

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

**S**

**2**

**SENATE BILL 44\***  
**Appropriations Committee Substitute Adopted 6/28/89**

Short Title: Expansion Budget 1989-91.

(Public)

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Sponsors:

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Referred to:

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January 23, 1989

A BILL TO BE ENTITLED

AN ACT TO MAKE EXPANSION BUDGET APPROPRIATIONS FOR CURRENT  
OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND  
AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

Requested by: Senator Royall

—INTRODUCTION

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

Requested by: Senator Royall

—TITLE OF ACT

Sec. 2. This act shall be known as "The Expansion Budget Appropriations Act of 1989."

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

4 —CONTENTS/INDEX—

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

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35

## 36 PART I.—CURRENT OPERATIONS/GENERAL FUND

37

38           Sec. 3. Appropriations from the General Fund of the State for the operations  
39 and maintenance of the State departments, institutions, and agencies, and for other  
40 purposes as enumerated, except for aid to certain governmental and nongovernmental  
41 units, are made for the biennium ending June 30, 1991, according to the following  
42 schedule:

43

44	<u>Current Operations - General Fund</u>	<u>1989-90</u>	<u>1990-91</u>
----	--	----------------	----------------

1			
2	General Assembly	\$ 866,327	\$ 467,455
3			
4	Department of Secretary of State	245,025	233,437
5			
6	Department of State Auditor	262,350	244,187
7			
8	Department of State Treasurer	453,300	557,204
9			
10	Department of Public Education	68,898,725	190,881,865
11			
12	Department of Justice	2,137,896	1,464,208
13			
14	Department of Administration	1,735,266	1,660,822
15			
16	Department of Agriculture	1,223,046	2,465,716
17			
18	Department of Labor	1,194,639	791,867
19			
20	Department of Natural Resources and		
21	Community Development	1,841,900	3,582,281
22			
23	Department of Human Resources		
24	01. DHR-Administration and Support		
25	Program	200,000	50,000
26	02. Division of Health Service	1,541,651	1,638,124
27	03. Social Services	3,048,277	5,767,135
28	04. Medical Assistance	4,554,806	10,503,790
29	05. Division of Services for the		
30	Blind	26,970	53,940
31	06. Cherry Hospital	1,306,634	1,425,419
32	07. Division of Facility		
33	Services	535,086	394,483
34	Total Department of		
35	Human Resources	11,213,424	19,832,891
36			
37	Department of Correction	11,319,979	23,923,531
38			
39	Department of Commerce	(934,247)	(3,278,951)
40			
41	Department of Revenue	5,120,236	3,047,331
42			
43	Department of Cultural Resources	180,511	123,253
44			

1	Department of Crime Control and		
2	Public Safety	1,341,337	957,380
3			
4	University of North Carolina-		
5	Board of Governors		
6	01. University Operations-		
7	Lump Sum	10,100,209	13,704,089
8	02. Related Educational		
9	Programs	2,015,000	3,140,000
10	03. North Carolina School of		
11	Science and Mathematics	202,000	348,250
12	Total University of North		
13	Carolina	12,317,209	17,192,339
14			
15	Department of Community Colleges	11,076,891	11,076,891
16			
17	Reserve for Employee Health Plan	30,000,000	40,000,000
18			
19	Reserve for State Employees and		
20	Teachers Salary Increases	299,700,000	614,000,000
21			
22	GRAND TOTAL CURRENT OPERATIONS--		
23	GENERAL FUND	\$ 460,193,814	\$ 929,223,707
24			

25 PART II.—CURRENT OPERATIONS/HIGHWAY FUND

26

27 Sec. 4. Appropriations from the Highway Fund of the State for the  
 28 maintenance and operation of the Department of Transportation, and for other purposes  
 29 as enumerated, except for aid to certain governmental and nongovernmental units, are  
 30 made for the biennium ending June 30, 1991, according to the following schedule:

31

32	<u>Current Operations-Highway Fund</u>	<u>1989-90</u>
33	<u>1990-91</u>	

34

35	Department of Transportation		
36	01. Administration	\$ 1,132,040	\$ 1,729,634
37	02. Highways		
38	a. Administration and		
39	Operations	1,036,253	924,216
40	b. State Construction		
41	(01) Special Appropriation		
42	for Highways		6,000,000 6,000,000
43	(02) Spot Safety		
44	Improvements		2,900,000 2,900,000

1	c.	Ferry Operations	1,864,202	2,235,654	
2	03.	Division of Motor Vehicles	3,170,077	2,639,652	
3	04.	Governor's Highway Safety			
4		Program	6,000	6,000	
5	05.	Reserve to Correct Occupational			
6		Safety and Health Conditions	200,000	150,000	
7		Total Department of Transportation			16,308,572 16,585,156
8					
9		Appropriations to Other State Agencies			
10	01.	Department of Revenue	160,000	160,000	
11					
12		Reserve for Hospital/Medical Benefit			3,000,000 3,500,000
13					
14		Reserve for Compensation Increase			17,600,000 36,200,000
15					
16		GRAND TOTAL CURRENT OPERATIONS--			
17		HIGHWAY FUND			\$ 37,068,572 \$ 56,445,156
18					

19 PART III.—CURRENT OPERATIONS/GENERAL FUND/AID TO CERTAIN  
 20 GOVERNMENTAL AND NONGOVERNMENTAL UNITS

21  
 22 Sec. 5. Appropriations from the General Fund of the State to State  
 23 departments, institutions, and agencies for aid to certain governmental and  
 24 nongovernmental units as enumerated are made for the biennium ending June 30, 1991,  
 25 according to the following schedule:

27	<u>General Fund</u>		<u>1989-90</u>	<u>1990-91</u>
28				
29	Department of Public Education		\$ 2,000,000	\$ 4,000,000
30				
31	Department of Administration			368,000 368,000
32				
33	Department of Transportation			
34	01. Aeronautics	355,000	855,000	
35	02. Aid to Railroads	1,000,000	-	
36	Total Department of Transportation		1,355,000	855,000
37				
38	Department of Natural Resources			
39	and Community Development		1,000,000	2,064,826
40				
41	Department of Commerce			
42	01. Biotechnology Center	-	2,000,000	
43				
44	Department of Human Resources			



1	01.	Division of Aging	3,749,437	5,024,337	
2	02.	Division of Health Services	100,000	-	
3	03.	Social Services	2,650,000	2,650,000	
4	04.	Division of Mental Health,			
5		Mental Retardation and			
6		Substance Abuse Services	11,371,398	16,373,805	
7	05.	Division of Youth Services	197,250	197,250	
8		Total Department of Human Resources			18,068,085 24,245,392
9					
10		Department of Correction			75,000 -
11					
12		University of North Carolina-			
13		Board of Governors			2,649,431 2,649,431
14					
15		State Board of Elections			481,555 -
16					
17		GRAND TOTAL STATE AID-			
18		GENERAL FUND			\$ 25,997,071 \$ 36,182,649
19					
20					

21 PART IV.—CURRENT OPERATIONS/HIGHWAY FUND/AID TO CERTAIN  
22 GOVERNMENTAL AND NONGOVERNMENTAL UNITS

23  
24 Sec. 6. Appropriations from the Highway Fund of the State to State  
25 departments, institutions, and agencies for aid to certain governmental and  
26 nongovernmental units as enumerated are made for the biennium ending June 30, 1991,  
27 according to the following schedule:

29	<u>Highway Fund</u>		<u>1989-90</u>	<u>1990-91</u>
30				
31	State Aid for Public Transportation		\$ 2,000,000	\$ 2,000,000
32				
33	GRAND TOTAL STATE AID-			
34	HIGHWAY FUND		\$ 2,000,000	\$ 2,000,000
35				

36 PART V.—APPROPRIATIONS OF BLOCK GRANT FUNDS

37  
38 Requested by: Senator Royall

39 —BLOCK GRANT APPROPRIATIONS

40 Sec. 7. (a) Appropriations from federal block grant funds are made for the  
41 fiscal year ending June 30, 1990, according to the following schedule:

42 JOB TRAINING PARTNERSHIP ACT

43 01. Title II A funds to the 27  
44 service delivery areas to train

1	economically disadvantaged youth	
2	and adults	\$21,537,460
3	02. Education set aside to State	
4	education agencies for projects	
5	to serve eligible participants	2,208,970
6	03. Incentive grants and technical	
7	assistance funds to service	
8	delivery areas	1,656,728
9	04. Funds for training economically	
10	disadvantaged older workers	828,364
11	05. Funds to the Department of Natural	
12	Resources and Community Development	
13	to administer and audit all	
14	activities related to the Job	
15	Training Partnership Act Programs	1,380,606
16	06. Title II B Summer Youth Employment	
17	and Training funds to service	
18	delivery areas for economically	
19	disadvantaged youth	10,903,115
20	07. Title III Dislocated workers funds	
21	to the Employment Security	
22	Commission	2,318,402
23	TOTAL JOB TRAINING PARTNERSHIP ACT	\$40,833,645
24		
25	COMMUNITY SERVICES BLOCK GRANT	
26	01. Community Action Agencies	\$ 7,815,918
27	02. Limited Purpose Agencies	434,218
28	03. Department of Natural Resources	
29	and Community Development to	
30	administer and monitor the	
31	activities of the Community	
32	Services Block Grant	434,218
33	TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 8,684,354
34		
35	COMMUNITY DEVELOPMENT BLOCK GRANT	
36	01. State Administration	\$ 858,080
37	02. Urgent Needs/Contingency	1,852,296
38	03. Development Planning Housing	1,111,378
39	04. Economic Development	7,409,184
40	05. Community Revitalization	26,673,062
41	TOTAL COMMUNITY DEVELOPMENT	
42	BLOCK GRANT	\$37,904,000
43		
44	EDUCATION CONSOLIDATION AND IMPROVEMENT	

1	BLOCK GRANT \$12,000,346	
2		
3	PREVENTIVE HEALTH BLOCK GRANT	
4	01. Emergency Medical Services	424,828
5	02. Basic Public Health Services	891,309
6	03. Hypertension Programs	552,640
7	04. Health Education/Risk Reduction Programs	483,131
8	05. Health Promotion/Local Health Departments	459,461
9	06. Fluoridation of Water Supplies	148,063
10	07. Rape Prevention and Rape	
11	Crisis Programs	89,369
12	08. AIDS/HIV Education, Counseling,	
13	and Testing	294,374
14	TOTAL PREVENTIVE HEALTH BLOCK GRANT	\$3,343,175
15		
16	MATERNAL AND CHILD HEALTH SERVICES	
17	BLOCK GRANT	
18	01. Healthy Mother/Healthy Children	
19	Block Grants to Local Health	
20	Departments	\$11,718,781
21	02. High Risk Maternity Clinic Services,	
22	Perinatal Education, and Consultation	
23	to Local Health Departments	
24	and Other Health Care Providers	1,275,498
25	03. Services to Disabled Children	4,056,661
26	04. Sudden Infant Death Syndrome	32,633
27	05. Lead-based Paint Poisoning	71,200
28	06. New Special Projects	606,740
29	07. Reimbursements for Local Health	
30	Departments for Contracted	
31	Nutritional Services	120,530
32	TOTAL MATERNAL AND CHILD HEALTH SERVICES	
33	BLOCK GRANT \$17,882,043	
34		
35	SOCIAL SERVICES BLOCK GRANT	
36	01. County Departments of Social Services	\$41,603,354
37	02. Division of Mental Health, Mental	
38	Retardation, and Substance Abuse	5,770,693
39	03. Division of Services for the Blind	2,691,673
40	04. Division of Youth Services	1,051,428
41	05. Division of Facility Services	224,299
42	06. Division of Aging	327,424
43	07. Day Care Services	12,517,760
44	08. Volunteer Services	44,970

1	09.	State Administration and State Level	
2		Contracts	3,362,775
3	10.	Voluntary Sterilization Funds	100,000
4	11.	Transfer to Maternal and Child	
5		Health Block Grant	1,691,909
6	12.	Adult Day Care Services	653,910
7	13.	County Departments of Social Services for	
8		Child Abuse/Prevention and	
9		Permanency Planning	400,000
10	14.	Allocation to Division of Health Services	
11		for Grants in Aid to Prevention	
12		Programs	445,000
13	15.	Transfer to Preventive Health	
14		Block Grant for Health	
15		Promotion Programs	459,461
16	16.	Allocation to Preventive Health Block	
17		Grant for AIDS Education	294,374
18			
19		TOTAL SOCIAL SERVICES BLOCK GRANT	\$71,639,030
20			
21		LOW INCOME ENERGY BLOCK GRANT	
22	01.	Energy Assistance Programs	\$17,923,064
23	02.	Crisis Intervention	4,362,032
24	03.	Administration	1,933,215
25	04.	Weatherization Program	1,737,187
26	05.	Indian Affairs	27,222
27	06.	Emergency Medical Services	209,116
28	07.	Transfer to Social Services	
29		Block Grant for Adult	
30		Day Care Services	410,139
31	08.	Transfer to Social Services Block	
32		Grant for State Administration	
33		& Contract Services	192,748
34	09.	Transfer to Maternal and Child Health	
35		Grant for Maternal and Child Health	
36		Block Grant in the Division of	
37		Health Services for Healthy Minors	
38		and Children	1,696,362
39	10.	Allocation to the Department of	
40		Administration for the North	
41		Carolina Fund for Children	45,270
42		TOTAL LOW INCOME ENERGY BLOCK GRANT	\$28,536,355
43			
44		ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH	

1	SERVICES BLOCK GRANT		
2	01. Funds to Area Mental Health,		
3	Mental Retardation, and		
4	Substance Abuse Programs to		
5	be distributed on a per		
6	capita basis	\$1,866,556	
7	02. Services to Persons Who Have		
8	Aged Out of the Willie M. Class	300,000	
9	03. Programs for the Chronically		
10	Mentally Ill	3,084,847	
11	04. Community-based Substance Abuse Programs		4,743,447
12	05. Administration	712,213	
13	06. Non-Residential Child Mental Health		
14	Services	279,781	
15	07. Residential Child Mental Health Services	341,418	
16	08. Treatment Alternatives to Street Crimes	232,371	
17	09. Eastern Region Detox Services	353,110	
18	10. Community-based Services for Youth		
19	Substance Abusers	1,962,191	
20			
21	TOTAL ALCOHOL AND DRUG ABUSE AND		
22	MENTAL HEALTH SERVICES BLOCK GRANT		\$13,875,934
23			
24	ALCOHOL AND DRUG ABUSE TREATMENT AND		
25	REHABILITATION BLOCK GRANT		
26	01. Community-based Services for Youth		
27	Substance Abusers	\$ 968,673	
28	02. Treatment Alternatives to Street Crimes	114,733	
29	TOTAL ALCOHOL AND DRUG ABUSE TREATMENT		
30	AND REHABILITATION BLOCK GRANT		\$1,083,406
31			
32	MENTAL HEALTH SERVICES FOR THE HOMELESS		
33	BLOCK GRANT		
34	01. Specialized Community Services for the		
35	Chronically Mentally Ill	\$215,588	
36	02. Community-based Services for Chronically		
37	Mentally Ill Youth	75,195	
38	TOTAL MENTAL HEALTH SERVICES FOR THE		
39	HOMELESS BLOCK GRANT		\$290,783
40			
41	COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT		
42	01. Development of Community-based Substance		
43	Abuse Prevention Programs		
44	for Youth	\$61,709	

1       02.   Evaluation       6,800  
2 TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM  
3       BLOCK GRANT \$68,509

4           (b) Decreases in Federal Fund Availability

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

11           (c) Increases in Federal Fund Availability

12           If the United States Congress appropriates additional funds for block grants  
13 after the effective date of this act, these funds shall be held in a reserve in each block  
14 grant for future allocations by the General Assembly. This subsection shall not apply to  
15 the Community Development Block Grant, the Community Services Block Grant, and  
16 to Job Training Partnership Act funds.

17           (d) Education Setaside of JTPA Funds

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

24

25 PART VI.—GENERAL PROVISIONS

26

27 Requested by: Senator Martin of Guilford

28 —ALLOCATION OF RAPE CRISIS CENTER FUNDS

29       Sec. 8. All funds for the Rape Crisis Centers appropriated to the Department  
30 of Administration, Council on the Status of Women, for fiscal years 1989-90 and 1990-  
31 1991, and included in Section 5 of this act shall be available to Rape Crisis Centers  
32 providing direct services to victims of sexual assault and rape prevention services.  
33 Funds shall be awarded according to criteria developed by the North Carolina  
34 Department of Administration. Grants must be awarded by September 1 each fiscal  
35 year and the funds awarded no later than November 1 each fiscal year.

36

37 Requested by: Senator Martin of Guilford

38 —REVENUE FUNDS TO SIPS

39

40       Sec. 10. Of the funds appropriated in Section 3 of this act to the Department  
41 of Revenue, \$1,400,000 shall be paid to the State Information Processing System Center  
42 for prior years' receivables of the Department of Revenue. Upon receipt by the Center  
43 of the \$1,400,000 payment, the State Computer Commission shall use these funds to

1 reduce rates of charges to General Fund departments and institutions using services  
2 provided by the Center.

3 To the extent possible, the reduction in cost to each General Fund department  
4 and institution shall revert to the General Fund at the end of each fiscal year in the  
5 1989-91 biennium. General Fund appropriations to departments and institutions  
6 budgeted in Data Processing Services line items may not be transferred to other line  
7 items nor expended for other purposes.

8

9 Requested by: Senator Royall

10 —CONTINGENCY AND EMERGENCY FUND RESERVE/RESTRICTED  
11 RESERVE

12 Sec. 11. G.S. 143-12 reads as rewritten:

13 **"§ 143-12. Bills containing proposed appropriations.**

14 The Director shall cause to be prepared and submitted to the General Assembly the  
15 following bills:

16 (1) A bill containing all proposed current operations appropriations of the  
17 budget for each year in the ensuing biennium, which shall be known as  
18 the 'Current Operations Appropriations Bill', and a bill containing all  
19 proposed capital appropriations of the budget for each year in the  
20 ensuing biennium, which shall be known as the 'Capital Improvement  
21 Appropriations Bill'.

22 (2) If necessary, a bill containing the Director of the Budget's views on  
23 revenue for the ensuing biennium, which shall be known as the  
24 'Budget Revenue Bill', and shall provide an amount of revenue for the  
25 ensuing biennium sufficient, in the opinion of the Director and the  
26 Commission, to meet the appropriations contained in the Current  
27 Operations Appropriations Bill and the Capital Improvement  
28 Appropriations Bill.

29 (3) Repealed by Session Law 1983 (Regular Session, 1984), c. 1034, s.  
30 153.

31 To the end that all expenses of the State may be brought and kept within the budget,  
32 the Current Operations Appropriations Bill shall contain a specific sum as a contingent  
33 or emergency ~~appropriation~~ appropriation, and shall allocate a specific portion of that  
34 sum to a special reserve to be used solely for purposes as outlined in G.S. 143-23(a1),  
35 (3), (4), and (5). The manner of the allocation of such contingent or emergency  
36 appropriation shall be as follows: Any institution, department, commission, or other  
37 agency or activity of the State, or other activity in which the State is interested, desiring  
38 an allotment out of such contingent or emergency appropriation, shall upon forms  
39 prescribed and furnished by the Director of the Budget, present such request in writing  
40 to the Director of the Budget, with such information as he may require, and if the  
41 Director of the Budget shall approve such request, in whole or in part, he shall forthwith  
42 present the same to the Governor and Council of State, and upon their order only shall  
43 such allotment be made. If the Director shall disapprove the request of such an

1 allotment out of the emergency or contingent appropriation, he shall transmit his refusal  
2 and his reason therefor to the Governor and Council of State for their information.

3 Funds allocated from the contingent or emergency appropriation may be used only  
4 for the purpose for which they were allocated and may not be reallocated for another  
5 purpose by the Governor and the Council of State. If the funds are not spent or  
6 encumbered for the purpose for which they were allocated by the end of the fiscal  
7 biennium and if the Governor and the Council of State do not reallocate them for that  
8 same purpose, the funds shall revert to the fund from which the contingent or  
9 emergency appropriation was made. Also, if the funds are not needed for the purpose  
10 for which they were allocated, the funds shall revert to the fund from which the  
11 contingent or emergency appropriation was made.

12 The Director of the Budget may, in preparation of the Appropriations and Revenue  
13 Bills, seek the advice of the Advisory Budget Commission. If the Director and the  
14 Commission shall not agree as to the Appropriations and Revenue Bills in substantial  
15 particulars, the Director shall prepare the same, based on his conclusions and judgment,  
16 and the Commission or any of its members retain the right to submit separately to the  
17 General Assembly such statement of disagreement and the particulars thereof as they  
18 shall find proper to submit as representing their own views.”

19  
20 Requested by: Senator Royall

21 —NO TRANSFERS BETWEEN ITEMS IN THE BUDGET

22 Sec. 12. G.S. 143-23(a1) reads as rewritten:

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

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

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

41 Funds appropriated for salaries and wages may only be used for salaries and wages  
42 or for premium pay, overtime pay, longevity, unemployment compensation, workers'  
43 compensation, temporary wages, contracted personal services, moving expenses,  
44 payment of accumulated annual leave, certain awards to employees, tort claims, and



1 employer's social security, retirement, and hospitalization payments: provided, however,  
2 funds appropriated for salaries and wages may also be used for purposes for which over  
3 expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the  
4 Director of the Budget shall include such use and the reason for it in his quarterly report  
5 to the Joint Legislative Commission on Governmental Operations and to the Fiscal  
6 Research Division of the Legislative Services Office. ~~Salary—Lapsed salary~~ funds that  
7 become available from vacant positions may not be used for new permanent employee  
8 positions or to raise the salary of existing employees.

9 As used in this subsection, 'program' means a group of expenditure and receipt line  
10 items for support of a specific budgeted activity outlined in the certified budget for each  
11 department, agency, or institution, as designated by the four-digit fund (purpose)  
12 number in the Budget Preparation System."  
13

14 Requested by: Senator Royall

15 —LIMIT ON NUMBER OF STATE EMPLOYEES

16 Sec. 13. G.S. 143-47.15 is repealed.

17 Sec. 14. (a) Article 1 of Chapter 143 of the General Statutes is amended by  
18 adding a new section to read:

19 "**§ 143-10.2. Limit on number of State employees.**

20 The total number of permanent State funded employees, excluding employees in the  
21 State's public school system funded by way of State aid to local public school units,  
22 shall not be increased by the end of any State fiscal year by a greater percentage than  
23 the percentage rate of the residential population growth for the State of North Carolina.  
24 The percentage rates shall be computed by the Office of State Budget and Management.  
25 The population growth shall be computed by averaging the rate of residential population  
26 growth in each of the preceding 10 fiscal years as stated in the annual estimates of  
27 residential population in North Carolina made by the United States Census Bureau. The  
28 growth rate of the number of employees shall be computed by averaging the rate of  
29 growth of State employees in each of the preceding 10 fiscal years as of July 1 of each  
30 fiscal year as stated in the State Budget."

