
14

15 PART XXIII.—DEPARTMENT OF JUSTICE

16
17 Requested by: Representatives Huffman and Justus

18 —STATE BUREAU OF INVESTIGATION SALARY ADJUSTMENT

19 Sec. 122. Section 24 of Chapter 799 of the 1989 Session Laws reads as
20 rewritten:

21 "Sec. 24. The State Bureau of Investigation may continue in fiscal year ~~1989-90~~
22 1990-91 to pay overtime compensation for 25 supervisory personnel positions as is
23 being done on June 30, ~~1989~~, 1990, up to a maximum of five thousand two hundred
24 dollars (\$5,200) annually per individual. The Office of State Personnel has reported its
25 findings and recommendations regarding the issue of overtime compensation for State
26 Bureau of Investigation supervisory personnel to the Senate and House Appropriations
27 Committees on Justice and Public Safety and the Fiscal Research Division. The State
28 Bureau of Investigation shall review and respond to those recommendations and shall
29 provide its written response to the Office of State Personnel, the Senate and House
30 Appropriations Committees on Justice and Public Safety and the Fiscal Research
31 Division by October 31, 1990. The Office of State Personnel shall continue to study the
32 issue of overtime compensation for State Bureau of Investigation supervisory personnel
33 and shall make its final recommendations to the Senate and House Appropriations
34 Committee on Justice and Public Safety and the Fiscal Research Division by ~~April 15,~~
35 ~~1990~~ December 15, 1990, as to whether such compensation should continue."
36

37 Requested by: Representatives Justus and Huffman

38 —MOBIL PLAN RESPONSE PROJECT

39 Sec. 123. Of the funds appropriated to the Department of Justice, the sum of
40 \$155,259 for the 1990-91 fiscal year may be used to provide continued support for the
41 staff in the Environmental Protection Section to provide legal services for the Mobil
42 Plan Response Project.
43

44 Requested by: Representative Anderson

1 —USE LAPSED SALARIES FOR SBI CONTRACTUAL POSITIONS

2 Sec. 124. Notwithstanding G.S. 143-23(a1), the Department of Justice may
3 use lapsed salary funds for the 1990-91 fiscal year to fund three contractual positions in
4 the State Bureau of Investigation. Those three positions are a forensic analysis lab
5 position and two business communication specialist positions. The Department of
6 Justice is directed to request these positions as permanent positions for the 1991-92
7 fiscal year if those positions continue to be needed.

8

9 PART XXIV.—DEPARTMENT OF TRANSPORTATION

10

11 Requested by: Representatives McLaughlin and Woodard

12 —CAPITAL IMPROVEMENT REVERSIONS

13 Sec. 125. (a) Unexpended and unencumbered funds in the amount of \$602,297,
14 from the following capital improvement projects, less \$120,615 to cover the listed
15 deficits, shall revert to the Highway Fund.

16

<u>PROJECT</u>	<u>AMOUNT</u>	<u>STATUTORY AUTHORITY</u>
----------------	---------------	----------------------------

17

I. Division of Motor Vehicles

18

Building-Carteret County

\$1,275 SL1983, Ch.757, Sec.5

19

Building-Raleigh Renovations

525 SL1983, Ch.1034, Sec.3

20

Roof Replacements-Salisbury and

21

Greensboro

9,508 SL1985, Ch.480, Sec.5

22

Newton Building Expansion

30,914 SL1987, Ch.795, Sec.5

23

Building-Raleigh Renovations

17,693 SL1987, Ch.795, Sec.5

24

Elizabeth City Building Addition

39 SL1987, Ch.795, Sec.5

25

Repave Parking Areas-Wilson,

26

Kinston, and Hendersonville

3,212 SL1987, Ch.795, Sec.5

27

Building-Rocky Mount Addition

(3,857)

28

SL1987, Ch.795, Sec.5

29

Salisbury Septic System

30

Replacement

2,542 SL1987, Ch.1101, Sec.4

31

II. Crime Control and Public Safety

32

Law Enforcement Precision Driving

33

Track and Classroom Tower

270,600

34

SL1987, Ch.795, Sec.5

35

Upgrade Communications Tower

36

and Radio System, Greensboro

59,244 SL1987, Ch.795, Sec.5

37

III. Division of Highways

38

Statewide Energy Savings

39

Improvement

5,715 SL1983, Ch.757, Sec.5

40

Method/Design and Sitework

(733) SL1983, Ch.1034, Sec.3

41

Method/Construction

(36,255)

42

SL1985, Ch.480, Sec.5

43

Method/Supplement

(52,813)

44

SL1987, Ch.1101, Sec.4

1	Hatteras/Ferry Facility	16,706SL1985,Ch.1018,Sec.6
2	Grantsboro/Equipment Shop	1,326 SL1985,Ch.1018,Sec.6
3	Charlotte Maintenance Facility	25,233SL1985,Ch.1018,Sec.6
4	Carteret/Ferry & Shore Facility	(26,003)
5		SL1985,Ch.1018,Sec.6
6	Carteret/Supplement to Ferry	15,669SL1985,Ch.1101,Sec.4
7	Dare/Ferry Replacement Supplement	78,413SL1987,Ch.1101,Sec.4
8	Raleigh/Thompson Building	7,511 SL1987,Ch.795,Sec.5
9	Raleigh/Highway Building Roof	
10	Replacement	55,442SL1987,Ch.1101,Sec.4
11	Graham/Inspector's Office	(954)SL1989,Ch.754,Sec.6
12	Raleigh/Roof Replacement Storage	
13	Warehouse 730	SL1989,Ch.754,Sec.6

