

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 996

Short Title: Current Operations - Appropriations.

(Public)

Sponsors: Senator Basnight.

Referred to: Appropriations.

April 24, 1989

A BILL TO BE ENTITLED

AN ACT TO MAKE BASE 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 Basnight

—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 Basnight

—TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1989."

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

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2	(This outline is designed for reference only, and the outline and the	
3	corresponding entries throughout the act in no way limit, define, or prescribe the scope	
4	or application of the text of the act.)	
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28 PART I.—CURRENT OPERATIONS/GENERAL FUND

29

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

34

35	<u>Current Operations - General Fund</u>	<u>1989-90</u>	<u>1990-91</u>
36			
37	General Assembly	\$ 17,236,893	\$ 20,487,849
38			
39	Judicial Department	180,934,574	183,166,768
40			
41	Department of the Governor		
42	01. Office of the Governor	4,490,354	4,513,871
43	02. Office of State Budget		
44	and Management	3,383,509	3,379,683

1			
2	Lieutenant Governor's Office	562,854	564,124
3			
4	Department of Secretary of State	3,232,204	3,141,478
5			
6	Department of State Auditor	6,941,243	6,948,332
7			
8	Department of State Treasurer	4,013,938	4,019,717
9			
10	Department of Public Education	2,881,392,825	2,901,765,701
11			
12	Department of Justice	45,081,246	45,284,625
13			
14	Department of Administration		
15	01. Administration	41,902,619	42,448,982
16	02. State Controller	5,054,737	5,059,766
17			
18	Department of Agriculture	35,618,997	35,740,532
19			
20	Department of Labor	7,103,309	7,119,420
21			
22	Department of Insurance	11,965,552	11,998,199
23			
24	Department of Transportation		
25	01. Aeronautics	116,571	116,571
26			
27	Department of Natural Resources and		
28	Community Development	66,605,266	66,034,976
29			
30	Office of Administrative Hearings	1,972,220	1,975,809
31			
32	Administrative Rules Review Commission	258,469	251,545
33			
34	Department of Human Resources		
35	01. Alcoholic Rehabilitation Center -		
36	Black Mountain	3,245,745	3,267,781
37	02. Alcoholic Rehabilitation Center -		
38	Butner	3,024,495	3,037,232
39	03. Alcoholic Rehabilitation Center -		
40	Greenville	2,593,285	2,593,461
41	04. N.C. Special Care Center	4,218,325	4,309,853
42	05. Black Mountain Center	713,850	673,127
43	06. DHR - Administration and Support		
44	Program	4,937,168	4,955,214

1	07.	Division of Aging	1,206,607	1,207,689	
2	08.	Schools for the Deaf and Blind	22,169,581	22,192,919	
3	09.	Division of Health Service	55,325,914	56,438,146	
4	10.	Social Services	78,126,671	78,597,201	
5	11.	Medical Assistance	384,442,191	448,104,017	
6	13.	Division of Services for the			
7		Blind	6,069,502	6,081,927	
8	14.	Division of Mental Health,			
9		Mental Retardation and Substance			
10		Abuse Services	11,801,263	11,800,941	
11	15.	Dorothea Dix Hospital	34,143,300	34,481,132	
12	16.	Broughton Hospital	30,588,579	30,772,868	
13	17.	Cherry Hospital	29,918,230	30,208,942	
14	18.	John Umstead Hospital	30,006,645	30,085,833	
15	19.	Western Carolina Center	3,086,587	3,119,043	
16	20.	O'Berry Center	5,221,987	5,212,301	
17	21.	Murdoch Center	15,370,639	13,144,771	
18	22.	Caswell Center	13,205,350	13,300,069	
19	23.	Division of Facility Services	28,209,886	28,149,125	
20	24.	Division of Vocational			
21		Rehabilitation Services	22,715,531	22,716,953	
22	25.	Division of Youth Services	28,631,667	28,785,501	
23					
24		Total Department of			
25		Human Resources	818,972,998		883,236,035
26					
27		Department of Correction	339,098,050		341,948,289
28					
29		Department of Commerce	26,123,605		26,055,750
30					
31		Department of Revenue	44,174,968		44,233,654
32					
33		Department of Cultural Resources	20,618,616		20,894,337
34					
35		Department of Crime Control			
36		and Public Safety	24,270,967		24,477,467
37					
38		University of North Carolina - Board			
39		of Governors			
40					
41	01.	General Administration	16,553,650	18,621,554	
42	02.	University Operations -			
43		Lump Sum	5,261,534	5,261,534	
44	03.	Related Educational Programs	3,942,771	4,001,586	

1	04.	University of North Carolina		
2		at Chapel Hill		
3		a. Academic Affairs	131,513,628	133,584,123
4		b. Division of Health		
5		Affairs	94,302,088	95,830,942
6		c. Area Health Education		
7		Centers	30,386,075	30,373,500
8	05.	North Carolina State University		
9		at Raleigh		
10		a. Academic Affairs	162,199,065	164,022,770
11		b. Agricultural Research		
12		Service	35,233,748	35,123,381
13		c. Agricultural Extension		
14		Service	27,431,979	27,348,964
15	06.	University of North Carolina at		
16		Greensboro	51,580,243	51,944,811
17	07.	University of North Carolina at		
18		Charlotte	49,338,442	49,922,323
19	08.	University of North Carolina at		
20		Asheville	14,799,855	15,431,287
21	09.	University of North Carolina at		
22		Wilmington	28,931,879	29,035,937
23	10.	East Carolina University		
24		a. Academic Affairs	67,532,422	67,991,454
25		b. Division of Health Affairs	47,601,938	48,713,413
26	11.	North Carolina Agricultural and		
27		Technical State University	33,922,465	34,571,701
28	12.	Western Carolina University	33,093,901	34,169,604
29	13.	Appalachian State University	50,841,830	50,925,543
30	14.	Pembroke State University	13,947,649	14,048,265
31	15.	Winston-Salem State University	15,483,965	15,566,048
32	16.	Elizabeth City State		
33		University	12,970,749	13,122,579
34	17.	Fayetteville State University	15,895,836	16,081,858
35	18.	North Carolina Central		
36		University	25,797,251	25,909,056
37	19.	North Carolina School of the		
38		Arts	8,046,738	8,102,191
39	20.	North Carolina Science and		
40		Math High School	6,832,113	6,804,564
41	21.	North Carolina Memorial		
42		Hospital	34,734,222	35,412,940
43				
44		Total University of North		

1	Carolina	1,018,176,036	1,031,921,928
2			
3	Department of Community Colleges	332,000,767	332,676,106
4			
5	State Board of Elections	375,445	402,909
6			
7	Contingency and Emergency	1,125,000	1,125,000
8			
9	Reserve for Salary Adjustments	4,000,000	4,000,000
10			
11	Debt Service	69,083,445	66,538,583
12			
13	GRAND TOTAL CURRENT OPERATIONS—		
14	GENERAL FUND	\$6,015,887,277	\$6,121,528,006

15

16 PART II.—CURRENT OPERATIONS/HIGHWAY FUND

17

18 Sec. 4. Appropriations from the Highway Fund of the State for the
 19 maintenance and operation of the Department of Transportation, and for other purposes
 20 as enumerated, are made for the biennium ending June 30, 1991, according to the
 21 following schedule:

22

23	<u>Current Operations-Highway Fund</u>	<u>1989-90</u>
24	<u>1990-91</u>	

25

26 Department of Transportation

27	01. Administration	\$ 26,487,498	\$ 26,619,836
28	02. Highways		
29	a. Administration and		
30	Operations	31,720,265	31,798,567
31	b. State Construction		
32	(01) Primary Construction	-	-
33	(02) Secondary		
34	Construction		68,672,240 70,732,407
35	(04) Access and Public		
36	Service Roads		2,000,000 2,000,000
37	(05) Special Appropriation		
38	for Highways		60,000,000 60,000,000
39	(06) Spot Safety		
40	Improvements		6,200,000 6,200,000
41	c. State Funds to Match Federal		
42	Highway Aid		
43	(01) Construction	73,338,469	74,271,803
44	(02) Planning Survey and Highway		

1		Planning Research		2,298,590	2,136,210
2	d.	State Maintenance			
3	(01)	Primary	77,903,523	77,903,523	
4	(02)	Secondary	137,924,055	137,924,055	
5	(03)	Urban	21,021,422	21,021,422	
6	(04)	Contract Resurfacing	100,567,150	100,567,150	
7	e.	Ferry Operations	13,791,986	13,791,986	
8	g.	State Aid for Public			
9		Transportation	2,756,250	2,894,063	
10	03.	Division of Motor Vehicles	66,538,445	66,750,587	
11	04.	Governor's Highway Safety Program	258,840	259,249	
12	07.	Salary Adjustments for Highway			
13		Fund Employees	600,000	600,000	
14	08.	Reserve to Correct Occupational			
15		Safety and Health Conditions	350,000	350,000	
16	10.	Debt Service	38,491,163	37,392,600	
17					
18		Appropriations for Other State Agencies			
19	01.	Crime Control and Public			
20		Safety	79,380,983	81,574,887	
21	02.	Other Agencies			
22	a.	Department of Agriculture	2,371,675	2,470,577	
23	b.	Department of Revenue	1,494,890	1,495,746	
24	c.	Department of Human			
25		Resources	344,820	344,988	
26	d.	Department of Correction	1,750,000	1,750,000	
27					
28		Contingency and Emergency Fund		<u>100,000</u>	<u>100,000</u>
29					
30		GRAND TOTAL CURRENT OPERATIONS—			
31		HIGHWAY FUND		\$ 816,362,264	\$ 820,949,656
32					

PART III.—CURRENT OPERATIONS/GENERAL FUND/ AID TO CERTAIN GOVERNMENTAL AND NON-GOVERNMENTAL UNITS

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

41	<u>General Fund</u>	<u>1989-90</u>	<u>1990-91</u>
42			
43	Judicial Department	\$ 334,360	\$ 334,360
44			