31 (b) The substance of subsection (a) of this section shall be studied by the  
32 Commission on the Future of Education if that Commission is created by act of the  
33 General Assembly.  
34

35 Requested by: Senator Royall

36 —EXPENDITURE OF FUNDS

37 Sec. 15. G.S. 143-16.3 reads as rewritten:

38 "**§ 143-16.3. No expenditures for purposes for which the General Assembly has**  
39 **considered but not enacted an appropriation.**

40 Notwithstanding any other provision of law, no funds from any source, except for  
41 ~~gifts and grants, gifts, grants, and funds allocated from the Contingency and Emergency~~  
42 Fund by the Council of State, may be expended for any purpose for which the General  
43 Assembly has considered but not enacted an appropriation of funds for the current fiscal  
44 period. For the purpose of this section, the General Assembly has considered a purpose

1 when that purpose is included in a bill or petition or when any committee of the Senate  
2 or the House of Representatives deliberates on that purpose."

3  
4 Requested by: Senators Royall, Ward, and Sands

5 —BENEFIT AND TECHNICAL ADJUSTMENTS/TEACHERS' AND STATE  
6 EMPLOYEES' HEALTH BENEFIT PLAN

7 Sec. 16. (a) G.S. 135-39.5 reads as rewritten:

8 **"§ 135-39.5. Powers and duties of the Executive Administrator and Board of**  
9 **Trustees.**

10 The Executive Administrator and Board of Trustees of the Teachers' and State  
11 Employees' Comprehensive Major Medical Plan shall have the following powers and  
12 duties:

- 13 (1) Supervising and monitoring of the Claims Processor.
- 14 (2) Providing for enrollment of employees in the Plan.
- 15 (3) Communicating with employees enrolled under the Plan.
- 16 (4) Communicating with health care providers providing services under  
17 the Plan.
- 18 (5) Making payments at appropriate intervals to the Claims Processor for  
19 benefit costs and administrative costs.
- 20 (6) Conducting administrative reviews under G.S. 135-39.7.
- 21 (7) Annually assessing the performance of the Claims Processor.
- 22 (8) Preparing and submitting to the Governor and the General Assembly  
23 cost estimates for the health benefits plan, including those required by  
24 Article 15 of Chapter 120 of the General Statutes.
- 25 (9) Recommending to the Governor and the General Assembly changes or  
26 additions to the health benefits program and health care cost  
27 containment programs, together with statements of financial and  
28 actuarial effects as required by Article 15 of Chapter 120 of the  
29 General Statutes.
- 30 (10) Working with State employee groups to improve health benefit  
31 programs.
- 32 (11) Repealed by Session Laws 1985, c. 732, s. 9.
- 33 (12) Determining basis of payments to health care providers, including  
34 payments in accordance with G.S. 58-260.6.
- 35 (13) Requiring bonding of the Claims Processor in the handling of State  
36 funds.
- 37 (14) Repealed by Session Laws 1985, c. 732, s. 7.
- 38 (15) In case of termination of the contract under G.S. 135-39.5A, to select a  
39 new Claims Processor, after competitive bidding procedures approved  
40 by the Department of Administration.
- 41 (16) Notwithstanding the provisions of Part 3 of this Article, to formulate  
42 and implement cost-containment measures which are not in direct  
43 conflict with that Part.

1 (17) Implementing pilot programs necessary to evaluate proposed cost  
2 containment measures which are not in direct conflict with Part 3 of  
3 this Article, and expending funds necessary for the implementation of  
4 such programs.

5 (18) Authorizing coverage for alternative forms of care not otherwise  
6 provided by the Plan in individual cases when medically necessary,  
7 medically equivalent to services covered by the Plan, and when such  
8 alternatives would be less costly than would have been otherwise.

9 (19) Establishing and operating a hospital bill audit program and a fraud  
10 detection program."

11 (b) Effective January 1, 1989, G.S. 135-40 reads as rewritten:

12 **"§ 135-40. Undertaking.**

13 (a) The State of North Carolina undertakes to make available a Comprehensive  
14 Major Medical Plan (hereinafter called the "Plan" ) ~~to exclusively~~ for the benefit of its  
15 employees, retired employees and certain of their dependents which will pay benefits in  
16 accordance with the terms hereof. The Plan shall have all the powers and privileges of a  
17 corporation and shall be known as the North Carolina Teachers' and State Employees'  
18 Comprehensive Major Medical Plan. The Executive Administrator and Board of  
19 Trustees shall carry out their duties and responsibilities as fiduciaries for the Plan.

20 (b) The Plan benefits will be provided under contracts between the State and the  
21 Claims Processor selected by the State. Claims Processor refers to the administrator,  
22 third party administrator or other party contracting with the State to administer the Plan  
23 benefits. Such contracts shall include the substance of G.S. 135-40.1 through G.S. 135-  
24 40.13 and the description of Plan in the request for proposal, and shall be administered  
25 by the respective Claims Processor of the State which will determine benefits and other  
26 questions arising thereunder. The contracts necessarily will conform to applicable State  
27 laws. If any of the provisions of G.S. 135-40.1 through G.S. 135-40.13 and the request  
28 for proposals must be modified for inclusion in the contract because of State laws, such  
29 modification will be made.

30 (c) Payroll deduction shall be available for coverage under this Part or under G.S.  
31 135-39.5B of amounts not paid by the State.

32 (d) Notwithstanding any other provisions of the Plan, the Executive  
33 Administrator and Board of Trustees are specifically authorized to use all appropriate  
34 means to secure tax qualification of the Plan under any applicable provisions of the  
35 Internal Revenue Code of 1954 as amended. The Executive Administrator and Board of  
36 Trustees shall furthermore comply with all applicable provisions of the Internal  
37 Revenue Code as amended, to the extent that this compliance is not prohibited by this  
38 Article."

39 (c) G.S. 135-40.1(2) reads as rewritten:

40 "(2) Deductible. – Deductible shall mean an amount of covered expenses  
41 during a ~~calendar~~ fiscal year which must be incurred after which  
42 benefits (subject to the deductible) becomes payable. The deductible  
43 for an employee, retired employee and/or his or her dependents shall  
44 be one hundred fifty dollars (\$150.00) for each ~~calendar~~ fiscal year.

1           The deductible applies separately to each covered individual in  
2 each ~~calendar~~-fiscal year, subject to an aggregate maximum of four  
3 hundred fifty dollars (\$450.00) per family (employee or retiree and his  
4 or her covered dependents) in any ~~calendar~~-fiscal year.

5           If two or more family members are injured in the same accident  
6 only one deductible is required for charges related to that accident  
7 during the benefit period."

8 (d) G.S. 135-40.1(17) reads as rewritten:

9       "(17) Retired Employee (Retiree). – Retired teachers, State employees,  
10 and members of the General Assembly who are receiving monthly  
11 retirement benefits from any retirement system supported in whole  
12 or in part by contributions of the State of North Carolina, so long as  
13 the retiree is enrolled. On and after January 1, 1988, a ~~retired~~  
14 retiring employee or retiree must have completed at least five years  
15 of contributory retirement service with an employing unit prior to  
16 retirement from any State-supported retirement system in order to be  
17 eligible for group benefits under this Part as a retired employee or  
18 retiree."

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

20       "(h) No person shall be eligible for coverage as an employee or retired employee  
21 or as a dependent of an employee or retired employee upon a finding by the Executive  
22 Administrator or Board of Trustees or by a court of competent jurisdiction that the  
23 employee or dependent knowingly and willfully made or caused to be made a false  
24 statement or false representation of a material fact in a claim for reimbursement of  
25 medical services under the Plan."

26 (f) Effective September 1, 1987, G.S. 135-40.2(a) reads as rewritten:

27       "(a) The following persons are eligible for coverage under the Plan, on a  
28 noncontributory basis, subject to the provisions of G.S. 135-40.3:

29       (1) All permanent full-time employees of an employing unit who meet the  
30 following conditions:

31       a. Paid from general or special State funds, or

32       b. Paid from non-State funds and in a group for which his or her  
33 employing unit has agreed to provide coverage.

34       Employees of State agencies, departments, institutions, boards, and  
35 commissions not otherwise covered by the Plan who are employed in  
36 permanent job positions on a recurring basis and who work 30 or more  
37 hours per week for nine or more months per calendar year are covered  
38 by the provisions of this subdivision.

39       (1a) Permanent hourly employees as defined in G.S. 126-5(c4) who work at  
40 least one-half of the workdays of each pay period.

41       (2) Retired teachers, State employees, and members of the General  
42 Assembly.

43       (2a) Surviving spouses of:

- 1 a. Deceased retired employees, provided the death of the former  
2 plan member occurred prior to October 1, 1986; and
- 3 b. Deceased teachers, State employees, and members of the  
4 General Assembly who are receiving a survivor's alternate  
5 benefit under any of the State-supported retirement programs,  
6 provided the death of the former plan member occurred prior to  
7 October 1, 1986.
- 8 (3) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1020, s. 29(b),  
9 effective January 1, 1988.
- 10 (3a) Employees of the General Assembly, not otherwise covered by this  
11 section, as determined by the Legislative Services Commission, except  
12 for legislative interns and pages.
- 13 (4) Members of the General Assembly."
- 14 (g) Effective July 1, 1986, G.S. 135-40.6 is amended in the portion of the  
15 section preceding the first subdivision by deleting the phrase "per calendar year" and by  
16 substituting the phrase "per fiscal year".
- 17 (h) G.S. 135-40.6(1) reads as rewritten:
- 18 "(1) In-Hospital Benefits. – The Plan pays in-hospital benefits for each single  
19 confinement, when charged by a hospital, for room accommodation, including bed,  
20 board and general nursing care, but not to exceed the charge for semiprivate room or  
21 ward accommodations, or the rate negotiated for the Plan.
- 22 The Plan will pay the following covered charges, when charged by a hospital, for  
23 each confinement.
- 24 a. Intensive and cardiac nursing care.
- 25 b. All recognized drugs and medicines for use in the hospital.
- 26 c. Radiation services, including diagnostic x-rays, x-ray therapy,  
27 radiation therapy and treatment.
- 28 d. Clinical and pathological laboratory examinations.
- 29 e. Electrocardiograms and electroencephalograms.
- 30 f. Physical therapy.
- 31 g. Intravenous solutions.
- 32 h. Oxygen and oxygen therapy, plus the use of equipment.
- 33 i. Dressings, ordinary splints, plaster casts and sterile supplies.
- 34 j. Use of operating, delivery, recovery and treatment rooms and  
35 equipment.
- 36 k. Routine nursery charges, if the mother is eligible to receive maternity  
37 benefits.
- 38 l. Anesthetics and the administration thereof by the hospital's employee  
39 anesthesiologist.
- 40 m. Devices or appliances surgically inserted within the body.
- 41 n. Processing and administering of blood and blood plasma.
- 42 o. ~~Children who are born under the coverage type (2), (3), or (5), as~~  
43 ~~outlined in G.S. 135-40.3(d), and who remain continuously covered~~  
44 are entitled to benefits for treatment of illnesses or congenital defect,

1 incubation or isolette care, and treatment of prematurity or  
2 postmaturity.

3 If the mother is a covered individual, benefits are provided for the  
4 newborn's circumcision and routine nursery care.

5 p. When a covered individual is admitted to or transferred to a section of  
6 a hospital providing ambulant, convalescent, or rehabilitative care,  
7 benefits are provided up to the average number of days of service for  
8 treatment of the particular diagnosis or condition involved, or more if  
9 medical necessity requires.

10 q. The Plan pays benefits for laboratory testing and administration of  
11 blood provided to a covered individual.

12 When a covered individual is the recipient of transplanted organs  
13 or bones, benefits are provided for services to the donor which are  
14 directly and specifically related to the transplantation.

15 r. Thirty days per fiscal year are provided for inpatient treatment of  
16 mental illness. Readmission for this condition within 365 days of last  
17 discharge shall be considered a single confinement. When furnished to  
18 a patient in a skilled nursing facility, 30 days less the days of care  
19 already provided for the same illness in a hospital are provided.  
20 Additional inpatient treatment, based on individual consideration, may  
21 be provided if prior approval is obtained from the Claims Processor.

22 s. The use of nebulizers when authorized as medically necessary by the  
23 attending physician."

24 (i) G.S. 135-40.6(2) reads as rewritten:

25 "(2) Limitations and Exclusions to In-Hospital Benefits. –

26 a. The services of physicians, surgeons and technicians not employed by  
27 or under contract to the hospital are not covered.

28 b. Any admission for diagnostic tests or procedures which could be, and  
29 generally are, performed on an outpatient basis, if no hospitalization  
30 would have been required except for such diagnostic services is not  
31 covered. However, benefits are provided at ninety percent (90%) of  
32 Plan benefits for diagnostic tests and procedures consistent with the  
33 symptoms or diagnosis for which admitted.

34 c. The Plan will not cover any admission to a hospital prior to the  
35 effective date of coverage or beginning prior to the expiration of any  
36 waiting period so long as the individual remains continuously in a  
37 hospital.

38 d. Hospitalization for custodial, domiciliary or sanitarium care, or rest  
39 cures, is not covered.

40 e. Hospitalization for dental care and treatment is not covered, except  
41 when a hospital setting is medically necessary.

42 f. Prior to admission for scheduled inpatient hospitalization—and  
43 following admission for unscheduled inpatient hospitalization, the  
44 admitting physician shall contact the Plan and secure approval

1 certification for an inpatient admission, including a length of stay,  
2 based upon clinical criteria established by the medical community,  
3 before any in-hospital benefits are allowed under G.S. 135-40.8(a).  
4 Effective January 1, 1987, failure to secure certification, or denial of  
5 certification, shall result in in-hospital benefits being allowed at the  
6 rate maximum amount of out-of-pocket expenses established by G.S.  
7 135-40.8(b). Denial of certification by the Plan shall be made only  
8 after contact with the admitting physician and shall be subject to  
9 appeal to the Executive Administrator and Board of Trustees."

10 (j) G.S. 135-40.6(5) reads as rewritten:

11 "(5) Surgical Benefits. – The Plan pays the usual, customary and reasonable  
12 charges for covered surgical services as follows:

13 a. Surgery: Cutting procedures, treatment of fractures, transfusions,  
14 operative preparation for diagnostic x-ray examinations, surgical  
15 implantation radiation sources, major endoscopic examinations,  
16 biopsies, surgical sterilization, other standard services and operations.

17 For the purpose of this subdivision, the term 'standard services and  
18 operations' includes the following organ transplants: liver, heart,  
19 corneal, bone marrow, and kidney. All other organ transplants shall be  
20 considered nonreimbursable under the Plan. Benefits for the above  
21 listed organ transplants shall be payable only in accordance with rules  
22 established by the Executive Administrator and Board of Trustees.  
23 The Executive Administrator and Board of Trustees may limit the  
24 Plan's reimbursement for selected organ transplants to amounts that  
25 would otherwise be allowed in accordance with G.S. 135-40.4.

26 b. Anesthesia: Administration of general, spinal block or local anesthesia.  
27 Covered services include pre- and postoperative visits, the  
28 administration of the anesthetic, fluids and/or blood provided by the  
29 anesthesiologist and incidental to the anesthesia, and necessary drugs  
30 and materials provided by the anesthesiologist. No benefits are  
31 provided for administration of local anesthesia or for anesthesia  
32 administered by the operating surgeon or surgical assistant(s).

33 c. Oral Surgery: Services which are within the scope of practice of both a  
34 doctor of medicine and a dentist, such as excision of tumors and  
35 lesions of the mouth, treatment of jaw fractures and surgery to correct  
36 injuries of the mouth structure other than teeth and their supporting  
37 structure. Developmental and congenital orthognathic surgery  
38 procedures will be covered under the Plan, provided such surgery is  
39 medically necessary, is the only method of treatment which will  
40 correct the patient's deformity, is not performed for cosmetic reasons,  
41 and is approved in advance by the Claims Processor on the basis of the  
42 surgeon's documentation that the correction of the deformity is  
43 medically necessary for the maintenance of good physical health.

- 1 d. Maternity Care: Independent operative procedures in connection with  
2 pregnancy, such as: manipulative obstetrical delivery, delivery by  
3 Caesarean section, removal of ectopic pregnancy, dilation and  
4 curettage. Benefits for manipulative obstetrical delivery include use of  
5 forceps and/or episiotomy. No benefits are provided for antepartum or  
6 postpartum care, except for direct surgical procedures of delivery and  
7 surgical treatment.
- 8 e. Surgical Assistants: Services of an assistant surgeon when medical  
9 judgment requires the services of an assistant surgeon and no hospital-  
10 employed doctor in training is available.
- 11 f. Multiple Procedures: When multiple or bilateral surgical procedures  
12 are performed by the same doctor through separate incisions or  
13 approaches during the same session, the surgical benefits will be the  
14 greater UCR allowance, plus fifty percent (50%) of the lesser UCR  
15 allowance. Anesthesia benefits will be the greater UCR allowance.  
16 When multiple surgical procedures are performed by the same  
17 doctor through the same incision or operative approach, the surgical  
18 benefits are limited to the procedure which has the highest UCR  
19 allowance.  
20 When a surgical procedure is performed in two or more stages, the  
21 surgical benefit for the entire procedure is the same as it would be  
22 were the procedure performed in one stage (except where otherwise  
23 provided in the benefit schedule). This limitation does not apply to  
24 anesthesia benefits.
- 25 g. Cleft Palate: Notwithstanding G.S. 135-40.6(6)a and G.S. 135-  
26 40.7(11), medical treatment and care needed by an individual born  
27 with cleft palate, including specialized dental and orthodontic care  
28 necessitated by the congenital condition, ~~provided that the individual~~  
29 ~~was covered at the time of birth by the Plan or the Predecessor Plan~~  
30 condition."
- 31 (k) G.S. 135-40.6(8) reads as rewritten:  
32 "(8) Other Covered Charges. –  
33 a. Prescription Drugs: Prescription legend drugs in excess of the first two  
34 dollars (\$2.00) per prescription for generic drugs and brand name  
35 drugs without a generic equivalent and in excess of the first three  
36 dollars (\$3.00) per prescription for brand name drugs for use outside of  
37 a hospital or skilled nursing facility. A prescription legend drug is  
38 defined as an article the label of which, under the Federal Food, Drug,  
39 and Cosmetic Act, is required to bear the legend: 'Caution: Federal  
40 Law Prohibits Dispensing Without Prescription.' Such articles may not  
41 be sold to or purchased by the public without a prescription order.  
42 Benefits are provided for insulin even though prescription is not  
43 required.



- 1           b.     Private Duty Nursing: Services of licensed nurses (not immediate  
2           relatives or members of the participant's household or private duty  
3           nursing used in lieu of or as a substitute for hospital staff nurses)  
4           ordered by the attending doctor for a condition requiring skilled  
5           nursing services. Private Duty Nursing ordered must be approved in  
6           advance by the Claims Processor as medically necessary. Allowances  
7           for Private Duty Nursing shall not exceed the Plan's usual, customary  
8           and reasonable allowances or ninety percent (90%) of the daily  
9           semiprivate rate by skilled nursing facilities as determined by the Plan.
- 10          c.     Home Health Agency Services: Services provided in a covered  
11          individual's home, when ordered by the attending physician who  
12          certifies that hospital or skilled nursing facility confinement would be  
13          required without such treatment and cannot be readily provided by  
14          family members. Services may include medical supplies, equipment,  
15          appliances, therapy services (when provided by a qualified speech  
16          therapist or licensed physiotherapist), and nursing services. Nursing  
17          services will be allowed for:
- 18           1.     Services of a registered nurse (RN); or
  - 19           2.     Services of a licensed practical nurse (LPN) under the  
20           supervision of a RN; or
  - 21           3.     Services of a home health aide under the supervision of a RN,  
22           limited to four hours a day.
- 23           Home health services shall be limited to 60 days per fiscal year,  
24           except that additional home health services may be provided on an  
25           individual basis if prior approval is obtained from the Claims  
26           Processor. Plan allowances for home health services shall be limited to  
27           licensed or Medicare certified home health agencies and shall not  
28           exceed ninety percent (90%) of the skilled nursing facility semiprivate  
29           rates as determined by the Plan, or charges negotiated by the Plan.
- 30          d.     Licensed Ambulance Service: Local ambulance transportation:
- 31           1.    To or from a hospital for inpatient care or outpatient accident  
32           care;
  - 33           2.    From a hospital to the nearest facility able to provide needed  
34           services not available at the transferring hospital; or
  - 35           3.    From a hospital to a skilled nursing facility.
- 36           The word 'local' means ambulance transportation of not more than  
37           50 miles unless the Claims Processor authorizes ambulance  
38           transportation beyond this distance.
- 39          e.     Prosthetic and Orthopedic Appliances and Durable Medical  
40          Equipment: Appliances and equipment including corrective and  
41          supportive devices such as artificial limbs and eyes, wheelchairs,  
42          traction equipment, inhalation therapy and suction machines, hospital  
43          beds, braces, orthopedic corsets and trusses, and other prosthetic  
44          appliances or ambulatory apparatus which are provided solely for the

1 use of the participant. Eligible charges include repair and replacement  
2 when medically necessary. Benefits will be provided on a rental or  
3 purchase basis at the sole discretion of the Administrator and  
4 agreements to rent or purchase shall be between the Administrator and  
5 the supplier of the appliance.

6 For the purposes of this subdivision, the term 'durable medical  
7 equipment' means standard equipment normally used in an institutional  
8 setting which can withstand repeated use, is primarily and customarily  
9 used to serve a medical purpose, is generally not useful to a person in  
10 the absence of an illness or injury and is appropriate for use in the  
11 home. Decisions of the Claims Processor, the Executive Administrator  
12 and Board of Trustees as to compliance with this definition and  
13 coverage under the Plan shall be final.

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

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

- 34 g. Medical Supplies: Colostomy bags, catheters, dressings, oxygen,  
35 syringes and needles, and other similar supplies.
- 36 h. Blood: Transfusions including cost of blood, plasma, or blood plasma  
37 expanders.
- 38 i. Physical Therapy: Recognized forms of physical therapy for  
39 restoration of bodily function, provided by a doctor, hospital, or by a  
40 licensed professional physiotherapist. No benefits are provided for eye  
41 exercises or visual training.
- 42 j. Inhalation Therapy: When provided by a doctor, hospital, or other  
43 organization.

