

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 1066
SENATE BILL 1426

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

The General Assembly of North Carolina enacts:

Requested by: Senator Royall, 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: Senator Royall, Representative Diamont

—TITLE OF ACT

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

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

—CONTENTS/INDEX—

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

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PART I.—GENERAL FUND APPROPRIATIONS

—CURRENT OPERATIONS/STATE GOVERNMENT/STATE AID

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

<u>Current Operations/State Government and State Aid</u>	<u>1990-91</u>
General Assembly	
01. Current Operations	\$ (652,119)
02. Reserve - Negative Appropriations	(333,847)
Judicial Department	
01. Current Operations	(5,409,241)
02. Reserve - Negative Appropriations	(3,272,798)
Department of the Governor	
01. Office of the Governor	
a. Current Operations	(147,761)
b. Reserve - Negative Appropriations	(76,621)
02. Office of State Budget and Management	
a. Current Operations	(111,904)
b. Reserve - Negative Appropriations	(54,729)

03.	Special Appropriations - State Aid	(32,400)
Lieutenant Governor's Office		
01.	Current Operations	(18,434)
02.	Reserve - Negative Appropriations	(10,946)
Department of Secretary of State		
01.	Current Operations	(113,771)
02.	Reserve - Negative Appropriations	(60,202)
Department of State Auditor		
01.	Current Operations	(243,544)
02.	Reserve - Negative Appropriations	(125,877)
Department of State Treasurer		
01.	Current Operations	(147,052)
02.	Reserve - Negative Appropriations	(76,621)
Department of Public Education - Department		
01.	Current Operations	466,097
02.	Reserve - Negative Appropriations	(842,828)
Department of Public Education - Public School Fund		
01.	Current Operations	(72,240,783)
02.	Reserve - Negative Appropriations	(45,000,000)
Department of Justice		
01.	Current Operations	(1,470,747)
02.	Reserve - Negative Appropriations	(782,626)
Department of Administration		
01.	Administration	
	a. Current Operations	(1,128,057)
	b. State Aid	(116,749)
	c. Reserve - Negative Appropriations	(777,153)
02.	State Controller	
	a. Current Operations	(166,298)
	b. Reserve - Negative Appropriations	(87,566)
Department of Agriculture		
01.	Current Operations	(1,250,700)
02.	State Aid (8,250)	
03.	Reserve - Negative Appropriations	(640,330)

Department of Labor		
01.	Current Operations	(260,005)
02.	Reserve - Negative Appropriations	(131,350)
Department of Insurance		
01.	Current Operations	(403,074)
02.	Reserve - Negative Appropriations	(202,498)
Department of Environment, Health, and Natural Resources		
01.	Current Operations	(1,943,767)
02.	State Aid	1,380,523
03.	Reserve - Negative Appropriations	(814,349)
Office of Administrative Hearings		
01.	Current Operations	(62,288)
02.	Reserve - Negative Appropriations	(32,837)
State Board of Elections		
01.	Reserve - Negative Appropriations	(5,473)
Administrative Rules Review Commission		
01.	Current Operations	(8,166)
02.	Reserve - Negative Appropriations	(5,473)
Department of Human Resources		
01.	Alcoholic Rehabilitation Center - Black Mountain	(5,429)
02.	Alcoholic Rehabilitation Center - Butner	(30,222)
03.	Alcoholic Rehabilitation Center - Greenville	53,403
04.	N.C. Special Care Center	(2,794,462)
05.	Black Mountain Center	1,096,184
06.	DHR - Administration and Support Program	
a.	Current Operations	(822,619)
b.	Reserve - Negative Appropriations	(17,163,035)
07.	Division of Aging	-
08.	Schools for the Deaf and Blind	(168,064)
09.	Social Services	
a.	Current Operations	11,676,021
b.	State Aid	(1,200,000)
10.	Social Services - State Aid to	

	Non-State Agencies	100,000
11.	Medical Assistance	
	a. Current Operations	(5,634,070)
	b. State Aid	750,000
12.	Division of Services for the Blind	(130,975)
13.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	
	a. Current Operations	490,250
	b. State Aid	3,648,744
14.	Dorothea Dix Hospital	(2,083,669)
15.	Broughton Hospital	(1,618,647)
16.	Cherry Hospital	(2,050,531)
17.	John Umstead Hospital	(1,399,609)
18.	Western Carolina Center	(204,615)
19.	O'Berry Center	(1,175,094)
20.	Murdoch Center	(593,484)
21.	Caswell Center	(3,753,347)
22.	Division of Facility Services	-
23.	Division of Vocational Rehabilitation Services	(826,140)
24.	Division of Youth Services	97,500
	Total Department of Human Resources	(23,741,910)
Department of Correction		
01.	Current Operations	8,497,697
02.	State Aid	190,000
03.	Reserve - Negative Appropriations	(6,392,354)
Department of Transportation		
01.	State Aid Aeronautics	(195,497)
02.	Aid to Railroads	(66,002)
Department of Economic and Community Development		
01.	Economic and Community Development	
	a. Current Operations	(486,174)
	b. State Aid	(425,000)
	c. Reserve - Negative Appropriations	(448,778)
02.	Microelectronics Center	
	a. State Aid	(1,671,000)
03.	Biotechnology Center	
	a. State Aid	(363,776)

b.	Reserve - Negative Appropriations	(125,877)
Department of Revenue		
01.	Current Operations	(1,703,372)
02.	Reserve - Negative Appropriations	(864,719)
Department of Cultural Resources		
01.	Current Operations	(664,882)
02.	State Aid	(542,775)
03.	Reserve - Negative Appropriations	(612,966)
Department of Crime Control and Public Safety		
01.	Current Operations	(897,114)
02.	State Aid	165,000
03.	Reserve - Negative Appropriations	(448,778)
University of North Carolina – Board of Governors		
02.	General Administration	(1,837,118)
03.	University Operations -	
a.	Current Operations Lump Sum	(150,000)
b.	Reserve - Negative Appropriations	(16,911,281)
04.	Related Educational Programs	
a.	Current Operations	(149,248)
b.	State Aid	(1,264,052)
c.	Reserve - Negative Appropriations	
(01)	Current Operations	(103,405)
(02)	State Aid	(629,964)
05.	University of North Carolina at Chapel Hill	
a.	Academic Affairs	(4,191,631)
b.	Division of Health Affairs	(2,630,850)
c.	Area Health Education Centers	(776,126)
06.	North Carolina State University at Raleigh	
a.	Academic Affairs	(5,068,248)
b.	Agricultural Research Service	(1,182,000)
c.	Agricultural Extension Service	(922,966)
07.	University of North Carolina at Greensboro	(1,807,442)
08.	University of North Carolina at Charlotte	(1,846,863)
09.	University of North Carolina at Asheville	(498,626)
10.	University of North Carolina at	

	Wilmington	(1,057,170)
11.	East Carolina University	
	a. Academic Affairs	(2,428,095)
	b. Division of Health Affairs	(1,232,739)
12.	North Carolina Agricultural and Technical State University	(1,147,342)
13.	Western Carolina University	(1,137,402)
14.	Appalachian State University	(1,724,988)
15.	Pembroke State University	(476,647)
16.	Winston-Salem State University	(492,863)
17.	Elizabeth City State University	(435,513)
18.	Fayetteville State University	(526,273)
19.	North Carolina Central University	(894,904)
20.	North Carolina School of the Arts	(248,353)
21.	North Carolina Science and Math High School	
	a. Current Operations	(230,356)
	b. Reserve - Negative Appropriations	(109,458)
22.	University of North Carolina Hospitals at Chapel Hill	
	a. Current Operations	(1,159,170)
	b. Reserve - Negative Appropriations	(585,601)
	Total University of North Carolina	(53,856,694)
Department of Community Colleges - Department		
01.	Current Operations	(336,404)
02.	Reserve - Negative Appropriations	(169,660)
Department of Community Colleges - Institutions		
01.	Current Operations	(2,571,794)
Contingency and Emergency		(33,750)
Reserve for Salary Adjustments		(11,273)
Reserve - Accounting System		2,000,000
Reserve for Salary Increases		(9,200,000)
Debt Service		4,720,800
GRAND TOTAL CURRENT OPERATIONS/STATE GOVERNMENT		

AND STATE AID/GENERAL FUND

\$ (227,679,666)

PART II.—HIGHWAY FUND APPROPRIATIONS

—CURRENT OPERATIONS/HIGHWAY FUND

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

<u>Current Operations-Highway Fund</u>	<u>1990-91</u>
Department of Transportation	
01. Administration	\$ 2,775,000
02. Highways	
a. State Construction	
(01) Secondary Construction	(2,790,393)
(02) Special Appropriation for Highways	(65,257,535)
b. Ferry Operations	(373,298)
03. Division of Motor Vehicles	3,639,213
04. Primary Maintenance	10,131,378
Appropriations for Other State Agencies	
01. Crime Control and Public Safety	(3,167,748)
02. Department of Correction	2,883,856
03. State Treasurer	17,000,000
Reserve for Unforeseen Events	2,145,177
GRAND TOTAL CURRENT OPERATIONS—HIGHWAY FUND	\$ (33,014,350)

—CURRENT OPERATIONS/STATE AID

Sec. 5. Appropriations from the Highway Fund of the State to State departments, institutions, and agencies for aid to certain governmental and nongovernmental units are made for the fiscal year ending June 30, 1991, according to the schedule that follows. The amounts set out in the schedule are in addition to other appropriations from the Highway Fund for these purposes for the 1990-91 fiscal year.

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

<u>Highway Fund</u>	<u>1990-91</u>
State Aid to Municipalities	\$ (2,790,393)
Grant to Keep North Carolina Beautiful, Inc.	25,000
 GRAND TOTAL STATE AID— HIGHWAY FUND	 \$ (2,765,393)

PART III.—BLOCK GRANT APPROPRIATIONS

Requested by: Senators Walker, Martin of Pitt, Representatives B. Ethridge, Redwine, Gardner

—BLOCK GRANT PROVISIONS

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

JOB TRAINING PARTNERSHIP ACT

01. Title II A funds to the 27 service delivery areas to train economically disadvantaged youth and adults \$ 18,917,881
02. Education setaside to State education agencies for projects to serve eligible participants 1,940,295
03. Incentive grants and technical assistance funds to service delivery areas 1,455,222
04. Funds for training economically disadvantaged older workers 727,611
05. Funds to the Department of Economic and Community Development to administer and audit all activities related to the Job Training P'ship Act Programs 1,212,685
06. Title II B Summer Youth Employment and Training funds to service delivery areas for economically disadvantaged youth 9,695,044

07.	Title III Dislocated workers funds to the Employment Security Commission	3,877,627
TOTAL JOB TRAINING PARTNERSHIP ACT		\$ 37,826,365
COMMUNITY SERVICES BLOCK GRANT		
01.	Community Action Agencies	\$ 7,899,715
02.	Limited Purpose Agencies	438,873
03.	Department of Human Resources to administer and monitor the activities of the Community Services Block Grant	438,873
TOTAL COMMUNITY SERVICES BLOCK GRANT		\$ 8,777,461
COMMUNITY DEVELOPMENT BLOCK GRANT		
01.	State Administration	\$ 824,680
02.	Urgent Needs/Contingency	1,770,466
03.	Development Planning/Housing	1,770,466
04.	Economic Development	7,081,864
05.	Community Revitalization	24,786,524
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT		\$ 36,234,000
EDUCATION CONSOLIDATION AND IMPROVEMENT BLOCK GRANT		\$ 11,526,834
PREVENTIVE HEALTH BLOCK GRANT		
01.	Emergency Medical Services	\$ 455,087
02.	Basic Public Health Services	879,362

03.	Hypertension Programs	545,234
04.	Health Education/Risk Reduction Programs and Health Promotion/Local Health Departments	936,118
05.	Fluoridation of Water Supplies	146,079
06.	Rape Prevention and Rape Crisis Programs	91,010
07.	AIDS/HIV Education, Counseling, and Testing	294,374
08.	TB Control Program	57,077
TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 3,404,341
MATERNAL AND CHILD HEALTH SERVICES		
01.	Healthy Mother/Healthy Children Block Grants to Local Health Departments	\$ 11,718,781
02.	High Risk Maternity Clinic Services, Perinatal Education, and Consultation to Local Health Departments and Other Health Care Providers	1,467,217
03.	Services to Disabled Children	4,132,297
04.	Sudden Infant Death Syndrome	32,633
05.	Lead-Based Paint Poisoning	71,200
06.	New Special Projects	1,249,653
07.	Reimbursements for Local Health Departments for Contracted Nutritional Services	120,530
TOTAL MATERNAL AND CHILD HEALTH SERVICES		\$ 18,792,311
SOCIAL SERVICES BLOCK GRANT		

01.	County Departments of Social Services	\$ 43,304,967
02.	Allocation for In-Home Services provided by County Departments of Social Services	1,200,000
03.	Division of Mental Health, Developmental Disabilities, and Substance Abuse	5,881,994
04.	Division of Services for the Blind	3,069,228
05.	Division of Youth Services	1,051,428
06.	Division of Facility Services	263,261
07.	Division of Aging	333,706
08.	Day Care Services	12,517,760
09.	Volunteer Services	53,361
10.	State Administration and State Level Contracts	3,401,714
11.	Voluntary Sterilization funds	100,000
12.	Transfer to Maternal and Child Health Block Grant	1,691,909
13.	Adult Day Care Services	661,419
14.	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	400,000
15.	Allocation to Division of Health Services for Grants in Aid to Prevention Programs	445,000
16.	Transfer to Preventive Health Block Grant for Emergency Medical Services and Basic Public Health Services	492,611

17.	Allocation to Preventive Health Block Grant for AIDS Education	294,374
18.	Allocation to Department of Administration for North Carolina Fund for Children	45,270
TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 75,208,002

LOW INCOME ENERGY BLOCK GRANT

01.	Energy Assistance Programs	\$ 18,196,292
02.	Crisis Intervention	4,441,897
03.	Administration	1,968,611
04.	Weatherization Program	1,737,187
05.	Indian Affairs	27,222
06.	Transfer to Preventive Health Block Grant for Emergency Medical Services Program	209,116
07.	Transfer to Social Services Block Grant for Adult Day Care Services	417,648
08.	Transfer to Social Services Block Grant for State Administration & Contract Service	192,748
09.	Transfer to Maternal and Child Health Grant for Maternal and Child Health Block Grant in the Division of Health Services for Healthy Mothers and Children	1,696,362
10.	Transfer to SSBG for allocation to the Department of Administration for the North Carolina Fund for Children	45,270
TOTAL LOW INCOME ENERGY BLOCK GRANT		\$ 28,932,353

ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH

SERVICES BLOCK GRANT

01.	Allocate funds to the four regional offices on a per capita basis for mental health services	\$ 1,866,556
02.	Provide services for young chronically mentally ill adults, some of whom aged out of the Willie M. class prior to receiving appropriate services	200,000
03.	Programs for the Chronically Mentally Ill	3,084,847
04.	Continuation of child mental health nonresidential services in accordance with the Child Mental Health Plan	279,781
05.	Continuation of child mental health residential services including group homes, specialized foster care, therapeutic homes, professional parenting programs, and respite care, with an emphasis on children under the age of 12	341,418
06.	Continuation and expansion of community-based alcohol and drug services including prevention, early intervention, treatment, rehabilitation, nonhospital medical detoxification, and training	5,435,884
07.	Continuation and expansion of services to female substance abusers, including specialized services at the ADATCS	2,448,946
08.	Continuation and expansion of services to IV drug abusers, including increased capacity for drug screens and IV services at the ADATCS	3,477,240

09.	Services to adolescents, including continuation and expansion of services in accordance with the Youth Substance Abuse Plan	3,140,864
10.	Funding to support the provision of Treatment Alternatives to Street Crimes (TASC) programs for adults and four demonstration projects with local jails	462,104
11.	Continuing of funding for detoxification services in the Eastern Region	1,048,110
12.	Revolving loan pool for residential living for recovering substance abusers	100,000
13.	Administration	1,000,898
TOTAL ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT		\$ 22,886,648
MENTAL HEALTH SERVICES FOR THE HOMELESS BLOCK GRANT		
01.	Specialized Community Services for the Chronically Mentally Ill	\$ 275,000
02.	Community-based Services for Chronically Mentally Ill Youth	75,195
TOTAL MENTAL HEALTH SERVICES FOR THE HOMELESS BLOCK GRANT		\$ 350,195
COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT		
01.	Development of Community-Based Substance Abuse Prevention Programs for Youth	\$ 83,623
02.	Evaluation	6,800
TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM		

(b) Decreases in Federal Fund Availability

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

(c) Increases in Federal Fund Availability

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

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

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

(d) Education Setaside of JTPA Funds

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

PART IV.—GENERAL PROVISIONS

Requested by: Senator Royall, Representative Diamont

—NEGATIVE RESERVES/MANAGEMENT FLEXIBILITY

Sec. 7. (a)(1) To achieve the negative reserves set out in this act, each State department, institution, and agency and the public schools shall give highest priority to leaving positions vacant pursuant to subdivision (a)(2) of this subsection.