1	Department of the Governor		
2	Office of State Budget		
3	and Management	35,906	-
4			
5	Department of State Auditor	5,740,780	5,740,780
6			
7	Department of Public Education	17,415,353	17,086,013
8			
9	Department of Administration	2,773,810	2,773,810
10			
11	Department of Agriculture	230,014	230,014
12			
13	Department of Transportation		
14	01. Aeronautics	5,545,000	5,545,000
15	02. Aid to Railroads	166,002	166,002
16	Total Department of Transportation	5,711,002	5,711,002
17			
18	Department of Natural Resources		
19	and Community Development	9,523,634	9,523,686
20			
21	Department of Human Resources		
22	01. DHR - Administration and		
23	Support Program	20,000	20,000
24	02. Division of Aging	3,602,799	3,602,799
25	03. Division of Health Services	24,843,548	25,101,189
26	04. Social Services	16,377,696	16,377,696
27	05. Social Services - State Aid		
28	to Non-State Agencies	5,133,148	5,133,148
29	06. Division of Services for the		
30	Blind	12,000	12,000
31	07. Division of Mental Health,		
32	Mental Retardation and		
33	Substance Abuse Services	150,191,214	150,655,194
34	08. Division of Facility Services	2,005,678	2,005,678
35	09. Division of Youth Services	14,586,693	14,586,693
36	10. State Aid, Local Programs		
37	Inflationary Increases	425,682	1,345,494
38			
39	Total Department of Human Resources	217,198,458	218,839,891
40			
41	Department of Correction	75,000	75,000
42			
43	Department of Commerce		
44	01. Commerce	2,310,000	2,310,000

1	02.	Microelectronics Center	25,301,034	21,433,424	
2	03.	Biotechnology Center	6,297,200	6,297,200	
3					
4		Department of Cultural Resources			17,050,360 17,050,360
5					
6		Department of Crime Control and			
7		Public Safety	743,967	743,967	
8					
9		University of North Carolina -			
10		Board of Governors	37,774,019	37,818,969	
11					
12		Department of Community Colleges		281,650	281,650
13					
14		Grand Total State Aid –			
15		General Fund	\$ 348,796,547	\$ 346,250,126	
16					

17 PART IV.—CURRENT OPERATIONS/HIGHWAY FUND/AID TO CERTAIN
 18 GOVERNMENTAL AND NON-GOVERNMENTAL UNITS

19
 20 Sec. 6. Appropriations from the Highway Fund of the State to State
 21 departments, institutions, and agencies for aid to certain governmental and
 22 nongovernmental units as enumerated are made for the biennium ending June 30, 1991,
 23 according to the following schedule:

24					
25	<u>Highway Fund</u>		<u>1989-90</u>	<u>1990-91</u>	
26					
27	State Aid to Municipalities		68,672,240	70,732,407	
28					
29	Grand Total State Aid –				
30	Highway Fund	68,672,240	70,732,407		
31					

32 PART V.—GENERAL PROVISIONS

33
 34 Requested by: Senator Basnight
 35 —SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL
 36 RECEIPTS/AUTHORIZATION FOR EXPENDITURES

37 Sec. 7. There is appropriated out of the cash balances, federal receipts, and
 38 departmental receipts available to each department, sufficient amounts to carry on
 39 authorized activities included under each department's operations. All these cash
 40 balances, federal receipts, and departmental receipts shall be expended and reported in
 41 accordance with provisions of the Executive Budget Act, except as otherwise provided
 42 by statute. The Director of the Budget shall develop necessary budget controls,
 43 regulations, and systems to ensure that these funds and other State funds subject to the

1 Executive Budget Act, may not be spent in a manner which would cause a deficit in
2 expenditures.

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

9

10 Requested by: Senator Basnight

11 ---INSURANCE AND FIDELITY BONDS

12 Sec. 8. All insurance and all official fidelity and surety bonds authorized for
13 the several departments, institutions, and agencies shall be effected and placed by the
14 Insurance Department, and the cost of placement shall be paid by the affected
15 department, institution, or agency with the approval of the Insurance Commissioner.

16

17 Requested by: Senator Basnight

18 ---BUDGETING OF PILOT PROGRAMS

19 Sec. 9. (a) Any program designated by the General Assembly as experimental,
20 model, or pilot shall be shown as a separate budget item and shall be considered as an
21 expansion item until a succeeding General Assembly reapproves it.

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

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

27

28 Requested by: Senator Basnight

29 ---AUTHORIZED TRANSFERS

30 Sec. 10. The Director of the Budget may transfer to General Fund budget
31 codes from the General Fund salary adjustment appropriation, and may transfer to
32 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
33 amounts required to support approved salary adjustments made necessary by difficulties
34 in recruiting and holding qualified employees in State government. The funds may be
35 transferred only when the use of salary reserve funds in individual operating budgets is
36 not feasible.

37

38 Requested by: Senator Basnight

39 ---EXPENDITURES OF FUNDS IN RESERVES LIMITED

40 Sec. 11. All funds appropriated by this act into reserves may be expended
41 only for the purposes for which the reserves were established.

42

43 PART VI.—DEPARTMENT OF PUBLIC INSTRUCTION

44

1 Requested by: Senator Ward

2 ---ABOLISH OUTSIDE EVALUATOR PROGRAM

3 Sec. 12. Article 24A of Chapter 115C of the General Statutes is repealed.

4

5 Requested by: Senator Ward

6 ---BEP FUNDING TRANSFER

7 Sec. 13. The Department of Public Education shall transfer eight hundred
8 fifty thousand dollars (\$850,000) from the Trust Fund 63510-6106, unemployment
9 reserve, in fiscal year 1989-90 to the General Fund. Of the funds appropriated in
10 Section 2 of this act to the Department of Public Education, the sum of eight hundred
11 fifty thousand dollars (\$850,000) in fiscal year 1989-90 is to be used as a part of the
12 Basic Education Program. These funds are intended to provide educational programs
13 similar to the State and federal programs that comprise the unemployment reserve.

14

15 Requested by: Senator Ward

16 ---DROPOUT PREVENTION

17 Sec. 14. (a) In 1987 the General Assembly began the process of review and
18 analysis of programs established in local school units with funds appropriated for
19 dropout prevention. In 1988 the General Assembly contracted for a report entitled
20 "Study of Dropout Prevention Factors in the Secondary Schools of North Carolina".
21 Based on this study and its own review of the use of funds appropriated for dropout
22 prevention, the General Assembly finds that there is a need to refocus the funds
23 appropriated for dropout prevention in a way that emphasizes:

24 (1) Well planned, sustained efforts by local school units in both primary
25 and secondary schools to reduce dropouts.

26 (2) A goal at the local school unit level on the reduction of dropout rates.

27 (3) Simplified planning at the school unit level that starts at the school
28 building level with the involvement of principals, teachers, and
29 counselors.

30 (4) A reduction of State mandates and a flexible use of dropout prevention
31 funds in those local school units whose plans are reviewed and
32 approved by the State Board of Education.

33 (5) Accurate and timely reporting to the State Board of Education and the
34 General Assembly of dropout rates in all local school units and the
35 units' success in meeting its goals.

36 (b) To accomplish these goals the State Board of Education shall:

37 (1) Establish planning requirements that emphasize the relationship
38 between the dropout rates in a local school unit and the programs
39 funded with funds for dropout prevention.

40 (2) Establish planning requirements that emphasize school level planning.

41 (3) Review and simplify the requirements for dropout prevention plans
42 submitted by local school units.

43 (4) Establish a process for waiving State requirements for the expenditure
44 of funds for dropout prevention for in-school suspension programs

- 1 after a local school unit's plan for dropout prevention has been
2 approved.
- 3 (5) Use up to five hundred thousand dollars (\$500,000) of the funds for
4 dropout prevention for one-time grants to the 50 schools with the
5 highest dropout rates.
- 6 (6) Review its requirements for in-school suspension programs with
7 regard to purpose, use by schools, requirements for staffing by
8 certified teachers, and the relationship of availability of in-school
9 suspension programs to the reduction of dropout rates.
- 10 (7) Examine the relationship between in-school suspension programs,
11 school suspension rates, and other juvenile justice community based
12 programs, funded by the Department of Human Resources.
- 13 (8) Report to the General Assembly on its progress in implementing its
14 new standards for dropout prevention programs and the progress made
15 by local school units in reducing dropout rates.
- 16 (9) Recommend to the General Assembly actions that might be taken
17 where units consistently fail to meet statewide goals and local goals for
18 reducing dropout rates.
- 19 (c) The Department of Public Instruction shall:
- 20 (1) Provide technical assistance to local school units in the development of
21 local dropout prevention plans.
- 22 (2) Provide information to the 100 local schools identified as having the
23 highest dropout rates as to what types of dropout prevention programs
24 work.
- 25

26 Requested by: Senator Ward

27 ~~—ABOLISH TEACHING GRANT PROGRAM FOR COLLEGE JUNIORS~~

28 Sec. 15. G.S. 115C-363.24 is repealed, except as it applies to grants made
29 and obligations incurred prior to July 1, 1989.

30

31 PART VII.—DEPARTMENT OF COMMUNITY COLLEGES

32

33 Requested by: Senator Ward

34 ~~—MANAGEMENT SUPPORT SYSTEM~~

35 Sec. 16. The State Board shall submit quarterly reports to the Joint
36 Commission on Governmental Operations on the progress of the design and
37 implementation of an adequate and timely management support system for community
38 colleges. It is the intent of the General Assembly that this system provide relevant,
39 accurate, and timely data to allow better institutional management and system
40 coordination of educational programs. This system plan shall be in place no later than
41 July 1, 1990.