- k. Speech Therapy: Speech therapy provided by certified speech therapist. ~~Benefits are provided only in connection with a condition, illness, or injury arising while continuously covered under this Plan.~~
- l. Cataract Lenses: Cataract lenses prescribed as medically necessary for aphakia persons, including charges for necessary examinations and fittings. Benefits will be limited to one set of cataract lenses every 24 months for persons 18 years of age or older, and one set of cataract lenses every 12 months for persons less than 18 years of age.
- m. Cardiac Rehabilitation: Charges not to exceed six hundred fifty dollars (\$650.00) per fiscal year for cardiac testing and exercise therapy, when determined medically necessary by an attending physician and approved by the Claims Processor for patients with a medical history of myocardial infarction, angina pectoris, arrhythmias, cardiovascular surgery, hyperlipidemia, or hypertension, provided such charges are incurred in a medically supervised facility fully certified by the North Carolina Department of Human Resources.
- n. Chiropractic Services: Limited to the alignment of the spine and releasing of pressure by manipulation in accordance with the definitions in G.S. 90-143. Maximum benefits for x-rays, manipulations, and modalities shall be one thousand dollars (\$1,000) per fiscal year.
- o. Foot Surgery: All foot surgery on bones and joints in excess of one thousand dollars (\$1,000), except for emergencies, shall require prior approval from the Claims Processor.
- p. Outpatient Diabetes Self-Care Programs: Charges, not to exceed three hundred dollars (\$300.00) per fiscal year, when determined to be medically necessary by an attending physician and approved by the Executive Administrator and Claims Processor as meeting the standards of the National Diabetes Advisory Board for patients with a medical history of diabetes, provided such charges are incurred in a medically supervised facility.
- q. Necessary medical services provided to terminally ill patients by duly licensed hospice organizations, when directed by the attending physician and approved in advance by the Claims Processor and the Executive Administrator.
- r. Occupational Therapy: Recognized forms of occupational therapy provided by a doctor, hospital, or by a licensed professional occupational therapist to restore fine motor skills for the resumption of bodily functions."

(l) G.S. 135-40.7A(b) reads as rewritten:

"(b) Notwithstanding any other provisions of this Part, the maximum benefit for each covered individual for treatment of chemical dependency is as follows:

<del>30 Consecutive Days</del>	<del>\$ 3,900</del>		
Fiscal Year	6,500	\$ 8,000	

1           Lifetime ~~20,000~~25,000

2           Daily benefits are limited to ~~one hundred thirty dollars (\$130.00)~~ two hundred  
3 dollars (\$200.00) except for medical detoxification treatment under rules established by  
4 the Executive Administrator and Board of Trustees."

5           (m) Effective July 1, 1986, G.S. 135-40.8(a) reads as rewritten:

6           "(a) For the balance of any fiscal year after each eligible employee, retired  
7 employee, or dependent satisfies the cash deductible, the Plan pays ninety percent  
8 ~~(95%)~~(90%) of the eligible expenses outlined in G.S. 135-40.6. The covered individual  
9 is then responsible for the remaining ten percent (10%) until three hundred dollars  
10 (\$300.00), in excess of the deductible, has been paid out-of-pocket. The Plan then pays  
11 one hundred percent (100%) of the remaining covered expenses."

12           (n) Effective October 1, 1986, G.S. 40.8(b) reads as rewritten:

13           "(b) Where a covered individual fails to obtain a second surgical opinion as  
14 required under the Plan, the covered individual shall be responsible for fifty percent  
15 (50%) of the eligible expenses, provided, however, that no covered individual shall be  
16 required to ~~pay pay, in addition to the expenses in subsection (a) above,~~ out-of-pocket in  
17 excess of five hundred dollars (\$500.00) per fiscal year."

18           (o) Effective October 1, 1982, G.S. 135-40.10(b) reads as rewritten:

19           "(b) For those participants eligible for Medicare, the State's ~~new~~-plan will be  
20 administered on a 'carve out' basis. The provisions of the ~~new~~-plan are applied to the  
21 charges not paid by Medicare (Parts A & B). In other words, those charges not paid by  
22 Medicare would be subject to the deductible and coinsurance of the ~~new~~-Plan just as of  
23 the charges not paid by Medicaid were the total bill."

24           (p) G.S. 135-40.11(a) reads as rewritten:

25           "(a) Coverage under this Plan of an employee and his or her surviving spouse or  
26 eligible dependent children or of a retired employee and his or her surviving spouse or  
27 eligible dependent children shall cease on the earliest of the following dates:

- 28           (1) The last day of the month in which an employee or retired employee  
29 dies. Provided such surviving spouse or eligible dependent children  
30 were covered under the Plan at the time of death of the former  
31 employee or retired employee, or were covered on September 30,  
32 1986, any such surviving spouse or eligible dependent children may  
33 then elect to continue coverage under the Plan by submitting written  
34 application to the Claims Processor and by paying the cost for such  
35 coverage when due at the applicable fees. Such coverage shall cease  
36 on the last day of the month in which such surviving spouse or eligible  
37 dependent children die, except as provided by this Article.
- 38           (2) The last day of the month in which an employee's employment with  
39 the State is terminated as provided in subsection (c) of this section.
- 40           (3) The last day of the month in which a divorce becomes final.
- 41           (4) The last day of the month in which an employee or retired employee  
42 requests cancellation of coverage.
- 43           (5) The last day of the month in which a covered individual enters active  
44 military service.

(6) The last day of the month in which a covered individual is found to have knowingly and willfully made or caused to be made a false statement or false representation of a material fact in a claim for reimbursement of medical services under the Plan."

Requested by: Senator Royall

—GOVERNOR'S SALARY INCREASE

Sec. 17. (a) Effective July 1, 1989, G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred nine thousand, seven hundred twenty eight dollars (\$109,728)~~ one hundred sixteen thousand three hundred sixteen dollars (\$116,316) annually, payable monthly."

(b) Effective July 1, 1990, G.S. 147-11(a) as amended by subsection (a) of this section reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred sixteen thousand three hundred sixteen dollars (\$116,316)~~ one hundred twenty-three thousand three hundred dollars (\$123,300) annually, payable monthly."

Requested by: Senator Royall

—COUNCIL OF STATE/SALARY INCREASE

Sec. 18. The annual salaries for members of the Council of State, payable monthly, for the following fiscal years are:

Council of State	1989-90	1990-91
Lieutenant Governor	\$ 70,992	\$75,252
Attorney General	70,992	75,252
Secretary of State	70,992	75,252
State Treasurer	70,992	75,252
State Auditor	70,992	75,252
Superintendent of Public Instruction	70,992	75,252
Agriculture Commissioner	70,992	75,252
Insurance Commissioner	70,992	75,252
Labor Commissioner	70,992	75,252.

Requested by: Senator Royall

—NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 19. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the following fiscal years are:

Nonelected Department Heads	1989-90	1990-91
Secretary of Administration	\$ 70,992	\$75,252
Secretary of Commerce	70,992	75,252
Secretary of Correction	70,992	75,252
Secretary of Crime Control and Public Safety	70,992	75,252
Secretary of Cultural Resources	70,992	75,252

1	Secretary of Human Resources	70,992	75,252
2	Secretary of Natural Resources		
3	and Community Development	70,992	75,252
4	Secretary of Revenue	70,992	75,252
5	Secretary of Transportation	70,992	75,252.

6  
7 Requested by: Senator Royall

8 ---LEGISLATORS/SALARY AND EXPENSE INCREASES

9 Sec. 20. Effective upon convening of the 1991 Regular Session of the  
10 General Assembly, G.S. 120-3 reads as rewritten:

11 "**§ 120-3. Pay of members and officers of the General Assembly.**

12 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-one~~  
13 ~~thousand two hundred twenty-four dollars (\$31,224)~~\$35,100, payable monthly, and an  
14 expense allowance of ~~one thousand one hundred seventy-five dollars (\$1,175)~~ \$1,320  
15 per month. The President Pro Tempore of the Senate shall be paid an annual salary of  
16 ~~nineteen thousand one hundred four dollars (\$19,104)~~\$35,100, payable monthly, and an  
17 expense allowance of ~~eight hundred thirty-three dollars (\$833.00)~~ \$1,320 per month.  
18 The Speaker Pro Tempore of the House shall be paid an annual salary of ~~seventeen~~  
19 ~~thousand five hundred ninety-two dollars (\$17,592)~~\$19,776, payable monthly, and an  
20 expense allowance of ~~six hundred ninety-four dollars (\$694.00)~~ \$780.00 per month; and  
21 the Deputy President Pro Tempore of the Senate shall be paid an annual salary of  
22 ~~sixteen thousand eighty dollars (\$16,080)~~ \$19,776, payable monthly, and an expense  
23 allowance of ~~five hundred fifty-four dollars (\$554.00)~~ \$780.00 per month. The  
24 majority and minority leader-leaders in the House and the majority and minority leaders  
25 in the Senate shall be paid an annual salary of ~~thirteen thousand six hundred eighty-~~  
26 ~~eight dollars (\$13,688)~~\$15,396, payable monthly, and an expense allowance of ~~five~~  
27 ~~hundred fifty-four dollars (\$554.00)~~ \$622.00 per month.

28 (b) Every other member of the General Assembly shall receive increases in  
29 annual salary only to the extent of and in the amounts equal to the average increases  
30 received by employees of the State, effective upon convening of the next Regular  
31 Session of the General Assembly after enactment of these increased amounts.  
32 Accordingly, upon convening of the 1991 Regular Session of the General Assembly,  
33 every other member of the General Assembly shall be paid an annual salary of ~~eleven~~  
34 ~~thousand one hundred twenty-four dollars (\$11,124)~~\$12,504, payable monthly, and an  
35 expense allowance of ~~four hundred sixty-five dollars (\$465.00)~~ \$522.00 per month.

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

41

42 Requested by: Senator Royall

43 ---GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

44 Sec. 21. G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~forty one thousand seventy six dollars (\$41,076)~~ \$43,548 from July 1, 1989 through June 30, 1990, and an annual salary of \$46,164 on and after July 1, 1990, payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

Requested by: Senator Royall

—SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

Sec. 22. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~one hundred eighty five dollars (\$185.00)~~ \$197.00 per week from July 1, 1989 through June 30, 1990, and \$209.00 per week on and after July 1, 1990, plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

Requested by: Senator Royall

—LEGISLATIVE EMPLOYEES/SALARY INCREASES

Sec. 23. (a) The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1988-89 by an amount equal to six percent (6%), rounded to conform to the steps in the salary ranges adopted by the Legislative Services Commission, commencing July 1, 1989. Nothing in this Part limits any of the provisions of G.S. 120-32.

(b) The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1989-90 by an amount equal to six percent (6%), rounded to conform to the steps in the salary ranges adopted by the Legislative Services Commission, commencing July 1, 1990. Nothing in this Part limits any of the provisions of G.S. 120-32.

Requested by: Senator Royall

—JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

Sec. 24. (a) The annual salaries, payable monthly, for specified judicial branch officials for following fiscal years are:

Judicial Branch Officials	1989-90	1990-91
Chief Justice, Supreme Court	\$ 86,232	\$91,416
Associate Justice, Supreme Court	84,456	89,532
Chief Judge, Court of Appeals	81,756	86,664

1	Judge, Court of Appeals	79,968	84,768
2	Judge, Senior Regular Resident		
3	Superior Court	73,332	77,736
4	Judge, Superior Court	70,992	75,252
5	Chief Judge, District Court	62,628	66,396
6	Judge, District Court	60,240	63,864
7	District Attorney	66,060	70,032
8	Assistant District Attorney - an		
9	average of	42,732	45,300
10	Administrative Officer of the Courts	73,332	77,736
11	Assistant Administrative Officer		
12	of the Courts	59,772	63,360
13	Public Defender	66,060	70,032
14	Assistant Public Defender - an		
15	average of	42,732	45,300

16           If an acting senior regular resident superior court judge is appointed under the  
17 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,  
18 Superior Court, until his temporary appointment is vacated, and the judge he replaces  
19 shall receive the salary indicated for Judge, Superior Court.

20           The district attorney or public defender of a judicial district, with the approval  
21 of the Administrative Officer of the Courts, shall set the salaries of assistant district  
22 attorneys or assistant public defenders, respectively, in that district such that the average  
23 salaries of assistant district attorneys or assistant public defenders in that district do not  
24 exceed \$42,732 effective July 1, 1989, and \$45,300 effective July 1, 1990, and the  
25 minimum salary of any assistant district attorney or assistant public defender is at least  
26 \$21,576 effective July 1, 1989, and \$22,872 effective July 1, 1990.

27           (b) The salaries in effect for fiscal year 1988-89 for permanent employees of  
28 the Judicial Department, except for those whose salaries are itemized in this Part, shall  
29 be increased by an amount, commencing July 1, 1989, equal to six percent (6%),  
30 rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

31           (c) The salaries in effect for fiscal year 1989-90 for permanent employees of  
32 the Judicial Department, except for those whose salaries are itemized in this Part, shall  
33 be increased by an amount, commencing July 1, 1990, equal to six percent (6%),  
34 rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

35

36 Requested by: Senator Royall

37 **—CLERKS OF COURT/SALARY INCREASE**

38           Sec. 25. G.S. 7A-101(a) reads as rewritten:

39           "(a)The clerk of superior court is a full-time employee of the State and shall receive  
40 an annual salary, payable in equal monthly installments, based on the population of the  
41 county, as determined by the population projections of the Office of State Budget and  
42 Management for the year preceding the first year of each biennial budget, according to  
43 the following schedule:

44       Population	Annual Salary
---------------------	---------------



1		<u>1989-90</u>	<u>1990-91</u>	
2	Less than 30,000\$			36,288 _____ 38,472
3	<u>40,788</u>			
4	30,000 to 99,999			41,748 <u>44,256</u> <u>46,920</u>
5	100,000 to 199,999			47,184 <u>50,016</u> <u>53,028</u>
6	200,000 and above			53,832 <u>57,072</u> <u>60,504</u>

7  
 8        When a county changes from one population group to another, the salary of the clerk  
 9 shall be changed to the salary appropriate for the new population group on July 1 of the  
 10 first year of each biennial budget, except that the salary of an incumbent clerk shall not  
 11 be decreased by any change in population group during his continuance in office."  
 12

13 Requested by: Senator Royall  
 14 ---ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

15        Sec. 26. G.S. 7A-102(c) reads as rewritten:  
 16        "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer  
 17 of the Courts shall establish an incremental salary plan for assistant clerks and for  
 18 deputy clerks based on a series of salary steps corresponding to the steps contained in  
 19 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to  
 20 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,  
 21 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in  
 22 his salary plan based on satisfactory job performance as determined by each clerk.  
 23 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the  
 24 office of superior court clerk would warrant an annual salary greater than the salary first  
 25 established under this section, that assistant or deputy clerk shall be eligible on and after  
 26 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after  
 27 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps  
 28 in his salary plan, and shall remain eligible for a two-step increase each year as  
 29 recommended by each clerk until that assistant or deputy clerk's annual salary  
 30 corresponds to his number of years of service. A full-time assistant clerk or a full-time  
 31 deputy clerk shall be paid an annual salary subject to the following minimum and  
 32 maximum rates:

33	Assistant Clerks			Annual Salary
34				<u>1989-90</u> <u>1990-91</u>
35	Minimum \$	<del>18,420</del> <u>19,536</u>	<u>20,712</u>	
36	Maximum	<del>30,912</del> <u>32,772</u>	<u>34,740</u>	

37				
38	Deputy Clerks			Annual Salary
39				<u>1989-90</u> <u>1990-91</u>
40	Minimum \$	<del>14,436</del> <u>15,312</u>	<u>16,236</u>	
41	Maximum	<del>23,700</del> <u>25,128</u>	<u>26,640</u> "	

42  
 43 Requested by: Senator Royall  
 44 ---MAGISTRATES/SALARY INCREASE

1           Sec. 27. G.S. 7A-171.1(a) reads as rewritten:

2           "(a) The Administrative Officer of the Courts, after consultation with the chief  
3 district judge and pursuant to the following provisions, shall set an annual salary for  
4 each magistrate.

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

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

Number of Prior Years of Service	Annual Salary	
	1989-90	1990-91
Less than 1	\$ 14,712 <u>15,600</u>	<u>16,536</u>
1 or more but less than 3	15,480 <u>16,416</u>	<u>17,412</u>
3 or more but less than 5	17,052 <u>18,084</u>	<u>19,176</u>
5 or more but less than 7	18,792 <u>19,920</u>	<u>21,120</u>
7 or more but less than 9	20,724 <u>21,972</u>	<u>23,292</u>
9 or more but less than 11	22,824 <u>24,204</u>	<u>25,656</u>
11 or more	25,116 <u>26,628</u>	<u>28,236</u>

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

23           Notwithstanding any other provision of this subdivision, a full-time  
24 magistrate, who was serving as a magistrate on December 31, 1978,  
25 and who was receiving an annual salary in excess of that which would  
26 ordinarily be allowed under the provisions of this subdivision, shall  
27 not have the salary, which he was receiving reduced during any  
28 subsequent term as a full-time magistrate. That magistrate's salary  
29 shall be fixed at the salary level from the table above which is nearest  
30 and higher than the latest annual salary he was receiving on December  
31 31, 1978, and, thereafter, shall advance in accordance with the  
32 schedule in the table above.

33           (2) A part-time magistrate, so designated by the Administrative Officer of  
34 the Courts, is included, in accordance with G.S. 7A-170, under the  
35 provisions of G.S. 135-1(10) and 135-40.2(a) and shall receive an  
36 annual salary based on the following formula: The average number of  
37 hours a week that a part-time magistrate is assigned work during his  
38 term shall be multiplied by the annual salary payable to a full-time  
39 magistrate who has the same number of years of service prior to the  
40 beginning of that term as does the part-time magistrate and the product  
41 of that multiplication shall be divided by the number 40. The quotient  
42 shall be the annual salary payable to that part-time magistrate.

43           A 'part-time magistrate' is a magistrate who is assigned to work an  
44 average of less than 40 hours of work a week during his term. No

1 magistrate may be assigned an average of less than 10 hours of work a  
2 week during his term.

3 Notwithstanding any other provision of this subdivision, upon  
4 reappointment as a magistrate and being assigned to work the same or  
5 greater number of hours as he worked as a magistrate for a term of  
6 office ending on December 31, 1978, a person who received an annual  
7 salary in excess of that to which he would be entitled under the  
8 formula contained in this subdivision shall receive an annual salary  
9 equal to that received during the prior term. That magistrate's salary  
10 shall increase in accordance with the salary formula contained in this  
11 subdivision.

- 12 (3) Notwithstanding any other provision of this section, a ~~beginning full-~~  
13 ~~time~~ magistrate with a two-year Associate in Applied Science degree  
14 in criminal justice or paralegal training from a North Carolina  
15 community college or the equivalent degree from a private educational  
16 institution in North Carolina, ~~may be initially employed at~~ shall  
17 receive the annual salary provided in the table above for a magistrate  
18 with ~~'3 or more but less than 5' years of service; a beginning full-time~~  
19 ~~three years of service in addition to those which the magistrate has~~  
20 ~~served; a magistrate with a four-year degree from an accredited senior~~  
21 ~~institution of higher education may be initially employed at~~ shall  
22 receive the annual salary provided in the table above for a magistrate  
23 with ~~'5 or more but less than 7' years of service; a beginning full-time~~  
24 ~~five years of service in addition to those which the magistrate has~~  
25 ~~served; a magistrate who holds a law degree from an accredited law~~  
26 ~~school may be employed at~~ shall receive the annual salary provided in  
27 the table above for a magistrate with ~~'7 or more but less than 9' years~~  
28 ~~of service; and a beginning full-time seven years of service in addition~~  
29 ~~to those which the magistrate has served; and a magistrate who is~~  
30 ~~licensed to practice law in North Carolina may be initially employed at~~  
31 ~~shall receive~~ the annual salary provided in the table above for a  
32 magistrate with nine years of service in addition to those which the  
33 magistrate has served. ~~'9 or more but less than 11' years of service.~~  
34 ~~Seniority increments for a magistrate with a two or four-year degree or~~  
35 ~~a law degree or for a magistrate licensed to practice law in North~~  
36 ~~Carolina as described herein accrue thereafter at two-year intervals, as~~  
37 ~~provided in the table.~~

38 Magistrates with a two or four-year degree or a law degree  
39 described herein who became magistrates before July 1, 1979 are  
40 entitled to an increase of three, five and seven years, respectively, in  
41 their seniority, for pay purposes only. Full-time magistrates licensed to  
42 practice law in North Carolina who became magistrates before July 1,  
43 1979 are entitled to the pay of a magistrate with 9 or more years of  
44 service, and part-time magistrates holding a law degree or a license to

1 practice law as described above who became magistrates before July 1,  
2 1979 are entitled to a proportionate adjustment in their pay. Pay  
3 increases authorized by this paragraph of this subdivision are not  
4 retroactive.

- 5 (4) Notwithstanding any other provision of this section, a ~~beginning full-~~  
6 ~~time~~-magistrate with 10 years' experience within the last 12 years as a  
7 sheriff or deputy sheriff, administrative officer for a district attorney,  
8 city or county police officer, or highway patrolman in the State of  
9 North Carolina, or with 10 years' experience within the last 12 years as  
10 clerk of superior court or an assistant or deputy clerk of court in the  
11 State of North Carolina may be initially employed at shall receive the  
12 annual salary provided in the table in subdivision (1) for a magistrate  
13 with five years of service in addition to those the magistrate has  
14 served. A magistrate who qualifies for the increased salary under both  
15 subdivisions (3) and (4) of this subsection shall receive either the  
16 salary determined under subdivision (3) or that determined under  
17 subdivision (4), whichever is higher, but no more. 'five or more but  
18 less than seven' years of service. Seniority increments for a magistrate  
19 with the law enforcement or judicial system experience described  
20 above accrue thereafter at two year intervals, as provided in the table.  
21 A beginning magistrate who meets the criteria for increased beginning  
22 salary under both subdivisions (3) and (4) may not combine those  
23 entry levels but may begin at the higher of the two levels.  
24 (5) The Administrative Officer of the Courts shall provide magistrates  
25 with longevity pay at the same rates as are provided by the State to its  
26 employees subject to the State Personnel Act."  
27

28 Requested by: Senator Royall

29 ---COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

30 Sec. 28. (a) The Director of the Budget may transfer from the salary increase  
31 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to  
32 provide an average annual salary increase of six percent (6%), including funds for the  
33 employer's retirement and Social Security contributions, commencing July 1, 1989, for  
34 all permanent community college institutional personnel supported by State funds.  
35 Subject to the availability of funds, the salaries for temporary community college  
36 institutional personnel may be increased by pro rata amounts of the six percent (6%)  
37 average annual salary increase provided for permanent institutional employees. These  
38 funds may not be used for any purpose other than for the salary increases and necessary  
39 employer contributions provided by this section.

40 (b) The Director of the Budget may transfer from the salary increase reserve  
41 fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to provide  
42 an average annual salary increase of six percent (6%), including funds for the  
43 employer's retirement and Social Security contributions, commencing July 1, 1990, for  
44 all permanent community college institutional personnel supported by State funds.