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

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

This subdivision applies to State government and to State-funded positions in the public school system, but it does not apply (i) to the employees of the Senate, the House of Representatives, or the Legislative Services Office, or (ii) to any teaching position with classroom responsibilities in the public school system, in The University of North Carolina system, in the Correctional System, or in the Department of Human Resources.

(b)(1) To the extent the Director of the Budget finds that actions taken pursuant to the subsection (a) of this section are not adequate to achieve the negative reserves set out in this act, the budget flexibility provisions set out in this subsection shall apply.

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

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

All appropriations now or hereafter made to the educational institutions, and to the charitable and correctional institutions, and to such other departments and agencies of the State as receive moneys available for expenditure by them are declared to be in addition to such receipts of said institutions, departments or agencies, and are to be available as and to the extent that such receipts are insufficient to meet the costs anticipated in the budget authorized by the General Assembly, of maintenance of such institutions, departments, and agencies; ~~Provided, however, that if the receipts, other than gifts and grants that are unanticipated and are for a specific purpose only, collected in a fiscal year by an institution, department, or agency exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, the Director of the Budget shall decrease the amount he allots to that institution, department, or agency from appropriations from that Fund by the amount of the excess, unless the Director of the Budget finds that the appropriations from that Fund are necessary to maintain the function that generated the receipts at the level anticipated in the certified Budget Codes for that Fund. Notwithstanding the foregoing provisions of this section, receipts within The University of North Carolina realized in excess of budgeted levels shall be available, up to a maximum of ten percent (10%) above budgeted levels, for each Budget Code, in addition to appropriations, to support the operations generating such receipts, as approved by the Director of the Budget.~~

~~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."~~

(3) 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 receipts by entities that are wholly receipt supported, except for entities supported by the Wildlife Resources Fund."

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

The March 15, 1991, report shall include vacant positions identified statewide that would result in \$40,000,000 of annualized savings should these positions be eliminated.

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

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

(f) This section shall not be construed to permit the creation of any new programs not authorized by the General Assembly or the elimination of any programs for which the appropriations committees of the Senate or the House of Representatives considered cuts that were not enacted for the 1990-91 fiscal year.

(g) This section shall become effective July 1, 1990, and shall expire June 30, 1991. Subdivisions (b)(2) and (b)(3) of this section shall become effective only to the extent the Director of the Budget finds necessary to achieve the reductions set out as "Reserves - Negative Appropriations" in the appropriations for each department.

Sec. 8. Section 48 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

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

This section does not authorize deviations from Sections 156 through 160 of Chapter 479 of the 1985 Session Laws, as amended, and G.S. 143-16.3, to combine fund codes."

Sec. 9. (a) The Department of Environment, Health, and Natural Resources shall use funds available within its budget for the 1990-91 fiscal year for current operations to provide funds for programs according to the following schedule:

	<u>Program</u>	<u>Amount</u>
1.	Health Aid to Counties	\$289,407

2.	Communicable Disease - Vaccines	109,232
3.	Tuberculosis Control	200,689
4.	Environmental Epidemiology	16,990
5.	Vital Records	22,279
6.	Environmental Health Aid to Counties	324,667
7.	Mosquito Aid to Counties	100,000
8.	Adult Health Care	274,814
9.	Epilepsy Contracts	9,439
10.	Adult Health Promotion	134,927
11.	Hypertension Program	20,373
12.	Arthritis Program	6,249
13.	Genetic Screening Contracts	200,000
14.	Adolescent Pregnancy Prevention Program	120,000

(b) The negative reserve for the Department of Environment, Health, and Natural Resources in Section 3 of this act has been reduced by the total amount of expenditures required by subsection (a) of this section. The expenditures required by subsection (a) of this section are not subject to the budget flexibility authorized in Section 7 of this act.

Requested by: Senator Royall, Representative Diamont
 ---BUDGET STABILIZATION RESERVE

Sec. 10. There is appropriated from the General Fund to the Office of State Budget and Management the sum of \$141,000,000 for the 1990-91 fiscal year for the initial establishment of a Budget Stabilization Reserve. The purpose of the Reserve is to provide a mechanism to stabilize the annual funding availability for carrying out State programs and providing financial assistance to local government units.

It is the intent of the General Assembly that the Economic Future Study Commission develop recommended rules governing the creation and maintenance of a permanent Reserve and that the 1991 General Assembly enact laws establishing the permanent Reserve.

It is also the intent of the General Assembly that the Reserve will be financed from General Fund revenues that would otherwise be expended and that the monies placed in the Reserve will be used to offset unanticipated reductions in funding availability resulting from changes in the economic outlook, federal tax changes, corporate financial actions, judicial decisions, federal spending mandates, and natural disasters.

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

Requested by: Senator Royall, Representative Diamont
 ---APPROPRIATION OF STATE TAX REVENUE TO LOCAL GOVERNMENTS

Sec. 11. In accordance with G.S. 105-113.82, 105-116, 105-120, and 105-213, as amended by Chapter 813 of the 1989 Session Laws, the following appropriations are made from the designated State tax revenue deposited in the General Fund to local governments for the 1990-91 fiscal year:

- | | | |
|-----|---|---------------|
| (1) | Appropriation of franchise tax revenue,
pursuant to G.S. 105-116 and 105-120 | \$121,900,000 |
| (2) | Appropriation of intangibles tax revenue,
pursuant to G.S. 105-213 | 99,700,000 |
| (3) | Appropriation of beverage tax revenue,
pursuant to G.S. 105-113.82 | 21,100,000 |

The amounts appropriated shall be adjusted during the 1990-91 fiscal year based on the actual revenue collections received under the designated revenue sources. If an amount appropriated in subdivision (1), (2), or (3) of this section exceeds the adjusted amount based on the designated revenue source, the excess reverts to the General Fund. If an amount appropriated in subdivision (1), (2), or (3) of this section is less than the adjusted amount based on the designated revenue source, the deficiency is appropriated from the designated revenue source to the local governments.

Requested by: Representative Jack Hunt

—REMOVE SUNSET ON REGULATION OF DENTAL ANESTHESIA

Sec. 12. (a) Chapter 1073 of the 1987 Session Laws is reenacted, and Section 2 of that act reads as rewritten:

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

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

PART V.—DEPARTMENT OF ADMINISTRATION

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux

—N.C. COALITION AGAINST DOMESTIC VIOLENCE FUNDS

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

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

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux

—REDUCTION IN COUNCIL OF GOVERNMENTS FUNDS

Sec. 14. Section 42 of Chapter 500 of the 1989 Session Laws, reads as rewritten:

"Sec. 42. (a) Of the funds appropriated by Section 5 of this act to the Department of Administration, the sum of nine hundred ninety thousand dollars (\$990,000) for the 1989-90 fiscal year and nine hundred ~~ninety thousand~~ sixty thousand three hundred

dollars ~~(\$990,000)~~ (\$960,300) for the 1990-91 fiscal year shall only be used as provided by this section. Each regional council of government or lead regional organization is allocated an amount up to fifty-five thousand dollars (\$55,000) ~~each fiscal year in the 1989-90 fiscal year and fifty-three thousand three hundred fifty dollars (\$53,350) in the 1990-91 fiscal year,~~ with the actual amount calculated as provided in subsection (b) of this section.

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

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

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

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

Requested by: Representative DeVane

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

Sec. 15. (a) The Director of the Office of Indian Housing has stated that if the North Carolina State Indian Housing Authority is a State agency, then it will be ineligible to receive more than \$1,000,000 per year in federal assistance. This section clarifies that the Authority is not a State agency.

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

"§ 157-66. Authority created.

There is hereby created and established a public body corporate and politic to be known as the North Carolina State Indian Housing Authority which shall be governed by the provisions of law controlling housing authorities as set out in this Chapter as well as other applicable provisions of the General Statutes. It is the intent of the General Assembly that the North Carolina State Indian Housing Authority not be treated as a

State agency for any purpose, but rather that it be treated as a housing authority as set out above."

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux
—LIMIT ON DOMESTIC VIOLENCE AND RAPE CRISIS PROGRAMS

Sec. 16. Notwithstanding the budget flexibility authorized in Section 7 of this act, no reductions for the 1990-91 fiscal year may be taken by the Department of Administration for the Domestic Violence and Rape Crisis Programs.

Requested by: Senator Martin of Guilford, Representatives Ramsey, Easterling
—PARKING FEES/PARKING DECK CREDIT

Sec. 17. The Department of Administration shall make quarterly deposits to total \$1,908,300 of the parking fees collected in the 1990-91 fiscal year with the State Treasurer as a nontax revenue, to offset the General Fund appropriation for principal and interest on the parking deck authorized by Chapter 1048 of the 1987 Session Laws, Regular Session 1988.

PART VI.—DEPARTMENT OF CULTURAL RESOURCES

Requested by: Senator Basnight, Representative Easterling
—PERMIT WASHINGTON COUNTY TO USE GRANT-IN-AID FUNDS FOR AN ADDITIONAL PURPOSE

Sec. 18. Funds appropriated in Chapter 830 of the 1987 Session Laws for Washington County for a grant-in-aid to be used in preserving the history of the County by microfilming **The Roanoke Beacon**, the local newspaper, may be used by Washington County to pay a museum curator.

Requested by: Senator Swain, Representative R. Hunter
—OLD FORT BRANCH MUSEUM FUNDS

Sec. 19. The unexpended balance of funds appropriated in the amount of \$50,000 to the Department of Cultural Resources in Section 4 of Chapter 1014 of the 1985 Session Laws, 1986 Regular Session, may be used for capital improvements for Old Fort Branch Museum (Mountain Gateway Museum).

Requested by: Senator Basnight, Representative James
—ELIMINATE THE MATCHING REQUIREMENT FOR FUNDS PREVIOUSLY APPROPRIATED FOR THE LATHAM HOUSE

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

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

PART VII.—GENERAL ASSEMBLY

Requested by: Senator Royall

—DEFER CONVENING OF GENERAL ASSEMBLY

Sec. 21. G.S. 120-11.1 reads as rewritten:

"§ 120-11.1. Time of meeting.

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

Requested by: Senator Basnight, Representative Easterling

—ECONOMIC FUTURE COMMISSION

Sec. 22. (a) The Economic Future Study Commission is created. The Commission shall:

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

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

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

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

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

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

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

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

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

Requested by: Representatives Perdue, Easterling

—COMMISSION ON FUTURE STRATEGIES FOR NORTH CAROLINA

Sec. 23. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 13B.

"Joint Legislative Commission on Future Strategies
for North Carolina.

"§ 120-84.6. Purpose.

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

"§ 120-84.7. Membership.

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

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

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

"§ 120-84.8. Powers and duties.

The Commission shall have the following powers and duties:

- (1) To review reports which propose future strategies, goals, or recommendations for North Carolina, and determine the status of the proposed strategies, goals, and recommendations.
- (2) To review governmental and nongovernmental research and studies relating to current and future trends and events, and to assess the impact of these future trends and events on future governmental policy.
- (3) To review current statutes related to comprehensive planning at all levels of government and propose changes considered most consistent with state-of-the-art comprehensive growth management and development policies.
- (4) To review the history and current status of intergovernmental relationships in North Carolina.
- (5) To conduct periodic surveys to assess citizen attitudes toward current trends and determine their impact on strategic policy options.
- (6) To undertake such additional studies, surveys, or evaluations as may, from time to time, be requested by the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Legislative Research Commission, or either house of the General Assembly.
- (7) To appoint advisory committees, which may include government officials and interested citizens, to examine specific issues as determined by the Commission. A Commission member shall be appointed chairman of such advisory committees.
- (8) To conduct studies of long range fiscal impact of proposals or policies under review by the Commission.
- (9) To develop rules regarding the selection, design, methodology, and execution of citizens attitude surveys, research and study topics for Commission approval and consideration.

- (10) To issue reports, forecasts, and recommendations to the General Assembly, from time to time, on matters relating to the powers and duties set out in this section.

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

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

"§ 120-84.10. Additional powers.

The Commission shall have the following additional powers:

- (1) While in the discharge of official duties, to have access to any paper or document, and to compel the attendance of any State official or employee before the Commission or secure any evidence under the provisions of G.S. 120-19. In addition, the provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission as if it were a joint committee of the General Assembly.
- (2) To apply for and receive gifts and grants from private sources to assist the Commission in fulfilling its duties, subject to the approval of the Legislative Services Commission.

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

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

"§ 120-84.12. Commission staffing.

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

(b) The Commission may, with the consent of the Legislative Services Commission, use employees of the Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting, and Public Information Divisions of the Legislative Services Commission."

Requested by: Representatives Beall, Michaux, Easterling

—LEGISLATIVE MEMBERS' MILEAGE

Sec. 24. (a) G.S. 120-3.1(d) is repealed.

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

PART VIII.—OFFICE OF THE GOVERNOR

Requested by: Senator Martin of Guilford, Representatives Michaux, Easterling

—REDUCTION IN CONTINGENCY AND EMERGENCY FUND ALLOCATION

Sec. 25. Section 50 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Representative Stam

—FUND COMMITMENT LIMITATIONS

Sec. 26. G.S. 143-18 reads as rewritten:

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

All unencumbered balances of maintenance appropriations shall revert to the State treasury to the credit of the general fund or special funds from which the appropriation and/or appropriations, were made and/or expended, at the end of each fiscal year; except that capital expenditures for the purchase of land, the erection of buildings, new construction or renovations in progress shall continue in force until the attainment of the object or the completion of the work for which the appropriations are made; except that maintenance appropriations to the General Assembly shall remain available until expended, unless otherwise provided by the Legislative Services Commission.

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

PART IX.—DEPARTMENT OF REVENUE

Requested by: Senator Royall, Representative Diamont

—MAIL ORDER SALES TAX TO GENERAL FUND

Sec. 27. Effective June 30, 1990, Section 56 of Chapter 1086 of the 1987 Session Laws is repealed. All State sales and use tax proceeds in the State Special Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be credited to the General Fund. All local sales and use tax proceeds in the Local Special Revenue Fund created in Section 56 of Chapter 1086 of the 1987 Session Laws shall be distributed to local governments in accordance with Articles 39, 40, 41, and 42 of Chapter 105 of the General Statutes and in accordance with Chapter 1096 of the 1967 Session Laws.

Requested by: Senator Royall

—SCHOOL CAPITAL FUNDING FROM NONRECURRING FUNDS

Sec. 28. (a) It is the intent of the General Assembly that funding for the Public School Building Capital Fund and the Critical School Facility Needs Fund shall not be reduced but shall be appropriated for the 1990-91 fiscal year from nonrecurring revenue in the same manner as funding for other capital projects. The Public School Building Capital Fund and the Critical School Facility Needs Fund shall have first priority, ahead of all other capital projects, for nonrecurring revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) This section shall become effective July 1, 1990, and shall expire June 30, 1991.