42

43 Requested by: Senator Ward

44 ~~—STABILITY OF FUNDING~~

1 Sec. 17. To ensure stability in funding and to reduce the impact of short-term
2 enrollment fluctuations, the General Assembly shall appropriate funds for full-time
3 equivalent student enrollment for the community college system on a biennial basis.
4 For fiscal year 1989-90 and in subsequent years, the State Board shall allocate to each
5 college a budget based on the average of the prior two-years' actual full-time equivalent
6 student enrollment, or the previous year's actual full-time equivalent student enrollment,
7 whichever is greater. In no instance shall any college receive less than ninety percent
8 (90%) of the prior two-years' average curriculum full-time equivalent student
9 enrollment.

10
11 Requested by: Senator Ward

12 ---COMMUNITY COLLEGE TRUSTEES TRAINING COURSE

13 Sec. 18. The General Assembly urges the North Carolina Association of
14 Community College Trustees to continue providing training opportunities for
15 community college trustees and to offer the training on a regional basis. The General
16 Assembly also urges all community college trustees, especially those serving their first
17 term to complete the training.

18 The General Assembly requests the North Carolina Association of
19 Community College Trustees to submit an annual report to the State Board of
20 Community Colleges and to the 1989 Session of the General Assembly, 1990 Regular
21 Session, on the training programs provided and the number of trustees participating.

22
23 Requested by: Senator Ward

24 ---LITERACY

25 Sec. 19. The State Board of Community Colleges shall develop policies to
26 accomplish the following in literacy programs:

- 27 (1) Increase the number of people entering and moving through the
28 literacy continuum and allow more flexibility in the use of literacy
29 funds for instruction and administrative purposes to enhance
30 recruitment efforts;
- 31 (2) Increase the number of adult high school graduates and GED
32 diplomas;
- 33 (3) Encourage progress in the literacy programs through the use of
34 performance-based incentive funding for colleges, employees, and
35 employers;
- 36 (4) Allocate literacy funds on a more equitable basis;
- 37 (5) Develop statewide and individual college goals for increasing literacy;
- 38 (6) Increase the number of workplace literacy sites; and
- 39 (7) Replicate successful programs across the State.

40 It is the intent of the General Assembly to maintain the 1988-89 funding level
41 as a statewide base for literacy programs.

42 The State Board shall report to the 1989 General Assembly, 1990 Regular
43 Session, on the policies developed in accordance with this section.

44

1 Requested by: Senator Ward

2 ---SATELLITE CENTERS

3 Sec. 20. It is the intent of the General Assembly that the State Board provide
4 greater oversight of the proposed expansion of satellite and off-campus facilities among
5 the colleges of the community college system. The State Board shall develop criteria
6 for the construction of satellite facilities and off-campus centers to be built with State
7 funds. A satellite facility is defined as a campus in a county other than that in which the
8 main campus is located. An off-campus center is defined as a facility located within the
9 same county as the main campus.

10

11 Requested by: Senator Ward

12 ---REGIONAL COOPERATION

13 Sec. 21. It is the intent of the General Assembly to encourage cooperative
14 and regional programs among the colleges of the community college system to ensure
15 the most efficient use of tax resources. The State Board shall develop incentives to
16 encourage regional and cooperative programs among the colleges of the community
17 college system. Any legislative changes necessary to encourage such cooperative
18 efforts shall be incorporated into the Board's budget request to the General Assembly
19 for the 1990-91 fiscal year.

20 The State Board shall report to the 1989 General Assembly, 1990 Regular
21 Session, on the progress of regional programs.

22

23 Requested by: Senator Ward

24 ---STUDENT ACCOUNTING STUDY

25 Sec. 22. Due to the various methods used to count student enrollments in
26 higher education, the General Assembly directs The University of North Carolina and
27 the Community College System in cooperation with the North Carolina Association of
28 Independent Colleges and Universities to recommend to the General Assembly a
29 common method for counting student enrollments for purposes of receiving public
30 funds.

31 A final report shall be made to the 1991 Session of the General Assembly.
32 An interim report shall be made to the 1989 General Assembly, 1990 Regular Session.

33

34 Requested by: Senator Ward

35 ---FTE ACCOUNTING

36 Sec. 23. Notwithstanding any rule, the census date for counting extension
37 full-time equivalent (FTE) student enrollments shall be the same as that used to count
38 curriculum full-time equivalent student enrollments.

39

40 Requested by: Senator Ward

41 ---MAINTENANCE OF PLANT SUBSIDY

42 Sec. 24. The State Board of Community Colleges shall review the current
43 allocation method for distributing the maintenance of plant subsidy to regional
44 institutions. This review shall address the equitable distribution of available funds to

1 adequately reflect the purpose for which they are provided. The Board shall report its
2 findings and recommendations to the 1989 General Assembly, 1990 Regular Session.

3
4 **PART VIII.—COLLEGES AND UNIVERSITIES**

5
6 Requested by: Senator Ward

7 **—FUNDING LEVELS FOR INSTITUTIONS**

8 Sec. 25. The Board of Governors of The University of North Carolina shall
9 study the variations in instructional funding levels among the different classes of
10 constituent institutions. The study shall include a review of the actual and relative costs
11 to provide academic instruction in the various academic disciplines and programs, the
12 costs of providing instruction at lower division undergraduate, upper division
13 undergraduate, graduate and first professional levels, the variance in institutional costs
14 for serving part-time students, and other factors which would affect funding
15 requirements.

16 The Board shall review its methods for allocation of new funds to determine
17 if these methods are appropriate.

18 The Board shall report its findings to the 1990 Session of the General
19 Assembly by March 31, 1990, with copies to the Joint Legislative Commission on
20 Governmental Operations.

21
22 Requested by: Senator Ward

23 **—MANAGEMENT INCENTIVES**

24 Sec. 26. The Board of Governors of The University of North Carolina and
25 the Office of State Budget and Management are directed to review the need for
26 management incentives and flexibility at the campus level in order to achieve budget
27 savings and increased efficiency of operations. A joint report on findings, including any
28 campuses which would want to participate in a pilot project of such efforts, shall be
29 made to the General Assembly by March 31, 1990.

30
31 Requested by: Senator Ward

32 **—NURSING**

33 Sec. 27. The Board of Governors of The University of North Carolina shall
34 report on its study of nursing programs to the General Assembly by March 31, 1990.

35
36 Requested by: Senator Ward

37 **—RETENTION AND GRADUATION RATES**

38 Sec. 28. The Board of Governors of The University of North Carolina shall
39 review the variations in retention and graduation rates among the constituent institutions
40 to determine the reasons for the differences. The Board shall report its findings and any
41 recommendations to the General Assembly by January 15, 1991.

42
43 Requested by: Senator Ward

44 **—REMEDICATION**

1 Sec. 29. The Board of Governors of The University of North Carolina and
2 the State Board of Community Colleges shall review remedial courses for students in
3 each system, including the proper role of remediation in assuring educational
4 opportunity. The Boards shall determine the most cost effective method of delivering
5 remedial educational programs for students requiring these programs in order to succeed
6 in post-secondary education. A joint report of these findings shall be made to the 1991
7 General Assembly by February 1, 1991.

8 The Board of Governors of The University of North Carolina, the State Board
9 of Community Colleges, and the Department of Public Education shall plan a system to
10 provide a better flow of information among the public schools, The University of North
11 Carolina and the Community Colleges. This information shall include:

- 12 (1) The number of high school graduates who apply to, are admitted to,
13 and enroll in university institutions or in community colleges;
- 14 (2) The performance of high school graduates in their first year of college
15 attendance, as measured by such things as the need for remedial
16 coursework at various schools, performance in standard freshmen
17 courses, and the continued enrollment of the student in a subsequent
18 year (retention);
- 19 (3) The provision of information from the public schools to colleges in
20 automated format on transcripts of applicants and other information
21 which would be helpful in the admissions process;
- 22 (4) Consistent, uniform course information from the public schools to the
23 university system and community colleges, including course code,
24 name, description, units earned toward graduation, and credits earned
25 for admission through the university system; and
- 26 (5) Reporting of students who attend college in the community college
27 system, The University of North Carolina system, and private colleges
28 in North Carolina.

29 A joint interim report on these efforts, including progress to date and a schedule for full
30 implementation, shall be made to the Joint Legislative Commission on Governmental
31 Operations by January 15, 1990, and a final report shall be made to the General
32 Assembly by February 1, 1991.

33
34 Requested by: Senator Ward

35 ---AID TO PRIVATE MEDICAL SCHOOLS

36 Sec. 30. Should the funds appropriated for aid to private medical schools be
37 insufficient to meet contractual obligations based on the number of students, the Board
38 of Governors is authorized to transfer funds from other programs in the Related
39 Educational Programs budget to fund this program.

40
41 Requested by: Senator Ward

42 ---AID TO PRIVATE COLLEGES

43 Sec. 31. (a) The Director of the Budget is authorized to approve transfers
44 among the 1988-89 General Fund appropriations to The University of North Carolina

1 Board of Governors in order to provide full funding for both the Legislative Tuition
2 Grant Program and the Contractual Scholarship Grant Program in accordance with the
3 provisions of G.S. 116-19, 116-21, 116-22 and Sections 93 and 94 of Chapter 830, 1987
4 Session Laws.

5 (b) This section is effective upon ratification.

6
7 Requested by: Senator Ward

8 ---OPERATING APPROPRIATIONS/NOT USED FOR RECREATION
9 EXTENSION

10 Sec. 32. Funds appropriated in Sec. 3 of this act to the Department of
11 Community Colleges as operating expenses for allocation to the institutions comprising
12 the Community College System may not be used to support recreation extension
13 courses. The financing of these courses by any institution shall be on a self-supporting
14 basis, and membership hours produced from these activities may not be counted when
15 computing full-time equivalent students for use in budget-funding formulas at the State
16 level.