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

17

18 Requested by: Representatives McLaughlin and Woodard

19 —CASH FLOW HIGHWAY FUND APPROPRIATIONS

20 Sec. 126. Section 48 of Chapter 500 of the 1989 Session Laws reads as
 21 rewritten:

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

24	For Fiscal Year 1991-92	\$ 981,100,000 \$954,000,000
25	For Fiscal Year 1992-93	\$1,005,000,000 \$973,080,000. "

26

27 Requested by: Representatives McLaughlin and Woodard

28 —CASH FLOW - HIGHWAY TRUST FUND APPROPRIATION

29 Sec. 127. Section 22 of Chapter 799 of the 1989 Session Laws reads as
 30 rewritten:

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

33	For fiscal year 1991-92	\$734,800,000 \$539,700,000
34	For fiscal year 1992-93	\$756,700,000 \$555,900,000. "

35

36 Requested by: Representative Diamont

37 —MAINTENANCE OF STATE HIGHWAY BRIDGES

38 Sec. 129. G.S. 136-97(b) reads as rewritten:

39 "(b) The Department of Transportation, as part of maintaining the highways,
 40 bridges, and watercourses of this State, shall haul all debris removed from on, under, or
 41 around a bridge to an appropriate disposal site for solid waste, where the debris shall be
 42 disposed of in accordance with law. This requirement may be waived when bridge
 43 closure has an adverse impact on public safety or creates a significant hardship to the
 44 traveling public by restricting all access or necessitates a significant detour. In these

1 instances, the minimum amount of debris which must be removed to restore service may
2 be passed downstream."

3
4 Requested by: Representative Michaux

5 —CONFORM DOT MINORITY PARTICIPATION TO FEDERAL REGULATIONS

6 Sec. 130. G.S. 136-28.4 reads as rewritten:

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

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

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

32 (c) As used in this section, the term "minority" has the same meaning as in 49
33 C.F.R. § 23.5.

34 (d) A five percent (5%) goal for participation by women businesses in road or
35 bridge construction, preliminary engineering, alteration, or maintenance projects is
36 established. The Department of Transportation shall endeavor to award to women
37 businesses at least five percent (5%) by value, of the contracts it lets for the design,
38 preliminary engineering, construction, alteration or maintenance of State highways,
39 roads, streets, or bridges. The Department shall adopt written procedures specifying the
40 steps it will take to achieve this goal, provided that the Department shall give equal
41 opportunity for contracts it lets without regard to race, religion, creed, national origin,
42 sex, age, or handicapping condition, as defined in G.S. 168A-3, to all contractors and
43 businesses otherwise qualified."

44

1 PART XXV.—MISCELLANEOUS PROVISIONS

2

3 Requested by: Representative Diamont

4 —EXECUTIVE BUDGET ACT APPLIES

5 Sec. 131. The provisions of the Executive Budget Act, Chapter 143, Article 1
6 of the General Statutes are reenacted and shall remain in full force and effect and are
7 incorporated in this act by reference.

8

9 Requested by: Representative Diamont

10 —COMMITTEE REPORT

11 Sec. 132. The July 9, 1990, Report of the House Appropriations Committee
12 which was distributed in the House of Representatives and used to explain this act, shall
13 indicate action by the General Assembly on this act and shall therefore be used to
14 construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such
15 purposes shall be considered a part of this act.

16

17 Requested by: Representative Diamont

18 —MOST TEXT APPLIES ONLY TO 1990-91

19 Sec. 133. Except for statutory changes or other provisions that clearly
20 indicate an intention to have effects beyond the 1990-91 fiscal year, the textual
21 provisions of this act apply only to funds appropriated for, and activities occurring
22 during, the 1990-91 fiscal year.

23

24 Requested by: Representative Diamont

25 —1989-90 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

26 Sec. 134. Except where expressly repealed or amended by this act, the
27 provisions of Chapters 500, 752, 754, 795, and 799 of the 1989 Session Laws as
28 amended remain in effect.

29 Sec. 135. Notwithstanding any modifications by this act in the amounts
30 appropriated, except where expressly repealed or amended, the limitations and
31 directions for the 1990-91 fiscal year in Chapters 500, 752, 754, 795, and 799 of the
32 1989 Session Laws that applied to appropriations to particular agencies or for particular
33 purposes apply to the newly enacted appropriations and budget reductions of this act for
34 those same particular purposes.

35

36 Requested by: Representative Diamont

37 —EFFECT OF HEADINGS

38 Sec. 136. The headings to the parts and sections of this act are a convenience
39 to the reader and are for reference only. The headings do not expand, limit, or define
40 the text of this act.

41

42 Requested by: Representative Diamont

43 —SEVERABILITY CLAUSE

1 Sec. 137. If any section or provision of this act is declared unconstitutional or
2 invalid by the courts, it does not affect the validity of this act as a whole or any part
3 other than the part so declared to be unconstitutional or invalid.

4

5 Requested by: Representative Diamont

6 —EFFECTIVE DATE

7 Sec. 138. Except as otherwise provided, this act shall become effective July
8 1, 1990.