Requested by: Representative Dickson

—INVENTORY REIMBURSEMENT ADJUSTMENT

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

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

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

(a) Initial Distribution. – On or before January 15, 1989, the governing body of each county and each city shall furnish to the Secretary a list of (i) all the inventories owned by manufacturers that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the county or city under this Subchapter; (ii) all livestock and poultry and feed used in the production of livestock and poultry that was required to be listed and assessed as of January 1, 1987, and was listed on or before September 1, 1987, in the county or city under this Subchapter; (iii) all the crops and other agricultural or horticultural products held for sale, whether in process or ready for sale, owned by taxpayers regularly engaged in the growth, breeding, raising, or other production of new products for sale, that were not included under subdivision (ii) above and that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the county or city under this Subchapter; ~~and~~ (iv) in the case of a city, all the inventories owned by manufacturers that were located as of January 1, 1987, in an area for which the city began annexation proceedings before September 1, 1987, and which became a part of the city after January 1, 1987, and before January 1, 1988-1988; and (v) in the case of a city, all the inventories owned by manufacturers that were located as of January 1, 1987, in an area for which the city began annexation proceedings before September 1, 1987, and which became a part of the city after January 1, 1988, and before July 1, 1990. The list shall contain the value of the inventories and other items as well as the property tax rates in effect in the county or city for the eight years from 1980 through 1987. The list shall also contain the property tax rates in effect for those years in each special district for which the county or city collected taxes in 1987 but whose tax rates were not included in the rates listed for the county or city, and the value of the inventories owned by manufacturers and other items described in subdivisions (ii) and (iii) above that were required to be listed and assessed as of January 1, 1987, and were listed on or before

September 1, 1987, in that district. The list shall be accompanied by an affidavit attesting to the accuracy of the list and shall be on a form prescribed by the Secretary.

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

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

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

Of the funds received by each county and city pursuant to this subsection, the portion that was received because the county or city was collecting taxes for a special district (either because the district's tax rate was included in the city or county's rate or because the Secretary paid the county or city the product of the district's average rate and the value of the inventories in the district) shall be distributed among the districts in the county or city as soon as practicable after the city or county receives funds under this subsection. The county or city shall distribute to each special district in the county or city an amount equal to the average rate for the district multiplied by the value of the inventories owned by manufacturers that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the district, plus or minus the percentage of this product that equals the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce. The Local Government Commission may adopt rules for the resolution of disputes and correction of errors in the distribution among special districts provided in this paragraph. The Local Government Commission

shall report to the 1990 General Assembly any errors it discovers in the information furnished by local governments to the Secretary as required in this subsection.

(b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the Secretary shall pay to each county and city the amount it received under subsection (a) in 1989 plus an amount equal to the county or city average rate multiplied by the value of the items described in subdivisions (ii) and (iii) of subsection (a) that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the county or city, plus or minus the percentage of this product that equals the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce. As soon as practicable after January 1, 1990, the Secretary shall also pay to each county and city an amount equal to the average rate for each special district for which the county or city collected taxes in 1987, but whose tax rates were not included in the county or city's rates, multiplied by the value of the items described in subdivisions (ii) and (iii) of subsection (a) that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the district, plus or minus the percentage of this product that equals the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce. As soon as practicable after January 1, 1991, except as provided in subsection (f), the Secretary shall pay to each county and city the amount it received under this section the preceding year plus an amount equal to the county or city average rate multiplied by the value of the items described in subdivision (v) of subsection (a) contained in the list submitted by the county or city, plus or minus the percentage of this product that equals the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce. Thereafter, except as provided in subsection (f), as soon as practicable after January 1 of each year, the Secretary shall distribute to each county and city the amount it received under this section the preceding year.

Of the funds received by each county and city pursuant to this subsection in 1990, the portion that was received because the county or city was collecting taxes for a special district (either because the district's tax rate was included in the city or county's rate or because the Secretary paid the county or city the product of the district's average rate and the value of the inventories and other items in the district) shall be distributed among the districts in the county or city as soon as practicable after the city or county receives the funds. The county or city shall distribute to each special district in the county or city the amount it distributed to the district in 1989 plus an amount equal to the average rate for the district multiplied by the value of the items, other than inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to be listed and assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the district, plus or minus the percentage of this product that equals the

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

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

(c) Use. – Funds received by a county, city, or special district under this section may be used for any lawful purpose.

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

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

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

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

(d) This section is effective upon ratification.

PART X.—DEPARTMENT OF SECRETARY OF STATE

Requested by: Senator Martin of Guilford, Representative Easterling

—REPEAL OF STATEWIDE VOTER FILE

Sec. 30. G.S. 163-66.1 is repealed.

Requested by: Senator Martin of Guilford, Representative Easterling
---REDUCE INVENTORY OF SECRETARY OF STATE OF CERTAIN
PUBLICATIONS

Sec. 31. Effective upon ratification of this act, the Publications Division of the Department of the Secretary of State may reduce inventories of the Journals of the North Carolina House of Representatives, the Journals of the State Senate, the Session Laws of North Carolina, and the North Carolina Manual as provided by this section. All such publications issued prior to 1987-88 may be made available at cost of postage only for a 60-day period commencing on the date of ratification of this act. After 60 days any such inventory exceeding 50 copies of each journal, 150 copies of each Session Laws, and 50 copies of each manual, shall be recycled or destroyed.

Requested by: Representatives Michaux, Easterling
---DELAY REQUIREMENT OF CORPORATE ANNUAL REPORT UNDER NEW
BUSINESS CORPORATION ACT

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

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

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

PART XI.— DEPARTMENT OF INSURANCE

Requested by: Senator Plyler, Representative Tart
---RESCUE UNIT FUND CHANGES

Sec. 33. (a) G.S. 58-87-5 reads as rewritten:

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

(a) There is created in the Department of Insurance the Volunteer Rescue/EMS Fund to provide matching grants to volunteer rescue units providing rescue ~~only~~ or rescue and emergency medical services to purchase equipment and make capital improvements. An eligible rescue or rescue/EMS unit may apply to the Department of Insurance for a grant under this section. The application form and criteria for grants shall be established by the Department. The Office of Emergency Medical Services in the Department of Human Resources shall provide the Department with an advisory priority listing of EMS equipment eligible for funding. The State Treasurer shall invest the Fund's assets according to law, and the earnings shall remain in the Fund. Beginning December 15, 1989, and on each December 15 thereafter, the Department shall make grants to eligible rescue or rescue/EMS units subject to the following limitations:

- (1) The size of a grant may not exceed fifteen thousand dollars (\$15,000);
- (2) The applicant shall match the grant on a dollar-for-dollar basis with non-State funds;

- (3) The grant may be used only for equipment purchases or capital expenditures; and
- (4) An applicant may receive no more than one grant per fiscal year.

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

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

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

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

"(c) Fees collected for inspection certificates shall be paid to the Division of Motor Vehicles in accordance with its regulations and shall be periodically transferred as follows: are payable to the Division of Motor Vehicles. The amount of each fee listed in the table below shall be credited to the Highway Fund, the Volunteer Rescue/EMS Fund established in G.S. 58-87-5, the Rescue Squad Workers' Relief Fund established in G.S. 58-88-5, and the Division of Environmental Management of the Department of Environment, Health, and Natural Resources:

- (1) ~~After making the transfer provided in subdivision (3) of this subsection, seventy five cents (75¢) of the fee for the valid inspection certificate collected pursuant to subsection (a) shall be transferred to the Highway Fund, and the remaining moneys shall be transferred to the Department of Insurance for the Volunteer Rescue/EMS Fund created in G.S. 58-87-5.~~
- (2) ~~After making the transfer provided in subdivision (3) of this subsection, the fee collected pursuant to subsection (a1) shall be~~

transferred as follows: ~~the first thirty five cents (35¢) to the Division of Environmental Management; the next twenty cents (20¢) to the Department of Insurance for the Volunteer Rescue/EMS Fund created in G.S. 58-87-5; and any excess up to one dollar and eighty five cents (\$1.85) to the Highway Fund.~~

- (3) ~~Five cents (5¢) of the fee for the valid inspection certificate collected pursuant to subsections (a) and (a1) shall be transferred each quarter of the year to the North Carolina Commissioner of Insurance, for the purpose of funding the Rescue Squad Workers' Relief Fund under Article 88 of General Statute Chapter 58.~~

<u>Fund or Agency</u>	<u>Fee Imposed Under (a)</u>	<u>Fee Imposed 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</u>	<u>.07</u>
<u>Division of Environmental Management</u>	<u>.00</u>	<u>.35."</u>

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

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

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

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

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

- (1) To safeguard any rescue or EMS worker in active service from financial loss, occasioned by sickness contracted or injury received while in the performance of his or her duties as a rescue or EMS worker.
- (2) To provide a reasonable support for those persons actually dependent upon the services of any rescue or EMS worker who may lose his or her life in the service of his or her town, county, city, or the State, either by accident or from disease contracted or injury received by reason of such service. The amount is to be determined according to the earning capacity of the deceased.

- (3) To award scholarships to children of members, deceased members or retired members in good standing, for the purpose of attending a two year or four year college or university, and for the purpose of attending a two year course of study at a community college or an accredited trade or technical school, any of which is located in the State of North Carolina. Continuation of the payment of educational benefits for children of active members shall be conditioned on the continuance of active membership in the rescue ~~of~~ or EMS service by the parent or parents.
- (4) To pay death benefits to those persons who were actually dependent upon any member killed in the line of duty.
- (5) Notwithstanding any other provision of law, no expenditures shall be made pursuant to subdivisions (1), (2), (3), and (4) of this subsection unless the Board has certified that such expenditures will not render the Fund actuarially unsound for the purpose of providing the benefits set forth in subdivisions (1), (2), (3), and (4). If, for any reason, funds made available for subdivisions (1), (2), (3), and (4) are insufficient to pay in full any benefit, the benefits pursuant to subdivisions (1), (2), (3), and (4) shall be reduced pro rata for as long as the amount of insufficient funds exists. No claims shall accrue with respect to any amount by which a benefit under subdivisions (1), (2), (3), and (4) has been reduced."

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

"§ 58-88-30. Administration costs.

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

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

PART XII.—EMPLOYEE SALARIES AND BENEFITS

Requested by: Representatives Colton, Easterling

—SALARY RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 34. Section 42(c) of Chapter 752 of the 1989 Session Laws reads as rewritten:

"(c) The State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1990-91 fiscal year are (i) eleven and seventy-four hundredths percent (11.74%) - Teachers and State Employees; (ii) sixteen and seventy-four hundredths percent (16.74%) - State Law Enforcement Officers; (iii) ~~eight and twenty seven hundredths percent (8.27%)~~ eight and thirty-seven hundredths percent (8.37%) - University Employees' Optional Retirement Program; (iv) thirty-one and thirty-six hundredths percent (31.36%) - Consolidated Judicial Retirement System;

and (v) ~~thirty eight and eighty five hundredths percent (38.85%)~~ forty and twenty-five hundredths percent (40.25%) - Legislative Retirement System. Each of the foregoing contribution rates includes one and sixty-five hundredths percent (1.65%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees, State Law Enforcement Officers, and for the University Employees' Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan."

Requested by: Representative Beard

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

Sec. 35. (a) Article 1A of Chapter 120 of the General Statutes is amended by adding a new section to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Requested by: Representative Barnes

—STATE EMPLOYEES/SEVERANCE PAY CLARIFICATION

Sec. 36. (a) G.S. 143-27.2 reads as rewritten:

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

When the Director of the Budget determines that the closing of a State institution or a reduction in force will accomplish economies in the State Budget, he shall pay either a discontinued service retirement allowance or severance wages to any affected State employee, provided reemployment is not available. As used in this section, 'economies in the State Budget' means economies resulting from elimination of a job and its responsibilities or from a lack of funds to support the job. In determining whether to pay a discontinued service retirement allowance or severance wages, the Director of the Budget shall consider the recommendation of the department head involved and any recommendation of the State Personnel Director. Severance wages shall not be paid to

an employee who chooses a discontinued service retirement. Severance wages shall not be subject to employer or employee retirement contributions. Severance wages shall be paid according to the policies adopted by the State Personnel Commission.

Notwithstanding any other provisions of the State's retirement laws, any employee of the State who is a member of the Teachers' and State Employees' Retirement System or the Law-Enforcement Officers' Retirement System and who has his job involuntarily terminated as a result of economies in the State Budget may be entitled to a discontinued service retirement allowance, subject to the approval of the employing agency and the availability of agency funds. An unreduced discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of creditable retirement service who are at least 55 years of age; or a discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of creditable retirement service who are at least 50 years of age, reduced by one-fourth of one percent (1/4 of 1%) for each month that retirement precedes his fifty-fifth birthday. In cases where a discontinued service retirement allowance is approved, the employing agency shall make a lump sum payment to the Administrator of the State Retirement Systems equal to the actuarial present value of the additional liabilities imposed upon the System, to be determined by the System's consulting actuary, as a result of the discontinued service retirement, plus an administrative fee to be determined by the Administrator."

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

Requested by: Representative Barnes

—ACCELERATED PAY PLAN FOR LOWEST-PAID STATE EMPLOYEES

Sec. 37. (a) The State Personnel Commission shall develop an accelerated pay plan for those State employees in the lowest pay grades. This accelerated pay plan shall be designed to take into consideration the labor market and economic indicators and to advance and retain a fully competent work force. In developing and implementing this pay plan, the State Personnel Commission shall:

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

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

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

(d) To the extent that sufficient funds are available in the amount of up to \$750,000 in the 1990-91 Salary Increase Fund, the Director of the Budget shall transfer

those funds to the Salary Adjustment Fund to be used for the Accelerated Pay Plan for Lowest-Paid State Employees.

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—USE OF LAPSED SALARIES

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

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—BUXTON WOODS PURCHASE FUNDS

Sec. 39. Funds deposited pursuant to G.S. 20-81.3(c) in the Recreation and Natural Heritage Trust Fund may be used during the 1990-91 fiscal year to match federal funds for the purchase of land at Buxton Woods.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—WASTE STREAM ANALYSIS

Sec. 40. Section 34 of Chapter 754 of the 1989 Session Laws, as rewritten by Section 28 of Chapter 799 of the 1989 Session Laws, reads as rewritten:

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

~~appropriate committees of the General Assembly shall be determined by the President Pro Tempore of the Senate and the Speaker of the House of Representatives.~~

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

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

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

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

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

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

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

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

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—LIABILITY INSURANCE FOR HEALTH CARE EMPLOYEES

Sec. 41. Section 129 of Chapter 752 of the 1989 Session Laws reads as rewritten:

"Sec. 129. The Secretary of the Department of Human Resources and Resources, the Secretary of the Department of Environment, Health, and Natural Resources, and the Secretary of the Department of Correction may provide medical liability coverage not to exceed \$1,000,000 on behalf of employees of the Departments licensed to

practice medicine or dentistry. This coverage may include commercial insurance or self-insurance and shall cover these employees for their acts or omissions only while they are engaged in providing medical and dental services pursuant to their State employment.

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—EPIDEMIOLOGY LINE ITEM TRANSFERS

Sec. 42. Of the funds appropriated to the Department of Environment, Health, and Natural Resources, Communicable Disease Control Section, amounts may be transferred from the Immunization Branch pharmaceutical line item for the 1990-91 fiscal year as follows: \$188,389 to the Immunization Branch salary and fringe benefits line item; \$37,100 to the Immunization Branch supplies and printing line item; and \$39,891 to the Immunization Branch travel line item.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—STATEWIDE MEDICAL EXAMINER FUNDS

Sec. 43. Section 138 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—NON-MEDICAID REIMBURSEMENT

Sec. 44. Section 105 of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

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

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

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

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

Requested by: Senator Martin of Pitt, Representative DeVane
 ---LUMBER RIVER PARK RANGER

Sec. 45. Section 155 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Plyler
 ---UNION FIRE PLOW OPERATOR/COUNTY RANGERS

Sec. 46. (a) The Department of Environment, Health, and Natural Resources shall continue to station in Union County the fire plow that was purchased with Federal Emergency Management Administration (FEMA) funds. While stationed in Union County, this fire suppression unit shall serve the areas of the Mt. Holly District.

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

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

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

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

Requested by: Senators Martin of Pitt, Tally, Representative Beard

—WILDLIFE COMMISSION FUNDS

Sec. 47. (a) The Wildlife Resources Commission may use up to \$235,000 in funds available to the Commission for the 1990-91 fiscal year for construction of a boating access area at Cedar Island in Carteret County.