17

18 Requested by: Senator Ward

19 ---BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

20 Sec. 33. Appropriations to the Department of Community Colleges for
21 equipment and library books are made for each year of the fiscal biennium. All
22 unencumbered appropriations shall revert to the General Fund 12 months after the close
23 of each fiscal year for which they were appropriated. Encumbered balances outstanding
24 at the end of each period shall be handled in accordance with existing State Budget
25 policies. The Department shall be able to identify to the Office of State Budget and
26 Management which appropriations will revert at the end of the 12 months after the close
27 of each fiscal year.

28

29 Requested by: Senator Ward

30 ---ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION

31 Sec. 34. Funds appropriated in Sec. 5 of this act to the Department of
32 Community Colleges to provide financial assistance to hospital programs of nursing
33 education leading to diplomas in nursing that are fully accredited by the North Carolina
34 Board of Nursing and operated under the authority of a public or nonprofit hospital
35 licensed by the North Carolina Medical Care Commission shall be distributed, upon
36 application for financial assistance, on the basis of eight hundred fifty dollars (\$850.00)
37 for each full-time student duly enrolled in the program as of December 1 of the
38 preceding year and on condition that accreditation is maintained. The State Board of
39 Community Colleges shall adopt rules to ensure that this financial assistance is used
40 directly for faculty and instructional needs of diploma nursing programs.

41

42 Requested by: Senator Ward

43 ---AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT
44 LIMITATIONS

1 Sec. 35. (a) The amount of a tuition grant awarded to a student enrolled in a
2 degree program at a site away from the main campus of the approved private institution,
3 as defined in G.S. 116-22(1), may be no more than the result of the ratio of the cost per
4 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
5 full-time on-campus instruction, multiplied by the maximum grant award.

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

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

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

21
22 Requested by: Senator Ward

23 —AID TO PRIVATE COLLEGES PROCEDURE

24 Sec. 36. (a) Funds appropriated in this act to the Board of Governors of The
25 University of North Carolina for aid to private colleges shall be disbursed in accordance
26 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
27 to four hundred dollars (\$400.00) per full-time equivalent North Carolina undergraduate
28 student enrolled at a private institution as of October 1 each year.

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

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

41 The tuition grants provided for in this section shall be administered by the
42 State Education Assistance Authority pursuant to rules adopted by the State Education
43 Assistance Authority not inconsistent with this section. The State Education Assistance
44 Authority may not approve any grant until it receives proper certification from an

1 approved institution that the student applying for the grant is an eligible student. Upon
2 receipt of the certification, the State Education Assistance Authority shall remit at such
3 times as it shall prescribe the grant to the approved institution on behalf, and to the
4 credit, of the student.

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

12 In the event there are not sufficient funds to provide each eligible student
13 with a full grant, each eligible student shall receive a pro rata share of funds then
14 available for the remainder of the academic year within the fiscal period covered by the
15 current appropriation. Any remaining funds shall revert to the General Fund.

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

18

19 Requested by: Senator Ward

20 ~~---~~WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING
21 FORMULA

22 Sec. 37. Funds appropriated in Sec. 3 of this act to the Board of Governors of
23 The University of North Carolina for continuation of financial assistance to the medical
24 schools of Duke University and Wake Forest University shall be disbursed on
25 certifications of the respective schools of medicine that show the number of North
26 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
27 medical school as of November 1, 1989, and November 1, 1990. Disbursement to
28 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
29 for each medical student who is a North Carolina resident, one thousand dollars
30 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
31 aid to needy North Carolina students who are enrolled in the medical school. The
32 maximum aid given to any student from this fund in a given year may not exceed the
33 amount of the difference in tuition and academic fees charged by the school and those
34 charged at the School of Medicine at The University of North Carolina at Chapel Hill.

35 Disbursement to Duke University shall be made in the amount of five
36 thousand dollars (\$5,000) for each medical student who is a North Carolina resident,
37 five hundred dollars (\$500.00) of which shall be placed by the school in a fund to be
38 used to provide student financial aid to financially needy North Carolina students who
39 are enrolled in the medical school. No individual student may be awarded assistance
40 from this fund in excess of two thousand dollars (\$2,000) each year. In addition to this
41 basic disbursement for each year of the biennium, a disbursement of one thousand
42 dollars (\$1,000) shall be made for each medical student who is a North Carolina
43 resident in the first-year, second-year, third-year, and fourth-year classes to the extent
44 that enrollment of each of those classes exceeds 30 North Carolina students.

1 The Board of Governors shall establish the criteria for determining the
2 eligibility for financial aid of needy North Carolina students who are enrolled in the
3 medical schools and shall review the grants or awards to eligible students. The Board of
4 Governors shall adopt rules for determining which students are residents of North
5 Carolina for the purposes of these programs. The Board shall also make any regulations
6 as necessary to ensure that these funds are used directly for instruction in the medical
7 programs of the schools and not for religious or other nonpublic purposes. The Board
8 shall encourage the two schools to orient students towards personal health care in North
9 Carolina giving special emphasis to family and community medicine.

10
11 PART IX.—DEPARTMENT OF ADMINISTRATION

12
13 Requested by: Senator William Martin

14 —STATE SURPLUS PROPERTY WAREHOUSE/FUNDS

15 Sec. 38. The Office of State Budget and Management is authorized to
16 transfer the sum of one hundred thousand dollars (\$100,000) from the Surplus
17 Equipment Reserve Fund (Code 64101) for the 1990-91 fiscal year to the Department of
18 Administration to support the operation of the State Surplus Property Warehouse.

19
20 Requested by: Senator Martin of Guilford

21 —ABOLISH JUVENILE LAW STUDY COMMISSION

22 Sec. 39. (a) Article 58 of Chapter 7A of the General Statutes, being G.S. 7A-
23 740 through G.S. 7A-744 is repealed.

24 (b) The Juvenile Law Study Commission is abolished.

25
26 Requested by: Senator Martin of Guilford

27 —MAINTENANCE CONTRACTS COST CONTROL

28 Sec. 40. (a) Each executive agency and university is strongly encouraged to
29 eliminate maintenance contracts on word processors, personal computers and terminals.
30 Each executive agency and university will report to the Fiscal Research Division and to
31 the Director of the Legislative Automated Systems Division by April 30, 1990, the
32 number of contracts eliminated and the net savings.

33 (b) Each executive agency and university shall keep copies of all current
34 (active) maintenance contracts at a central office.

35 Each executive agency and university will provide the Office of State Budget,
36 the Fiscal Research Division, and the Director of the Legislative Automated Systems
37 Division with a list of these maintenance contracts by December 30, 1989. The list will
38 include the contract number (or identifier), vendor name, number and description of
39 items under contract, and the annual cost of the contract. This list shall be updated each
40 year as of December 30.

41 (c) Each executive agency or university shall keep a central record of repairs
42 whether or not done under a maintenance contract in order to determine the repair
43 history of equipment. The repair history will include equipment type (manufacturer and
44 model number), serial number, location of equipment, service date and cost of repair.

1 The Office of State Controller shall include a computer-based record of
2 repairs system for State agencies in the proposed revision of the Departmental
3 Accounting System-(DAS).

4 (d) The Division of Purchase and Contract shall work with executive agencies
5 and universities to consolidate maintenance contracts to the extent allowed by the
6 vendors. The Division shall negotiate maintenance contracts on an hourly basis where
7 appropriate and specify in the contract what the rate will be. The Division shall make
8 the equipment warranty on data processing equipment a part of the bid. The Division
9 shall also investigate the use of third party maintenance contractors for data processing
10 and office equipment.

11
12 Requested by: Senator Martin of Guilford

13 ~~—ABOLISH ALCOHOLISM RESEARCH AUTHORITY~~

14 Sec. 41. (a) Part 3 of Article 6 of Chapter 122C of the General Statutes,
15 being G.S. 122C-431 through G.S. 122C-433 is repealed.

16 (b) G.S. 120-123(24) is repealed.

17 (c) The North Carolina Alcoholism Research Authority is abolished.

18 (d) Any monies in the Alcoholism Research Fund shall revert to the General
19 Fund.

20
21 PART X.—DEPARTMENT OF TRANSPORTATION

22
23 Requested by: Senator Martin of Pitt

24 ~~—HIGHWAY FUND ALLOCATIONS BY THE CONTROLLER~~

25 Sec. 42. The Controller of the Department of Transportation shall allocate at
26 the beginning of each fiscal year from the various appropriations made to the
27 Department of Transportation in Section 4 of this act, Titles:

28 02.b. - State Construction

29 02.c. - State Funds to Match Federal Highway Aid

30 02.d. - State Maintenance

31 02.e. - Ferry Operations

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

34
35 Requested by: Senator Martin of Pitt

36 ~~—HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES~~

37 Sec. 43. (a) Overexpenditures may be made by authorization of the Director of
38 the Budget from Section 4 of this act. Titles:

39 02.b.(01) - State Construction Primary Construction

40 02.b.(03) - State Construction Urban Construction

41 02.b.(04) - State Construction Access and Public Service

42 Roads

43 02.c. - State Funds to Match Federal Highway Aid

44 02.d. - State Maintenance

1 02.e. - Ferry Operations:
 2 provided that there are corresponding underexpenditures from these same titles.
 3 Overexpenditures or underexpenditures in any titles may not vary by more than ten
 4 percent (10%) without prior consultation with the Advisory Budget Commission.
 5 Written reports covering overexpenditures or underexpenditures of more than ten
 6 percent (10%) shall be made to the Joint Legislative Commission on Governmental
 7 Operations. The reports shall be delivered to the Director of the Fiscal Research
 8 Division not less than 48 hours prior to the beginning of the Commission's full meeting.

9 (b) Overexpenditures from Section 4 of this act. Titles:
 10 02.b.(01) - State Construction Primary Construction
 11 02.b.(03) - State Construction Urban Construction
 12 02.b.(04) - State Construction Access and Public Service
 13 Roads
 14 02.c. - State Funds to Match Federal Highway Aid
 15 02.d. - State Maintenance
 16 02.e. - Ferry Operations

17 for the purpose of providing additional positions shall be approved by the Director of
 18 the Budget.