1 Subject to the availability of funds, the salaries for temporary community college  
2 institutional personnel may be increased by pro rata amounts of the six percent (6%)  
3 average annual salary increase provided for permanent institutional employees. These  
4 funds may not be used for any purpose other than for the salary increases and necessary  
5 employer contributions provided by this section.

6  
7 Requested by: Senator Royall

8 ---HIGHER EDUCATION PERSONNEL/SALARY INCREASES

9       Sec. 29. (a) The Director of the Budget may transfer from the salary increase  
10 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to  
11 provide an annual average salary increase of six percent (6%), including funds for the  
12 employer's retirement and Social Security contributions, commencing July 1, 1989, for  
13 all employees of The University of North Carolina, as well as employees of the North  
14 Carolina School of Science and Mathematics, supported by State funds and whose  
15 salaries are exempt from the State Personnel Act. These funds shall be allocated to  
16 individuals according to rules adopted by the Board of Governors, or the Board of  
17 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and  
18 may not be used for any purpose other than for the salary increases and necessary  
19 employer contributions provided by this section.

20       (b) The Director of the Budget may transfer from the salary increase reserve  
21 fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to provide  
22 an annual average salary increase of six percent (6%), including funds for the  
23 employer's retirement and Social Security contributions, commencing July 1, 1990, for  
24 all employees of The University of North Carolina, as well as employees of the North  
25 Carolina School of Science and Mathematics, supported by State funds and whose  
26 salaries are exempt from the State Personnel Act. These funds shall be allocated to  
27 individuals according to rules adopted by the Board of Governors, or the Board of  
28 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and  
29 may not be used for any purpose other than for the salary increases and necessary  
30 employer contributions provided by this section.

31  
32 Requested by: Senator Royall

33 ---MOST STATE EMPLOYEES/SALARY INCREASES/1989-90

34       Sec. 30. (a) The salaries in effect for fiscal year 1988-89 for all permanent full-  
35 time State employees whose salaries are set in accordance with the State Personnel Act  
36 and who are paid from the General Fund or the Highway Fund shall be increased, on  
37 and after July 1, 1989, unless otherwise provided by this Part, by an average of four  
38 percent (4%), rounded to conform to the steps in the salary ranges adopted by the State  
39 Personnel Commission. If an employee's salary for fiscal year 1988-89 is not equal to a  
40 specific pay rate on the 1988-89 salary schedule, his salary increase, effective July 1,  
41 1989, unless otherwise provided by this Part, shall be four percent (4%) with the annual  
42 salary adjusted so as to be divisible by 12. The provisions of this subsection shall also  
43 apply to employees whose salaries are determined in accordance with G.S. 20-187.3(a).

1 (b) The salary increase reserve funds in Sections 3 and 4 of this act contain  
2 funds equivalent to an average annual salary increase of two percent (2%) for  
3 permanent State employees, which shall be transferred by the Director of the Budget,  
4 including funds for the employer's retirement and Social Security contributions, to all  
5 employing agencies to be awarded, on and after July 1, 1989, to permanent State  
6 employees whose salaries are set in accordance with the State Personnel Act and who  
7 are paid from the General Fund or the Highway Fund, on the basis of job performance  
8 that exceeds satisfactory levels in accordance with the policies, rules, and regulations  
9 established by the State Personnel Commission. The funds so transferred by the  
10 Director of the Budget shall be computed on the annualized salaries payable on June 30,  
11 1989, so as not to be compounded with any other increases in salary granted by the  
12 1989 General Assembly. The provisions of this subsection shall not apply to employees  
13 whose salaries are determined in accordance with G.S. 20-187.3(a).

14 (c) Except as otherwise provided in this act, the fiscal year 1988-89 salaries  
15 for permanent full-time State officials and persons in exempt positions that are  
16 recommended by the Governor or the Governor and the Advisory Budget Commission  
17 and set by the General Assembly shall be increased by an average of six percent (6%),  
18 commencing July 1, 1989.

19 (d) The salaries in effect for fiscal year 1988-89 for all permanent part-time  
20 State employees shall be increased on and after July 1, 1989, by pro rata amounts of the  
21 four percent (4%) average salary increase provided for permanent full-time employees  
22 covered under subsection (a) of this section.

23 (e) The Director of the Budget may allocate out of special operating funds or  
24 from other sources of the employing agency, except tax revenues, sufficient funds to  
25 allow a salary increase, on and after July 1, 1989, in accordance with subsections (a)  
26 and (b), or subsection (c), or subsections (b) and (d), including funds for the employer's  
27 retirement and Social Security contributions, for the permanent full-time and part-time  
28 employees of the agency, provided the employing agency elects to make available the  
29 necessary funds.

30 (f) Within regular Executive Budget Act procedures as limited by this act, all  
31 State agencies and departments may increase on an equitable basis the rate of pay of  
32 temporary and permanent hourly State employees, subject to availability of funds in the  
33 particular agency or department, by pro rata amounts of the four percent (4%) average  
34 salary increase provided for permanent full-time employees covered by the provisions  
35 of subsection (a) of this section, commencing July 1, 1989.

36  
37 Requested by: Senator Royall

38 ---MOST STATE EMPLOYEES/SALARY INCREASES/1990-91

39 Sec. 31. (a) The salaries in effect for fiscal year 1989-90 for all permanent full-  
40 time State employees whose salaries are set in accordance with the State Personnel Act  
41 and who are paid from the General Fund or the Highway Fund shall be increased, on  
42 and after July 1, 1990, unless otherwise provided by this Part, by an average of four  
43 percent (4%), rounded to conform to the steps in the salary ranges adopted by the State  
44 Personnel Commission. If an employee's salary for fiscal year 1989-90 is not equal to a

1 specific pay rate on the 1989-90 salary schedule, his salary increase, effective July 1,  
2 1990, unless otherwise provided by this Part, shall be four percent (4%) with the annual  
3 salary adjusted so as to be divisible by 12. The provisions of this subsection shall also  
4 apply to employees whose salaries are determined in accordance with G.S. 20-187.3(a).

5 (b) The salary increase reserve funds in Sections 3 and 4 of this act contain  
6 funds equivalent to an average annual salary increase of two percent (2%) for  
7 permanent State employees, which shall be transferred by the Director of the Budget,  
8 including funds for the employer's retirement and Social Security contributions, to all  
9 employing agencies to be awarded, on and after July 1, 1990, to permanent State  
10 employees whose salaries are set in accordance with the State Personnel Act and who  
11 are paid from the General Fund or the Highway Fund, on the basis of job performance  
12 that exceeds satisfactory levels in accordance with the policies, rules, and regulations  
13 established by the State Personnel Commission. The funds so transferred by the  
14 Director of the Budget shall be computed on the annualized salaries payable on June 30,  
15 1990, so as not to be compounded with any other increases in salary granted by the  
16 1989 General Assembly. The provisions of this subsection shall not apply to employees  
17 whose salaries are determined in accordance with G.S. 20-187.3(a).

18 (c) Except as otherwise provided in this act, the fiscal year 1989-90 salaries  
19 for permanent full-time State officials and persons in exempt positions that are  
20 recommended by the Governor or the Governor and the Advisory Budget Commission  
21 and set by the General Assembly shall be increased by an average of six percent (6%),  
22 commencing July 1, 1990.

23 (d) The salaries in effect for fiscal year 1989-90 for all permanent part-time  
24 State employees shall be increased on and after July 1, 1990, by pro rata amounts of the  
25 four percent (4%) average salary increase provided for permanent full-time employees  
26 covered under subsection (a) of this section.

27 (e) The Director of the Budget may allocate out of special operating funds or  
28 from other sources of the employing agency, except tax revenues, sufficient funds to  
29 allow a salary increase, on and after July 1, 1990, in accordance with subsections (a)  
30 and (b), or subsection (c), or subsections (b) and (d), including funds for the employer's  
31 retirement and Social Security contributions, for the permanent full-time and part-time  
32 employees of the agency, provided the employing agency elects to make available the  
33 necessary funds.

34 (f) Within regular Executive Budget Act procedures as limited by this act, all  
35 State agencies and departments may increase on an equitable basis the rate of pay of  
36 temporary and permanent hourly State employees, subject to availability of funds in the  
37 particular agency or department, by pro rata amounts of the four percent (4%) average  
38 salary increase provided for permanent full-time employees covered by the provisions  
39 of subsection (a) of this section, commencing July 1, 1990.

40  
41 Requested By: Senator Royall

42 —PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

43 Sec. 32. (a) Superintendents, Assistant Superintendents, Associate  
44 Superintendents, Supervisors, Directors, Coordinators, Evaluators, and Program

1 Administrators. The Director of the Budget may transfer from the salary increase  
2 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to  
3 provide an annual average salary increase of six percent (6%), including funds for the  
4 employer's retirement and Social Security contributions, commencing July 1, 1989, for  
5 all public school superintendents, assistant superintendents, associate superintendents,  
6 supervisors, directors, coordinators, evaluators, and program administrators whose  
7 salaries are supported from the State's General Fund. These funds shall be allocated to  
8 individuals according to rules adopted by the State Board of Education and the  
9 Superintendent of Public Instruction and may not be used for any purpose other than for  
10 the salary increase and necessary employer contributions provided by this subsection.

11 (a1) Superintendents, Assistant Superintendents, Associate Superintendents,  
12 Supervisors, Directors, Coordinators, Evaluators, and Program Administrators. The  
13 Director of the Budget may transfer from the salary increase reserve fund created in  
14 Section 3 of this act for fiscal year 1990-91 funds necessary to provide an annual  
15 average salary increase of six percent (6%), including funds for the employer's  
16 retirement and Social Security contributions, commencing July 1, 1990, for all public  
17 school superintendents, assistant superintendents, associate superintendents,  
18 supervisors, directors, coordinators, evaluators, and program administrators whose  
19 salaries are supported from the State's General Fund. These funds shall be allocated to  
20 individuals according to rules adopted by the State Board of Education and the  
21 Superintendent of Public Instruction and may not be used for any purpose other than for  
22 the salary increase and necessary employer contributions provided by this subsection.

23 (b) Principals, Assistant Principals, and Teachers. The Director of the Budget  
24 may transfer from the salary increase reserve fund created in Section 3 of this act for  
25 fiscal year 1989-90 and for fiscal year 1990-91 funds necessary to provide an annual  
26 average salary increase of six percent (6%), including funds for the employer's  
27 retirement and Social Security contributions, commencing July 1, 1989, and July 1,  
28 1990, for all public school principals, assistant principals, and teachers whose salaries  
29 are supported from the State's General Fund. These funds shall be allocated to  
30 individuals according to rules adopted by the State Board of Education and the  
31 Superintendent of Public Instruction so as to begin the first and second years of a three-  
32 year implementation schedule that will provide an experience-based State salary  
33 schedule in fiscal year 1991-92 incorporating (i) 25 annual salary steps based upon  
34 years of experience with a two percent (2%) difference between steps except for  
35 between the third and fourth steps which shall have a five percent (5%) difference; (ii)  
36 a five percent (5%) salary increase for principals, assistant principals and teachers with  
37 certification based upon academic preparation at the master's degree level; (iii) a seven  
38 and one-half percent (7.5%) salary increase for principals, assistant principals, and  
39 teachers with certification based upon academic preparation at the six-year degree level;  
40 (iv) a ten percent (10%) salary increase for principals, assistant principals, and teachers  
41 with certification based upon academic preparation at the doctoral degree level; and (v)  
42 annual longevity pay at four and one-half percent (4.5%) of base salary only upon the  
43 completion of 25 years of State service.



1 (c) Noncertified Employees. The Director of the Budget may transfer from the  
2 salary increase reserve fund created in Section 3 of this act for fiscal year 1989-90 funds  
3 necessary to provide an annual average salary increase of four percent (4%), including  
4 funds for the employer's retirement and Social Security contributions, commencing July  
5 1, 1989, for all noncertified public school employees, except school bus drivers, whose  
6 salaries are supported from the State's General Fund. An additional amount of funds  
7 equal to an average annual salary increase of two percent (2%) for these employees may  
8 also be transferred by the Director of the Budget for fiscal year 1989-90 to further adjust  
9 the salaries and State salary schedules for noncertified employees commensurate,  
10 insofar as possible, with the salary schedules for comparable State employees whose  
11 salaries are set in accordance with the State Personnel Act, as determined by the State  
12 Board of Education and the Superintendent of Public Instruction. The salary adjustment  
13 funds so transferred by the Director of the Budget shall be computed on the annualized  
14 salaries payable on June 30, 1989, so as not to be compounded with any other increases  
15 in salary granted by the 1989 General Assembly. In addition, local boards of education  
16 are authorized to use, within available funds, any unexpended salary allocations for  
17 noncertified personnel to further help relieve any salary inequities for noncertified  
18 employees through salary adjustments. These funds shall be allocated to individuals  
19 according to rules adopted by the State Board of Education and the Superintendent of  
20 Public Instruction and may not be used for any purpose other than for the salary  
21 increases and necessary employer contributions provided by this subsection.

22 (c1) Noncertified Employees. The Director of the Budget may transfer from  
23 the salary increase reserve fund created in Section 3 of this act for fiscal year 1990-91  
24 funds necessary to provide an annual average salary increase of four percent (4%),  
25 including funds for the employer's retirement and Social Security contributions,  
26 commencing July 1, 1990, for all noncertified public school employees, except school  
27 bus drivers, whose salaries are supported from the State's General Fund. An additional  
28 amount of funds equal to an average annual salary increase of two percent (2%) for  
29 these employees may also be transferred by the Director of the Budget for fiscal year  
30 1990-91 to further adjust the salaries and State salary schedules for noncertified  
31 employees commensurate, insofar as possible, with the salary schedules for comparable  
32 State employees whose salaries are set in accordance with the State Personnel Act, as  
33 determined by the State Board of Education and the Superintendent of Public  
34 Instruction. The salary adjustment funds so transferred by the Director of the Budget  
35 shall be computed on the annualized salaries payable on June 30, 1990, so as not to be  
36 compounded with any other increases in salary granted by the 1989 General Assembly.  
37 These funds shall be allocated to individuals according to rules adopted by the State  
38 Board of Education and the Superintendent of Public Instruction and may not be used  
39 for any purpose other than for the salary increases and necessary employer contributions  
40 provided by this subsection.

41 (d) The fiscal year 1988-89 pay rates adopted by local boards of education for  
42 school bus drivers shall be increased by at least six percent (6%), on and after July 1,  
43 1989, to the extent that such rates of pay are supported by the allocation of State funds  
44 from the State Board of Education. Local boards of education shall increase the rates of

1 pay for all school bus drivers who were employed during fiscal year 1988-89 and who  
 2 continue their employment for fiscal year 1989-90 by at least six percent (6%), on and  
 3 after July 1, 1989. The Director of the Budget may transfer from the salary increase  
 4 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to  
 5 provide the salary increases for school bus drivers whose salaries are supported from the  
 6 State's General Fund in accordance with the provisions of this subsection.

7 (d1) The fiscal year 1989-90 pay rates adopted by local boards of education  
 8 for school bus drivers shall be increased by at least six percent (6%), on and after July 1,  
 9 1990, to the extent that such rates of pay are supported by the allocation of State funds  
 10 from the State Board of Education. Local boards of education shall increase the rates of  
 11 pay for all school bus drivers who were employed during fiscal year 1989-90 and who  
 12 continue their employment for fiscal year 1990-91 by at least six percent (6%), on and  
 13 after July 1, 1990. The Director of the Budget may transfer from the salary increase  
 14 reserve fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to  
 15 provide the salary increases for school bus drivers whose salaries are supported from the  
 16 State's General Fund in accordance with the provisions of this subsection.

17  
 18 Requested by: Senator Royall

19 —CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

20 Sec. 33. (a) The annual salaries, payable monthly, for the following fiscal  
 21 years for the following executive branch officials are:

Executive Branch Officials	Annual Salary	
	1989-90	1990-91
24 Chairman, Alcoholic Beverage Control		
25 Commission	\$ 68,304	72,408
26 State Controller	110,772	117,420
27 Commissioner of Motor Vehicles	68,304	72,408
28 Commissioner of Banks	68,304	72,408
29 Chairman, Employment Security Commission	68,304	72,408
30 State Personnel Director	70,992	75,252
31 Chairman, Parole Commission	62,328	66,072
32 Members of the Parole Commission	57,504	60,960
33 Chairman, Industrial Commission	61,320	65,004
34 Members of the Industrial Commission	59,808	63,408
35 Executive Director, Agency for Public		
36 Telecommunications	57,504	60,960
37 General Manager, Ports Railway		
38 Commission	51,876	54,996
39 Director, Museum of Art	70,008	74,208
40 Director, State Ports Authority	79,392	84,156
41 Executive Director, Wildlife Resources		
42 Commission	58,884	62,424
43 Executive Director, North Carolina		
44 Housing Finance Agency	84,648	89,736

1	Executive Director, North Carolina		
2	Technological Development Authority	45,156	47,868
3	Executive Director, North Carolina		
4	Agricultural Finance Authority	66,468	70,464
5	Director, Office of Administrative		
6	Hearings 60,240	63,864	

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

11           (c) G.S. 53-93.1 reads as rewritten:

12 **"§ 53-93.1. Deputy commissioner.**

13       The Commissioner of Banks shall appoint, with approval of the Governor, and may  
14 remove at his discretion a deputy commissioner, who, in the event of the absence, death,  
15 resignation, disability or disqualification of the Commissioner of Banks, or in case the  
16 office of Commissioner shall for any reason become vacant, shall have and exercise all  
17 the powers and duties vested by law in the Commissioner of Banks. ~~He shall receive~~  
18 ~~such compensation as shall be fixed by the General Assembly in the Current Operations~~  
19 ~~Appropriations Act.~~

20       Irrespective of the conditions under which the deputy commissioner may exercise  
21 the powers and perform the duties of the Commissioner of Banks, pursuant to the  
22 preceding paragraph, such deputy commissioner, in addition thereto, is hereby  
23 authorized and empowered at any and all times, at the discretion of the Commissioner  
24 of Banks, to perform such duties and exercise such powers of the Commissioner of  
25 Banks in the name of and on behalf of the Commissioner as the Commissioner, in his  
26 discretion, may direct.

27       This section is not to be construed to modify the provisions of G.S. 53-97."

28           (d) G.S. 113-315.26 reads as rewritten:

29 **"§ 113-315.26. Personnel.**

30       The Secretary of Commerce shall appoint such ~~management~~ personnel as deemed  
31 necessary who shall serve at the pleasure of the Secretary of Commerce. ~~The salaries of~~  
32 ~~these personnel shall be fixed by the General Assembly in the Current Operations~~  
33 ~~Appropriations Act.~~ The Secretary of Commerce shall have the power to appoint,  
34 employ and dismiss such number of employees as he may deem necessary to  
35 accomplish the purposes of this Article subject to the availability of funds. ~~The power to~~  
36 ~~appoint, employ and dismiss personnel, and to fix the number thereof, may be delegated~~  
37 ~~to one or more of the management personnel upon such terms and subject to such~~  
38 ~~restrictions and limitations as the Secretary of Commerce may deem proper. The~~  
39 ~~compensation of such employees shall be fixed by the Secretary of Commerce.~~ It  
40 is recommended that, to the fullest extent possible, the Secretary of Commerce consult  
41 with the Authority on matters of personnel."  
42

43 Requested by: Senator Royall

44 ---ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

1       Sec. 34. (a)       Salaries for positions that are funded partially from the General  
2 Fund or Highway Fund and partially from sources other than the General Fund or  
3 Highway Fund shall be increased from the General Fund or Highway Fund  
4 appropriation only to the extent of the proportionate part of the salaries paid from the  
5 General Fund or Highway Fund.

6               (b) The granting of the salary increases under this Part does not affect the  
7 status of eligibility for salary increments for which employees may be eligible unless  
8 otherwise required by this Part.

9               (c) The salary range maximums for all employees shall be increased to  
10 accommodate the across-the-board salary increase provided by this Part so that every  
11 employee will continue to have the same relative position with respect to salary  
12 increases and future increments as he would have had if these salary increases had not  
13 been made.

14              (d) The salary increases provided in this Part to be effective July 1, 1989, do not  
15 apply to persons separated from State service due to resignation, dismissal, reduction in  
16 force, death, or retirement, whose last workday is prior to July 1, 1989; or to employees  
17 involved in written disciplinary procedures. Payroll checks issued to employees after  
18 July 1, 1989, which represent payment for services provided prior to July 1, 1989, shall  
19 not be eligible for salary increases provided for in this act. This subsection shall apply  
20 to all employees, subject to or exempt from the State Personnel Act, paid from State  
21 funds, including public schools, community colleges, and The University of North  
22 Carolina.

23              (d1) The salary increases provided in this Part to be effective July 1, 1990,  
24 do not apply to persons separated from State service due to resignation, dismissal,  
25 reduction in force, death, or retirement, whose last workday is prior to July 1, 1990; or  
26 to employees involved in written disciplinary procedures. Payroll checks issued to  
27 employees after July 1, 1990, which represent payment for services provided prior to  
28 July 1, 1990, shall not be eligible for salary increases provided for in this act. This  
29 subsection shall apply to all employees, subject to or exempt from the State Personnel  
30 Act, paid from State funds, including public schools, community colleges, and The  
31 University of North Carolina.

32              (e) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the  
33 1979 Session Laws as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-  
34 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)  
35 or G.S. 7A-102(c), no employee or officer of the public school system shall receive an  
36 automatic increment, and no State employee or officer shall receive a merit increment,  
37 during the 1989-90 fiscal year, or the 1990-91 fiscal year, except as otherwise permitted  
38 by this act.

39              (f) The Director of the Budget shall transfer from the salary increase reserve  
40 funds created in Sections 3 and 4 of this act for fiscal year 1989-90 and fiscal year  
41 1990-91 all funds necessary for the salary increases provided by this Part, including  
42 funds for the employer's retirement and Social Security contributions.

43              (g) Nothing in this Part authorizes the transfer of funds from the General  
44 Fund to the Highway Fund for salary increases.

1

2 Requested by: Senator Royall

3 —PERMIT DEVIATIONS FROM CERTAIN PROVISIONS OF THE EXECUTIVE  
4 BUDGET ACT5 Sec. 35. Sections 156 through 160 of Chapter 479 of the 1985 Session Laws,  
6 as amended, do not apply to the extent that the Director of the Budget finds that  
7 compliance is impossible and that deviation is necessary because of complications in the  
8 budget process that were not contemplated when the budget for the 1989-91 fiscal  
9 biennium was enacted.10 The Director of the Budget shall report, prior to each deviation, on a monthly  
11 basis to the Joint Legislative Commission on Governmental Operations and to the Fiscal  
12 Research Division of the Legislative Services Office on any contemplated deviations  
13 from Sections 156 through 160 of Chapter 479 of the 1985 Session Laws, as amended,  
14 and the reasons it was impossible to comply.15 This section does not authorize deviations from Sections 156 through 160 of  
16 Chapter 479 of the 1985 Session Laws, as amended, to combine fund codes.