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

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

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

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

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

Requested by: Senator Barker, Representative Redwine

—WILDLIFE COMMITTEE EXPENSES

Sec. 48. G.S. 113-335 reads as rewritten:

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

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

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

Requested by: Senator Martin of Pitt, Representatives Redwine, B. Ethridge

—REDUCE INFANT MORTALITY

Sec. 49. (a) Of the funds appropriated from the General Fund to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the sum of \$300,000 for the 1990-91 fiscal year shall be used to expand the Rural Obstetrical Care Incentive Program established under Section 39.3 of Chapter 1100, 1987 Session Laws, Regular Session 1988. The Rural Obstetrical Care Incentive Program will be used to assist with the cost of malpractice insurance for family physicians, obstetricians, and certified nurse midwives who agree to provide prenatal and obstetrical services in medically underserved areas of the State. Physicians and certified nurse midwives covered under the Rural Obstetrical Care Incentive Program are required to participate in an obstetrical care coverage plan developed by their local health department or community, migrant, or rural health center, and must agree to provide services to pregnant women regardless of their ability to pay for the services.

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

(c) 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 birthweight 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: Senator Martin of Pitt, Representatives Diamont, Redwine

—NURSE MIDWIVES FOR UNDERSERVED COUNTIES

Sec. 50. Of the funds appropriated to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the sum of \$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: Senator Martin of Pitt, Representatives B. Ethridge, Redwine, DeVane, Isenhower

—OFFICE OF WASTE REDUCTION FUNDS

Sec. 51. 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 provide technical assistance to local governments and industries for waste reduction.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—EHNHR PERMITTING FUNDS

Sec. 52. 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
- (3) The sum of \$341,714 for six positions and support costs for the permitting of low-level radioactive and hazardous waste facilities by the Division of Solid Waste Management.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—DEPARTMENTAL USE OF FEES

Sec. 53. (a) There is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year the sum of \$70,000 for permitting, education, and compliance activities, including establishing and supporting up to two positions in the Division of Coastal Management; provided, however, if the revenues raised from Chapter 987 of the 1989 Session Laws are less than \$70,000, then the appropriation is hereby reduced accordingly.

(b) There is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year the sum of \$80,000 for education, erosion control plan approval, and compliance activities in the Sedimentation Control Program, including establishing and supporting up to two positions in the Division of Land Resources; provided, however, if the revenues raised from Chapter 906 of the 1989 Session Laws are less than \$80,000, then the appropriation is hereby reduced accordingly.

(c) There is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year the sum of \$20,000 for permitting, education, and compliance activities in the Dam Safety Program, including establishing and supporting up to one half-time position in the Division of Land Resources; provided, however, if the revenues raised from Chapter 976 of the 1989 Session Laws are less than \$20,000, then the appropriation is hereby reduced accordingly.

(d) There is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year the sum of \$40,000 for permitting, education, and compliance activities in the Mining Program, including establishing and supporting up to one position and one half-time position in the Division of Land Resources; provided, however, if the revenues raised from Chapter 944 of the 1989 Session Laws are less than \$40,000, then the appropriation is hereby reduced accordingly.

(e) There is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources for the 1990-91 fiscal year the sum of

\$72,000 for support costs in the Nuclear Emergency Planning and Response Program in the Division of Radiation Protection; provided, however, if the revenues raised from Chapter 964 of the 1989 Session Laws are less than \$72,000, then the appropriation is hereby reduced accordingly.

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

Requested by: Senator Hunt, Representative Michaux

—SICKLE CELL FUNDS/NOT SUBJECT TO BUDGET FLEXIBILITY

Sec. 54. The budget flexibility authorized in Section 7 of this act does not apply to funds appropriated to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, for the 1990-91 fiscal year for sickle cell center contracts.

PART XIV.—DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—ECONOMIC DEVELOPMENT PUBLICATIONS

Sec. 55. G.S. 143B-435 reads as rewritten:

"§ 143B-435. **Publications.**

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

(1) State funds as other public documents; or

(2) Private funds received:

a. As donations, or

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

Requested by: Senator Martin of Pitt, Representative DeVane
—CELEBRATION FOUNDATION, INC.

Sec. 56. Section 30 of Chapter 799 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—NC MANUFACTURING DIRECTORY PROCEEDS

Sec. 57. (a) The Department of Economic and Community Development may expend for industrial promotional advertising any amount collected from the sales of the North Carolina Manufacturing Directory above the sum of \$155,000 already budgeted for the 1990-91 fiscal year.

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

Requested by: Senator Martin of Pitt, Representatives G. Wilson, Redwine, B. Ethridge
—WORKER TRAINING TRUST FUND

Sec. 58. (a) Section 149 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

(b) The Employment Security Commission shall report quarterly to the Joint Legislative Commission on Governmental ~~Operations by the first of each month prior to the expenditure of any funds appropriated by this section.~~Operations. The report

required by this subsection may be included in any other report that the Employment Security Commission is required to make to the Joint Legislative Commission on Governmental Operations.

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

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

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

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

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

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

- (1) The sum of \$2,000,000, less the sum reallocated in subsection (a) of this section, to the North Carolina Department of Economic and Community Development for a State job training program to be administered through the Job Training Partnership Act system aimed at the unemployed and the working poor.
- (2) The sum of \$250,000 to the North Carolina Department of Public Education for local implementation grants to establish five new Tech Prep programs in the public schools. These grants shall be provided to local school units that have a plan meeting the standards of the State Board of Education and the State Board of Community Colleges.
- (3) The sum of \$500,000 to the North Carolina Department of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Department's Pre-Apprenticeship Division.

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

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

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

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

Requested by: Senators Martin of Pitt, Hunt, Representatives B. Ethridge, Redwine
—RURAL ECONOMIC DEVELOPMENT CENTER

Sec. 59. Section 110 of Chapter 500 of the 1989 Session Laws, as amended by Section 64 of Chapter 770 of the 1989 Session Laws, reads as rewritten:

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

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

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

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—LIMIT FOR RURAL ECONOMIC DEVELOPMENT CENTER REDUCTIONS

Sec. 60. Notwithstanding the budget flexibility authorized in Section 7 of this act, reductions in the Department of Economic and Community Development for the Rural Economic Development Center, Inc., for the 1990-91 fiscal year shall equal no more than one and one-half percent (1 1/2%) of the budget of the Rural Economic Development Center, Inc.

PART XV.—DEPARTMENT OF LABOR

Requested by: Senator Martin of Pitt, Representatives Redwine, B. Ethridge
—NO BUDGET FLEXIBILITY/MIGRANT HOUSING INSPECTION PROGRAM

Sec. 61. The budget flexibility authorized in Section 7 of this act does not apply to funds appropriated to the Department of Labor for the fiscal year 1990-91 for the Migrant Housing Inspection Program.

PART XVI.—DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Walker, Representative Gardner
—MEDICAID PROGRAM FUNDS/ADMINISTRATIVE ACTIVITIES

Sec. 62. The Department of Human Resources may use Medicaid funds budgeted from program services to support the cost of administrative activities to the extent that these administrative activities produce a net savings in services requirements. Administrative initiatives funded by this section shall be first approved by the Office of State Budget and Management.

Requested by: Senator Walker, Representative Gardner
—INFANT MORTALITY REDUCTION

Sec. 63. (a) The Division of Medical Assistance shall develop a statewide plan to inform Medicaid recipients about the availability of transportation, to determine the extent to which each local department of social services provides Medicaid transportation when requested, and to ensure that each local department provides Medicaid transportation. In gathering this information and designing the plan, the Division shall consult with other public and private agencies that work with Medicaid patients who need transportation services.

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

Requested by: Senator Walker, Representative Gardner
—WILLIE M. REPORTING CHANGE

Sec. 64. Section 82(e) of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Walker, Representative Gardner
—EASTERN REGIONAL DETOXIFICATION FUNDS CHANGE

Sec. 65. Section 124 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Walker, Representative Gardner
—ADAP TRANSPORTATION REIMBURSEMENT

Sec. 66. Section 84 of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Walker, Representative Gardner

—SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSIONS

Sec. 67. Section 125 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Walker, Representative Gardner

—DAY CARE RATES

Sec. 68. (a) Section 101 of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

- (1) For ~~facilities~~ day care facilities, as defined in G.S. 110-86(3), in which fewer than fifty percent (50%) of the enrollees are subsidized by State or federal funds, the State shall continue to pay the same fee paid by private paying parents for a child in the same age group in the same facility.
- (2) Facilities in which fifty percent (50%) or more of the enrollees are subsidized by State or federal funds may choose annually one of the following payment options:
 - a. The facility's payment rate for fiscal year 1985-86; or
 - b. The county market rate, as calculated annually by the Division of Facility Services' Child Day Care Section in the Department of Human Resources' Office of Child Day Care Services. Resources. A market rate shall be calculated for each county and for each age group of enrollees, and shall be ~~the county average of all~~ representative of fees charged to unsubsidized private paying parents for each age group of enrollees. Effective July 1, 1987, and thereafter, the enrollees within the county. The county market rates shall be calculated from facility fee schedules collected by the ~~Office of Child Day Care Services Section~~ during its annual routine inspection visits.
- (3) Child day care homes as defined in G.S. 110-86(4) and individual child care arrangements may be paid the county market rate for day care homes which shall be calculated at least biennially by the Child

Day Care Section according to the method described in subsection (a)(2) of this section, using day care home fee schedules collected by the section during its routine inspection visits.

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

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

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

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

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

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

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

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

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

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

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

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

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

Requested by: Senator Walker, Representative Gardner
—DHR PROGRAMS FUNDS

Sec. 69. (a) Notwithstanding the provisions of G.S. 143-23, the Secretary of the Department of Human Resources, with the approval of the Office of State Budget and Management, may use, to the extent possible, any funds appropriated or otherwise available to the Department in the 1990-91 fiscal year for the following needs, pursuant to the Governor's recommended changes to the 1990-91 State Budget:

- (1) Mental Health Accounting System;
- (2) Day Care Abuse/Neglect Investigators; and
- (3) Pioneer Funding Project.

(b) The Department of Human Resources shall choose the priority in which the items in subsection (a) of this section shall be funded.

Requested by: Senator Walker, Representative Gardner
—MEDICAID SERVICES COVERAGE CHANGE

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

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

Services and payment bases:

- (1) Hospital-Inpatient - Payment for hospital inpatient services will be based on a prospective rate reimbursement plan as established by the

- Department of Human Resources. Administrative days for any period of hospitalization shall be limited to a maximum of three days.
- (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.
 - (3) Mental Hospitals - Allowable costs or a prospective reimbursement if approved by the Director of the Budget.
 - (4) Skilled Nursing Facilities and Intermediate Care Facilities - As Prior to October 1, 1990, as prescribed under the State Plan for reimbursing Long-Term Care Facilities. Skilled nursing facility participation in the Medicare program is a condition of participation in the North Carolina Medicaid skilled nursing facility program. Effective October 1, 1990, skilled nursing facilities and intermediate care facilities, except those intermediate care facilities for the mentally retarded, will be designated for Medicaid purposes as nursing facilities. Nursing facilities will be reimbursed as prescribed under the State Plan for reimbursing Long-Term Care Facilities. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare, must be enrolled in the Medicare program as a condition of participation in the Medicaid program, subject to phase-in certification for those nursing facilities not already enrolled in Medicare.
 - (5) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.
 - (6) Drugs - Drug costs as allowed by federal regulations plus four dollars twenty-four cents (\$4.24) professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection (g) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with a plan adopted by the Department of Human Resources consistent with federal reimbursement regulations.
 - (7) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the Department of Human Resources. Payments for dental services are subject to the provisions of subsection (f) of this section.
 - (8) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with a rate schedule developed by the Department of Human Resources.
 - (9) Home Health, Private Duty Nursing, Clinic Services, ~~Mental Health Clinics~~, Prepaid Health Plans - Payment to be made according to reimbursement plans developed by the Department of Human Resources.

- (10) Medicare Buy-In - Social Security Administration premium.
- (11) Ambulance Services - Uniform fee schedules as developed by the Department of Human Resources.
- (12) Hearing Aids - Actual cost plus a dispensing fee.
- (13) Rural Health Clinic Services - Provider based - reasonable cost; nonprovider based - single cost reimbursement rate per clinic visit.
- (14) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.
- (15) Independent Laboratory and X-Ray Services - Uniform fee schedules as developed by the Department of Human Resources.
- (16) Optical Supplies - One hundred percent (100%) of reasonable wholesale cost of materials.
- (17) Ambulatory Surgical Centers - Negotiated rates, established by the Department of Human Resources.
- (18) Medicare Crossover Claims - Actual coinsurance or deductible or both.
- (19) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to the Children's Special Health Services program at rates negotiated by the Department of Human Resources.
- (20) Personal Care Services - Payment in accordance with plan approved by the Department of Human Resources.
- (21) Case Management Services - Reimbursement in accordance with the availability of funds to be transferred within the Department of Human Resources.
- (22) Hospice - Services may be provided in accordance with plan developed by the Department of Human Resources.
- (23) Other Mental Health Services - Unless otherwise covered by this section, coverage is limited to agencies meeting the requirements of the rules established by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services and reimbursement is made according with a plan developed by the Department of Human Resources not to exceed the upper limits established in federal regulations.
- (24) Medically Necessary Prosthetics/Orthotics for EPSDT Eligible Children - Reimbursement in accordance with plan approved by the Department of Human Resources.

Reimbursement is available for up to 24 visits per recipient per year to any one or combination of the following: physicians, clinics, hospital outpatient, optometrists, chiropractors, and podiatrists. Prenatal services, ~~EPSDT screens,~~ all EPSDT eligible children, and emergency rooms are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of Human Resources where the life of the patient would be threatened without such additional care. Any

person who is determined by the Department to be exempt from the 24-visit limitation may also be exempt from the six-prescription limitation."

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

Requested by: Senator Walker, Representative Gardner

—COMMUNITY ACTION PROGRAM FUNDS

Sec. 71. Section 119 of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Representative Gardner

—REVISED MEDICAID COVERAGE FOR PREGNANT WOMEN AND CHILDREN

Sec. 72. Section 70(m) of Chapter 500 of the 1989 Session Laws, as rewritten by Section 133 of Chapter 752 of the 1989 Session laws, reads as rewritten:

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

- ~~(1) Effective July 1, 1989, through December 31, 1989, pregnant women with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits;~~
- (21) Effective January 1, 1990, to September 30, 1990, pregnant women with incomes equal to or less than one hundred fifty percent (150%) of the federal poverty guidelines as revised ~~annually~~ each July 1 shall be covered for Medicaid benefits;
- (2) Effective October 1, 1990, pregnant women with incomes equal to or less than one hundred eighty-five percent (185%) of the federal

- poverty guidelines as revised each July 1 shall be covered for Medicaid benefits.
- (3) ~~Effective July 1, 1989, through December 31, 1989, infants under the age of one with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits;~~
 - (43) Effective January 1, 1990, to September 30, 1990, infants under the age of one with family incomes equal to or less than one hundred fifty percent (150%) of the federal poverty guidelines as revised annually each July 1 shall be covered for Medicaid benefits;
 - (4) Effective October 1, 1990, infants under the age of 1 with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each July 1, shall be covered for Medicaid benefits.
 - (5) Effective October 1, 1989, through September 30, 1990, children aged 1 through 5 with family incomes equal to or less than the federal poverty guidelines as revised each July 1 shall be covered for Medicaid benefits;
 - (6) Effective October 1, 1990, children aged 1 through 5 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines as revised each July 1 shall be covered for Medicaid benefits; and
 - (5) ~~Effective July 1, 1989, through September 30, 1989, children under the age of three with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits; and~~
 - (6) ~~Effective October 1, 1989, children under the age of six with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits.~~
 - (7) Effective October 1, 1990, children under the age of seven with family incomes equal to or less than the federal poverty guidelines as revised annually July 1, 1990, shall be covered for Medicaid benefits.

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

Requested by: Senator Walker, Representative Gardner
 —CHRONICALLY MENTALLY ILL FUNDS

Sec. 73. Funds to provide expanded community-based services to adults with severe and persistent mental illness are to be allocated to the Department of Human Resources' regions on a per capita basis. Within each region, ninety percent (90%) of

the funds shall be distributed to the area mental health programs on a per capita basis and ten percent (10%) to area mental health programs for special needs as determined by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Division may reallocate any unexpended funds within the specified region.

Requested by: Senator Walker

—DHR PLANNING FUNDS

Sec. 74. The Department of Human Resources may use funds that become available to it through gifts, federal or private grants, receipts from federal programs, or any other source in the 1990-91 fiscal year, for advance planning through the working drawings phase for a psychiatric facility at John Umstead Hospital.