19
 20 Requested by: Senator Martin of Pitt

21 ---CASH FLOW HIGHWAY FUND APPROPRIATIONS

22 Sec. 44. The General Assembly authorizes and certifies anticipated revenues
 23 of the Highway Fund as follows:

24 For Fiscal Year 1991-92	\$ 981,100,000
25 For Fiscal Year 1992-93	\$1,005,000,000

26
 27 Requested by: Senator Martin of Pitt

28 ---RESURFACED ROADS MAY BE WIDENED

29 Sec. 45. Of the contract maintenance resurfacing program funds appropriated
 30 in Section 4 of this act to the Department of Transportation, an amount not to exceed
 31 twenty percent (20%) of the Board of Transportation's allocation of these funds may be
 32 used for widening existing narrow pavements that are scheduled for resurfacing.

33
 34 Requested by: Senator Martin of Pitt

35 ---USE OF SALES TAX COLLECTED BY THE DIVISION OF MOTOR VEHICLES

36 Sec. 46. Notwithstanding the second sentence of the sixth paragraph of G.S.
 37 105-164.4(1), the Department of Transportation may deduct and retain from the sales
 38 tax on motor vehicles collected pursuant to that subdivision an amount equal to the cost
 39 to the Division of Motor Vehicles of collecting the sales tax on motor vehicles, but not
 40 to exceed four hundred seventy-five thousand dollars (\$475,000) per year. The cost of
 41 collecting this tax shall be determined by the Secretary of Transportation, subject to the
 42 approval of the State Budget Officer.

43
 44 Requested by: Senator Martin of Pitt

1 —HIGHWAY FUNDS/ADJUSTMENT TO REFLECT ACTUAL REVENUE

2 Sec. 48. Any unreserved credit balance in the Highway Fund on June 30 of
3 each of the fiscal years shall support appropriations in the succeeding fiscal year. If all
4 of the balance is not needed for these appropriations, the Director of the Budget may use
5 the remaining excess to establish a reserve for access and public roads, a reserve for
6 unforeseen happening of a state of affairs requiring prompt action as provided by G.S.
7 136-44.1, and other required reserves. Actual revenue in excess of estimated revenue
8 shall be placed in the reserve for highway construction and maintenance. If all of the
9 remaining excess is not used to establish these reserves, the remainder shall be allocated
10 to the State-funded maintenance or construction appropriations in the manner approved
11 by the Board of Transportation. The Board of Transportation shall report monthly to
12 the Joint Legislative Commission on Governmental Operations about the use of the
13 reserve for highway construction and maintenance. The Board of Transportation shall
14 send copies of the monthly reports to the Chairman of the Senate Appropriations
15 Committee on Natural and Economic Resources, the Chairman of the Highway Fund
16 Subcommittee of the Appropriations Committee of the House of Representatives, the
17 Chairman of the Senate Transportation Committee, and the Chairman of the Highways
18 Subcommittee of the Infrastructure Committee of the House of Representatives.

19
20 Requested by: Senator Martin of Pitt

21 —CONTINUING AVIATION, RAIL, AND PUBLIC TRANSPORTATION
22 APPROPRIATIONS

23 Sec. 49. Subsection 170(c) of Chapter 738 of the 1987 Session Laws reads as
24 rewritten:

25 "(c) This section shall become effective September 1, 1987 ~~and shall expire June~~
26 ~~30, 1990.~~"

27
28 Requested by: Senator Barker

29 —FERRY CAPTAIN III, SHIFT PREMIUM PAY

30 Sec. 50. Section 9 of Chapter 738 of the 1987 Session Laws as amended by
31 Section 100(a) of Chapter 1086 of the 1987 Session Laws reads as rewritten:

32 "Sec. 9. Shift premium pay shall be paid to all State employees in non-medically
33 related positions through salary grade 69, to all State employees in the position of Ferry
34 Captain III in the salary grade 70, and to all State employees in medically related
35 positions through salary grade 75, subject to the provisions of this section. Shift
36 premium pay for employees in medically related positions shall be limited to a
37 maximum of twenty percent (20%) of salary for weekday nights and to a maximum of
38 thirty percent (30%) of salary for weekend nights.

39 The State Personnel Commission may not adopt a shift premium pay schedule higher
40 than those stated in this section unless the higher schedule is first approved by the
41 General Assembly and funds are appropriated to implement the higher pay. The
42 Commission may, however, request authorization to pay shift premium pay to
43 employees in grades above those stated in this section when the Commission determines
44 that there is a critical shortage of employees in a position because of competition from

1 private employers who pay shift premium pay for that type work. Such a request shall
2 be made to the General Assembly if it is in session; otherwise, the request shall be
3 approved by the Director of the Budget with the advice of the Advisory Budget
4 Commission.

5 The State Personnel Commission shall strictly enforce its regulation requiring that
6 employees who receive shift premium pay be regularly assigned to night or shift work.
7 In enforcing the regulation the Commission shall strictly construe 'regularly' so that
8 shift premium pay shall not be paid to employees temporarily placed on a shift receiving
9 such pay."

10
11 PART XI.—DEPARTMENT OF JUSTICE

12
13 Requested by: Senator Marvin

14 —SBI USE OF COURT-ORDERED RESTITUTION FUNDS

15 Sec. 51. The State Bureau of Investigation (SBI) is authorized to use funds
16 available from court-ordered restitution in undercover drug operations.

17
18 Requested by: Senator Sands

19 —ACCESS TO THE PUBLIC INFORMATION NETWORK (PIN)

20 Sec. 52. All local law enforcement agencies shall comply with federal
21 requirements that set forth access to the Public Information Network (PIN) administered
22 by the State Bureau of Investigation.

23
24 Requested by: Senator Marvin

25 —USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE
26 LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT

27 Sec. 53. (a) Assets transferred to the Department of Justice during the 1989-91
28 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
29 Department and shall result in an increase of law enforcement resources for the
30 Department. Assets transferred to the Department of Crime Control and Public Safety
31 during the 1989-91 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
32 budget of that Department and shall result in an increase of law enforcement resources
33 for the Department. Each of these Departments shall report to the Joint Legislative
34 Commission on Governmental Operations on how it intends to use these assets before it
35 uses these assets.

36 The General Assembly finds that the use of these assets for new projects, the
37 acquisition of real property, repair of buildings where such repair includes structural
38 change, and construction of or additions to buildings may result in additional expense
39 for the State in future fiscal periods; therefore, the Department of Justice and the
40 Department of Crime Control and Public Safety are prohibited from using these assets
41 for such purposes without the prior approval of the General Assembly.

42 (b) This section does not apply to the extent that it prevents North Carolina law
43 enforcement agencies from receiving funds from the U.S. Department of Justice
44 pursuant to 19 U.S.C. § 1616a.

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Requested by: Senator Marvin

—PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING
BOARDS ARE SELF-SUPPORTING

Sec. 54. The Private Protective Services and Alarm Systems Licensing Boards are responsible for adjusting fees as necessary to ensure that both boards are operated on a self-supporting fee-funded basis. The Private Protective Services Board and the Alarm Systems Licensing Board are directed to raise the fees as necessary within the statutory limits to maintain a self-supporting fee-funded basis.

Requested by: Senator Marvin

—CHARGES FOR LEGAL SERVICES RENDERED BY THE ATTORNEY
GENERAL

Sec. 55. The Department of Justice shall charge for legal services any State board, commission, or agency that is totally supported by receipts from fees or surcharges.

PART XII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senator Marvin

—REPORT ON COMMUNITY SERVICE WORKERS

Sec. 56. The Department of Crime Control and Public Safety shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of community service workers who were available during each month of the prior three-month period to perform repairs and maintenance of the parks and when and where they were available.

Requested by: Senator Marvin

—REPORTS ON THE COMMUNITY PENALTIES PROGRAM AND THE CRIME
VICTIMS COMPENSATION FUND

Sec. 57. The Department of Crime Control and Public Safety shall report annually to the Senate and House Appropriations Base Budget Committees on Justice and Public Safety and the Fiscal Research Division on the administrative expenditures of the Community Penalties Program and the North Carolina Crime Victims Compensation Fund.

Requested by: Senator Marvin

—LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER
GRANTS

Sec. 58. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968 provides that State applications for drug law enforcement grants are subject to review by the State legislature or its designated body.

(b) The North Carolina General Assembly provides that State applications for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of

1 the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of
2 P.L. 99-570, the Anti-Drug Abuse Act of 1986 are subject to review by the Joint
3 Legislative Commission on Governmental Operations if, at the time of review, the
4 General Assembly is not in session.

5 (c) Unless a State statute provides a different forum for review, where a federal
6 law or regulation provides that a State application for a grant must be reviewed by the
7 State legislature or its designated body and, at the time of the review the General
8 Assembly is not in session, that application shall be reviewed by the Joint Legislative
9 Commission on Governmental Operations.

10
11 PART XIII.—DEPARTMENT OF CORRECTION

12
13 Requested by: Senator Marvin

14 —NEGOTIATED RATES FOR MEDICAL SERVICES

15 Sec. 59. The Department of Correction shall negotiate for rates as close to
16 Medicaid rates as possible for all medical services rendered to that Department by
17 providers who are not State employees. The Department shall report the results of its
18 negotiations to the Chairmen of the Senate Appropriations Committee and the Senate
19 Base Budget Appropriations Committee, the Chairman of the House Appropriations
20 Committee, and the Chairmen of the Joint Appropriations Committees on Justice and
21 Public Safety prior to March 15, 1990. The Department shall also report its progress in
22 these negotiations to the Joint Legislative Commission on Governmental Operations at
23 the next meeting following the quarter ending December 31, 1989.