17

18 Requested by: Senator Royall

19 —OVER REALIZED RECEIPTS

20 Sec. 36. G.S. 143-27 reads as rewritten:

21 **"§ 143-27. Appropriations to educational, charitable and correctional institutions**  
22 **are in addition to receipts by them.**23 (a) All appropriations now or hereafter made to the educational institutions, and  
24 to the charitable and correctional institutions, and to such other departments and  
25 agencies of the State as receive moneys available for expenditure by them are declared  
26 to be in addition to such receipts of said institutions, departments or agencies, and are to  
27 be available as and to the extent that such receipts are insufficient to meet the costs  
28 anticipated in the budget authorized by the General Assembly, of maintenance of such  
29 institutions, departments, and agencies; Provided, however, that if the receipts, other  
30 than gifts and grants that are unanticipated and are for a specific purpose only, collected  
31 in a fiscal year by an institution, department, or agency exceed the receipts certified for  
32 it in General Fund Codes or Highway Fund Codes, the Director of the Budget shall  
33 decrease the amount he allots to that institution, department, or agency from  
34 appropriations from that Fund by the amount of the excess, unless the Director of the  
35 Budget finds that the appropriations from that Fund are necessary to maintain the  
36 function that generated the receipts at the level anticipated in the certified Budget Codes  
37 for that Fund.38 (b) The Office of State Budget and Management shall report to the Joint  
39 Legislative Commission on Governmental Operations and to the Fiscal Research  
40 Division of the Legislative Services Office within 30 days after the end of each quarter  
41 on expenditures of receipts in excess of the amounts certified in General Fund Codes or  
42 Highway Fund Codes that did not result in a corresponding reduced allotment from  
43 appropriations from that Fund. This subsection does not apply to expenditures of

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

3  
4 Requested by: Senator Royall

5 —CONTINGENCY AND EMERGENCY FUND ALLOCATION

6 Sec. 37. Of the funds appropriated to the Contingency and Emergency Fund  
7 in Section 3 of the Current Operations Appropriations Act of 1989, the sum of \$900,000  
8 for the 1989-90 fiscal year and the sum of \$900,000 for the 1990-91 fiscal year shall be  
9 designated for emergency allocations and the sum of \$225,000 for the 1989-90 fiscal  
10 year and the sum of \$225,000 for the 1990-91 fiscal year shall be designated for  
11 contingency allocations.

12  
13 Requested by: Senator Royall

14 —PRIVATE LICENSE TAGS ON STATE-OWNED CARS AUTHORIZED

15 Sec. 38. (a) Pursuant to the provisions of G.S. 14-250, for the 1989-91 fiscal  
16 biennium, the General Assembly authorizes the use of private license tags on State-  
17 owned motor vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
19 Motor Vehicles	License and Theft	97
20 Justice	SBI Agents	277
21 Correction	Probation/Parole Surveillance	
22	Officers (intensive probation)	25

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

25  
26 Requested by: Senator Royall and Block

27 —POST-RETIREMENT ALLOWANCE INCREASES/RETIRED TEACHERS,  
28 STATE EMPLOYEES, JUDICIAL OFFICIALS, LOCAL GOVERNMENT  
29 EMPLOYEES, AND LEGISLATORS

30 Sec. 38.1. (a) G.S. 135-5 is amended by adding a new subsection to read:

31 "(pp) From and after July 1, 1989, the retirement allowance to or on account of  
32 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased  
33 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988, in  
34 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1989, the  
35 retirement allowance to or on account of beneficiaries whose retirement commenced  
36 after July 1, 1988, but before June 30, 1989, shall be increased by a prorated amount of  
37 three and one-half percent (3.5%) of the allowance payable as determined by the Board  
38 of Trustees based upon the number of months that a retirement allowance was paid  
39 between July 1, 1988, and June 30, 1989."

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

41 "(j) From and after July 1, 1989, the retirement allowance to or on account of  
42 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased  
43 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988.  
44 Furthermore, from and after July 1, 1989, the retirement allowance to or on account of

1 beneficiaries whose retirement commenced after July 1, 1988, but before June 30, 1989,  
2 shall be increased by a prorated amount of three and one-half percent (3.5%) of the  
3 allowance payable as determined by the Board of Trustees based upon the number of  
4 months that a retirement allowance was paid between July 1, 1988, and June 30, 1989."

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

6 "(ff) From and after July 1, 1989, the retirement allowance to or on account of  
7 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased  
8 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988, in  
9 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1989, the  
10 retirement allowance to or on account of beneficiaries whose retirement commenced  
11 after July 1, 1988, but before June 30, 1989, shall be increased by a prorated amount of  
12 three and one-half percent (3.5%) of the allowance payable as determined by the Board  
13 of Trustees based upon the number of months that a retirement allowance was paid  
14 between July 1, 1988, and June 30, 1989."

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

16 "(e) In accordance with subsection (a) of this section, from and after July 1, 1989,  
17 the retirement allowance to or on account of beneficiaries whose retirement commenced  
18 on or before January 1, 1989, shall be increased by the same amount as provided to  
19 retired members and beneficiaries of the Teachers' and State Employees' Retirement  
20 System pursuant to the provisions of G.S. 135-5(11) and (mm)."

21 (e) Of the funds appropriated to the General Assembly in Section 3 of this act  
22 for the 1989-90 fiscal year, the sum of \$135,000 shall be transferred to the Legislative  
23 Retirement System to fund the provisions of subsection (d) of this section.

24  
25 Requested by: Senator Royall

26 ~~---~~SALARY RELATED CONTRIBUTIONS/EMPLOYERS

27 Sec. 38.2. (a) Required employer salary-related contributions for employees  
28 whose salaries are paid from department, office, institution, or agency receipts shall be  
29 paid from the same source as the source of the employees' salary. If an employee's  
30 salary is paid in part from the General Fund or Highway Fund and in part from  
31 department, office, institution, or agency receipts, required employer salary-related  
32 contributions may be paid from the General Fund or Highway Fund only to the extent of  
33 the proportionate part paid from the General Fund or Highway Fund in support of the  
34 salary of the employee, and the remainder of the employer's requirements shall be paid  
35 from the source that supplies the remainder of the employee's salary. The requirements  
36 of this section as to source of payment are also applicable to payments on behalf of the  
37 employee for hospital-medical benefits, longevity pay, unemployment compensation,  
38 accumulated leave, workers' compensation, severance pay, separation allowances, and  
39 applicable disability income and disability salary continuation benefits.

40 (b) The State's employer contribution rates budgeted for retirement and related  
41 benefits as a percentage of covered salaries for the 1989-90 fiscal year are (i) eleven and  
42 sixty-four hundredths percent (11.64%) - Teachers and State Employees; (ii) sixteen and  
43 sixty-four hundredths percent (16.64%) - State Law Enforcement Officers; (iii) eight  
44 and seventeen hundredths percent (8.17%) - University Employees' Optional Retirement

1 Program; (iv) thirty-one and twenty-six hundredths percent (31.26%) - Consolidated  
2 Judicial Retirement System; and (v) thirty-eight and seventy-five hundredths percent  
3 (38.75%) - Legislative Retirement System. Each of the foregoing contribution rates  
4 includes one and fifty-five hundredths percent (1.55%) for hospital and medical  
5 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for  
6 the Supplemental Retirement Income Plan. The rates for Teachers and State  
7 Employees, State Law Enforcement Officers, and for the University Employees'  
8 Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the  
9 Disability Income Plan.

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

24 (d) The maximum annual employer contributions, payable monthly, by the State  
25 for each covered employee or retiree for the 1989-90 fiscal year to the Teachers' and  
26 State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible  
27 employees and retirees - \$954.00; and (ii) Non-Medicare eligible employees and retirees  
28 - \$1,253.

29 (e) The maximum annual employer contributions, payable monthly, by the  
30 State for each covered employee or retiree for the 1990-91 fiscal year to the Teachers'  
31 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible  
32 employees and retirees - \$986.00; and (ii) Non-Medicare eligible employees and retirees  
33 - \$1,295.

34  
35 Requested by: Senators Royall and Block

36 —STUDY OF MEDICAL, DISABILITY, DEATH, RETIREMENT, AND RELATED  
37 BENEFITS PROVIDED BY FEDERAL, STATE, AND LOCAL GOVERNMENTS  
38 FOR FIREMEN

39 Sec. 38.3. Of the Funds appropriated to the General Assembly in Section 3 of  
40 this act, the sum of \$5,000 for the 1989-90 fiscal year and the sum of \$5,000 for the  
41 1990-91 fiscal year shall be used by the Legislative Research Commission to study,  
42 with the staff assistance of the Legislative Services Office and the Department of  
43 Insurance, the receipt and disposition of premium taxes levied by the State on fire and  
44 lightning insurance policies issued within the State in accordance with Articles 1 and 2



1 of Chapter 118 of the North Carolina General Statutes. This study shall include, but not  
2 be limited to, the amount of premium tax receipts and earnings thereon maintained by  
3 trustees, the coordination of medical, disability, death, retirement, and related benefits  
4 provided by trustees with similar benefits provided in the course of a fireman's  
5 employment or otherwise provided by the State of North Carolina or agencies of the  
6 United States, and eligibility requirements administered by trustees for firemen's receipt  
7 of the foregoing types of benefits. The study shall also include a review of the revenue  
8 collections on other premium taxes levied by the State on fire and lightning insurance  
9 policies issued within the State in accordance with Article 8B of Chapter 105 of the  
10 North Carolina General Statutes, in comparison with the amount of General Fund and  
11 other revenues expended annually by the State for medical, disability, death, retirement,  
12 and related benefits for firemen. The Legislative Research Commission shall complete  
13 its study and make a report of its findings and recommendations to the General  
14 Assembly upon the convening of the 1991 Session of the General Assembly.

15  
16 Requested by: Senator Royall

17 —RESERVE FOR LOCAL TAX REIMBURSEMENTS

18 Sec. 38.4. (a) There is created in the Department of Revenue a special reserve to  
19 be known as the Local Government Tax Reimbursement Reserve. Funds in the Reserve  
20 shall be used to reimburse local governments for certain reductions in tax revenue  
21 resulting from tax legislation enacted by the General Assembly. There is appropriated  
22 from the General Fund to the Local Government Tax Reimbursement Reserve  
23 \$231,677,461 for the 1989-90 fiscal year and \$234,015,743 for the 1990-91 fiscal year.  
24 The Department of Revenue shall distribute the funds appropriated to the Local  
25 Government Tax Reimbursement Reserve for the 1989-90 and 1990-91 fiscal years as  
26 follows:

- 27 (1) The sum of \$5,366,497 for the 1989-90 fiscal year and the sum of  
28 \$5,618,722 for the 1990-91 fiscal year shall be used as needed to  
29 reimburse local governments, in accordance with G.S. 105-164.44C,  
30 for the impact of the exemption of food stamp purchases from sales tax  
31 under Chapter 656 of the 1985 Session Laws.
- 32 (2) The sum of \$5,439,102 for the 1989-90 fiscal year and the sum of  
33 \$5,874,231 for the 1990-91 fiscal year shall be used to reimburse local  
34 governments, in accordance with the second sentence of the third  
35 paragraph of G.S. 105-213(a), for the impact of the intangibles tax  
36 exemption of certain accounts and accounts receivable under Chapter  
37 656 of the 1985 Session Laws.
- 38 (3) The sum of \$24,902,468 for the 1989-90 fiscal year and the sum of  
39 \$25,496,225 for the 1990-91 fiscal year shall be used to reimburse  
40 local governments, in accordance with G.S. 105-213.1, for the impact  
41 of the intangibles tax exemption of money on deposit and money on  
42 hand under Chapter 656 of the 1985 Session Laws.
- 43 (4) The sum of \$107,895,809 for the 1989-90 fiscal year and the sum of  
44 \$107,895,809 for the 1990-91 fiscal year shall be used to reimburse

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

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

28 (b) G.S. 105-164.44C reads as rewritten:

29 **"§ 105-164.44C. Reimbursement for sales taxes on food stamp foods and**  
30 **supplemental foods.**

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

43 (c) G.S. 105-213.1(d) reads as rewritten:

1       "(d) Source. ~~Amounts Funds distributed under this section shall be charged to~~  
2 ~~individual income tax collections drawn from the Local Government Tax~~  
3 ~~Reimbursement Reserve."~~

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

5       "(b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the  
6 Secretary shall pay to each county and city the amount it received under subsection (a)  
7 in 1989 plus an amount equal to the county or city average rate multiplied by the value  
8 of the items described in subdivisions (ii) and (iii) of subsection (a) that were required  
9 to be listed and assessed as of January 1, 1987, and were listed on or before September  
10 1, 1987, in the county or city, plus or minus the percentage of this product that equals  
11 the percentage by which State personal income has increased or decreased during the  
12 most recent 12-month period for which State personal income data has been compiled  
13 by the Bureau of Economic Analysis of the United States Department of Commerce.  
14 As soon as practicable after January 1, 1990, the Secretary shall also pay to each county  
15 and city an amount equal to the average rate for each special district for which the  
16 county or city collected taxes in 1987, but whose tax rates were not included in the  
17 county or city's rates, multiplied by the value of the items described in subdivisions (ii)  
18 and (iii) of subsection (a) that were required to be listed and assessed as of January 1,  
19 1987, and were listed on or before September 1, 1987, in the district, plus or minus the  
20 percentage of this product that equals the percentage by which State personal income  
21 has increased or decreased during the most recent 12-month period for which State  
22 personal income data has been compiled by the Bureau of Economic Analysis of the  
23 United States Department of Commerce. Thereafter, except as provided in subsection  
24 (f), as soon as practicable after January 1 of each year, the Secretary shall distribute to  
25 each county and city the amount it received under this section the preceding year.

26       Of the funds received by each county and city pursuant to this subsection in 1990,  
27 the portion that was received because the county or city was collecting taxes for a  
28 special district (either because the district's tax rate was included in the city or county's  
29 rate or because the Secretary paid the county or city the product of the district's average  
30 rate and the value of the inventories and other items in the district) shall be distributed  
31 among the districts in the county or city as soon as practicable after the city or county  
32 receives the funds. The county or city shall distribute to each special district in the  
33 county or city the amount it distributed to the district in 1989 plus an amount equal to  
34 the average rate for the district multiplied by the value of the items, other than  
35 inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to  
36 be listed and assessed as of January 1, 1987, and were listed on or before September 1,  
37 1987, in the district, plus or minus the percentage of this product that equals the  
38 percentage by which State personal income has increased or decreased during the most  
39 recent 12-month period for which State personal income data has been compiled by the  
40 Bureau of Economic Analysis of the United States Department of Commerce.

41       Each year thereafter, as soon as practicable after receiving funds under this  
42 subsection, every county and city shall distribute among the special districts for which  
43 the county or city collects tax an amount equal to the amount it distributed among such  
44 districts the previous year. ~~This distribution shall be in accordance with regulations~~

1 issued by the local Government Commission. The Local Government Commission may  
2 adopt rules for the resolution of disputes and correction of errors in the distribution  
3 among special districts provided in this subsection. In addition, the Local Government  
4 Commission may adopt rules for the reallocation of funds when a special district is  
5 dissolved, merged, or consolidated, or when a special district ceases to levy tax, either  
6 temporarily or permanently."

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

8 "(e) Source of Funds. To pay for the distribution required by this section and the  
9 cost to the Department of Revenue of making the distribution, the Secretary of Revenue  
10 shall ~~charge the collections received by the Department under Division I of Article 4 of~~  
11 ~~Chapter 105 with~~ draw from the Local Government Tax Reimbursement Reserve an  
12 amount equal to the amount distributed and the cost of making the distribution."

13 (f) G.S. 105-277A(f) reads as rewritten:

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

16 (1) For the distribution made in 1989, the Secretary shall draw an amount  
17 equal to the amount distributed and the cost of making the distribution  
18 first from the Inventory Tax Reimbursement Fund created in Section  
19 15.1 of the School Facilities Finance Act of 1987, until it is exhausted,  
20 and then the remainder of that amount from collections received by the  
21 Department under Division I of Article 4 of this Chapter.

22 (2) For distributions made in subsequent years, the Secretary shall ~~charge~~  
23 ~~the collections received by the Department under Article 5 of this~~  
24 ~~Chapter with~~ draw from the Local Government Tax Reimbursement  
25 Reserve for the distribution required by this section an amount equal to  
26 the amount distributed and the cost of making the distribution."

27 (g) G.S. 105-277.1A(f) reads as rewritten:

28 "(f) In order to pay for the reimbursement under this section and the cost to the  
29 Department of Revenue for administering the reimbursement, the Secretary of Revenue  
30 shall draw from the Local Government Tax Reimbursement Reserve an amount equal to  
31 the reimbursement and the cost of administration. ~~may withhold from net collections~~  
32 ~~received by the Department under Article 2A and Article 2C of Chapter 105 of the~~  
33 ~~General Statutes an amount equal to the reimbursement and the cost of administration."~~  
34

## 35 PART VII.—DEPARTMENT OF PUBLIC INSTRUCTION

36  
37 Requested by: Senator Ward

38 —ASSISTANT PRINCIPALS

39 Sec. 39. Funds appropriated in Section 3 of the Current Operations  
40 Appropriations Act of 1989 for assistant principals shall be used only for assistant  
41 principals and shall be allocated on the basis of months of employment. Local  
42 superintendents shall determine the number and term of employment of assistant  
43 principals and shall, to the extent practical, make an equitable distribution of these  
44 positions among schools on the basis of average daily membership.

1

2 Requested by: Senator Ward

3 —BASIC EDUCATION PROGRAM FUNDS

4 Sec. 40. Funds are appropriated in Section 3 of this act to the Department of  
5 Public Education for further implementation of the Basic Education Program in public  
6 schools. These funds will provide for the fifth and sixth years of the planned eight-year  
7 implementation schedule.

8 These funds shall be used by the local school administrative units for the  
9 following purposes: Additional Teachers, Vocational Education Teachers, Instructional  
10 Support, Instructional/Lab Clerical Assistants, Athletic Trainer Supplement, Assistant  
11 Principals - Extension of Term, Assistant/Associate Superintendents, and Clerical  
12 Assistants and Supervisors.

13 These funds shall be in addition to other State and local funds for education  
14 and shall not be used to supplant local funds for education. The Department of Public  
15 Instruction shall report by October 1, 1989, on how such funds appropriated for the  
16 1989-90 fiscal year were budgeted by the local school administrative units, to the Study  
17 Commission on the Future of Education and to the Joint Legislative Commission on  
18 Governmental Operations.

19

20 Requested by: Senator Ward

21 —PUPIL TRANSPORTATION

22 Sec. 41. The Department of Public Instruction shall implement the Pupil  
23 Transportation Operational Study authorized by Section 94 of Chapter 1086 of the 1987  
24 Session Laws. The State Board of Education shall allocate up to \$400,000 of the funds  
25 appropriated for the 1989-90 fiscal year for aid to local school administrative units for  
26 pupil transportation to implement the findings of this study.

27 The Department shall also report its final recommendations for achieving  
28 improved efficiency and economy in the pupil transportation system to the 1990 Session  
29 of the General Assembly. These recommendations shall include incentives for  
30 encouraging cost-effective operations in local school administrative units, as provided  
31 in G.S. 115C-240(e) and 115C-246(a).

32

33 Requested by: Senator Ward

34 —CHILD NUTRITION

35 Sec. 42. Of the funds appropriated to the Department of Public Education for  
36 the 1989-90 fiscal year for aid to local school administrative units for staff development,  
37 the State Board of Education shall allocate \$280,000 to local school units for staff  
38 development of school food service personnel.

39

40 Requested by: Senator Chalk

41 —KINDERGARTEN STUDY

42 Sec. 43. Of the funds appropriated for education studies by the Joint  
43 Legislative Commission on Governmental Operations in Sections 15.2, 18.2, and 19.2  
44 of Chapter 873 of the 1987 Session Laws and not expended or encumbered prior to July

1 1, 1989, the sum of \$24,900 shall be allocated to the Board of Governors of The  
2 University of North Carolina for a study of the impact of kindergarten education on  
3 subsequent school performance. The study shall be carried out by the Collegium for the  
4 Advancement of Schools, Schooling, and Education at the University of North Carolina  
5 at Greensboro. The Board of Governors shall report the results of the study to the  
6 General Assembly prior to May 1, 1991.

7  
8 Requested by: Senator Ward

9 —DROPOUT PREVENTION COORDINATORS

10 Sec. 44. Of the funds appropriated to the Department of Public Education for  
11 aid to local school administrative units for dropout prevention, the State Board of  
12 Education shall allocate to the Department of Public Instruction up to \$225,000 for the  
13 1989-90 fiscal year and up to \$225,000 for the 1990-91 fiscal year for three dropout  
14 prevention coordinators. The State Superintendent shall assign the dropout prevention  
15 coordinators to designated areas within the State and shall develop job descriptions for  
16 them.

17  
18 Requested by: Senator Ward

19 —DROPOUT PREVENTION/IN-SCHOOL SUSPENSION

20 Sec. 44.1. Of the funds appropriated to the Department of Public Education  
21 for the 1988-89 fiscal year for aid to local school administration units for the Dropout  
22 Prevention/In-School Suspension Program, the sum of \$200,000 for each year of the  
23 1989-91 fiscal biennium may be used to fund eight pilot public/private educational  
24 compacts to bring together on an ongoing basis representatives from public education,  
25 community colleges, higher education, and business and industry leaders to determine  
26 how to improve attendance, prevent dropping out of school, increase academic  
27 performance, and increase participation in higher education and the workforce by at-risk  
28 students. The funds may also be used to fund eight parental involvement pilot  
29 programs, and to provide for operating costs, workshops, and committee meetings for  
30 the State Department of Public Instruction's dropout prevention staff.

31 The State Board of Education may adopt rules governing the use of these  
32 funds.

33 The State Board of Education shall report to the General Assembly on the use  
34 of these funds prior to April 1, 1991.

35  
36 Requested by: Senator Ward

37 —REDUCTION OF VANDALISM IN THE PUBLIC SCHOOLS

38 Sec. 45. Of the funds appropriated to the Department of Public Education for  
39 the operation of the Department of Public Instruction, the Department of Public  
40 Instruction may use up to \$80,000 for the 1989-90 fiscal year and up to \$80,000 for the  
41 1990-91 fiscal year for salaries and support costs to develop plans and procedures to  
42 reduce vandalism of public school facilities.