Requested by: Senators Royall, Walker, Representative Gardner

—BUDGET REQUIRED TO INCLUDE STATE COST OF LOCAL PROGRAMS

Sec. 75. Effective July 1, 1991, the Office of State Budget and Management and the Director of the Budget, with the advice of the Advisory Budget Commission, shall prepare the State budget in a format that adequately and fairly reflects the continuation costs for the State's share of locally operated programs established by statute or State appropriation. These continuation costs shall be computed using the same budget preparation guidelines and rules prepared by the Office of State Budget and Management for use in State agency and institution budgets. Furthermore, in the projections for the expansion costs related to employee compensation, the budget shall include the expansion costs necessary to cover the State's share of salary and salary-related items for employees in locally operated State-funded programs. Local governments or organizations spending State funds to operate local programs shall provide necessary information to the Office of State Budget and Management to establish the necessary continuation and expansion costs.

Requested by: Senator Walker, Representative Gardner

—USE OF STATE FUNDS AT MCLEOD PROGRAM

Sec. 76. The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Human Resources, shall ensure that State funds appropriated in the 1990-91 fiscal year for the operation of the McLeod Center Residential Drug Program are expended only after other program receipts from the 1988-89, 1989-90, and 1990-91 fiscal years are expended. State funds appropriated for the 1990-91 fiscal year that are not required for the operation of the McLeod Center Residential Drug Program as a result of this section shall remain available to the Department of Human Resources for the operation of its programs.

Requested by: Senators Daniel, Bryan, Walker

—REST HOME AIDE TRAINING RULE SUSPENSION

Sec. 77. The Social Services Commission shall not promulgate any rules requiring training for aides in domiciliary care facilities to be effective before June 1,

1991. The Legislative Research Commission Study Committee on Care Provided by Rest Homes, Intermediate Care Facilities, and Skilled Nursing Homes; and Necessity for Certificate of Need; and Continuing Care Issues shall consider requirements for aide training and State reimbursements to rest homes and shall make recommendations on these issues as part of its report to the Legislative Research Commission for transmittal to the 1991 General Assembly. Prior to adopting any rules regarding aide training, the Social Services Committee shall consider the Study Committee's recommendations.

Requested by: Senator Walker, Representative Gardner

—DOMICILIARY RATE INCREASE

Sec. 78. Section 81 of Chapter 500 of the 1989 Session Laws, as rewritten by Section 131 of Chapter 752 of the 1989 Session Laws, reads as rewritten:

"Sec. 81. Effective January 1, 1990, the maximum monthly rate for ambulatory residents in domiciliary care facilities shall be ~~seven hundred twenty four dollars (\$724.00)~~ \$724.00 and the maximum monthly rate for semi-ambulatory residents shall be ~~seven hundred sixty dollars (\$760.00)~~ \$760.00. Effective January 1, 1991, the maximum monthly rates for ambulatory residents shall be increased to ~~seven hundred thirty four dollars (\$734.00)~~ \$756.00 and for semi-ambulatory residents ~~seven hundred seventy dollars (\$770.00)~~ \$793.00."

Requested by: Representative Diamont

—LIMITATIONS ON THE STATE ABORTION FUND

Sec. 79. Section 93 of Chapter 479, 1985 Session Laws, as amended by Section 75 of Chapter 738 of the 1987 Session Laws, and as further amended by Section 72 of Chapter 500 of the 1989 Session Laws, shall remain in effect on and after July 1, 1990, with the following exceptions:

- (1) The phrase "within the first 135 days of pregnancy." is deleted wherever it appears in subdivision (1) of that section and the following phrase is substituted: "within the first 112 days of pregnancy.";
- (2) The phrase "Applicants under subparagraph c. shall only be eligible for services provided under this section one time" is deleted wherever it appears in subdivision (3) of that section and the following phrase is substituted: "Applicants shall be eligible for services provided under this section only one time".

Any reference in Section 93 of Chapter 479, 1985 Session Laws, as amended, to the 1985-86 fiscal year or the 1986-87 fiscal year shall apply to the 1990-91 fiscal year.

PART XVII.—COLLEGES AND UNIVERSITIES

Requested by: Senator Ward, Representatives J. Crawford, Tart

—AID TO PRIVATE COLLEGES CLARIFICATION

Sec. 80. Section 30 of Chapter 500 of the 1989 Session Laws, as rewritten by Section 93 of Chapter 752 of the 1989 Session Laws, reads as rewritten:

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

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

(b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition to all other financial assistance made available to private educational institutions located within the State, or to students attending these institutions, there is granted to each full-time North Carolina undergraduate student attending an approved institution as defined in G.S. 116-22, ~~the sum of a sum, not to exceed~~ one thousand one hundred fifty dollars (\$1,150) per academic year, which shall be distributed to the student as hereinafter provided. Initial allocations of these grants shall be at a level of ninety-five percent (95%) of the maximum grant for which a student is eligible. The State Education Assistance Authority shall project the number of students eligible, and the funds required, for the full academic year, and the Authority shall allocate grants at the highest proportion possible of the maximum grants.

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

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

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

- (1) The Board of Governors of The University of North Carolina, with the approval of the Office of State Budget and Management, ~~may (i) shall~~ transfer available funds to meet the needs of the programs provided by subsections (a) and ~~(b) of (b),~~ up to the level of ninety-seven percent (97%) of the maximum allocation allowed in this section; section, and

(ii) may transfer sufficient funds to meet the full needs of the programs provided by this section if sufficient funds are available in the budgets of the Board of Governors of The University of North Carolina; and

- (2) Each eligible student shall receive a pro rata share of funds then available for the remainder of the academic year within the fiscal period covered by the current appropriation.

Any remaining funds shall revert to the General Fund.

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

Requested by: Senators Chalk, Ward, Representatives Lineberry, Tart
—UNC INSTITUTIONS' CENTENNIAL CELEBRATION FUNDS

Sec. 81. The Board of Governors of The University of North Carolina may allocate from funds available to General Administration for the 1990-91 fiscal year up to \$100,000 per campus in the 1990-91 fiscal year for centennial celebrations at the constituent institutions.

Requested by: Senator Ward, Representative Jones
—UNC EMPLOYEES PAYROLL DEDUCTIONS FOR UNC CHARITIES AND ATHLETICS

Sec. 82. G.S. 143-3.3(a) reads as rewritten:

"(a) All transfers and assignments made of any claim upon the State of North Carolina or any of its departments, bureaus or commissions or upon any State institution or of any part or share thereof or interest therein, whether absolute or conditional and whatever may be the consideration therefor and all powers of attorney, orders or other authorities for receiving payment of any such claim or any part or share thereof shall be absolutely null and void unless such claim has been duly audited and allowed and the amount due thereon fixed and a warrant for the payment thereof has been issued; and no warrant shall be issued to any assignee of any claim or any part or share thereof or interest therein: Provided that this section shall not apply to assignments made in favor of hospitals, building and loan associations, prepaid legal services, uniform rental firms to allow employees of the Department of Transportation to rent uniforms that include day-glo orange shirts or vests as required by federal and State law, and medical, hospital, disability and life insurance companies: Provided further, that any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions, who is a member of any credit union organized pursuant to Chapter 54 of the North Carolina General Statutes having a membership at least one half of whom are employed by the State or its institutions, departments, bureaus, agencies or commissions, may authorize, in writing, the periodic deduction from his salary of wages as such employee of a designated lump sum, which shall be paid to such credit unions when said salaries or wages are payable, for deposit to such accounts, purchase of such shares or payment of such obligations as the employee and the credit union may agree: Provided further, that any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions, or any of its community colleges, who is a member of a

domiciled State employees' association with a membership of not less than 5,000 members, the majority of whom are State employees, may authorize in writing the periodic deduction from his salary or wages a designated sum to be paid to the employees' association. This plan of payroll deductions for State employees and other association members shall become null and void at such time as the employee association engages in collective bargaining. Except as otherwise provided, nothing in this last proviso shall apply to local boards of education, county or municipal governments or any local governmental units. Provided further, that subject to the rules and regulations adopted by the State Controller, any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions may authorize in writing the withholding from his salary or wages an amount to satisfy his pledge to the State Employees Combined Campaign. Provided further, that subject to any rules and regulations adopted by the State Controller, any employee of a local board of education or community college may authorize in writing the withholding from his salary or wages a periodic deduction of a designated sum to be paid to any organization which qualifies for recognition of exemption by the Internal Revenue Service as a charitable organization as defined in Section 501(c)(3) of the Internal Revenue Code which has first been approved by his local board of education or community college board. Provided further, that subject to any rules and regulations adopted by the State Controller, any employee of a constituent institution of The University of North Carolina that processes its own payroll may authorize in writing the withholding from his salary or wages a periodic deduction of a designated sum to be paid to any organization that qualifies for recognition of exemption by the Internal Revenue Service as a charitable organization as defined in Section 501(c)(3) of the Internal Revenue Code and that exists to support athletic or charitable programs at the constituent institution where the employee is employed; Provided further that such organization must be approved by the President of The University of North Carolina as existing to support such athletic or charitable programs; Provided, further that such withholding is allowed only at those eligible constituent institutions that have authorized withholding plans under this proviso. If a withholding plan results in additional costs to a campus, these costs shall be paid by those charitable organizations receiving contributions under the withholding plan."

Requested by: Senator Ward, Representative J. Crawford

—PLAN FOR NURSE MIDWIFERY EDUCATION PROGRAMS

Sec. 83. The Board of Governors of The University of North Carolina shall plan for the development of nurse midwifery education programs at those institutions with appropriate supporting academic programs. The Board of Governors shall work with the Area Health Education Centers in planning for the development of clinical sites for the nurse midwifery education programs and shall report to the General Assembly by January 1991 on the cost required to implement the nurse midwifery programs in the 1991-92 academic year.

Requested by: Senator Ward, Representatives Hardaway, Tart

—RURAL DEVELOPMENT PROGRAMS

Sec. 84. (a) The General Assembly finds that local capacity to plan and manage development efforts in rural areas has traditionally been impaired due to the lack of fiscal resources to attract and maintain the full-time, professional expertise required. Budget limitations and the resulting dearth of positions for planning and development specialists in rural areas have created the false impression that there is no demand for specially trained professionals to address these important rural needs. Consequently, few universities offer a curriculum tailored to the development needs of rural communities. This persistent shortage of trained planning and development personnel tends to exacerbate the already serious disadvantages rural areas face in trying to compete with the faster growing, more prosperous urban areas. The large number of relatively small units of government in rural areas with their attendant budget and staff limitations have resulted in a fragmentation of development efforts.

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

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

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

(c) The North Carolina Rural Economic Development Center, Inc., shall study the development of (i) a program to provide rural economic development internships, (ii) a matching grant program to enable distressed counties to fund development personnel positions, and (iii) an economic development scholarship loan program. Any plans for those programs shall be developed as State-funded programs in accordance with the proposals in House Bill 2253.

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

Requested by: Senator Ward, Representatives Rhyne, Tart

—HIGHER EDUCATION OPPORTUNITY STUDY

Sec. 85. (a) The Legislative Research Commission may study the issue of higher education opportunity. The Chairmen shall consider appointing the members of the Committee as follows:

- (1) The Superintendent of Public Instruction, or his designee;
- (2) The Chairman of the State Board of Education, or his designee;
- (3) The President of the Community College System, or his designee;
- (4) The President of The University of North Carolina, or his designee;
- (5) The Chairman of the Association of Independent Colleges and Universities, or his designee;
- (6) Fifteen members appointed as follows:
 - a. Five members appointed upon the recommendation of the Governor;
 - b. Five members appointed from the House of Representatives; and
 - c. Five members appointed from the Senate.

(b) The Committee shall study the issue of providing tuition and fees grants for higher education to North Carolina students of proven academic ability who lack the necessary financial resources otherwise to attend a public four-year institution of higher education. The Committee shall report the results of this examination, including any legislative and appropriations recommendations, to the Legislative Research Commission for transmittal to the 1991 General Assembly.

(c) The Committee's study shall include:

- (1) An analysis of Louisiana's, and other states', initiatives in providing financial opportunity for higher education to their students of proven academic ability;
- (2) An analysis of the costs and future savings involved in providing such opportunity for North Carolina students;
- (3) A determination of what specific residence criteria, other than those currently being used by The University of North Carolina, if any, would need to be employed;
- (4) A determination of what academic standards eligible students would need to prove they have met, including high school course requirements, and standardized test scores;
- (5) A determination of what financial needs tests the students and their families must meet in order to qualify;
- (6) A determination of whether to allow a percentage deviation from the set standards for a certain number of students receiving financial help under this program;
- (7) A determination of what, if any, additional criteria students attending constituent institutions of higher education under this program must continue to meet to continue to receive financial aid under this program;
- (8) A determination of what entity should administer this program, whether the Board of Governors of The University of North Carolina, the State Education Assistance Authority, or other entity; and
- (9) Any additional determination or examination the Education Study Commission considers necessary to carry out its mandate.

(d) The University of North Carolina and the Department of Public Instruction shall cooperate with the Legislative Research Commission Higher Education Opportunity Study Committee as it carries out the mandate established in this act.

(e) Of the funds appropriated to the General Assembly for the 1990-91 fiscal year, the sum of \$20,000 may be allocated to the Legislative Research Commission for its work.

Requested by: Senator Ward, Representative Jones

—ECU MRI FUNDS

Sec. 86. Section 92 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

- (1) That portion of the Medicare reimbursement that can be identified as having been generated through the effort and at the expense of the School's Medical Faculty Practice Plan shall be transferred to the appropriate Medical Faculty Practice Plan account within the School; and
- (2) The remainder shall be transferred to a special nonreverting account within the School.

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

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

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

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

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

PART XVIII.—COMMUNITY COLLEGES

Requested by: Senator Conder, Representatives J. Crawford, Tart

—RICHMOND COMMUNITY COLLEGE/CHILDBIRTH CLASSES

Sec. 87. Notwithstanding any other provision of law, the Board of Trustees of Richmond Community College may permit students under 16 years of age to participate in childbirth classes at the college under The Support Mother's Program. These students may not be included in the computation of budget full-time equivalent student enrollment for the college; however, community services funds may be used to operate this Program.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—COMMUNITY COLLEGE TUITION INCREASE

Sec. 88. Section 79 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Ward, Representatives J. Crawford, Tart

—"TECH PREP" IMPLEMENTATION

Sec. 89. Of the funds available to the Department of Public Education for vocational education in the 1990-91 fiscal year, the sum of \$50,000 shall be allocated to the North Carolina Tech Prep Leadership Development Center at Richmond Community College for assistance to local education agencies and community colleges in planning and implementing "Tech Prep" across the State. The Department of Community Colleges shall allocate \$50,000 from funds available to it for the 1990-91 fiscal year for the North Carolina "Tech Prep" Leadership Development Center at Richmond Community College.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—STATE BOARD OF COMMUNITY COLLEGES GUIDELINES

Sec. 90. Notwithstanding any other provision of law, the State Board of Community Colleges shall establish budget guidelines not inconsistent with Section 80 of Chapter 752 of the 1989 Session Laws for the expenditure of individual community college budgets for the 1990-91 fiscal year. In establishing these guidelines the Board shall assure that statewide priorities are met, to the extent resources are available. The State Board of Community Colleges shall establish parameters for expenditure of appropriations to assure that:

- (1) Literacy funds shall not be reduced or spent for any other purpose and, to the maximum extent possible, anyone requesting literacy education will be served;

- (2) New Industry Training, Focused Industrial Training, and Small Business Center funds shall not be reduced without full justification and assurances that needs are being met;
- (3) Salary increase funds shall be used to provide a four percent (4%) across-the-board salary increase to all full-time and permanent part-time employees. Two percent (2%) salary increase funds shall be used to provide merit pay or to maintain quality in educational programs through expenditures for personnel only.

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

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

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

Requested by: Senator Ward, Representative Tart

—COMMUNITY COLLEGE BOOKSTORE SALES

Sec. 91. G.S. 115D-5 is amended by adding a new subsection to read:

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

PART XIX.—PUBLIC SCHOOLS

Requested by: Senator Ward, Representatives Tart, J. Crawford

—SMALL SCHOOL PROGRAM ALLOTMENTS

Sec. 92. G.S. 115C-416 reads as rewritten:

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

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

the Board. The salary of all such personnel shall be determined in accordance with the State salary schedule adopted by the Board.