24
25 Requested by: Senator Marvin

26 —LIMIT USE OF PRISON PERSONNEL FUNDS

27 Sec. 60.1. (a) Funds appropriated in Section 3 of this act to the Department of
28 Correction, Reserve for New Units, shall be used for the personnel and operating
29 expenses set forth in the budget approved by the General Assembly in this act. These
30 funds may not be expended for any other purpose.

31 (b) Funds appropriated in Section 3 of this act to the Department of Correction,
32 Reserve for New Units, may not be expended for additional prison personnel positions
33 until the new facilities are within 90 days of completion.

34
35 Requested by: Senator Marvin

36 —GOLDSBORO CORRECTIONAL CENTER REALLOCATION

37 Sec. 61. Effective July 1, 1989, the land, together with all buildings and
38 equipment, currently referred to as the Goldsboro Correctional Center shall be
39 reallocated from the Department of Human Resources, Cherry Hospital, to the
40 Department of Correction.

41
42 Requested by: Senator Marvin

43 —INDIGENT PERSONS' ATTORNEY FEE FUND

1 Sec. 62. (a) Effective July 1, 1989, the Administrative Office of the Courts
2 shall each year of the biennium place the sum of three million two hundred ninety-four
3 thousand two hundred seventy dollars (\$3,294,270) from the Indigent Persons' Attorney
4 Fee Fund in a reserve for capital cases and for transcripts, professional examinations,
5 and expert witness fees. The Administrative Office of the Courts shall allot these funds
6 as needed for these purposes and for unanticipated demands on the fund.

7 (b) Effective July 1, 1989, the Administrative Office of the Courts shall, for
8 each year of the biennium, allot the sum of eleven million one hundred thousand dollars
9 (\$11,100,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and
10 guardian **ad litem** cases for the 1989-90 and 1990-91 fiscal years to each judicial
11 district where the superior and district court districts are coterminous, and otherwise by
12 county, according to case load of indigent persons who were not represented by the
13 public defender in the districts or counties during 1988-89 and 1989-90, respectively.

14 The Administrative Office of the Courts shall notify all senior resident
15 superior court judges, all chief district court judges, and the clerk of superior court
16 within the district or county immediately after the allotment is made and shall notify
17 them how much remains for the district or county at the end of each month of the fiscal
18 year.

19 The senior resident superior court judge and the chief district court judge of
20 each district or county shall ask all judges holding court within the district or county (i)
21 to take into consideration the amount of money allotted at the beginning of the fiscal
22 year and the amount of money remaining in the allotment when they award counsel fees
23 to attorneys of indigent persons, and (ii) to make an effort to award fees equally and
24 justly for legal services provided. The clerk of superior court for each county shall
25 assure that all judges holding court within the county receive this request from the
26 senior resident superior court judge and the chief district court judge.

27 (c) If the funds allotted pursuant to subsection (b) of this section are depleted
28 in a district or county prior to the end of the fiscal year, the Administrative Office of the
29 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
30 the same manner as provided in subsection (b) and such funds shall be subject to the
31 limitations and directions set out in subsection (b).

32 (d) If the funds allotted pursuant to subsection (c) of this section are depleted
33 in a district or county prior to the end of the fiscal year, the Administrative Office of the
34 Courts is authorized to resume payments in such districts or counties only if and when it
35 is reasonably determined that the total projected expenditures will be less than the total
36 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

37
38 PART XIV.—DEPARTMENT OF HUMAN RESOURCES

39
40 Requested by: Senator Walker.

41 —MEDICAID

42 Sec. 63. (a) Appropriations in Sec. 3 of this act for services provided in
43 accordance with Title XIX of the Social Security Act (Medicaid) are for both the
44 categorically needy and the medically needy. Funds appropriated for these services

1 shall be expended in accordance with the following schedule of services and payment
2 bases. All services and payments are subject to the language at the end of this
3 subsection.

4 Services and payment bases:

- 5 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
6 based on a prospective rate reimbursement plan as established by the
7 Department of Human Resources. Administrative days for any period
8 of hospitalization shall be limited to a maximum of three days.
- 9 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
10 prospective reimbursement plan as established by the Department of
11 Human Resources.
- 12 (3) Mental Hospitals - Allowable costs or a prospective reimbursement if
13 approved by the Director of the Budget.
- 14 (4) Skilled Nursing Facilities and Intermediate Care Facilities - As
15 prescribed under the State Plan for reimbursing Long-Term Care
16 Facilities. Skilled nursing facility participation in the Medicare
17 program is a condition of participation in the North Carolina Medicaid
18 skilled nursing facility program.
- 19 (5) Intermediate Care Facilities for the Mentally Retarded - As prescribed
20 under the State Plan for reimbursing intermediate care facilities for the
21 mentally retarded.
- 22 (6) Drugs - Drug costs as allowed by federal regulations plus four dollars
23 four cents (\$4.04) professional services fee per month excluding refills
24 for the same drug or generic equivalent during the same month.
25 Reimbursement shall be available for up to six prescriptions per
26 recipient, per month, including refills. Payments for drugs are subject
27 to the provisions of subsection (g) of this section and to the provisions
28 at the end of subsection (a) of this section, or in accordance with a plan
29 adopted by the Department of Human Resources consistent with
30 federal reimbursement regulations.
- 31 (7) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
32 Nurse Midwife Services - Fee schedules as developed by the
33 Department of Human Resources. Payments for dental services are
34 subject to the provisions of subsection (f) of this section.
- 35 (8) Community Alternative Program, EPSDT Screens - Payment to be
36 made in accordance with a rate schedule developed by the Department
37 of Human Resources.
- 38 (9) Home Health, Private Duty Nursing, Clinic Services, Mental Health
39 Clinics, Prepaid Health Plans - Payment to be made according to
40 reimbursement plans developed by the Department of Human
41 Resources.
- 42 (10) Medicare Buy-In - Social Security Administration premium.
- 43 (11) Ambulance Services - Uniform fee schedules as developed by the
44 Department of Human Resources.

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

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

34 Any changes in services or bases of payment in the Medicaid program must
35 be approved by the Director of the Budget with the advice of the Advisory Budget
36 Commission.

37 (b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five
38 percent (85%) and the counties shall pay fifteen percent (15%) of the nonfederal costs
39 of all applicable services listed in this section.

40 (c) Co-payment for Medicaid Services. The Department of Human Resources
41 may establish co-payment up to the maximum permitted by federal law and regulation.

42 (d) Medicaid and Aid to Families with Dependent Children Income Eligibility
43 Standards. Effective until January 1, 1988, the maximum net family annual income
44 eligibility standards for Medicaid and Aid to Families with Dependent Children and the

1 Standard of Need for Aid to Families with Dependent Children shall continue as set by
 2 Section 118 of Chapter 1014 of the 1985 Session Laws. Regular Session, 1986.
 3 Effective January 1, 1988, the maximum net family annual income eligibility standards
 4 for Medicaid and Aid to Families with Dependent Children, and the Standard of Need
 5 for Aid to Families with Dependent Children shall be as follows:

<u>Categorically Needy</u>		<u>Medically Needy</u>	
<u>Family</u>	<u>Standard</u>	<u>AFDC Payment</u>	<u>AA,AB,AD*</u>
<u>Size</u>	<u>Of Need</u>	<u>Level*</u>	
1	\$ 4,248	\$ 2,124	\$ 2,900
2	5,544	2,772	3,700
3	6,384	3,192	4,300
4	6,984	3,492	4,700
5	7,608	3,804	5,100
6	8,208	4,104	5,500
7	8,760	4,380	5,900
8	9,168	4,584	6,200

17 * Aid to Families with Dependent Children (AFDC); Aid to the Aged
 18 (AA); Aid to the Blind (AB); Aid to the Disabled (AD).

19 The payment level for Aid to Families with Dependent Children shall be fifty percent
 20 (50%) of the standard of need.

21 These standards may be changed with the approval of the Director of the
 22 Budget with the advice of the Advisory Budget Commission.

23 (e) Spouse Responsibility. The Department of Human Resources, Division
 24 of Medical Assistance, may not consider the income or assets of the spouse of a person
 25 who is admitted as a long-term care patient in a certified public or private intermediate
 26 care or skilled nursing facility to be available to the institutionalized person. This
 27 provision will remain in effect until superseded by federal law under the Medicare
 28 Catastrophic Coverage Act of 1988, on September 1, 1989.

29 (f) Dental Coverage Limits. Dental services will be provided on a restricted
 30 basis in accordance with regulations developed by the Department. Funds for dental
 31 services shall be disbursed only with prior approval by the Department of Human
 32 Resources, Division of Medical Assistance, as required by this subsection. No prior
 33 approval shall be required for emergency services or routine services. Routine services
 34 are defined as examinations, X-rays, prophylaxes, nonsurgical tooth extractions,
 35 amalgam fillings, and fluoride treatments. Prior approval shall be required for all other
 36 services and for routine services performed more than two times during a consecutive
 37 12-month period. The Department of Human Resources shall adopt rules, as provided
 38 by the Administrative Procedure Act, to implement this subsection.

39 (g) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through
 40 G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security
 41 Act) a prescription order for a drug designated by a trade or brand name shall be
 42 considered to be an order for the drug by its established or generic name, except when
 43 the prescriber personally indicates, either orally or in his own handwriting on the
 44 prescription order, "dispense as written" or words of similar meaning. Generic drugs,

1 when available in the pharmacy, shall be dispensed at a lower cost to the Medical
2 Assistance Program rather than trade or brand name drugs, subject to the prescriber's
3 "dispense as written" order as noted above.

4 As used in this subsection "brand name" means the proprietary name the
5 manufacturer places upon a drug product or on its container, label or wrapping at the
6 time of packaging; and "established name" has same meaning as in Section 502(e)(3) of
7 the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. 352(e)(3).

8 (h) Exceptions to Service Limitations, Eligibility Requirements, and
9 Payments. Service limitations, eligibility requirements, and payments, and payments
10 bases in this section may be waived by the Department of Human Resources, with the
11 approval of the Director of the Budget, to allow the Department to carry out pilot
12 programs for prepaid health plans or community based services programs in accordance
13 with plans approved by the U.S. Department of Health and Human Services, or when
14 the Department determines that such a waiver will result in a reduction in the total
15 Medicaid costs for the recipient.