43  
44 Requested by: Senator Ward

1 —PRELIMINARY SCHOLASTIC APTITUDE TEST OPPORTUNITIES  
2 ENCOURAGED

3 Sec. 46. (a) Article 10A of Chapter 115C of the General Statutes is amended  
4 by adding a new Part to read:

5 **“PART 3. PRELIMINARY SCHOLASTIC APTITUDE TEST**  
6 **OPPORTUNITIES ENCOURAGED.**

7 **“§ 115C-174.18. Opportunity to take Preliminary Scholastic Aptitude Test.**

8 Every student in the eighth through tenth grades who has completed Algebra I or  
9 who is in the last month of Algebra I shall be given an opportunity to take a version of  
10 the Preliminary Scholastic Aptitude Test (PSAT) one time at State expense. The  
11 State Board of Education shall contract with the College Board for the tests and for  
12 comprehensive diagnostic information to accompany PSAT score reports.

13 **“§ 115C-174.19. Reports and recommendations.**

14 The Superintendent of Public Instruction shall report biennially to the Governor, the  
15 Lieutenant Governor, and the Speaker of the House of Representatives on the effect of  
16 the implementation of this Part, and shall make such recommendations for modification  
17 or revision as he deems appropriate and necessary.”

18 (b) The State Board of Education shall allocate up to three hundred sixty-five  
19 thousand dollars (\$365,000) of the funds available for aid to local school administrative  
20 units for the 1989-90 fiscal year and up to three hundred ninety-six thousand dollars  
21 (\$396,000) of the funds available for aid to local school administrative units for the  
22 1990-91 fiscal year to implement subsection (a) of this section. For each year of the  
23 biennium, no more than five percent (5%) of these funds may be used for administration  
24 of the program by the Department of Public Instruction.

25  
26 Requested by: Senator Ward

27 —ADMINISTRATION OF DEPARTMENT OF PUBLIC INSTRUCTION BUDGET

28 Sec. 47. (a) G.S. 115C-21 reads as rewritten:

29 **“§ 115C-21. Powers and duties generally.**

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

- 32 (1) To organize and establish a Department of Public Instruction which  
33 shall include such divisions and departments as are necessary for  
34 supervision and administration of the public school ~~system~~ system, to  
35 administer the funds for the operation of the Department of Public  
36 Instruction, and to enter into contracts for the operations of the  
37 Department of Public Instruction.
- 38 (2) To keep the public informed as to the problems and needs of the public  
39 schools by constant contact with all school administrators and  
40 teachers, by his personal appearance at public gatherings, and by  
41 information furnished to the press of the State.
- 42 (3) To report biennially to the Governor 30 days prior to each regular  
43 session of the General Assembly, such report to include information  
44 and statistics of the public schools, with recommendations for their

- 1 improvement and for such changes in the school law as shall occur to  
2 him.
- 3 (4) To have printed and distributed such educational bulletins as he shall  
4 deem necessary for the professional improvement of teachers and for  
5 the cultivation of public sentiment for public education, and to have  
6 printed all forms necessary and proper for the administration of the  
7 Department of Public Instruction.
- 8 (5) To have under his direction, in his capacity as the constitutional head  
9 of the public school system, all those matters relating to the  
10 supervision and administration of the public school system.
- 11 (b) Duties as Secretary to the State Board of Education. – As secretary, under the  
12 direction of the Board, it shall be the duty of the Superintendent of Public Instruction:
- 13 (1) To administer through the Department of Public Instruction, all  
14 policies established by the Board.
- 15 (1a) To administer the funds appropriated to the Department of Public  
16 Education for the operations of the State Board of Education and for  
17 aid to local school administrative units.
- 18 (2) To keep the Board informed regarding developments in the field of  
19 public education.
- 20 (3) To make recommendations to the Board with regard to the problems  
21 and needs of education in North Carolina.
- 22 (4) To make available to the public schools a continuous program of  
23 comprehensive supervisory services.
- 24 (5) To collect and organize information regarding the public schools, on  
25 the basis of which he shall furnish the Board such tabulations and  
26 reports as may be required by the Board.
- 27 (6) To communicate to the public school administrators all information  
28 and instructions regarding instructional policies and procedures  
29 adopted by the Board.
- 30 (7) To have custody of the official seal of the Board and to attest all deeds,  
31 leases, or written contracts executed in the name of the Board. All  
32 deeds of conveyance, leases, and contracts affecting real estate, title to  
33 which is held by the Board, and all contracts of the Board required to  
34 be in writing and under seal, shall be executed in the name of the  
35 Board by the chairman and attested by the secretary; and proof of the  
36 execution, if required or desired, may be had as provided by law for  
37 the proof of corporate instruments.
- 38 (8) To attend all meetings of the Board and to keep the minutes of the  
39 proceedings of the Board in a wellbound and suitable book, which  
40 minutes shall be approved by the Board prior to its adjournment; and,  
41 as soon thereafter as possible, to furnish to each member of the Board  
42 a copy of said minutes.
- 43 (9) To perform such other duties as the Board may assign to him from  
44 time to time."



(b) Of the funds appropriated in the Current Operations Appropriations Act of 1989 and in this bill to the Department of Public Education for the 1989-91 fiscal biennium, the funds for the operation and maintenance of the Department of Public Instruction, for State aid to nonstate agencies, and for the operation of the State Board of Education are as follows:

**DEPARTMENT OF PUBLIC EDUCATION  
TOTAL REQUIREMENTS**

1989-90

Aid to Local

FUND	Department of Public Instruction	School Administra- tive Units	State Board of Education
xxxx	(750,000)	—	—
1000	3,111,801	—	149,329
1100	11,162,654	—	—
1200	7,219,708	—	—
1300	14,502,317	—	—
1400	11,748,276	—	—
1500	6,315,195	—	—
1600	7,979,324	—	18,000
1700	183,744	312,511,180	—
1800	63,397,949	2,841,244,481	12,994
1900	587,455	—	—
TOTAL	125,458,423	3,153,755,661	180,323

1990-91

Aid to Local

FUND	Department of Public Instruction	School Administra- tive Units	State Board of Education
xxxx	(1,500,000)	—	—
1000	3,128,081	—	149,329
1100	11,177,977	—	—
1200	7,337,666	—	—
1300	14,538,316	—	—
1400	16,008,769	—	—
1500	6,319,109	—	—
1600	7,990,552	—	18,000
1700	183,744	320,840,726	—
1800	64,086,914	2,982,126,919	12,994
1900	599,673	—	—

1  
2 TOTAL                    129,870,801                    3,302,967,645                    180,323

3  
4 PART VIII.—DEPARTMENT OF COMMUNITY COLLEGES

5  
6 Requested by: Senator Ward

7 —TUITION INCREASE

8            Sec. 48. The State Board of Community Colleges shall adopt tuition rates  
9 beginning in the fall quarter of 1989 in the amount of ninety dollars (\$90) per quarter  
10 for in-State students and eight hundred forty dollars (\$840) per quarter for out-of-State  
11 students.

12  
13 Requested by: Senator Ward

14 —ACCOUNTABILITY AND FLEXIBILITY

15            Sec. 49. The State Board of Community Colleges shall develop a "Critical  
16 Success Factors" list to define statewide measures of accountability for all community  
17 colleges. Each college shall develop an institutional effectiveness plan, tailored to the  
18 specific mission of the college. This plan shall be consistent with the Southern  
19 Association of Colleges and Schools criteria and provide for collection of data as  
20 required by the "Critical Success Factors" list. The Department of Community Colleges  
21 shall provide assistance to the colleges in developing their institutional effectiveness  
22 plans.

23            To maximize the opportunity for each college to achieve its institutional  
24 effectiveness plan, the State Board shall develop policies that allow maximum budget  
25 flexibility. However, in no instance shall the system budget have transfers greater than  
26 five percent (5%) from salaries to other costs and from instruction to administration.  
27 Nevertheless, it is the intent of the General Assembly that each community college  
28 strive to attain the average monthly salary paid in the Southern Regional Education  
29 Board (SREB) states for community colleges. There shall be no limitations on transfers  
30 from administration to instruction or from other cost to salaries. No transfers shall be  
31 made from literacy or community services programs. It is the intent of the General  
32 Assembly that in no instance shall excess fringe benefit funds be used to increase the  
33 salaries of administrators.

34            The State Board shall promote and encourage local flexibility, creativity and  
35 ingenuity in the pursuit of educational goals of the Community College System.

36            The State Board shall report semiannually to the Joint Legislative  
37 Commission on Governmental Operations on the progress of the "Critical Success  
38 Factors" list and on the institutional effectiveness plans.

39  
40 Requested by: Senator Ward

41 —FULL-TIME        EQUIVALENT        TEACHING        POSITIONS/COMMUNITY  
42 COLLEGES

43            Sec. 50. For the purpose of determining the community college system-wide  
44 number of full-time equivalent (FTE) teaching positions each year, the total curriculum

1 full-time equivalent student enrollment shall be divided by 21, and occupational  
2 extension full-time equivalent student enrollment shall be divided by 22.

3  
4 Requested by: Senator Ward

5 —FOCUSED INDUSTRIAL TRAINING PROGRAM

6 Sec. 51. Notwithstanding the provisions of G.S. 96-5(f), there is  
7 appropriated from the Worker Training Trust Fund to the Department of Community  
8 Colleges the sum of \$500,000 for the 1989-90 fiscal year and the sum of \$500,000 for  
9 the 1990-91 fiscal year to continue the Focused Industrial Training Program  
10 administered by the Department of Community Colleges.

11  
12 Requested by: Senator Ward

13 —RETOOLING FOR THE YEAR 2000: GAINING THE COMPETITIVE EDGE

14 Sec. 52. (a) Of the funds appropriated to the Department of Community  
15 Colleges in Section 3 of this act, the sum of \$5,000,000 for the 1989-90 fiscal year and  
16 the sum of \$10,000,000 for the 1990-91 fiscal year shall be used by the State Board of  
17 Community Colleges in initiating the retooling of the Community College System, as  
18 provided in subsection (b) of this section.

19 (b) Chapter 115D of the General Statutes is amended by adding a new section to  
20 read:

21 "**§ 115D-8. 'Retooling for the year 2000: Gaining the Competitive Edge.'**

22 (a) The State Board of Community Colleges shall adopt a Community College  
23 Education Blueprint not inconsistent with the Commission on the Future Report on the  
24 North Carolina Community College System, 'Gaining the Competitive Edge,' which  
25 will allow the State to compete successfully in the national and global economy of today  
26 and the next century. The State Board shall implement the Education Blueprint for  
27 community colleges within funds appropriated for that purpose by the General  
28 Assembly. It is the goal of the General Assembly that by July 1, 1993, the community  
29 colleges be fully funded to retool for the year 2000 in order to support the State in  
30 gaining the competitive edge.

31 (b) The Community College Education Blueprint shall define the programs  
32 necessary to provide every community college student access to quality teaching and  
33 academic support services by addressing the following:

- 34 (1) Exemplary faculty and staff,  
35 (2) Effective learning experiences,  
36 (3) Educational advancement for all adult learners,  
37 (4) Expanded access to adult education.

38 (c) The Community College Education Blueprint shall establish effective  
39 mechanisms to promote accountability and increased flexibility in funding and shall  
40 address the following:

- 41 (1) Flexible funding tied to performance,  
42 (2) Strategic goal setting and assessment,  
43 (3) Channels for outside assessment,  
44 (4) Efficient resource distribution.

1       (d) The Community College Education Blueprint shall provide opportunities for  
2 all adult North Carolinians to master the basic critical thinking skills demanded in a  
3 complex and competitive economy by addressing the following:

- 4           (1) A work force with comprehensive basic skills,  
5           (2) Reduction of the basic skills gap,  
6           (3) Performance based education for the underskilled.

7       (e) The Community College Education Blueprint shall set forth methods to help  
8 business and industry adapt to technological change and promote small business  
9 development throughout the State by addressing the following:

- 10           (1) Workplaces with competitive technology,  
11           (2) Job creation through expanded entrepreneurship.

12       (f) The Community College Education Blueprint shall set forth ways to build  
13 strong partnerships with the public schools and the State's universities to establish a  
14 comprehensive, integrated education system in North Carolina.

15       (g) The Community College Education Blueprint shall provide for strong  
16 leadership for the future of the system and its colleges by addressing the following:

- 17           (1) Visionary leadership for the future,  
18           (2) Responsive governance and management."

19  
20 Requested by: Senator Ward

21 ---LITERACY ALLOCATION BASIS

22       Sec. 53. Literacy education funds, as defined by the State Board of  
23 Community Colleges, shall be expended only for literacy education and for no other  
24 purposes. The Department of Community Colleges shall distribute literacy funds on the  
25 basis of a formula that provides for equitable treatment of all colleges. The formula  
26 shall encompass incentives and rewards for improvement in literacy education. This  
27 revised formula shall include a base allotment, a target population of individuals  
28 between 16 and 54 years of age with less than a high school education, consideration of  
29 past performance in literacy education based on prior years' FTE earnings, an amount  
30 for each GED and Adult High School diploma awarded, and a reward for serving a  
31 higher percentage of the population to be served than the statewide average. Literacy  
32 FTE shall be reported on a contact hour basis.

33       Notwithstanding G.S. 150B-13, the State Board of Community Colleges may,  
34 until six months from the effective date of this act, adopt temporary rules for college  
35 formula allocations without prior notice or hearing or upon any abbreviated notice or  
36 hearing the State Board of Community Colleges finds practicable. The State Board of  
37 Community Colleges shall begin normal rule-making procedures on permanent rules in  
38 accordance with Article 2 of Chapter 150B at the same time it adopts a temporary rule  
39 as authorized under this section. Temporary rules adopted under this section shall be  
40 published by the Director of the Office of Administrative Hearings in the North  
41 Carolina Register and shall be effective for a period of not longer than 180 days.

42  
43 Requested by: Senator Ward

44 ---NORTH CAROLINA EMPLOYERS CHARGED IN-STATE TUITION

1           Sec. 54. G.S. 115D-39 reads as rewritten:

2   "**§ 115D-39. Student tuition and fees.**

3       The State Board of Community Colleges shall fix and regulate all tuition and fees  
4 charged to students for applying to or attending any institution pursuant to this Chapter.

5       The receipts from all student tuition and fees, other than student activity fees, shall  
6 be State funds and shall be deposited as provided by regulations of the State Board of  
7 Community Colleges.

8       The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and  
9 116-143.3, shall apply to students attending institutions operating pursuant to this  
10 ~~Chapter.~~ Chapter; provided, however, that when an employer other than the armed  
11 services, as that term is defined in G.S. 116-143.3, pays tuition for an employee to  
12 attend an institution operating pursuant to this Chapter and when the employee works at  
13 a North Carolina business location, the employer shall be charged the in-State tuition  
14 rate."

15

16 Requested by: Senator Taft

17 —EQUINE INSTRUCTION/MARTIN COMMUNITY COLLEGE

18       Sec. 55. Notwithstanding any other provision of law, the Board of Trustees  
19 of Martin Community College may permit students under 16 years of age to participate  
20 in equine instruction at the college on a self-supporting basis. These students may not  
21 be included in the computation of budget full-time equivalent student enrollment for the  
22 college.

23

24 PART IX.—COLLEGES AND UNIVERSITIES

25

26 Requested by: Senator Ward

27 —UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL  
28 HILL/NURSING

29       Sec. 56. Notwithstanding the provisions of G.S. 126-4(1), G.S. 126-4(2), and  
30 Section 9 of Chapter 738 of the 1987 Session Laws, as amended by Section 100(a) of  
31 the 1987 Session Laws, and as further amended by Section 54 of the Current Operations  
32 Appropriations Act of 1989, the Board of Directors of the University of North Carolina  
33 Hospitals at Chapel Hill shall establish policies and rules governing the performance of  
34 competitive position classification studies and competitive compensation plan studies  
35 and the implementation of competitive classification and compensation plans for  
36 clinical nursing employees. These plans shall provide for minimum, maximum, and  
37 intermediate rates of pay, and may include provisions for range revisions and shift  
38 premium pay and for salary adjustments to address internal inequities and job  
39 performance. The Office of State Personnel shall review the classification and  
40 compensation plans on an annual basis, and all changes in compensation plans for  
41 clinical nursing employees shall be submitted to the Office of State Personnel upon  
42 implementation.

43

44 Requested by: Senator Royall

## 1 —NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

2           Sec. 57. Of the funds appropriated in Section 3 of this act to the Board of  
3 Governors of The University of North Carolina for the North Carolina School of  
4 Science and Mathematics, the sum of \$202,000 for the 1989-90 fiscal year and the sum  
5 of \$348,250 for the 1990-91 fiscal year shall be used for implementation of a salary plan  
6 for the faculty of the School.

7  
8 Requested by: Senator Taft

## 9 —ECU MEDICARE REIMBURSEMENT

10           Sec. 58. (a) Effective July 1, 1989, and remaining in effect for each  
11 succeeding year thereafter, funds appropriated to the Board of Governors of The  
12 University of North Carolina for the East Carolina University School of Medicine for  
13 Medicare education shall be allocated as follows:

14           (1) That portion of the Medicare reimbursement that can be identified as  
15 having been generated through the effort and at the expense of the  
16 School's Medical Faculty Practice Plan shall be transferred to the  
17 appropriate Medical Faculty Practice Plan account within the School;  
18 and

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

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

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

30

31 Requested by: Senator Ward

## 32 —AID TO PRIVATE COLLEGES INCREASE/PROCEDURE

33           Sec. 58.1. Section 30 of the Current Operations Appropriations Act of 1989,  
34 reads as rewritten:

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

36 —AID TO PRIVATE COLLEGES ~~PROCEDURE INCREASE/PROCEDURE~~

37           Sec. 30. (a) Funds appropriated in this act to the Board of Governors of The  
38 University of North Carolina for aid to private colleges shall be disbursed in accordance  
39 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up  
40 to four hundred fifty dollars ~~(\$400.00)~~ ~~(\$450.00)~~ per full-time equivalent North  
41 Carolina undergraduate student enrolled at a private institution as of October 1 each  
42 year.

43           These funds shall be placed in a separate, identifiable account in each eligible  
44 institution's budget or chart of accounts. All funds in this account shall be provided as

1 scholarship funds for needy North Carolina students during the fiscal year. Each  
2 student awarded a scholarship from this account shall be notified of the source of the  
3 funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be for  
4 the tuition grant program as defined in subsection (b) of this section.

5 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition  
6 to all other financial assistance made available to private educational institutions located  
7 within the State, or to students attending these institutions, there is granted to each full-  
8 time North Carolina undergraduate student attending an approved institution as defined  
9 in G.S. 116-22, the sum of one thousand one hundred fifty dollars (~~(\$1,100)~~-\$1,150) per  
10 academic year, which shall be distributed to the student as hereinafter provided.

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

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

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

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

35 Any remaining funds shall revert to the General Fund.

36 (c) Expenditures made pursuant to this section may be used only for secular  
37 educational purposes at nonprofit institutions of higher learning."  
38

#### 39 PART X.—DEPARTMENT OF TRANSPORTATION

40  
41 Requested by: Senator Martin of Pitt

#### 42 —SPECIAL APPROPRIATIONS FOR HIGHWAYS

43 Sec. 59. Of the funds appropriated to the Department of Transportation for  
44 special appropriations for highways in the Current Operations Appropriations Act of

1 1989 and in this act, sixty-six million dollars (\$66,000,000) for fiscal year 1989-90 and  
2 sixty-six million dollars (\$66,000,000) for fiscal year 1990-91 may be used for:

- 3 (1) Supplemental funding for highway construction, reconstruction, and  
4 rehabilitation projects for State and Federal Aid road systems;
- 5 (2) Supplemental funding for the planning, design and engineering of  
6 highways and acquisition of highway rights-of-way;
- 7 (3) Matching funds for unanticipated federal-aid construction funds;
- 8 (4) Payment for all or any portion of the interest or principal on bonds  
9 issued by the State for road and highway purposes;
- 10 (5) A means of maintaining a uniform seasonal pace of highway  
11 construction, including scheduled ferry replacement.

12 Construction funds shall be allocated equitably each year among the 14  
13 Highway Divisions. Notwithstanding any other provisions of Chapter 136 of the  
14 General Statutes, the Department shall make allocations under this section in a manner  
15 that assures that at the end of the second year each of the 14 Highway Divisions, over  
16 the two-year period, has been allocated an equal amount, insofar as possible, of all  
17 funds allocated under this section. The Secretary shall report in writing, on a monthly  
18 basis, to the Joint Legislative Commission on Governmental Operations and the Fiscal  
19 Research Division on the projects that have been funded, and those projects that he  
20 reasonably expects to be funded under this section. The report shall set out the reasons  
21 this method of funding serves the best interest of the State's transportation improvement  
22 programs. That report shall include, among other things, the cost savings realized, and  
23 the manner in which the cost savings have been realized by the use of the funds  
24 allocated under this section.

25  
26 Requested by: Senator Martin of Pitt

27 —COMMISSION PAID TO BRANCH AGENTS

28 Sec. 60. Section 202 of Chapter 1034 of the 1983 Session Laws (Regular  
29 Session 1984) as amended by Section 172 of Chapter 738 of the 1987 Session Laws  
30 reads as rewritten:

31 "Sec. 202. Section 140 of Chapter 761 of the 1983 Session Laws is amended in the  
32 last sentence by deleting the language 'sixty-four cents (64¢)' and substituting '~~seventy-~~  
33 ~~two cents (72¢)~~' 'eighty-two cents (82¢) for fiscal year 1989-90 and ninety-two cents  
34 (92¢) thereafter'."

35  
36 Requested by: Senator Martin of Pitt

37 —COMMISSIONER OF MOTOR VEHICLES TO REPORT ON PRINTING AND  
38 BINDING FUNDS

39 Sec. 61. The Commissioner of Motor Vehicles shall report, no later than May  
40 15, 1990, to the Chairmen of the Highway Fund Subcommittee of the Appropriations  
41 Committee of the House of Representatives and to the Chairman of the Senate  
42 Appropriations Committee on Natural and Economic Resources on the expenditure of  
43 the funds requested for printing and binding. Copies of the report mandated by this  
44 section shall also be delivered to the Chairmen of the Appropriations Committees of the



1 House of Representatives and of the Senate and to the Fiscal Research Division of the  
2 Legislative Services Office.

3  
4 Requested by: Senator Martin of Pitt

5 —CURRITUCK/DARE BRIDGE MAINTENANCE YARD CONSOLIDATION

6 Sec. 62. The existing Department of Transportation Bridge Maintenance  
7 facilities in Currituck County and Dare County are declared to be surplus and the  
8 Department of Transportation shall dispose of them through the normal procedures for  
9 the disposition of real property. The proceeds shall be used for the consolidation of the  
10 Currituck County and Dare County bridge maintenance yards.