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

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

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

Requested by: Senator Ward, Representatives Tart, J. Crawford

—LEAVE ACCUMULATION/PUBLIC SCHOOL EMPLOYEES

Sec. 93. G.S. 115C-272(b) reads as rewritten:

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

- (1) Salary payments to superintendents shall be made monthly on the basis of each calendar month of service. Included within their term of employment shall be annual vacation leave at the same rate provided for State employees. Included within the 12 months' employment each local board of education shall designate the same or an equivalent number of legal holidays as those designated by the State Personnel Commission for State employees.
- (2) Notwithstanding any provisions of this section to the contrary no person shall be entitled to pay for any vacation day not earned by that person. Vacation days shall not be used for extending the term of employment of individuals and shall not be cumulative from one fiscal year to another fiscal year: Provided, that superintendents may accumulate annual vacation leave days as follows: annual leave may be accumulated without any applicable maximum until ~~December 31~~ June 30 of each year. On ~~December 31~~ June 30 of each year, any superintendent with more than 30 days of accumulated leave shall have the excess accumulation cancelled so that only 30 days are carried forward to ~~January 1~~ July 1 of the ~~next same~~ year. All vacation leave taken by the superintendent will be upon the authorization of his immediate supervisor and under policies established by the local board of education. An employee shall be paid in a lump sum for

accumulated annual leave not to exceed a maximum of 240 hours when separated from service due to resignation, dismissal, reduction in force, death, or service retirement. If the last day of terminal leave falls on the last workday in the month, payment shall be made for the remaining nonworkdays in that month. Employees retiring on disability retirement may exhaust annual leave rather than be paid in a lump sum. The provisions of this subdivision shall be accomplished without additional State and local funds being appropriated for this purpose. The State Board of Education shall adopt rules and regulations for the administration of this subdivision.

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

Sec. 94. G.S. 115C-316(a) reads as rewritten:

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

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

- (1) Employees Other than Superintendents, Supervisors and Classified Principals on an Annual Basis. – Salary payments to employees other than superintendents, supervisors, and classified principals employed on an annual basis shall be made monthly at the end of each calendar month of service. Included within their term of employment shall be annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for state employees for each calendar month of employment. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of his annual vacation days or to make up the day at a time agreed upon by the employee and his immediate supervisor or principal. Included within their term of employment each local board of education shall designate the same or an equivalent number of legal holidays as those designated by the State Personnel Commission for State employees.
- (2) School Employees Paid on an Hourly or Other Basis. – Salary payments to employees other than those covered in G.S. 115C-

272(b)(1), 115C-285(a)(1) and (2), 115C-302(a)(1) and (2), and 115C-316(a)(1) shall be made at a time determined by each local board of education. Expenditures for the salary of these employees from State funds shall be within allocations made by the State Board of Education and in accordance with rules and regulations approved by the State Board of Education concerning allocations of State funds: Provided, that any individual school employee employed for a term of 10 calendar months may be paid in 12 monthly installments if the employee so requests on or before the first day of the school year. Such request shall be filed in the administrative unit which employs the employee. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease said annual salary nor in any other way alter the contract between the employee and the said administrative unit. Included within the term of employment shall be provided for full-time employees annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for State employees for each calendar month of employment, to be taken under policies determined by each local board of education. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of his annual vacation days or to make up the day at a time agreed upon by the employee and his immediate supervisor or principal. Included within their term of employment, each local board of education shall designate the same or an equivalent number of legal holidays occurring within the period of employment as those designated by the State Personnel Commission for State employees.

- (3) Notwithstanding any provisions of this section to the contrary no person shall be entitled to pay for any vacation day not earned by that person. The first 10 days of annual leave earned by a 10- or 11-month employee during any fiscal year period shall be scheduled to be used in the school calendar adopted by the respective local boards of education. Vacation days shall not be used for extending the term of employment of individuals. Ten- or 11-month employees may accumulate annual vacation leave days as follows: annual leave may be accumulated without any applicable maximum until June 30 of each year. On June 30 of each year, any of these employees with more than 30 days of accumulated leave shall have the excess accumulation cancelled so that only 30 days are carried forward to July 1 of the same year. All vacation leave taken by these employees will be upon the authorization of their immediate supervisor and under policies established by the local board of education. An employee shall be paid in a lump sum for accumulated annual leave not to exceed a maximum

of 240 hours when separated from service due to resignation, dismissal, reduction in force, death or service retirement. If the last day of terminal leave falls on the last workday in the month, payment shall be made for the remaining nonworkdays in that month. Employees retiring on disability retirement may exhaust annual leave rather than be paid in a lump sum. The provisions of this subdivision shall be accomplished without additional State and local funds being appropriated for this purpose. The State Board of Education shall adopt rules and regulations for the administration of this subdivision.

- (4) Twelve-month school employees other than superintendents, supervisors and classified principals paid on an hourly or other basis whether paid from State or from local funds may accumulate annual vacation leave days as follows: annual leave may be accumulated without any applicable maximum until ~~December 31~~ June 30 of each year. On ~~December 31~~ June 30 of each year, any employee with more than 30 days of accumulated leave shall have the excess accumulation cancelled so that only 30 days are carried forward to ~~January 1~~ July 1 of the ~~next same~~ year. All vacation leave taken by the employee will be upon the authorization of his immediate supervisor and under policies established by the local board of education. An employee shall be paid in a lump sum for accumulated annual leave not to exceed a maximum of 240 hours when separated from service due to resignation, dismissal, reduction in force, death, or service retirement. If the last day of terminal leave falls on the last workday in the month, payment shall be made for the remaining nonworkdays in that month. Employees retiring on disability retirement may exhaust annual leave rather than be paid in a lump sum. The provisions of this subdivision shall be accomplished without additional State and local funds being appropriated for this purpose. The State Board of Education shall adopt rules and regulations for the administration of this subdivision.
- (5) All of the foregoing provisions of this section shall be subject to the requirement that at least fifty dollars (\$50.00), or other minimum amount required by federal social security laws, of the compensation of each school employee covered by the Teachers' and State Employees' Retirement System or otherwise eligible for social security coverage shall be paid in each of the four quarters of the calendar year.
- (6) Each local board of education shall sustain any loss by reason of an overpayment to any school official or other employee paid from State funds."

Requested by: Senator Ward, Representatives Tart, J. Crawford
—PROSPECTIVE TEACHER SCHOLARSHIP LOAN PROGRAM/EXPANDED TO
COVER ADDITIONAL CERTIFIED EMPLOYEES
Sec. 95. G.S. 115C-471 reads as rewritten:

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

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

- (1) Any resident of North Carolina who is interested in preparing to teach in the public schools of the State shall be eligible to apply in writing to the State Superintendent of Public Instruction for a regular scholarship loan in the amount of not more than two thousand dollars (\$2,000) per academic school year.
- (2) All scholarship loans shall be evidenced by notes made payable to the State Board of Education which shall bear interest at the rate of six percent (6%) per annum from and after September 1 following fulfillment by a prospective teacher of the requirements for a ~~teacher's~~ certificate based upon the ~~bachelor's~~ entry level degree; or in the case of persons already teaching in the public schools who obtain scholarship loans such notes shall bear interest at the prescribed rate from and after September 1 of the school year beginning immediately after the use of such scholarship loans; or in the event any such scholarship shall be terminated under the provisions of subdivision (3) of this section then such notes shall bear interest from the date of such termination. A minor recipient who signs such note or notes shall also obtain the endorsement thereon by a parent, if there be a living parent, unless such endorsement is waived by the Superintendent of Public Instruction. Such minor recipient shall be obligated upon such note or notes as fully as if he or she were of age and shall not be permitted to plead such minority as a defense in order to avoid the obligations undertaken upon such note or notes.
- (3) Each recipient of a scholarship loan under the provisions of this program shall be eligible for scholarship loans each year until he has qualified for a ~~teacher's~~ certificate based upon the ~~bachelor's~~ entry level degree, but he shall not be so eligible for more than ~~four years~~ nor after the minimum number of years required by the college or university for qualifying for said certificate. The permanent withdrawal of any recipient from college or failure of such recipient to do college work in a manner acceptable to the State Superintendent of Public Instruction will immediately forfeit such recipient's right to retain such scholarship and subject such scholarship to termination by the State Superintendent of Public Instruction in his discretion. All terminated scholarships shall be regarded as vacant and subject to being awarded to other eligible persons.
- (4) Except under emergency conditions applicable to the State Superintendent of Public Instruction, recipients of scholarship loans

shall enter the public school system of North Carolina at the beginning of the next school term after qualifying for a ~~teacher~~-certificate based upon the ~~bachelors~~-entry level degree or in case of persons already teaching in the public schools at the beginning of the next school term after the use of such loan. All teaching service for which the recipient of any scholarship loan is obligated shall be rendered within seven years after the completion of the use of each such scholarship loan.

- (5) For each full school year taught in a North Carolina public school, the recipient of a scholarship loan shall receive credit upon the amount due by reason of such loan equal to all interest accrued upon the loan to that time plus a credit of two thousand dollars (\$2,000) upon the principal amount of such obligation or such lesser amount as may remain due upon said principal; provided, however, that in lieu of teaching in the public school, a recipient may elect to pay in cash the full amount of scholarship loans received plus interest then due thereon or any part thereof which has not been canceled by the State Board of Education by reason of teaching service rendered.
- (6) If any recipient of a scholarship loan who is fulfilling his obligation under subdivision (4) of this section dies within the seven-year period, or if any recipient dies during the period of attendance at a college or university under a scholarship loan, any balance that has not been discharged through service shall be automatically canceled.

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

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

Requested by: Senator Ward, Representative Diamont

—SCHOOL TRANSPORTATION BUDGET REDUCTION/IMPLEMENTATION

Sec. 96. (a) G.S. 115C-240(d) reads as rewritten:

"(d) The State Board of Education shall assist local boards of education by establishing guidelines and a framework through which local boards may establish, review and amend school bus routes prepared pursuant to G.S. 115C-246. The State Board shall also require local boards to implement the Transportation Information Management System or an equivalent system approved by the State Board of Education, no later than July 1, 1992. The State Board of Education shall also assist local boards of education with reference to the acquisition and maintenance of school buses or any

other question which may arise in connection with the organization and operation of school bus transportation systems of local boards."

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

"(a) ~~The principal of the school to which a school bus has been assigned~~ superintendent of the local school administrative unit shall, prior to the commencement of each regular school year, prepare ~~and submit to the superintendent of the local school administrative unit~~ a plan for a definite route, including stops for receiving and discharging pupils, for each school bus ~~assigned to such school~~ so as to assure the most efficient use of such bus and the safety and convenience of the pupils assigned thereto. The superintendent ~~shall examine such plan and~~ may, in his discretion, obtain the advice of the State Board of Education with reference ~~thereto.~~ to the plan. ~~The superintendent shall make such changes in the proposed bus routes as he shall deem proper for the said purposes and, thereupon, shall approve the route. When so approved~~ the buses shall be operated upon the route so established and not otherwise, except as provided in this Article. From time to time the principal may suggest changes in any such bus route as he shall deem proper for the said purposes, and the same shall be effective when approved by the superintendent of the local school administrative unit."

(c) The State Board of Education may modify its formula for allocating school transportation funds, in accordance with G.S. 115C-240(e), so as to make the most efficient use of the funds. The State Board of Education may use funds saved by operating the school transportation system more efficiently to complete the implementation of the Transportation Information Management System.

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

Requested by: Senator Ward, Representatives J. Crawford, Tart

—CAREER DEVELOPMENT PROGRAM TRANSITION

Sec. 97. Section 7 of Chapter 778 of the 1989 Session Laws reads as rewritten:

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

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

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

(b) Beginning with the 1993-94 fiscal year, ~~year and for each year thereafter,~~ the career development ~~and the lead teacher~~ pilot units shall receive ~~only the amount of~~

~~State funds available for school units participating in a differentiated pay plan pursuant to the School Improvement and Accountability Act of 1989; seven percent (7%) of teacher and administrator salaries and of the employer's contributions for social security and retirement, so long as they participate in differentiated pay plans in accordance with G.S. 115C-238.4; they shall receive no additional State funding as career development pilot units or lead teacher pilot units.~~

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

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

For the 1990-91 fiscal year, the total amount appropriated for the career development pilot units is \$4,693,368 less than it was for the 1989-90 fiscal year. It is the intent of the General Assembly to phase out the amount appropriated for the career development pilot units by reducing the amount appropriated by equal increments over the 1991-92, 1992-93, and 1993-94 fiscal years.

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

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

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

(f) Any career ladder pilot project in a school unit that has resulted from a merger of school units, within the last calendar year preceding the effective date of this act, may be modified by the local school board, upon the recommendation of the State Superintendent of Public Instruction and with the approval of the State Board of Education. ~~This For the 1989-90 fiscal year, this~~ modification shall require no more funds than allocated to the particular project by the State Board of Education from funds appropriated to the State Board of Education in Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of 1989. For the 1990-91 fiscal year through

the 1993-94 fiscal year, the merged unit shall receive (i) the amount of funds that was previously allocated to the particular pilot project, reduced by the State Board pursuant to subsection (c) of this section, and (ii) the amount of funds it is entitled to receive pursuant to G.S. 115C-238.4(c)(1), for the portion of the merged unit that did not participate in the pilot project.

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

Requested by: Senator Ward, Representatives J. Crawford, Tart
 ---BASIC EDUCATION FUNDS

Sec. 98. (a) Section 61 of Chapter 752 of the 1989 Session Laws reads as rewritten:

"Sec. 61. (a) Funds are appropriated in Section 3 of this act to the Department of Public Education for further implementation of the Basic Education Program in public schools. These funds will provide for the fifth and sixth years of the planned eight-year implementation schedule. The following information chart shows the major increases in State funds over the 1988-89 fiscal year. expansion budget funds for the Basic Education Program for 1989-90 totaling \$69,277,440 and an additional \$44,496,768 in 1990-91 for a total of \$113,774,208 in 1990-91.

BASIC EDUCATION PROGRAM

Basic Education Plan:

	<u>1989-90</u>		<u>1990-91</u>
1. Additional Teachers	\$ 46,735,714	\$ 90,342,394	<u>81,220,565</u>
2. Vocational Education Teachers	1,039,116	2,078,823	<u>1,039,116</u>
3. In-School Suspension	-	1,726,921	=
4. Instructional Support	15,477,126	39,113,549	<u>25,489,043</u>
5. Instructional/Lab Clerical Assistants	-	17,073,432	=
6. Athletic Trainer Supplement	15,000	15,000	<u>15,000</u>
7. Assistant Principals - Extension of Term	-	11,166,375	=
8. Asst/Associate Superintendents	-	4,767,421	=
9. Clerical Assistants	6,010,484	11,637,563	<u>6,010,484</u>
10. Supervisors	-	2,611,375	=
 TOTAL BASIC EDUCATION PLAN	 \$ 69,277,440	 \$180,532,850	 <u>113,774,208</u>

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

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

(b) The General Assembly urges local school administrative units to use funds available to them to reduce class size in science, mathematics, and language arts classes."

(b) Section 72(f) of Chapter 752 of the 1989 Session Laws reads as rewritten:

"(f) Of the funds appropriated to the Department of Public Education ~~in Section 3 of this act~~ for the 1989-91 fiscal biennium for aid to local school administrative units, the State Board of Education shall use up to \$50,000 for the 1989-90 fiscal year and up to \$100,000 for the 1990-91 fiscal year for the consortium established by this section. No more than one-half of the monies for the 1989-90 fiscal year or one-fourth of the monies for the 1990-91 fiscal year shall be used for administrative purposes. The remainder shall be used to provide instructional support for the participants under the plan devised by the policy board."

Requested by: Senator Ward, Representatives J. Crawford, Tart

—COMPLETION OF BASIC EDUCATION PROGRAM

Sec. 99. (a) The General Assembly finds that given the current revenue situation of the State, the original implementation schedule of the Basic Education Program cannot be met and that the recently enacted School Improvement and Accountability Act has moved the State to a student performance orientation that is predicated on school systems using their resources flexibly to address unique local needs. The General Assembly is committed to the improvement of education and to the complete implementation of the strongest possible Basic Education Program; therefore, the Legislative Study Commission on the Basic Education Program is hereby created to advise the General Assembly on ways that the Basic Education Program can be strengthened and on a lengthened implementation schedule for the Basic Education Program.