16 (i) Volume Purchase Plans and Single Source Procurement. The Department
17 of Human Resources, Division of Medical Assistance, may, subject to the approval of a
18 change in the State Medicaid Plan, contract for services, medical equipment, supplies
19 and appliances by implementation of volume purchase plans, single source procurement
20 or other similar processes in order to improve cost containment.

21 (j) Cost Containment Programs. The Department of Human Resources,
22 Division of Medical Assistance, may undertake cost containment programs including
23 preadmissions to hospitals and prior approval for certain outpatient surgeries before
24 they may be performed in an inpatient setting.

25 (k) For all Medicaid eligibility classifications for which the federal poverty
26 level, or a percentage of the federal poverty level, is used as an income limit for
27 eligibility determination, the income limits will be updated each July 1 immediately
28 following publication of federal poverty guidelines.

29 (l) Effective January 1, 1988, the Department of Human Resources shall
30 provide Medicaid to 19, 20, and 21 year olds in accordance with federal rules and
31 regulations.

32 (m) The Department of Human Resources shall provide Medicaid coverage
33 for pregnant women; for children under age 3; for children under age 4 beginning
34 October 1, 1989; and for children under age 5 beginning October 1, 1990, whose family
35 income is equal to or less than the federal poverty guidelines as revised annually.
36 Services to pregnant women eligible under this provision continue throughout the
37 pregnancy but include only those services related to pregnancy and to those other
38 conditions determined by the Department as conditions that may complicate pregnancy.
39 In order to reduce county administrative costs and to expedite the provision of medical
40 service to pregnant women and to children eligible under this section, no resource test
41 shall be applied.

42

43 Requested by: Senator Walker.

44 —FAMILY SUPPORT ACT

1 Sec. 64. (a) Section 229 of Chapter 1014 of the 1985 Session Laws is
2 amended by adding a new subsection to read:

3 "(d) If any provision of this section is held invalid by a court of competent
4 jurisdiction, the invalidity shall not affect the remaining provisions of this section that
5 can be given effect."

6 (b) The General Assembly finds that it is in the best interest of the State and of
7 all its citizens to encourage recipients of Aid to Families with Dependent Children to
8 obtain jobs and become self-sufficient. It further finds that, by continuing medical
9 assistance and providing limited wage assistance to those recipients who are working,
10 the State will make it possible to help many recipients to be able to keep their jobs,
11 support their families, and become self-sufficient.

12 (c) The Social Services Commission shall adopt rules to change the way it
13 budgets Aid to Families with Dependent Children payments that will result in more
14 recipients being able to find work and keep working. These rules shall include
15 subtracting countable income from the State standard of need, and paying a percentage
16 of the difference. The percentage that shall be applied to determine the amount of
17 assistance shall be the same percentage set in the Current Operations Appropriations
18 Act that determines the Aid to Families of Dependent Children payment level from the
19 standard of need.

20 (d) The Department of Human Resources shall authorize a special needs
21 allowance under rules adopted by the Social Services Commission to those recipients of
22 Aid to Families of Dependent Children who are teen-age parents and who are enrolled
23 in elementary or secondary school or in a G.E.D. program. This grant shall cover the
24 cost of child care and of transportation costs to the child care provider, in accordance
25 with federal rules and regulations.

26
27 Requested by: Senator Walker

28 ---LIMITATIONS ON THE STATE ABORTION FUND

29 Sec. 65. Section 93 of Chapter 479, 1985 Session Laws as amended by
30 Section 75 of Chapter 738 of the 1987 Session Laws, other than subdivision (2) of that
31 section shall remain in effect on and after July 1, 1989, with the following exception:
32 the phrase "nine hundred twenty-four thousand five hundred dollars (\$924,500)" is
33 deleted wherever it appears in subdivision (1) of that section and the following phrase is
34 substituted: "four hundred twenty-four thousand dollars (\$424,000)". Any reference in
35 Section 93 of Chapter 479, 1985 Session Laws, as amended, to the 1985-86 fiscal year
36 or the 1986-87 fiscal year shall apply to the then current fiscal year.

37
38 Requested by: Senator Walker.

39 ---AGED AND FAMILY CARE COUNTY AND STATE SHARES OF COSTS

40 Sec. 66. The State shall pay fifty percent (50%), and the counties shall pay
41 fifty percent(50%) of the authorized rates for domiciliary care in homes for the aged and
42 for family care homes, including area mental health agency operated group homes.

43
44 Requested by: Senator Walker.

1 —RETROSPECTIVE ACCOUNTING ADJUSTMENT/AFDC

2 Sec. 67. The Department of Human Resources shall use funds appropriated
3 to it by Sec. 3 of this act to provide a State supplementary payment to Aid to Families
4 with Dependent Children households adversely affected by the retrospective accounting
5 procedure as allowed under Section 403(a) of the Social Security Act as amended by
6 Section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The amount of
7 the State supplement shall not exceed the maximum payment standard for the Aid to
8 Families with Dependent Children Program.

9

10 Requested by: Senator Walker.

11 —FOSTER CARE BOARD RATE

12 Sec. 68. Funds appropriated to the Department of Human Resources by Sec.
13 3 of this act for foster care board rates shall be used to set the rates at two hundred
14 dollars (\$200.00) per child per month.

15

16 Requested by: Senator Walker.

17 —ADOPTION SUBSIDY

18 Sec. 69. The adoption subsidy paid monthly by the Division of Social
19 Services, Department of Human Resources, to eligible families who adopt hard to place
20 children shall be established at one hundred fifty dollars (\$150.00) per child per month.

21

22 Requested by: Senator Walker.

23 —AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY

24 Sec. 70. The Division of Social Services, Department of Human Resources,
25 shall provide Aid to Families with Dependent Children to women in their third trimester
26 of pregnancy regardless of whether these women have children, if they otherwise
27 qualify for these payments.

28

29 Requested by: Senator Walker.

30 —EMERGENCY ASSISTANCE

31 Sec. 71. The Division of Social Services, Department of Human Resources,
32 shall not expend more State funds than are appropriated for this purpose by Sec. 3 of
33 this act. Within this limit, Emergency Assistance benefits shall not exceed three hundred
34 dollars (\$300.00) per year per family, payable over a 30-day period. After this 30-day
35 period, Emergency Assistance benefits are not available to that family until 12 months
36 have elapsed from the initial authorization date. The family may have no more than a
37 total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
38 Emergency Assistance pursuant to this section.

39

40 It is the intent of the General Assembly that these Emergency Assistance
41 funds shall only be used to provide assistance to persons to alleviate an emergency. In
42 evaluating whether an emergency exists, the county departments of social services shall
43 apply prudent judgment to evaluate each emergency on its own merits. Prudent
44 judgment will permit departments of social services to consider whether the client
created the emergency and whether the assistance will resolve the emergency. The

1 Social Services Commission shall adopt rules to be effective no later than November 1,
2 1989, to incorporate these considerations into the Department's evaluation of an
3 emergency.

4
5 Requested by: Senator Walker.

6 ---FEDERAL WELFARE REFORM REPORT

7 Sec. 72. The Department of Human Resources shall report to the General
8 Assembly on the status of the implementation of the Family Support Act of 1988. This
9 report shall contain the Department's plan for the implementation of the law, including
10 an analysis of the policy changes in each program affected by the law and an analysis of
11 the costs and revenues associated with those policy changes. The report shall be
12 submitted to the Fiscal Research Division of the Legislative Services Office by March
13 1, 1990.

14
15 Requested by: Senator Walker.

16 ---DOMICILIARY HOME RATE

17 Sec. 73. Effective January 1, 1990, the maximum monthly rate for
18 ambulatory residents in domiciliary care facilities shall be six hundred ninety-six dollars
19 (\$696.00) and the maximum monthly rate for semi-ambulatory residents shall be seven
20 hundred thirty dollars (\$730.00). Effective January 1, 1991, the maximum monthly
21 rates for ambulatory residents shall be increased to seven hundred six dollars (\$706.00)
22 and for semi-ambulatory residents seven hundred forty dollars (\$740.00).

23
24 Requested by: Senator Walker.

25 ---WILLIE M.

26 Sec. 74. (a) Legislative Findings. The General Assembly finds:

- 27 (1) That there is a need in North Carolina to provide appropriate treatment
28 and education programs to children under the age of 18 who suffer
29 from emotional, mental, or neurological handicaps accompanied by
30 violent or assaultive behavior;
- 31 (2) That children meeting these criteria have been identified as a class in
32 the case of Willie M., et al. vs. Hunt, et al.; and
- 33 (3) That these children have a need for a variety of services, in addition to
34 those normally provided, that may include but are not limited to
35 residential treatment services, educational services, and independent
36 living arrangements.

37 (b) Funds for Department of Human Resources. It is the intent of the General
38 Assembly that funds appropriated in Sec. 5 of this act to the Department of Human
39 Resources for serving members of the Willie M. Class be expended only for programs
40 serving members of the Willie M. Class identified in Willie M., et al. vs. Martin, et al.,
41 formerly Willie M., et al. vs. Hunt, et al., including evaluations of potential class
42 members. It is recognized that therapeutic or economic reasons may, at times, require
43 certain of these services to serve a mixed clientele of Willie M. Class members and
44 other clients. To the maximum extent possible, however, these funds shall be expended

1 solely for the benefit of Willie M. Class members. The Department shall reallocate
2 these funds among services to Willie M. Class members during the year as it deems
3 advisable in order to use the funds efficiently in providing appropriate services to Willie
4 M. Class children.