11  
12 Requested by: Senator Basnight

13 —NC 400 UNDER VOYAGES COMMISSION

14 Sec. 63. Section 7 of Chapter 1194 of the 1981 Session Laws, as amended by  
15 Chapter 673 of the 1985 Session Laws, reads as rewritten:

16 "Sec. 7. The word 'highway' as used in this act means U.S. Highway 64 and 264 on  
17 Roanoke Island between the William B. Umstead Memorial Bridge over Croatan  
18 Sound, the Washington Baum Bridge over Roanoke Sound, and the highway designated  
19 by the Department of Transportation as North Carolina 400 (NC 400)."

20  
21 Requested by: Senator Martin of Pitt

22 —ELDERLY AND HANDICAPPED TRANSPORTATION ASSISTANCE  
23 PROGRAM

24 Sec. 64. (a) Of the funds appropriated in Section 6 of this act \$2,000,000 for  
25 fiscal year 1989-90 and \$2,000,000 for fiscal year 1990-1991 shall be used to provide  
26 funds for the North Carolina Elderly and Handicapped Transportation Assistance  
27 Program established under G.S. 136-44.27.

28 (b) Section 1(b) of Chapter 1095 of the 1987 Session Laws, Section 8 of  
29 Chapter 1101 of the 1987 Session Laws, and Section 8.2 of Chapter 1101 of the 1987  
30 Session Laws are repealed.

31  
32 Requested by: Senators Royall and Martin of Pitt

33 —CONTINUING AVIATION APPROPRIATIONS

34 Sec. 65. G.S. 136-16.4 is repealed.

35  
36 PART XI.—DEPARTMENT OF JUSTICE

37  
38 Requested by: Senator Marvin

39 —STATE BUREAU OF INVESTIGATION SALARY ADJUSTMENT

40 Sec. 66. The State Bureau of Investigation may continue in fiscal year 1989-  
41 90 to pay overtime compensation for supervisory personnel as is being done on June 30,  
42 1989, up to a maximum of five thousand two hundred dollars (\$5,200) annually per  
43 individual. The Office of State Personnel shall study the issue of overtime  
44 compensation for State Bureau of Investigation supervisory personnel and make

1 recommendations to the Senate Appropriations Committee on Justice and Public Safety  
2 and the Fiscal Research Division by April 15, 1990 as to whether such compensation  
3 should continue.

4

5 Requested by: Senator Marvin

6 —TELECOMMUNICATORS' CERTIFICATION STUDY

7       Sec. 67. The Justice Department shall study the need to establish a  
8 certification requirement and program for Telecommunicators in the State's Criminal  
9 Justice System. The Department shall consider possible training requirements and  
10 standards for certification, methods, procedures, and staffing needs required to  
11 implement a telecommunicators' certification program, and whether certified  
12 telecommunicators shall be entitled to law enforcement officer retirement benefits. The  
13 Department may also study any other matters relevant to the issue of certification of  
14 telecommunicators. The Department shall report its findings and recommendations to  
15 the 1989 General Assembly, Regular Session 1990.

16

17 PART XII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

18

19 Requested by: Senators Marvin and Sands

20 —STATE LAW ENFORCEMENT STUDY

21       Sec. 69. (a) The Joint Legislative Commission on Governmental Operations  
22 shall conduct a study of State law enforcement agencies and make recommendations for  
23 coordinating the activities of those agencies as appropriate. The recommendations  
24 should address methods of reducing the duplication and overlapping of law enforcement  
25 responsibilities, training, and technical assistance among State law enforcement  
26 agencies. The Commission may hire outside consultants, if necessary, to assist in its  
27 study.

28       (b) The Commission may make an interim report by May 1, 1990, and a final  
29 report including its findings and any recommendations by February 1, 1991, to the Joint  
30 Legislative Commission on Governmental Operations.

31

32 Requested by: Senator Sands

33 —COMMUNITY SERVICE COORDINATOR APPOINTMENT

34       Sec. 71. (a) G.S. 143B-475.1(a) reads as rewritten:

35       "(a) The Department of Crime Control and Public Safety may conduct a deferred  
36 prosecution, community service restitution, and volunteer program for youthful and  
37 adult offenders. The Secretary of Crime Control and Public Safety may assign one or  
38 more coordinators to each district court district as defined in G.S. 7A-133 to assure and  
39 report to the Court the offender's compliance with the requirements of the program. The  
40 appointment of each coordinator shall be made in consultation with and is subject to the  
41 approval of the chief district court judge- judge in the district to which the coordinator is  
42 assigned. Each county must provide office space in the courthouse or other convenient  
43 place, for the use of each coordinator assigned to that county."

44

(b) G.S. 20-179.4(b) reads as rewritten:

1       "(b) The Secretary of Crime Control and Public Safety must assign at least one  
2 coordinator to each district court district as defined in G.S. 7A-133 to assure and report  
3 to the court the person's compliance with the community service sentence. The  
4 appointment of each coordinator shall be made in consultation with and is subject to the  
5 approval of the chief district court ~~judge.~~ judge in the district to which the coordinator is  
6 assigned. Each county must provide office space in the courthouse or other convenient  
7 place, necessary equipment, and secretarial service for the use of each coordinator  
8 assigned to that county."  
9

10 Requested by: Senator Marvin

11 —VICTIMS COMPENSATION PROGRAM STUDY

12           Sec. 73. The Office of the State Auditor shall study the costs of  
13 administering the North Carolina Crime Victims Compensation Program, established in  
14 Chapter 15B of the General Statutes, and shall submit a report to the Senate  
15 Appropriations Committee on Justice and Public Safety and to the Fiscal Research  
16 Division by May 1, 1990, on more cost-effective methods of administration, including  
17 the possible computerization of data. The study shall also include a review of the  
18 information obtained by the Victim Witness Coordinators, to determine if that  
19 information is acceptable for use by the Department and may relieve the Department  
20 from duplicating efforts.  
21

22 Requested by: Senator Odom

23 —REVIEW OF THE CIVIL AIR PATROL OPERATIONS

24           Sec. 73.1. The Senate Appropriations Base Budget Committee on Justice and  
25 Public Safety requests that the Office of the State Auditor conduct a performance audit  
26 of the Civil Air Patrol administered by the Department of Crime Control and Public  
27 Safety that will address, but is not limited to, a review of the responsibilities of the  
28 supervisory personnel and the Military Board; the role of the Department of Crime  
29 Control and Public Safety in structuring the programs and activities of the Civil Air  
30 Patrol; and the use of funds appropriated annually from the General Fund for State  
31 personnel and operating expenses.

32           The Office of State Auditor shall report its findings and recommendations to  
33 the Senate Appropriations Base Budget Committee on Justice and Public Safety by  
34 April 15, 1990.  
35

36 Requested by: Senators Ballance and Bryan

37 —REVIEW OF NATIONAL GUARD OPERATIONS

38           Sec. 73.2. The Office of the State Auditor shall conduct, within funds  
39 available, a performance audit of the North Carolina National Guard administered by  
40 the Department of Crime Control and Public Safety that will address but is not limited  
41 to determining:

- 42           (1) The proportion of minorities that are in the National Guard, the  
43           percentage of minorities occupying positions of responsibility, and a  
44           breakdown of National Guard membership by race, sex, and rank.

- 1           (2)    The procedure used by the Retention Board for officers and soldiers  
2           when they reach 20 years of service, whether these procedures are well  
3           known, and the type of information that disqualifies an individual for  
4           retention after 20 years of service.
- 5           (3)    The proportion of minorities that are full-time National Guardsmen  
6           and the percentage who hold full-time leadership positions; the  
7           standard practices concerning the retention of a Guardsman who is  
8           full-time before he reaches 20 years of qualifying service with full-  
9           time employment; the proportion of full-time Guardsmen not retained  
10          prior to reaching 20 years of qualifying service with full-time benefits,  
11          and providing a breakdown of this information by race, sex, and rank.
- 12          (4)    The breakdown of retirees paid from the \$1.8 million transfer to the  
13          State Treasurer for retirement of National Guardsmen by rank, race,  
14          sex, and number of years for retirement purposes.
- 15          (5)    Whether adequate procedures are in place for Guardsmen to report acts  
16          of discrimination, and the difficulty experienced by Guardsmen in  
17          reporting acts of discrimination through official channels.

18           The Office of State Auditor shall report its findings and recommendations to  
19   the Senate Appropriations Base Budget Committee on Justice and Public Safety by  
20   April 15, 1990.

21  
22   PART XIII.—DEPARTMENT OF CORRECTION

23  
24   Requested by: Senators Marvin and Sands

25   —REPORT ON NEED FOR TRAINING COORDINATOR POSITIONS FOR 1991-  
26   93 BIENNIUM

27           Sec. 74. The Department of Correction, Division of Prisons, shall not  
28   include in its continuation budget for the 1991-93 biennium funding for the six training  
29   coordinator positions authorized for the 1989-91 biennium. The Department shall  
30   submit a report by April 1, 1991 to the General Assembly and the Fiscal Research  
31   Division on the need to refund these positions in future biennia, including  
32   recommendations for the consolidation of basic and in-service training for employees of  
33   the Division of Prisons.

34  
35   Requested by: Senators Marvin and Sands

36   —SUBSTANCE ABUSE PROGRAM AND DWI PAROLE PROGRAM  
37   EVALUATIONS

38           Sec. 75. (a) The Department of Correction shall prepare an evaluation of the  
39   operation and results of the substance abuse program established by G.S. 143B-262(d)  
40   and G.S. 143B-264. The report shall include information on the number of inmates who  
41   have been accepted into the program, the number who have completed treatment or are  
42   presently receiving treatment through the program, the number who did not complete  
43   treatment through the program, and any follow-up information indicating the results of  
44   the program. The Department shall submit its report not later than May 1, 1990, to the

1 Chairmen of the Senate and House Appropriations Committees, the Chairman of the  
2 House Base Budget Appropriations Committee, the Chairman of the Senate  
3 Appropriations Committee on Justice and Public Safety, the Chairmen of the House  
4 Appropriations Committees on Justice and Public Safety, the Special Committee on  
5 Prisons, the Joint Legislative Commission on Governmental Operations, and the Fiscal  
6 Research Division.

7 (b) The Department of Correction shall prepare an evaluation of the  
8 implementation, operation, and results of the DWI program at Cherry Hospital  
9 established in Chapter 8 of the 1989 Session Laws. The report shall include information  
10 on the number of persons who have been accepted into the program, the number who  
11 have completed treatment or are presently receiving treatment through the program, the  
12 number who did not complete treatment through the program, and any follow-up  
13 information indicating the results of the program. The Department shall submit its  
14 report not later than May 1, 1990, to the Chairmen of the Senate and House  
15 Appropriations Committees, the Chairman of the House Base Budget Appropriations  
16 Committee, the Chairman of the Senate Appropriations Committee on Justice and  
17 Public Safety, the Chairmen of the House Appropriations Committees on Justice and  
18 Public Safety, the Special Committee on Prisons, the Joint Legislative Commission on  
19 Governmental Operations, and the Fiscal Research Division.

20  
21 Requested by: Senator Marvin

22 —ENGINEERING SUPPORT SECTION AUDIT

23 Sec. 76. (a) The Office of the State Auditor shall conduct an operational  
24 audit of the organization, functioning, and personnel of the Engineering Support Section  
25 of the Department of Correction. The audit shall address the organizational placement  
26 of the Section, staffing and procedures for carrying out assignments, and  
27 recommendations for methods of improving the efficiency of the Section.

28 (b) The Office of the State Auditor shall report its findings and  
29 recommendations not later than May 1, 1990, to Chairmen of the Senate and House  
30 Appropriations Committees, the Chairmen of the House Appropriations Committees on  
31 Justice and Public Safety, the Chairmen of the Senate Appropriations Committee on  
32 Justice and Public Safety, the Special Committee on Prisons, and the Joint Legislative  
33 Commission on Governmental Operations.

34  
35 Requested by: Senator Marvin

36 —SUMMIT HOUSE FUNDS

37 Sec. 77. Of the funds appropriated to the Department of Correction for the  
38 1989-90 fiscal year, \$75,000 shall be used to support a pilot program at Summit House,  
39 a community-based residential alternative to incarceration for mothers and pregnant  
40 women convicted of nonviolent crimes. Summit House shall provide a quarterly report  
41 to the Joint Legislative Commission on Governmental Operations on the expenditure of  
42 State appropriations and on the effectiveness of the program, including information on  
43 the number of clients served, the number of clients who have their probation revoked,

1 and the number of clients who successfully complete the program while housed at  
2 Summit House.

3

4 **PART XIV.—DEPARTMENT OF HUMAN RESOURCES**

5

6 Requested by: Senator Walker

7 **—BLOCK GRANT FAMILY PLANNING FUNDS**

8           Sec. 78. Family planning services provided by local health departments and  
9 funded by federal block grant funds shall be continued at or above the 1988-89 fiscal  
10 year levels. In the event of federal reductions for maternal and child health-care  
11 services, family-planning services shall not be subject to reductions greater than the  
12 average for other maternal or child health program.

13

14 Requested by: Senator Walker

15 **—BLOCK GRANT ADOLESCENT PREGNANCY FUNDS**

16           Sec. 79. (a) Social Services Block Grant funds appropriated for fiscal year  
17 1989-90 and included in Section 7 of this act shall be allocated as follows:

18 Swain County Cherokee Boys Club, Inc.	\$30,000
19 Caldwell County Health Department	30,000
20 Robeson County Health Department	30,000
21 Harnett County Health Department	40,000
22 Buncombe County Health Department	40,000
23 Carteret County Community Action, Inc.	40,000
24 Davidson County Health Department	40,000
25 Greene County Health Care, Inc.	40,000
26 Bertie County Health Department	40,000
27 Scotland County Health Department	40,000
28 Macon County Programs for Progress	55,000
29 Mecklenburg County N.C. Coalition on Adolescent 30 Pregnancy	20,000

31           (b) Programs receiving funds allocated under this section shall use these  
32 funds for adolescent pregnancy prevention and prematurity prevention projects.

33           (c) No funds allocated under this section shall be used for purchase and  
34 prescriptions of contraceptives, nor shall contraceptives be distributed on school  
35 property under this section. None of the funds allocated under this section may be used  
36 for transportation to and from abortion services. None of the funds allocated under this  
37 section may be used for abortions. This subsection applies only to the funds allocated  
38 under this section.

39           (d) Each program receiving funds under this section shall be subject to the  
40 provisions of Section 91 of the Current Operations Appropriations Act of 1989.

41

42 Requested by: Senator Walker

43 **—ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK**  
44 **GRANT FUNDS**

1           Sec. 80. If additional Alcohol, Drug Abuse, and Mental Health Services  
2 Block Grant funds are made available to the State above the current levels of  
3 \$14,476,000 for federal fiscal year 1989 and the projected amount of \$14,167,000 for  
4 federal fiscal year 1990, the Department of Human Resources may:

5           (1) Allocate additional funds to mental health items in the State fiscal year  
6 1989-90 block grant plan sufficient to restore reductions but not  
7 exceed State fiscal year 1988-89 funding levels set forth in Chapter  
8 1086 of the 1987 Session Laws; and

9           (2) Budget additional block grant funds for mental health and substance  
10 abuse programs as may be necessary to meet federal Alcohol, Drug  
11 Abuse, and Mental Health Services Block Grant requirements.  
12

13 Requested by: Senators Basnight and Martin of Pitt

14 —EASTERN REGIONAL DETOXIFICATION FUNDS

15           Sec. 81. Funds appropriated to the Department of Human Resources,  
16 Division of Mental Health, Mental Retardation, and Substance Abuse Services, for the  
17 1989-90 fiscal year and the 1990-91 fiscal year for Eastern Regional Detoxification  
18 Services shall be allocated to the Division's Eastern Regional Office and distributed to  
19 area mental health, mental retardation, and substance abuse authorities as determined by  
20 the regional management team.  
21

22 Requested by: Senator Walker

23 —SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSIONS

24           Sec. 82. Funds made available as a result of the conversion of State  
25 supported beds in specialized residential centers to ICF/MR beds shall be used to  
26 increase the State subsidy provided to centers. Funds made available to centers by this  
27 section shall be used, as they become available, to increase the subsidy rate to sixty-five  
28 percent (65%) of the statewide 1988-89 average cost of providing this service.

29           Funds made available in addition to those needed to increase the subsidy rate  
30 shall be transferred to the Division of Medical Assistance to be used as State match for  
31 the converted ICF/MR beds.  
32

33 Requested by: Senator Walker

34 —THOMAS S.

35           Sec. 83. (a) Funds appropriated to the Department of Human Resources in  
36 Section 5 of this act for the 1989-90 fiscal year and the 1990-91 fiscal year for members  
37 of the Thomas S. class as identified in Thomas S., et al., vs. Flaherty, shall be placed in  
38 a reserve in the Division of Mental Health, Mental Retardation, and Substance Abuse  
39 Services, and shall be expended only for programs serving Thomas S. class members or  
40 for services for those clients who are likely to become class members.

41           (b) The Department of Human Resources shall provide periodic reports of  
42 funds expended and services performed on behalf of members of the Thomas S. class  
43 and on behalf of those clients who are likely to become class members to the Joint

1 Legislative Commission on Governmental Operations and to the Fiscal Research  
2 Division of the Legislative Services Office.

3

4 Requested by: Senator Walker

5 ---STUDY OF FUNDS USED FOR LOCAL PROGRAM SALARIES

6 Sec. 84. The Department of Human Resources shall conduct a study of the  
7 use of funds provided under G.S. 143-10.1 for salary and salary-related items for  
8 employees in locally operated State-funded programs. The study shall include a five-  
9 year comparative analysis of the funds made available under G.S. 143-10.1 with the  
10 changes in the cost of salaries in the locally operated State-funded programs. The  
11 Department shall report its findings by May 1, 1990, to the Joint Legislative  
12 Commission on Governmental Operations and the Fiscal Research Division of the  
13 Legislative Services Office.

14

15 Requested by: Senator Walker

16 ---ONE-ON-ONE PROGRAM FUNDS

17 Sec. 85. Of the funds appropriated in Section 5 of this act to the Department  
18 of Human Resources, Division of Youth Services, the sum of \$197,250 for the 1989-90  
19 fiscal year and the sum of \$197,250 for the 1990-91 fiscal year shall be allocated as  
20 follows:

- 21 (1) \$97,250 for the 1989-90 fiscal year and \$97,250 for the 1990-91 fiscal  
22 year for the existing 34 local programs of the Governor's One-on-One  
23 Volunteer Program;
- 24 (2) \$20,000 for the 1989-90 fiscal year and \$20,000 for the 1990-91 fiscal  
25 year to allow two of the 34 programs that are currently part-time  
26 programs to be expanded to full-time programs; and
- 27 (3) \$80,000 for the 1989-90 fiscal year and \$80,000 for the 1990-91 fiscal  
28 year to establish and implement four new programs.

29 Funds allocated pursuant to this section shall not supplant or diminish funds  
30 appropriated for the Program from Social Services Block Grant funds.

31

32 Requested by: Senator Walker

33 ---CHILD PROTECTIVE SERVICES FUNDS

34 Sec. 86. (a) Of the funds appropriated to the Department of Human Resources,  
35 Division of Social Services for the 1989-90 fiscal year and for the 1990-91 fiscal year  
36 for Child Protective Services and included in Sections 3 and 5 of this act, the Division  
37 shall use up to \$174,910 in the 1989-90 fiscal year and up to \$174,910 in the 1990-91  
38 fiscal year for child protective services training; and shall use up to \$175,090 in the  
39 1989-90 fiscal year and up to \$175,090 in the 1990-91 fiscal year to provide  
40 consultation and technical assistance to county departments of social services to  
41 strengthen and support local child protective services. The Division may establish one  
42 training position and four consultant positions to carry out these purposes. The  
43 remaining funds shall be allocated to the county departments of social services as  
44 follows:



- 1 (1) \$10,000 for the 1989-90 fiscal year and \$10,000 for the 1990-91 fiscal  
 2 year shall be allocated to each of the 15 county departments that did  
 3 not receive an allocation of the 1985 State appropriation for child  
 4 protective services;
- 5 (2) In addition, each of the 100 county departments shall receive an  
 6 allocation of \$10,000 for the 1989-90 fiscal year and \$10,000 for the  
 7 1990-91 fiscal year;
- 8 (3) The balance of available funds shall be allocated to each county  
 9 department based upon the percentage that the total number of abuse  
 10 and neglect reports within that county represents to the statewide total  
 11 number of abuse and neglect reports. These percentages shall be  
 12 computed from the reports received by the Central Registry of Abuse  
 13 and Neglect cases for the next two prior fiscal years.

14 (b) Funds allocated to county departments of social services pursuant to this  
 15 section shall to be used for staff carrying out investigations of reports of child abuse or  
 16 neglect or providing protective or preventive services in cases in which the department  
 17 confirms neglect, abuse, or dependency. If a county department demonstrates that it has  
 18 adequate protective services staff, these funds may be used to purchase or provide  
 19 treatment and other support services to children and their families in confirmed cases.  
 20 All expenditures shall be directly in support of the departments' program of protective  
 21 services for children. These funds shall not be used to supplant any Social Services  
 22 Block Grant funds or county appropriations previously budgeted for protective services  
 23 for children.

24 (c) The Department of Human Resources, Division of Social Services, shall  
 25 establish criteria and guidelines to assure that the allocations to county departments of  
 26 social services are used in accordance with the intent and purposes of this section. The  
 27 Division shall evaluate the results and any progress achieved in improving statewide  
 28 protective services for children through the expenditure of the appropriation, and shall  
 29 report to the Joint Legislative Commission on Governmental Operations and the Fiscal  
 30 Research Division of the Legislative Services Office by May 1, 1990.

31  
 32 Requested by: Senator Walker

33 —DOMICILIARY CARE RATE INCREASE

34 Sec. 87. Section 81 of the Current Operations Appropriations Act of 1989,  
 35 reads as rewritten:

36 "Sec. 81. Effective January 1, 1990, the maximum monthly rate for ambulatory  
 37 residents in domiciliary care facilities shall be ~~six hundred ninety six dollars (\$696.00)~~  
 38 seven hundred twenty-four dollars (\$724.00) and the maximum monthly rate for semi-  
 39 ambulatory residents shall be ~~seven hundred thirty dollars (\$730.00)~~seven hundred sixty  
 40 dollars (\$760.00). Effective January 1, 1991, the maximum monthly rates for  
 41 ambulatory residents shall be increased to ~~seven hundred six dollars (\$706.00)~~seven  
 42 hundred thirty-four dollars (\$734.00) and for semi-ambulatory residents ~~seven hundred~~  
 43 ~~forty dollars (\$740.00)~~seven hundred seventy dollars (\$770.00)."