The Commission shall consist of 23 members: the Superintendent of Public Instruction; the chairman of the State Board of Education; one member of the Senate, one member of the House of Representatives, one school superintendent, one classroom teacher, and three members at large, appointed by the Governor; four members of the Senate, one school principal, one PTA member, and one member at large appointed by the President Pro Tempore of the Senate; and four members of the House of Representatives, one classroom teacher, one school board member, and one member at large, appointed by the Speaker of the House of Representatives.

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

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

(d) The Commission shall submit a report on its activities to the Joint Legislative Education Oversight Commission prior to February 15, 1991. The Commission shall submit a final report of its findings and recommendations to the General Assembly on or before March 31, 1991, by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

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

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

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

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

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

Sec. 100. G.S. 115C-81(a) reads as rewritten:

"(a) The State Board of Education shall adopt a Basic Education Program for the public schools of the State. Before it adopts or revises the Basic Education Program, the State Board shall consult with an Advisory Committee, including at least eight members of local boards of education, that the State Board appoints from a list of nominees submitted by the North Carolina School Boards Association. The State Board shall

report annually to the General Assembly on any changes it has made in the program in the preceding 12 months and any changes it is considering for the next 12 months.

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

Requested by: Senator Ward, Representatives J. Crawford, Tart
—TEACHING FELLOWS FUND USES

Sec. 101. (a) G.S. 115C-363.23A(e) reads as rewritten:

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

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

"(f) All funds appropriated to or otherwise received by the Teaching Fellows Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds, shall be placed in a revolving fund. This revolving fund ~~may shall be used only~~—for scholarship loans granted under the Teaching Fellows Program. With the prior approval of the General Assembly in the Current Operations Appropriations Act, the revolving fund may also be used for campus and summer program support, and costs related to disbursement of awards and collection of loan repayments."

Requested by: Senator Ward, Representatives J. Crawford, Tart
—DPI GRANT FUNDS

Sec. 102. G.S. 115C-21(a) reads as rewritten:

"(a) Administrative Duties. – It shall be the duty of the Superintendent of Public Instruction:

- (1) To organize and establish a Department of Public Instruction which shall include such divisions and departments as are necessary for supervision and administration of the public school system, to administer the funds for the operation of the Department of Public Instruction, and to enter into contracts for the operations of the Department of Public Instruction.
- (2) To keep the public informed as to the problems and needs of the public schools by constant contact with all school administrators and teachers, by his personal appearance at public gatherings, and by information furnished to the press of the State.

- (3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for such changes in the school law as shall occur to him.
- (4) To have printed and distributed such educational bulletins as he shall deem necessary for the professional improvement of teachers and for the cultivation of public sentiment for public education, and to have printed all forms necessary and proper for the administration of the Department of Public Instruction.
- (5) To have under his direction, in his capacity as the constitutional head of the public school system, all those matters relating to the supervision and administration of the public school system.
- (6) To create a special fund within the Department of Public Instruction to manage funds received as grants from nongovernmental sources in support of public education. The Superintendent may accept grants and gifts from corporations and other sources made in support of public education and may hold and disburse such funds, in accordance with the purposes, conditions, and limitations associated with such grants and gifts. Any special fund created pursuant to this subdivision shall be subject to audit by the State Auditor."

Requested by: Senator Ward, Representative Tart

—ELIMINATE EDUCATION REPORTS

Sec. 103. (a) G.S. 115C-363.10 is repealed.

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

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

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

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

Requested by: Senator Ward, Representatives J. Crawford, Tart

—CHILD NUTRITION STAFF DEVELOPMENT

Sec. 104. Section 56 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senator Basnight

—UNIFORM EDUCATION REPORTING SYSTEM FUNDS

Sec. 105. Of the funds available to the Department of Public Education for the 1990-91 fiscal year for aid to local school administrative units, the Department shall use \$438,642 to reimburse 13 local school administrative units for expenses incurred in converting to AS/400 equipment as required to implement the Uniform Education Reporting System.

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

Requested by: Senator Taft, Representative Jones

—LIMIT UNIFORM EDUCATION REPORTING SYSTEM FINES

Sec. 106. G.S. 115C-438 reads as rewritten:

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

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

The State Board of Education may withhold money for payment of salaries for administrative officers of local school administrative units if any report required to be filed with State school authorities is more than 30 days overdue. The State Board of Education shall withhold money for payment of salaries for the superintendent, finance officer, and all other administrative officers charged with providing payroll information pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the payroll information to the State Board in a timely fashion and substantially in accordance with the standards set by the State Board; provided, however, the maximum amount withheld from any local school administrative unit shall be twenty-five thousand dollars (\$25,000).

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

Requested by: Senator Ward, Representative J. Crawford

—DIFFERENTIATED PAY FUNDS ALLOCATION

Sec. 107. (a) G.S. 115C-238.4 reads as rewritten:

"§ 115C-238.4. Differentiated pay.

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

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

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

Every three years after a differentiated pay plan receives such approval, the local board of education shall present a proposed plan to continue, discontinue, or modify that differentiated pay plan to affected staff members for their review and vote. The vote shall be by secret ballot. The local board of education shall include the proposed plan in

its local school improvement plan only if the proposed plan has the approval of a majority of the affected paid certificated instructional and instructional support staff and a majority of the affected certificated administrators.

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

- (1) 1990-91: two percent (2%) of teacher and administrator salaries, and the employer's contributions for social security and retirement;
- (2) 1991-92: three percent (3%) of teacher and administrator salaries, and the employer's contributions for social security and retirement;
- (3) 1992-93: four percent (4%) of teacher and administrator salaries, and the employer's contributions for social security and retirement; ~~and~~
- (4) ~~1993-94 and thereafter: seven percent (7%);~~ five and one-half percent (5 1/2%) of teacher and administrator salaries, and the employer's contributions for social security and ~~retirement.~~ retirement; and
- (5) 1994-95 and thereafter: seven percent (7%) of teacher and administrator salaries, and the employer's contributions for social security and retirement.

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

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

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

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

(b) Funds appropriated to the Department of Public Education in Section 3 of this act to implement the differentiated pay plans under the School Improvement and Accountability Act of 1989 for the 1990-91 school year shall not revert at the end of the 1990-91 fiscal year but shall remain available for expenditure until all bonuses or supplements for the 1990-91 school year have been paid.

Requested by: Senator Ward, Representative J. Crawford

—STUDY OF NONCERTIFIED EMPLOYEES' SALARIES

Sec. 108. The State Board of Education and the Superintendent of Public Instruction shall submit a joint report to the 1991 General Assembly on the disposition of the two percent (2%) salary reserve funds for noncertified public school employees established by Section 38(c) of Chapter 752 of the 1989 Session Laws. The report shall address:

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

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

Requested by: Senator Ward, Representatives Bowen, Tart
—SAMPSON SCHOOL FUNDS/DEADLINE EXTENDED

Sec. 109. Funds in the amount of \$2,000,000 awarded from the Critical School Facility Needs Fund by the Commission on School Facility Needs to the Sampson County Board of Education and the Sampson County Commissioners to construct school facilities as approved by the Commission on School Facility Needs shall remain available to the Sampson County Board of Education and the Sampson County Commissioners until December 1, 1991.

Requested by: Senator Basnight, Representatives Tart, J. Crawford
—SCHOOL PSYCHOLOGIST SALARY RECLASSIFICATION

Sec. 110. Of the funds appropriated to the Department of Public Education for the 1990-91 fiscal year for aid to local school administrative units, the State Board of Education shall use \$800,000 for a salary reclassification for school psychologists. The starting salary for school psychologists shall be Step 5, corresponding to 5 years of experience, on the salary schedule for certified personnel of the public schools who are classified as "G" teachers. Certified psychologists who were employed in the public schools prior to the 1990-91 fiscal year shall be placed on the salary schedule at an appropriate step based on their years of experience.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—NATIONAL CONFERENCE ON GOVERNORS' SCHOOLS

Sec. 111. Of the funds appropriated to the Department of Public Education for the 1990-91 fiscal year for aid to local school administrative units, the State Board

of Education may allocate \$20,000 to provide support to conduct the Fourth National Conference on Governors' Schools.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—NORTH CAROLINA GEOGRAPHIC ALLIANCE NETWORK FUNDS

Sec. 112. Of the funds appropriated to the Department of Public Education for the 1990-91 fiscal year for aid to local school administrative units, the State Board of Education may use up to \$50,000 to fund the North Carolina Geographic Alliance Network Program, which is headquartered at East Carolina University. The funds shall be used to:

- (1) Increase communication and cooperation between the professional geographic community and the network of Regional Education Centers;
- (2) Increase the number of in-service workshops conducted by professional geographers for the Regional Education Centers and local education agencies;
- (3) Increase the membership of professional geographers in the North Carolina Council for Social Studies;
- (4) Increase the number of professional geographers doing sessions at the annual meetings of the North Carolina Council for Social Studies;
- (5) Increase advisory interaction of professional geographers with the North Carolina Board of Education with regard to geography in the curriculum; and
- (6) Increase involvement of public school teachers with the North Carolina Geographic Society.

Requested by: Senator Ward, Representatives Jeralds, Tart

—CLASS SIZE WAIVERS/TEACHER POSITIONS

Sec. 113. The Department of Public Instruction shall monitor and provide a report to the General Assembly by May 1, 1991, and annually thereafter showing the school units that have been granted class size waivers pursuant to G.S. 115C-238.3(d), have reported class size exceptions, and have converted State-funded teacher positions to other positions, dollars, or other expenditures.

Requested by: Senator Chalk, Representatives J. Crawford, Sizemore

—CITIES-IN-SCHOOLS CONTRACT AUTHORIZATION

Sec. 114. Notwithstanding the provisions of G.S. 143-16.3, the Department of Public Education may contract with the Cities-in-Schools Dropout Prevention programs in North Carolina, to provide technical assistance to local education agencies in coordinating public-private partnerships in dropout prevention programs.

Requested by: Senator Ward, Representative Diamont

—JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

Sec. 115. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 12H.

"Joint Legislative Education Oversight Committee.

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

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

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

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

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

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

(a) The Joint Legislative Education Oversight Committee shall examine, on a continuing basis, the several educational institutions in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve public education from kindergarten through higher education. In this examination, the Committee shall:

- (1) Study the budgets, programs, and policies of the Department of Public Instruction, the State Board of Education, the Department of Community Colleges, the Board of Governors of The University of North Carolina, and the constituent institutions of The University of North Carolina to determine ways in which the General Assembly may encourage the improvement of all education provided to North Carolinians and may aid in the development of more integrated methods of institutional accountability;
- (2) Examine, in particular, the Basic Education Plan and the School Improvement and Accountability Act of 1989, to determine whether changes need to be built into the plans, whether implementation schedules need to be restructured, and how to manage the ongoing development of the policies underlying these legislative plans, including a determination of whether there is a need for the legislature to develop ongoing funding patterns for these plans;

- (3) Study other states' educational initiatives in public schools, community colleges, and public universities, in order to provide an ongoing commentary to the General Assembly on these initiatives and to make recommendations for implementing similar initiatives in North Carolina; and
- (4) Study any other educational matters that the Committee considers necessary to fulfill its mandate.

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

"§ 120-70.82. Organization of Committee.

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

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

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

Requested by: Representatives J. Crawford, Tart

—PUBLIC SCHOOL TEACHERS/LIABILITY PROTECTION

Sec. 116. Of the funds appropriated to the Department of Public Education for the 1990-91 fiscal year, an amount equal to five dollars (\$5.00) for each teacher paid from the General Fund shall be allocated by the State Board of Education to each local school administrative unit to provide comprehensive general liability protection, including coverage for errors and omissions, for teachers employed by the local school administrative unit for the 1990-91 school year.

PART XX.—DEPARTMENT OF CORRECTION

Requested by: Senator Parnell, Representatives Huffman, Justus

—LIMIT USE OF OPERATIONAL FUNDS

Sec. 117. Funds appropriated in Section 3 of this act to the Department of Correction for early operational costs for additional facilities shall be used for the

personnel and operating expenses set forth in the budget approved by the General Assembly in this act. These funds may not be expended for any other purpose, and may not be expended for additional prison personnel positions until the new facilities are within 90 days of completion.

Requested by: Senator Parnell, Representative Barnes

—RAISE PER DIEM REIMBURSEMENT

Sec. 118. Of the funds appropriated to the Department of Correction for the 1990-91 fiscal year, the sum of \$604,678 shall be used to raise the per diem reimbursement to counties from twelve dollars and fifty cents (\$12.50) per day to fourteen dollars and fifty cents (\$14.50) per day for State inmates serving sentences of more than 30 days in local confinement facilities.

Requested by: Senator Parnell, Representative Barnes

—SOUTHERN APPALACHIA MAINSTREAM FUNDS

Sec. 119. Of the funds appropriated to the Department of Correction, Division of Adult Probation and Parole, for the 1990-91 fiscal year, the sum of \$190,000 shall be used as a grant-in-aid for a pilot program at Southern Appalachia Mainstream, Inc., a community-based residential program for offenders who are leaving the Division of Prisons and who are in need of residence plans, community service jobs, and/or social readiness skills. Southern Appalachia Mainstream, Inc., shall provide a quarterly report to the Joint Legislative Commission on Governmental Operations on the expenditure of State funds and the effectiveness of the program, including information on the number of clients served and the number of clients who successfully complete the program while residing at Southern Appalachia Mainstream.

Requested by: Senator Basnight

—GATES COUNTY SCHOOL WASTEWATER TREATMENT

Sec. 120. The wastewater treatment systems of the Gates County Junior High School and the Gates County High School may be tied into the wastewater treatment system of the Gates County Correctional Center.

Requested by: Senator Parnell

—PRIVATE ALCOHOL AND DRUG ABUSE DETENTION CENTER

Sec. 121. The Department of Correction shall develop a proposal for a pilot program for contracting with the private sector for one or more privately operated, for-profit or not for-profit detention centers for alcohol and drug abusers with an emphasis on the self-help recovery model. The plan should provide for the private construction, operation, and maintenance of a facility or facilities not to exceed a total of 500 beds and should include considerations of size, level of custody, construction and operation costs, and the possible use of existing buildings. The Department shall submit this proposal to the Joint Legislative Commission on Governmental Operations by January 1, 1991.

Requested by: Senator Marvin, Representatives Huffman, Justus, Barnes
—ROAD CREW PERFORMANCE AUDIT

Sec. 122. The State Auditor shall conduct a performance audit of inmate road crews performing duties contracted for by the Department of Transportation. The audit shall include an examination of work performance, hours worked, and costs. The State Auditor shall report his findings by March 1, 1991, to the Chairmen of the Senate and House Appropriations Committees, the Chairmen of the House Appropriations Subcommittees on Justice and Public Safety, the Chairmen of the Senate Appropriations Committee on Justice and Public Safety, the Chairmen of the House Appropriations Subcommittees on the Highway Fund, and the Joint Legislative Commission on Governmental Operations.

PART XXI.—JUDICIAL DEPARTMENT

Requested by: Senator Marvin, Representatives Huffman, Justus
—RESERVE FOR RESENTENCING HEARINGS IN CAPITAL CASES

Sec. 123. (a) There is created in the Judicial Department a nonreverting special fund to be known as "The Special Capital Case Rehearing Fund." The funds shall be used to provide resentencing hearings, related appeals, and post-conviction hearings required by the decisions of the United States Supreme Court in **McKoy v. North Carolina**, March 5, 1990, and of the Supreme Court of North Carolina upon the remand of that case, for the payment of attorneys fees and related expenses for representation of indigent persons as specified in Subchapter IX of Chapter 7A of the General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all funds remaining in it shall revert to the General Fund, when the Director of the Administrative Office of the Courts certifies to the State Controller that all reasonably foreseeable resentencing hearings, related appeals, and post-conviction hearings have been substantially completed.

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

Requested by: Senator Marvin, Representatives Huffman, Justus
—EXTEND CERTAIN SPECIAL SUPERIOR COURT JUDGE TERMS

Sec. 124. (a) Notwithstanding G.S. 7A-45, G.S. 7A-45.1, Section 7 of Chapter 509 of the 1987 Session Laws, or any other provision of law, if any special superior court judge who is holding office on the effective date of this act first took office as an appointed or elected regular or special superior court judge in the calendar year 1986, the term of office of that judge is extended through December 31, 1994.