1 Requested by: Senator Walker

2 —FOSTER CARE RATE INCREASE

3 Sec. 88. (a) Section 75 of the Current Operations Appropriations Act of 1989,  
4 reads as rewritten:

5 —FOSTER CARE BOARD RATE

6 "Sec. 75. Funds—Effective July 1, 1989 through December 31, 1989, funds  
7 appropriated to the Department of Human Resources by Section 3 of this act for foster  
8 care board rates shall be used to set the rates at two hundred dollars (\$200.00) per child  
9 per month."

10 (b) Effective January 1, 1990, funds appropriated to the Department of  
11 Human Resources by Section 3 of this act for foster care board rates shall be used to set  
12 the rates at \$250.00 per child per month.

13

14 Requested by: Senator Walker

15 —REVISED/EXPANDED MEDICAID COVERAGE FOR PREGNANT WOMEN  
16 AND FOR CHILDREN

17 Sec. 89. Section 70(m) of the Current Operations Appropriations Act of  
18 1989, reads as rewritten:

19 "~~(m) The Department of Human Resources shall provide Medicaid coverage for~~  
20 ~~pregnant women; for children under age 3; for children under age 4 beginning October~~  
21 ~~1, 1989; and for children under age 5 beginning October 1, 1990, whose family income~~  
22 ~~is equal to or less than the federal poverty guidelines as revised annually.~~

23 The Department of Human Resources shall provide Medicaid coverage to pregnant  
24 women, to infants, and to children according to the following schedule:

- 25 (1) Effective July 1, 1989, through December 31, 1989, pregnant women  
26 with family incomes equal to or less than the federal poverty  
27 guidelines as revised annually shall be covered for Medicaid benefits;  
28 (2) Effective January 1, 1990, pregnant women with incomes equal to or  
29 less than one hundred thirty percent (130%) of the federal poverty  
30 guidelines as revised annually shall be covered for Medicaid benefits;  
31 (3) Effective July 1, 1989, through December 31, 1989, infants under the  
32 age of one with family incomes equal to or less than the federal  
33 poverty guidelines as revised annually shall be covered for Medicaid  
34 benefits;  
35 (4) Effective January 1, 1990, infants under the age of one with family  
36 incomes equal to or less than one hundred thirty percent (130%) of the  
37 federal poverty guidelines as revised annually shall be covered for  
38 Medicaid benefits;  
39 (5) Effective July 1, 1989, through September 30, 1989, children under the  
40 age of three with family incomes equal to or less than the federal  
41 poverty guidelines as revised annually shall be covered for Medicaid  
42 benefits; and

1 (6) Effective October 1, 1989, children under the age of six with family  
2 incomes equal to or less than the federal poverty guidelines as revised  
3 annually shall be covered for Medicaid benefits.

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

10  
11 Requested by: Senator Plyler

12 ---ANSON COUNTY SEWER FUNDS

13 Sec. 90. The funds allocated to Anson County by Section 4 of Chapter 876 of  
14 the 1987 Session Laws to extend the sewer line from the Anson County sewer line on  
15 U.S. Highway 74 westward to Anson Community College that were not needed for that  
16 purpose may be used by Anson County to extend the sewer line to the west of Anson  
17 Community College.

18  
19 PART XV.—DEPARTMENT OF AGRICULTURE

20  
21 Requested by: Senators Basnight and Barker

22 ---AQUACULTURE DEVELOPMENT

23 Sec. 91. Chapter 106 of the General Statutes is amended by adding a new  
24 article to read:

25 **"ARTICLE 63.**

26 **"AQUACULTURE DEVELOPMENT ACT.**

27 **"§ 106-756. Legislative findings and purpose.**

28 The General Assembly finds and declares that it is in the best interest of the citizens  
29 of North Carolina to promote and encourage the development of the State's aquacultural  
30 resources in order to augment food supplies, expand employment, promote economic  
31 activity, increase stocks of native aquatic species, enhance commercial and recreational  
32 fishing and protect and better use the land and water resources of the State.

33 **"§ 106-757. Short title.**

34 This Article shall be known as the Aquaculture Development Act.

35 **"§ 106-758. Definitions.**

36 As used in this Article,

37 (1) 'Aquaculture' means the propagation and rearing of aquatic species in  
38 controlled or selected environments, including, but not limited to,  
39 ocean ranching;

40 (2) 'Aquaculture facility' means any land, structure or other appurtenance  
41 that is used for aquaculture, including, but not limited to, any  
42 laboratory, hatchery, rearing pond, raceway, pen, incubator, or other  
43 equipment used in aquaculture;

1           (3) 'Aquatic species' means any species of finfish, mollusk, crustacean, or  
2 other aquatic invertebrate, amphibian, reptile, or aquatic plant, and  
3 including, but not limited to, 'fish' and 'fishes' as defined in G.S. 113-  
4 129(f);

5           (4) 'Commissioner' means the Commissioner of Agriculture;

6           (5) 'Department' means the North Carolina Department of Agriculture.

7 **"§ 106-759. Lead agency; powers and duties.**

8           (a) For the purposes of this Article, aquaculture is considered to be a form of  
9 agriculture and thus the Department of Agriculture is designated as the lead State  
10 agency in matters pertaining to aquaculture.

11           (b) The Department shall have the following powers and duties:

12           (1) To provide aquaculturalists with information and assistance in  
13 obtaining permits related to aquacultural activities;

14           (2) To promote investment in aquaculture facilities in order to expand  
15 production and processing capacity; and

16           (3) To work with appropriate State and federal agencies to review,  
17 develop and implement policies and procedures to facilitate  
18 aquacultural development.

19 **"§ 106-760. Advisory Board.**

20           (a) There is created within the Department of Agriculture the Aquaculture  
21 Advisory Board, to consist of the following persons:

22           (1) The Commissioner of Agriculture, or his designee;

23           (2) The Secretary of Commerce, or his designee;

24           (3) The Secretary of Natural Resources and Community Development, or  
25 his designee;

26           (4) The President of the North Carolina Biotechnology Center, or his  
27 designee;

28           (5) The President of The University of North Carolina, or his designee;

29           (6) One Senator designated by the President Pro Tempore of the Senate;  
30 and

31           (7) One Representative designated by the Speaker of the House of  
32 Representatives.

33           (b) The Commissioner of Agriculture or his designee shall serve as Chairman of  
34 the Board. A majority of the Board shall constitute a quorum for the transaction of  
35 business. Clerical and other assistance shall be provided by the Department of  
36 Agriculture. The Commissioner may appoint advisory committees, pursuant to G.S.  
37 143B-10(d), to assist the Board in carrying out its duties.

38           (c) The Board shall review State and federal policies, laws and regulations  
39 affecting aquaculture and recommend changes which may be necessary or useful to  
40 carry out the purposes of this Article. The Board shall present its recommendations to  
41 the Governor and the General Assembly. The Board shall also assist in the coordination  
42 of aquaculture-related activities of the various State agencies and institutions, and shall  
43 coordinate research and technology transfer activities to respond to the emerging  
44 requirements of aquaculture."

1

2 PART XVI.—DEPARTMENT OF COMMERCE

3

4 Requested by: Senator Martin of Pitt

5 —WORKER READJUSTMENT PROGRAM FUNDS

6 Sec. 92. (a) There is appropriated from the Worker Training Trust Fund to the  
7 Employment Security Commission of North Carolina the sum of \$1,200,000 for the  
8 1989-90 fiscal year and the sum of \$1,200,000 for the 1990-91 fiscal year for a Worker  
9 Readjustment Program to provide a statewide program of rapid response to plant  
10 closings.

11 (b) The Employment Security Commission shall report to the Joint Legislative  
12 Commission on Governmental Operations by the first of each month prior to the  
13 expenditure of any funds appropriated by this section. The report required by this  
14 section may be included in any other report that the Employment Security Commission  
15 is required to make to the Joint Legislative Commission on Governmental Operations.

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

19

20 Requested by: Senator Martin of Pitt

21 —PETROLEUM OVERCHARGE FUNDS ALLOCATION

22 Sec. 93. (a) There is appropriated from the case of United States v. Exxon and  
23 appropriated to the Special Reserve for Oil Overcharge Funds to the Department of  
24 Commerce the sum of \$10,900,000 for the 1989-90 fiscal year and the sum of  
25 \$10,900,000 for the 1990-91 fiscal year to be allocated as follows:

26 (1) The sum of \$2,200,000 for the 1989-90 fiscal year and the sum of  
27 \$2,200,000 for the 1990-91 fiscal year shall be used for projects under  
28 the State Energy Conservation and Energy Extension Service  
29 Programs;

30 (2) The sum of \$3,200,000 for the 1989-90 fiscal year and the sum of  
31 \$3,200,000 for the 1990-91 fiscal year shall be used for the Low  
32 Income Weatherization Program;

33 (3) The sum of \$2,500,000 for the 1989-90 fiscal year and the sum of  
34 \$2,500,000 for the 1990-91 fiscal year shall be used for energy  
35 conservation programs for hospitals and schools; and

36 (4) The sum of \$3,000,000 for the 1989-90 fiscal year and the sum of  
37 \$3,000,000 for the 1990-91 fiscal year shall be used for the Low  
38 Income Home Energy Assistance Program (LIHEAP).

39 Any remaining funds in the Special Reserve for Oil Overcharge Funds may be  
40 expended only as authorized by the General Assembly. All interest or income accruing  
41 from all deposits or investments of cash balances shall be credited to the Special  
42 Reserve for Oil Overcharge Funds.

43 (b) There is appropriated from funds received from the U.S. Department of  
44 Energy's Stripper Well Litigation (MDL378) and appropriated to the Special Reserve

1 for Oil Overcharge Funds to the Department of Commerce the sum of \$5,975,000 for  
2 the 1989-90 fiscal year to be allocated as follows:

- 3 (1) The sum of \$2,500,000 shall be paid to the Business Energy  
4 Improvement Program Revolving Loan Fund;
- 5 (2) The sum of \$1,675,000 shall be used to expand the Transportation  
6 Information Management System (TIMS);
- 7 (3) The sum of \$350,000 shall be used for waste tire utilization;
- 8 (4) The sum of \$1,350,000 shall be used for local government energy  
9 conservation; and
- 10 (5) The sum of \$100,000 shall be used for the Energy Assurance Study  
11 Commission.

12 (c) The Department of Commerce shall submit comprehensive annual reports to  
13 the General Assembly by May 15, 1990, and January 31, 1991, which detail the use of  
14 all funds received in the cases of United States v. Exxon and Stripper Well that were  
15 used or expended by State agencies. Any State department or agency that has received  
16 oil overcharge funds shall provide all information requested by the Department of  
17 Commerce for the purpose of preparing this report.

18  
19 Requested by: Senator Martin of Pitt

20 —BUSINESS ENERGY IMPROVEMENT PROGRAM

21 Sec. 94. Article 10 of Chapter 143B of the General Statutes is amended by  
22 adding a new Part to read:

23 **"PART 14. BUSINESS ENERGY IMPROVEMENT PROGRAM.**

24 **"§ 143B-472.30. Short title.**

25 This Part shall be known as the Business Energy Improvement Program.

26 **"§ 143B-472.31. Legislative findings and purpose.**

27 The General Assembly finds and declares that it is in the best interest of the  
28 citizens of North Carolina to promote and encourage energy efficiency within the State's  
29 industrial and commercial base in order to conserve energy, promote economic  
30 competitiveness, and expand employment in the State.

31 **"§ 143B-472.32. Lead agency; powers and duties.**

32 (a) For the purposes of this Part, the Department of Commerce, Energy  
33 Division, is designated as the lead State agency in matters pertaining to industrial and  
34 commercial energy conservation.

35 (b) The Division shall have the following powers and duties with respect to  
36 this Part:

- 37 (1) To provide industrial and commercial concerns doing business in  
38 North Carolina with information and assistance in undertaking energy  
39 conserving capital improvement projects to enhance industrial and  
40 commercial capacity.
- 41 (2) To establish a revolving fund within the Division for the purpose of  
42 providing secured loans in amounts not greater than five hundred  
43 thousand dollars (\$500,000) per business entity to install energy-  
44 efficient capital improvements within businesses located within or

1 translocating to North Carolina. In providing these loans, priority shall  
2 be given to businesses already located in the State.

3 (3) To work with appropriate State and federal agencies to develop and  
4 implement rules and regulations to facilitate this program.

5 (c) The annual interest rate charged for the use of the funds from the  
6 revolving fund established pursuant to subdivision (b)(2) of this section shall be one-  
7 half of the 90-day rate for United States Treasury Bills, not to exceed five percent (5%)  
8 per annum, excluding other fees required for loan application review and origination.  
9 The term of any loan originated under this section may not be greater than seven years.

10 (d) In accordance with the terms of the Stripper Well Settlement, administrative  
11 expenses for activities under this section shall be limited to five percent (5%) of funds  
12 appropriated for this purpose."

13  
14  
15 PART XVII.—DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY  
16 DEVELOPMENT

17  
18 Requested by: Senator Hunt of Moore

19 —ZOO RECEIPTS

20 Sec. 96. Part 22 of Article 7 of Chapter 143B is amended by adding a new  
21 section to read:

22 "**§ 143B-337. Special Zoo Fund.**

23 A special continuing and nonreverting fund, to be called the Special Zoo Fund, is  
24 created. The North Carolina Zoological Park shall retain unbudgeted receipts at the end  
25 of each fiscal year, beginning June 30, 1989, and deposit these receipts into this Fund.  
26 This Fund shall be used for maintenance, repairs, and renovations of exhibits in existing  
27 habitat clusters and visitor services facilities, and for the replacement of tram equipment  
28 as required to maintain adequate service to the public. The Special Zoo Fund may also  
29 be used to match private funds which are raised for these purposes. Funds may be  
30 expended for these purposes by the Department of Natural Resources and Community  
31 Development on the advice of the North Carolina Zoological Park Council and with the  
32 approval of the Office of State Budget and Management. The Department of Natural  
33 Resources and Community Development shall provide an annual report to the Office of  
34 State Budget and Management and to the Fiscal Research Division of the Legislative  
35 Services Office on the use of fees collected pursuant to this section."

36  
37 Requested by: Senator Martin of Pitt

38 —AUTHORIZATION FOR USE OF WATER QUALITY FEES

39 Sec. 98. (a) There is appropriated from the water quality fees collected and  
40 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to  
41 exceed \$1,143,540 for the 1989-90 fiscal year and a sum not to exceed \$1,465,585 for  
42 the 1990-91 fiscal year to the Department of Natural Resources and Community  
43 Development to retain and provide all necessary support for a position, or to establish  
44 and provide all necessary support for a position in the water quality program, when

1 sufficient fees for a position and all necessary support for the 1989-90 fiscal year and  
2 for the 1990-91 fiscal year have been deposited. No more than nine new positions for  
3 the 1989-90 fiscal year and no more than nine new positions for the 1990-91 fiscal year  
4 may be funded and supported in this manner. First priority will be to retain and support  
5 those positions that were previously established by the General Assembly. Water  
6 quality fees shall be the only source of funds for these positions and all necessary  
7 support, including fringe benefits. These positions shall be used to reduce the backlog  
8 of permit applications and to improve the rate of compliance of facilities with  
9 environmental standards for toxic substances.

10 (b) The Department of Natural Resources and Community Development shall  
11 provide a quarterly report to the Joint Legislative Commission on Governmental  
12 Operations and to the Director of the Fiscal Research Division beginning October 1,  
13 1989. Each report shall state the amount and type of fees collected for the quarter and  
14 since the beginning of the fiscal year, the number of permit applications processed for  
15 the quarter and since the beginning of the fiscal year, the number of permit applications  
16 not processed, and the progress made in reducing the backlog of permit applications.

17  
18 Requested by: Senator Martin of Pitt

19 —AUTHORIZATION FOR USE OF AIR QUALITY FEES

20 Sec. 99. (a) There is appropriated from the air quality fees collected and  
21 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to  
22 exceed \$627,000 for the 1989-90 fiscal year and a sum not to exceed \$918,000 for the  
23 1990-91 fiscal year, to the Department of Natural Resources and Community  
24 Development to establish and provide all necessary support for a position in the  
25 Department of Natural Resources and Community Development, when sufficient fees  
26 for a position and all necessary support for the 1989-90 fiscal year and for the 1990-91  
27 fiscal year have been collected and deposited. No more than eight new positions in the  
28 1989-90 fiscal year and no more than six new positions in the 1990-91 fiscal year may  
29 be established in this manner. First priority will be to retain and support those positions  
30 that were previously established by the General Assembly. Air quality fees shall be the  
31 only source of funds for these positions and all necessary support, including fringe  
32 benefits. These positions shall be used to conduct air quality permitting and air quality  
33 compliance and monitoring activities.

34 (b) The Department of Natural Resources and Community Development shall  
35 provide quarterly reports to the Joint Legislative Commission on Governmental  
36 Operations and to the Director of the Fiscal Research Division beginning October 1,  
37 1989. Each report shall state the amount and type of fees collected for the quarter and  
38 since the beginning of the fiscal year, the number of permit applications processed for  
39 the quarter and since the beginning of the fiscal year, the number of permit applications  
40 not processed, and the progress made in reducing the backlog of permit applications.

41  
42 Requested by: Senators Barker and Martin of Pitt

43 —SALES TAX PROCEEDS FOR WILDLIFE FUND MODIFIED

44 Sec. 100. G.S. 105-164.44B reads as rewritten:



1 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**  
2 **fishing supplies and equipment.**

3 ~~For the 1987-88 fiscal year, the Secretary of Revenue shall transfer at the end of~~  
4 ~~each quarter from the State sales and use net tax collections received by the Department~~  
5 ~~of Revenue under Article 5 of Chapter 105 of the General Statutes to the State Treasurer~~  
6 ~~for the Wildlife Resources Fund, one fourth of one million nine hundred sixty thousand~~  
7 ~~dollars (\$1,960,000). During subsequent fiscal years, Each fiscal year, the Secretary of~~  
8 Revenue shall transfer at the end of each quarter from the State sales and use tax net  
9 collections received by the Department of Revenue under Article 5 of Chapter 105 of  
10 the General Statutes to the State Treasurer for the Wildlife Resources Fund, one fourth  
11 of ~~one million nine hundred sixty thousand dollars (\$1,960,000)~~ two million eight  
12 hundred thirty-four thousand six hundred seventy-five dollars (\$2,834,675) plus or  
13 minus the percentage of that amount by which the total collection of State sales and use  
14 taxes increased or decreased during the preceding fiscal year."

15  
16 Requested by: Senators Basnight and Taft

17 ---TEXASGULF SETTLEMENT FUNDS

18 Sec. 101. The sum of \$1,001,907, received by the Department of Natural  
19 Resources and Community Development in accordance with a settlement agreement  
20 with Texasgulf Inc., dated June 2, 1989, and placed in General Fund receipt code 1310-  
21 0720 in the Environmental Management Division, shall not be available for expenditure  
22 by the Department of Natural Resources and Community Development, and shall not  
23 revert to the General Fund, but instead is reallocated to the Beaufort County Board of  
24 Commissioners. The money shall be paid by the Office of State Budget and  
25 Management to the Beaufort County Board of Commissioners within 15 days after  
26 request for the funds by the Board of Commissioners.

27  
28 Requested by: Senator Martin of Pitt

29 ---AGRICULTURE COST SHARE PROGRAM

30 Sec. 102. (a) Of the funds appropriated to the Department of Natural Resources  
31 and Community Development in Section 5 of the Current Operations Appropriations  
32 Act of 1989, if that bill becomes law, for the Agriculture Cost Share Program for  
33 Nonpoint Source Pollution Control, a sum not to exceed \$40,000 for the 1989-90 fiscal  
34 year and a sum not to exceed \$40,000 for the 1990-91 fiscal year shall be used to fund  
35 tide gates in Hyde County in accordance with the match requirements specified in G.S.  
36 143-215.74(b)(6).

37 (b) Funds appropriated to the Department of Natural Resources and Community  
38 Development for the 1989-90 fiscal year and for the 1990-91 fiscal year in Section 5 of  
39 this act and in Section 5 of the Current Operations Appropriations Act of 1989, if that  
40 bill becomes law, for the Agriculture Cost Share Program for Nonpoint Source  
41 Pollution Control shall be used to implement the Agriculture Cost Share Program  
42 statewide beginning in the 1989-90 fiscal year. Of these funds, the Department of  
43 Natural Resources and Community Development shall use the sum of \$64,826 for the

1 1989-90 fiscal year and the sum of \$64,826 for the 1990-91 fiscal year to establish two  
2 positions to administer the Agriculture Cost Share Program.

3  
4  
5 **PART XVIII.—MISCELLANEOUS PROVISIONS**

6  
7 Requested by: Senator Royall

8 **—EFFECT OF HEADINGS**

9           Sec. 103. The headings to the Parts and sections of this act are a convenience  
10 to the reader and are for reference only. The headings do not expand, limit, or define  
11 the text of this act.

12  
13 Requested by: Senator Royall

14 **—EXECUTIVE BUDGET ACT REFERENCE**

15           Sec. 104. The provisions of the Executive Budget Act, Chapter 143, Article 1  
16 of the General Statutes, are reenacted and shall remain in full force and effect and are  
17 incorporated in this act by reference.

18  
19 Requested by: Senator Royall

20 **—COMMITTEE REPORT**

21           Sec. 105. The Senate Expansion Appropriations Committee Report, dated  
22 June 28, 1989, which was distributed in the Senate and used to explain this act, shall  
23 indicate action by the General Assembly on this act and shall therefore be used to  
24 construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such  
25 purposes shall be considered a part of this act.

26  
27 Requested by: Senator Royall

28 **—EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN THE CURRENT**  
29 **OPERATIONS ACT OF 1989 APPLY**

30           Sec. 106. Except where expressly repealed or amended by this act, the  
31 provisions of the Current Operations Appropriations Act of 1989 remain in effect.

32           Notwithstanding any modifications by this act in the amounts appropriated, except  
33 where expressly repealed or amended, the limitations and directions for the 1989-91  
34 fiscal biennium in the Current Operations Appropriations Act of 1989 that applied to  
35 appropriations to particular agencies or for particular purposes apply to the newly  
36 enacted appropriations of this act for those same purposes.

37  
38 Requested by: Senator Royall

39 **—MOST TEXT APPLIES ONLY TO 1989-91**

40           Sec. 107. Except for statutory changes or other provisions that clearly  
41 indicate an intention to have effects beyond the 1989-91 biennium, the textual  
42 provisions of this act shall apply only to funds appropriated for and activities occurring  
43 during the 1989-91 biennium.

1 Requested by: Senator Royall

2 ---SEVERABILITY CLAUSE

3           Sec. 108. If any section or provision of this act is declared unconstitutional or  
4 invalid by the courts, it does not affect the validity of the act as a whole or any part  
5 other than the part so declared to be unconstitutional or invalid.

6

7 Requested by: Senator Royall

8 ---EFFECTIVE DATE

9           Sec. 109. Except as otherwise provided, this act shall become effective July  
10 1, 1989.