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

Requested by: Senator Marvin, Representatives Huffman, Justus
—INCREASED JUDICIAL DEPARTMENT OPERATING EXPENSE
REQUIREMENTS

Sec. 125. From the funds appropriated to the Judicial Department for the 1990-91 fiscal year, the Administrative Office of the Courts may use up to \$1,530,000 to meet the 1990-91 fiscal year's additional operating expenses in the areas of office, warehouse, and print shop rental, supplies, jury and witness fees, court record book restoration, telephone system repairs, moving-related expenses, indigent person attorney fees, and postage if the postage rate is increased.

Requested by: Senator Marvin, Representatives Holt, Huffman
—COMPREHENSIVE CHILD SUPPORT ENFORCEMENT STUDY

Sec. 126. Section 28.2(b) of Chapter 795 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Marvin, Representatives Huffman, Justus
—CREATE DURHAM COUNTY DEFENDER DISTRICT

Sec. 127. (a) Effective July 1, 1990, a new Defender District 14, consisting of Durham County, is created and an office of public defender for Defender District 14 is established.

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

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

Defender District	Counties
3A	Pitt
3B	Carteret
12	Cumberland
<u>14</u>	<u>Durham</u>
15B	Orange, Chatham
16A	Scotland, Hoke
16B	Robeson
18	Guilford
26	Mecklenburg
27A	Gaston
28	Buncombe

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

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

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

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

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

Requested by: Senator Marvin, Representatives Huffman, Nesbitt
—RAPE VICTIM WITNESS COUNSELOR PROGRAM

Sec. 128. Section 27.2 of Chapter 795 of the 1989 Session Laws reads as rewritten:

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

PART XXII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senators Parnell, Marvin, Representative Huffman

—CONTINUE SUMMIT HOUSE FUNDING

Sec. 129. Section 113 of Chapter 752 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senators Parnell, Marvin, Representative Barnes

—NO REORGANIZATION OF COMMUNITY PENALTIES PROGRAMS

Sec. 130. The Department of Crime Control and Public Safety may not restructure or reorganize the community penalties programs.

Requested by: Senator Marvin, Representative Huffman

—ELIGIBILITY FOR VICTIMS COMPENSATION FUNDS

Sec. 131. G.S. 15B-11(a), as amended by Chapter 898 of the 1990 Session Laws, reads as rewritten:

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

- (1) The claimant fails to file his application for an award within one year after the date of the criminally injurious conduct that caused the injury or death for which he seeks the award;
- (2) The economic loss is incurred after one year from the date of the criminally injurious conduct that caused the injury or death for which the victim seeks the award, except in the case where the victim for whom compensation is sought was 10 years old or younger at the time the injury occurred. In that case an award of compensation will be denied if the economic loss is incurred after two years from the date of the criminally injurious conduct that caused the injury or death for which the victim seeks the award;
- (3) The criminally injurious conduct was not reported to a law enforcement officer or agency within 72 hours of its occurrence, and there was no good cause for the delay;
- (4) The award would benefit the ~~offender, his accomplice, a spouse of or a person living in the same household with the offender or his accomplice, or a parent, child, brother, or sister of the offender or his~~

~~accomplice, offender or his accomplice,~~ unless a determination is made that the interests of justice require that an award be approved in a particular case; or

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

Requested by: Senator Marvin, Representative Huffman

—COMMUNITY PENALTIES PROGRAMS

Sec. 132. (a) Notwithstanding any other provision of this act or any other provision of law, funds in the amount of \$1,439,350 appropriated to the Department of Crime Control and Public Safety are allocated to the programs in the amounts set out in this section. These allocations are in lieu of the allocations made in Chapter 8 of the 1989 Session Laws and Chapter 500 of the 1989 Session Laws:

- (1) \$1,201,700 to be allocated as listed below among the existing community penalties programs. Contracts for the programs listed below shall be executed by the Department of Crime Control and Public Safety no later than one week after **sine die** adjournment of the 1989 Regular Session of the General Assembly.

One Step Further, Inc.	\$130,090
Rockingham/Caswell (Rural Services Contract)	40,900
Fayetteville Area Sentencing Center, Inc.	126,845
Re-Entry, Inc.	93,500
Repay, Inc.	96,225
Community Corrections Resources, Inc.	96,225
Western Carolinians for Criminal Justice, Inc.	96,335
Prison & Jail Project, Inc.	96,335
Community Penalties Program, Inc.	65,610

Jacksonville Community Penalties, Inc.	77,290
Gaston Community Penalties, Inc.	51,615
Dispute Settlement Center, Inc.	51,615
Appropriate Punishment Option, Inc.	51,615
Mecklenburg Community Corrections	93,500
Neuse River Community Penalties Program	34,000

(2) \$117,700 to cover administrative costs.

(b) The remaining funds in the amount of \$119,150 appropriated to the Department of Crime Control and Public Safety for the community penalties programs for the 1990-91 fiscal year shall be held in a reserve until December 1, 1990, to allow the completion of an operational audit of the community penalties programs by the State Auditor. The funds shall be released from the reserve on December 1, 1990. The State Auditor shall conduct an operational audit of the community penalties programs that shall include an evaluation of the administration of the funding by the Department of Crime Control and Public Safety for community penalties programs and the Department's management of those programs, an evaluation of each local community penalties program, and an evaluation of the use made by each judicial district of the community penalties program. The State Auditor shall complete the operational audit and report his findings and recommendations to the Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Committees on Justice and Public Safety, and the Fiscal Research Division by December 1, 1990.

(c) When the funds are expended from the reserve, the funds shall be allocated as follows; provided however, that any program found by the State Auditor not to be in substantial compliance with the program responsibilities as stated in Part 6 of Article 11 of Chapter 143B of the General Statutes may not receive additional funds:

(1) \$50,878 to continue expansion for 11 community penalties programs as follows:

One Step Further, Inc.	\$ 9,574
Fayetteville Area Sentencing Center, Inc.	5,033

Repay, Inc.	3,820
Community Corrections Resources, Inc.	3,820
Western Carolinians for Criminal Justice, Inc.	3,965
Prison & Jail Project, Inc.	3,965
Community Penalties Program, Inc.	2,603
Jacksonville Community Penalties, Inc.	11,960
Gaston Community Penalties, Inc.	2,046
Dispute Settlement Center, Inc.	2,046
Appropriate Punishment Option, Inc.	2,046;

- (2) \$11,668 to establish a new community penalties program to be located in the 16thB Superior Court Division to begin March 1, 1991;
- (3) \$14,585 to establish a new community penalties program to be located in the Third Superior Court Division to begin February 1, 1991;
- (4) \$14,585 to establish a new community penalties program to be located in Nash County to begin February 1, 1991;
- (5) \$15,000 to provide contractual services to Sampson, Duplin, and Jones Counties through Jacksonville Community Penalties, Inc., to begin March 1, 1991;
- (6) \$8,900 to provide contractual services to Cleveland and Lincoln Counties through Gaston Community Penalties, Inc., to begin March 1, 1991;
- (7) \$4,334 may be used to expand further existing programs found to be in compliance with Part 6 of Article 11 of Chapter 143B of the General Statutes and new programs authorized by this act.

Requested by: Senator Basnight

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

Sec. 133. G.S. 20-185 is amended by adding a new subsection to read:

"(i) Positions in the Highway Patrol Division approved by the General Assembly in the first fiscal year of a biennium to be added in the second fiscal year of a biennium may not be filled before adjustments to the budget for the second fiscal year of the budget are enacted by the General Assembly. If a position to be added in the Highway Patrol Division for the second fiscal year of the biennium requires training, no applicant may be trained to fill the position until the budget adjustments for the second fiscal year are enacted by the General Assembly."

Requested by: Senator Marvin, Representative Huffman
—LAW ENFORCEMENT DRIVING TRACK FUNDS

Sec. 134. Section 27 of Chapter 754 of the 1989 Session Laws reads as rewritten:

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

PART XXIII.—DEPARTMENT OF JUSTICE

Requested by: Senator Marvin, Representatives Huffman, Justus
—STATE BUREAU OF INVESTIGATION SALARY ADJUSTMENT

Sec. 135. Sec. 24 of Chapter 799 of the 1989 Session Laws reads as rewritten:

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

Requested by: Senators Marvin, Parnell, Representatives Justus, Huffman
—MOBIL PLAN RESPONSE PROJECT

Sec. 136. Of the funds appropriated to the Department of Justice, the sum of \$155,259 for the 1990-91 fiscal year may be used to provide continued support for the

staff in the Environmental Protection Section to provide legal services for the Mobil Plan Response Project.

Requested by: Senator Marvin, Representatives Anderson, Huffman
—USE LAPSED SALARIES FOR SBI CONTRACTUAL POSITIONS

Sec. 137. Notwithstanding G.S. 143-23(a1), the Department of Justice may use lapsed salary funds for the 1990-91 fiscal year to fund three contractual positions in the State Bureau of Investigation. Those three positions are a forensic analysis lab position and two business communication specialist positions. The Department of Justice is directed to request these positions as permanent positions for the 1991-92 fiscal year if the positions continue to be needed.

PART XXIV.—DEPARTMENT OF TRANSPORTATION

Requested by: Senator Basnight
—FILL CERTAIN HIGHWAY FUND COMPUTER POSITIONS

Sec. 138. Positions authorized by the General Assembly in Chapter 752 of the 1989 Session Laws, funded by the Highway Fund, for the transportation computing center to reorganize and expand the information processing services, shall be filled during the 1990-91 fiscal year.

Requested by: Senator Martin of Pitt, Representative Diamont
—MAINTENANCE OF STATE HIGHWAY BRIDGES

Sec. 139. G.S. 136-97(b) reads as rewritten:

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

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard
—CASH FLOW HIGHWAY FUND APPROPRIATIONS

Sec. 140. Section 48 of Chapter 500 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard
—CASH FLOW HIGHWAY TRUST FUND APPROPRIATION

Sec. 141. Section 22 of Chapter 799 of the 1989 Session Laws reads as rewritten:

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

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

Requested by: Senator Martin of Pitt, Representative McLaughlin
—SPECIAL APPROPRIATIONS FOR HIGHWAYS REPEALED

Sec. 142. Section 98 of Chapter 753 of the 1989 Session Laws is repealed.

Requested by: Senator Hunt, Representative Michaux
—CONFORM DOT MINORITY PARTICIPATION TO FEDERAL REGULATIONS

Sec. 143. (a) G.S. 136-28.4 reads as rewritten:

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

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

(b) A ten percent (10%) goal is established for participation by minority businesses ~~in road or bridge construction, alteration, or maintenance projects~~ and a five percent (5%) goal for participation by women businesses is established in contracts let by the Department of Transportation for the design, construction, alteration, or maintenance of State highways, roads, streets, or bridges and for the procurement of materials for these projects. ~~is established.~~—The Department of Transportation shall endeavor to award to minority businesses at least ten percent (10%), by value, of the contracts it lets for ~~the construction, alteration, or maintenance of roads and bridges.~~ these purposes, and shall endeavor to award to women businesses at least five percent (5%), by value, of the contracts it lets for these purposes. The Department shall adopt written procedures specifying the steps it will take to achieve ~~this goal, provided that the~~ these goals. The Department shall give equal opportunity for contracts it lets without regard to race, religion, color, creed, national origin, sex, age, or handicapping condition, as defined in G.S. 168A-3, to all contractors and businesses otherwise qualified.

(c) ~~As used in this section, the term 'minority'~~ The following definitions apply in this section:

(1) 'Disadvantaged business' has the same meaning as in 49 C.F.R. § 23.62.

(2) 'Minority' has the same meaning as in 49 C.F.R. § 23.5."

(b) The Department of Transportation shall compile and keep current a list of all disadvantaged, minority, and women businesses in the State that could participate in contracts let by the Department, and shall adopt a plan for actively seeking participation by disadvantaged, minority, and women businesses pursuant to the State policy set forth in G.S. 136-28.4. The Department shall report to the Joint Legislative Highway Oversight Committee on the details of this plan and keep the Committee informed of its progress in meeting the goals established in G.S. 136-28.4.

Requested by: Senator Martin of Pitt, Representative Diamont

—DRIVER TRAINING PROGRAM FUNDING FROM HIGHWAY FUND WITH REIMBURSEMENT TO HIGHWAY FUND FROM HIGHWAY TRUST FUND

Sec. 144. (a) Notwithstanding G.S. 20-88.1, all expenses incurred by the State in carrying out the Driver's Training and Education Program up to seventeen million dollars (\$17,000,000) for the 1990-91 fiscal year shall be paid out of the Highway Fund. The Department of Transportation shall transfer from the Highway Fund to the State Treasurer the sum of \$17,000,000 to be deposited as nontax revenue to partially offset the cost of the Driver Education Program. The State Board of Education may use funds appropriated to the Department of Public Education for aid to local school administrative units if additional funds are required to operate this program.

(b) Section 4.3 of Chapter 692 of the 1989 Session Laws is repealed.

(c) Notwithstanding G.S. 105-187.9, in fiscal year 1990-91, the State Treasurer shall transfer the sum of three hundred fifty-six million dollars (\$356,000,000) of highway use tax revenue deposited in the Highway Trust Fund under G.S. 105-187.9, including revenue designated as highway use tax revenue by an act of the General Assembly, from the Highway Trust Fund to other Funds in accordance with this subsection. The Treasurer shall transfer the first two hundred sixty-four million dollars (\$264,000,000) of highway use tax revenue from the Highway Trust Fund to the General Fund. The Treasurer shall transfer the next seventeen million dollars (\$17,000,000) of highway use tax revenue from the Highway Trust Fund to the Highway Fund to reimburse it for funding driver education under G.S. 20-88.1. The Treasurer shall transfer the next seventy-five million dollars (\$75,000,000) of highway use tax revenue from the Highway Trust Fund to the General Fund. The transfers made by this subsection are in lieu of the transfer otherwise required by G.S. 105-187.9.

Requested by: Senator Goldston, Representative McLaughlin

—LRC STUDY ON DRIVERS' EDUCATION

Sec. 145. The Legislative Research Commission may study the cost, funding, and use of personnel in providing a Drivers' Education Program to the State's public school students with a view to promoting the program's efficiency, modifying its funding as appropriate, and, if possible, reducing its cost. The Commission may report the findings and recommendations of its study to the 1991 General Assembly.

PART XXV.—MISCELLANEOUS PROVISIONS

Requested by: Senator Royall
—AUTISM SOCIETY FUNDS

Sec. 146. Of the funds appropriated from the General Fund for the 1990-91 fiscal year, \$345,960 shall be allocated to the Autism Society of North Carolina, Inc., to continue the State grant for operations and for stipends for the autistic children's and adults' summer camp.

Requested by: Senator Royall, Representative Diamont
—EXECUTIVE BUDGET ACT APPLIES

Sec. 147. The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Senator Royall, Representative Diamont
—COMMITTEE REPORT

Sec. 148. The Conferee Report on Proposed Conference Committee Substitute for Senate Bill 1426, dated July 26, 1990, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such purposes shall be considered a part of this act.

Requested by: Senator Royall, Representative Diamont
—MOST TEXT APPLIES ONLY TO 1990-91

Sec. 149. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1990-91 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1990-91 fiscal year.

Requested by: Senator Royall, Representative Diamont
—1989-90 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

Sec. 150. Except where expressly repealed or amended by this act, the provisions of Chapters 500, 752, 754, 795, and 799 of the 1989 Session Laws as amended remain in effect.

Sec. 151. Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 1990-91 fiscal year in Chapters 500, 752, 754, 795, and 799 of the 1989 Session Laws that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations and budget reductions of this act for those same particular purposes.

Requested by: Senator Royall, Representative Diamont

—EFFECT OF HEADINGS

Sec. 152. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Senator Royall, Representative Diamont

—SEVERABILITY CLAUSE

Sec. 153. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senator Royall, Representative Diamont

—EFFECTIVE DATE

Sec. 154. Except as otherwise provided, this act shall become effective July 1, 1990.

In the General Assembly read three times and ratified this the 28th day of July, 1990.