5 (c) Funds for Department of Public Education. Funds appropriated to the
6 Department of Public Education in Sec. 5 of this act for members of the Willie M.
7 Class, are to establish a supplemental reserve fund to serve only members of the class
8 identified in Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al.
9 These funds shall be allocated by the State Board of Education to the local education
10 agencies to serve those class members who were not included in the regular average
11 daily membership and the census of children with special needs, and to provide the
12 additional program costs which exceed the per pupil allocation from the State Public
13 School Fund and other State and federal funds for children with special needs.

14 (d) The Department shall continue to implement its prospective unit cost
15 reimbursement system and shall ensure that unit cost rates reflect reasonable costs by
16 conducting cost center service type rate comparisons and cost center line item budget
17 reviews as may be necessary.

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

29 (f) The Departments of Human Resources and Public Education shall
30 provide periodic reports of expenditures on behalf of the Willie M. Class to the Joint
31 Legislative Commission on Governmental Operations and to the Fiscal Research
32 Division.

33 (g) In fulfilling the responsibilities vested in it by the Constitution of North
34 Carolina, the General Assembly finds:

35 (1) That the responsible State agencies have made a bona fide good faith
36 effort to comply fully with the requirements of the Court Orders in the
37 case of Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs.
38 Hunt, et al., and that services and placements for Willie M. Class
39 members are very greatly improved.

40 (2) That the General Assembly has evaluated the known needs of the State
41 and has endeavored to satisfy those needs in comparison to their social
42 and economic priorities.

43 (3) That the funds appropriated will enable the development and
44 implementation of placement and services for the class members in

1 Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt,
2 et al., within a reasonable period of time considered within the context
3 of the needs of the class members, the other needs of the State and the
4 resources available to the State.

- 5 (4) That additional expenditures of funds for these purposes at this time
6 would result in an accelerated expenditure of and an unreasonable
7 waste of State funds inasmuch as such expenditures could not
8 reasonably be expected to actually secure a higher degree of treatment
9 or education for the class members than can be accomplished with the
10 funds appropriated.

11 (h) The General Assembly supports the efforts of the responsible officials
12 and agencies of the State to meet the requirements of the court order in Willie M., et al.
13 vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al. However, in view of the
14 finding in subsection (g) above, the General Assembly expressly directs that no State
15 funds shall be expended on the placement and services of class members in Willie M.,
16 et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al. or for any other thing or
17 purpose arising out of this litigation, now or at any time in the biennium, except for
18 those funds appropriated in Sec. 5 of this act to the Departments of Human Resources
19 and Public Education for programs serving members of the Willie M. Class identified in
20 Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al., and except
21 for such funds as may be elsewhere appropriated by the General Assembly specifically
22 for such purposes. The above limitation shall not preclude the use of unexpended
23 Willie M. funds from prior fiscal years to cover current or future needs of the Willie M.
24 program subject to approval by the Director of the Budget. Such expenditures shall not
25 be subject to the requirements of G.S.143-18.

26 (i) Notwithstanding any other provision of law, if the Department of Human
27 Resources determines that a local program is not providing appropriate services to
28 members of the class identified in Willie M., et al. vs. Martin, et al., formerly Willie M.,
29 et al. vs. Hunt, et al., the Department may ensure the provision of these services through
30 contracts with public or private agencies or by direct operation by the Department of
31 such programs.

32
33 Requested by: Senator Walker.

34 —MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

35 Sec. 75. Funds received by the Department of Human Resources from the tax
36 levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
37 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall
38 be matched by local funds in accordance with the State/local ratio established by the
39 current area mental health matching formula. These funds shall be allocated to the area
40 mental health programs on a per capita basis as determined by the Office of State
41 Budget and Management's most recent estimates of county populations.

42
43 Requested by: Senator Walker

44 —ALCOHOL REHABILITATION CENTER PLAN DEVELOPMENT

1 Sec. 76. (a) The Department of Human Resources shall develop a plan for
2 the most effective use of the Alcohol Rehabilitation Centers. The plan may be
3 developed in coordination with the Mental Health Study Commission and other entities
4 involved with substance abuse issues and may be developed within the context of a
5 comprehensive plan for all substance abuse services.

6 The Department shall report on the developed plan by February 1, 1991, to
7 the General Assembly.

8 (b) The Department shall also develop and implement a plan during the 1989-
9 90 fiscal year to improve the efficiency and effectiveness of the three Alcohol
10 Rehabilitation Centers that is in accordance with the findings and recommendations of
11 its Report on the Alcohol Rehabilitation Centers, presented to the Joint Appropriations
12 Committee, in March, 1989. The plan shall address, among other issues the Department
13 considers appropriate:

- 14 (1) The variation in costs for medical stabilization and detoxification
15 services among the three Centers;
- 16 (2) The variation in services offered by the Centers;
- 17 (3) Clarification and reformulation of admission policies and criteria;
- 18 (4) Limiting the capacity of the Centers for long-term residential
19 treatment;
- 20 (5) Strategies to reduce medical costs, including the development of a
21 standard detoxification protocol for use in the Centers, a limitation on
22 the number of days for detoxification, specification of appropriate use
23 of consultants or a dollar cap on consultations, and reconsideration of
24 the involvement of physician time in weekly visits and record
25 documentation regardless of client need;
- 26 (6) Reductions of admissions of substance abuse patients to the psychiatric
27 hospitals; and
- 28 (7) Special programs for the dually diagnosed.

29 The Department shall report to the General Assembly by May 1, 1990,
30 concerning the development and implementation of this plan.

31
32 Requested by: Senator Walker

33 —McLEOD WEST RESIDENTIAL PROGRAM REPORT

34 Sec. 77. The Department of Human Resources shall conduct a comparative
35 study of the McLeod West Residential Drug Program and the Alcohol Rehabilitation
36 Center at Black Mountain to determine if there is a duplication of services between the
37 two programs. The study shall address, among other issues the Department considers
38 appropriate, the demographic characteristics of the clients served, their treatment needs,
39 the types of services provided, costs of services, sources of funding, occupancy rates,
40 and success rates.

41 The Department shall report its findings to the General Assembly by May 1,
42 1990.

43
44 Requested by: Senator Walker.

1 ---ADOLESCENT SUBSTANCE ABUSE SERVICES

2 Sec. 78. (a) Of the Funds appropriated to the Department of Human
3 Resources by Sec. 5 of this act for adolescent Substance Abuse Services, the
4 Department may use a maximum of two hundred thousand dollars (\$200,000) to
5 purchase inpatient hospitalization services for adolescent substance abusers.

6 (b) The Department shall adopt and implement specific rules and criteria for
7 the allocation and expenditure of these funds and shall report to the General Assembly
8 on the use of these funds by May 1, 1990.

9

10 Requested by: Senator Walker.

11 ---ADAP TRANSPORTATION REIMBURSEMENT

12 Sec. 79. (a) Reimbursement of Adult Developmental Activity Programs for
13 transportation of clients shall be based on a cost per client basis. The minimum amount
14 that a program may be reimbursed for transportation cost shall be eleven dollars
15 (\$11.00) per client per month. The maximum amount that a program may be
16 reimbursed for transportation cost shall be twenty-seven dollars (\$27.00) per client per
17 month.

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

22

23 Requested by: Senator Walker.

24 ---PIONEER PROJECT REIMBURSEMENT AUTHORIZATION

25 Sec. 80. The Department of Human Resources may make payments of
26 ADAP, ADAP transportation, Developmental Day, Outpatient Commitment, and any
27 other funds that they may be directed to pay on a subsidy basis, on a unit cost
28 reimbursement basis to Pioneer Project sites in accordance with Pioneer Project
29 procedure established pursuant to Section 87 of Chapter 738 of the 1987 Session Laws.

30

31 Requested by: Senator Walker.

32 ---MATERNAL AND CHILD HEALTH CARE

33 Sec. 81. (a) The Division of Health Services, Department of Human
34 Resources, shall ensure that local health departments do not reduce county
35 appropriations for maternal and child health services provided by the local health
36 departments because they have received State appropriations pursuant to this act.

37 (b) In order to ensure that funds appropriated by Sec. 5 of this act for
38 maternal and child health services to the Division of Health Services, Department of
39 Human Resources, provide medical services to as many eligible women of childbearing
40 age as possible, especially to adolescents, these funds may be used only for the purposes
41 of providing prenatal clinics, child health services, purchase of medical services, and
42 family planning services, including education and counseling and medical supplies.

43 (c) All income earned by local health departments for Maternal and Child
44 Health programs supported in whole or in part from State or federal funds, received

1 from the Division of Health Services, Department of Human Resources, shall be
2 budgeted and expended by local health departments to further the objectives of the
3 program that generated the income.

4
5 Requested by: Senator Walker.

6 ---HEALTH PROMOTION FUNDS

7 Sec. 82. The Division of Health Services, Department of Human Resources,
8 shall ensure that local health departments do not reduce county appropriations for health
9 promotion services provided by local health departments if they have received State
10 appropriations for this purpose pursuant to this act.

11
12 Requested by: Senator Walker.

13 ---ADOLESCENT PREGNANCY PREVENTION PROJECTS

14 Sec. 83. Of the funds appropriated to the Division of Health Services,
15 Department of Human Resources, by Sec. 5 of this act, six hundred ninety-six thousand
16 three hundred three dollars (\$696,303) for the 1989-90 fiscal year and six hundred
17 ninety-six thousand three hundred three dollars (\$696,303) for the 1990-91 fiscal year
18 shall be used to fund adolescent pregnancy prevention projects.

19 The Division of Health Services shall implement the changes in the
20 management and funding of the program that it recommended to the Joint
21 Appropriations Committee in its March 1989 report, except that the projects in the
22 following counties shall not be continued for the 1989-90 fiscal year: Brunswick,
23 Durham, Henderson, Robeson, and Cumberland.

24
25 Requested by: Senator Walker

26 ---CHILDREN'S SPECIAL HEALTH SERVICES PROGRAM

27 Sec. 84. The eligibility level each fiscal year for inpatient services for
28 children up to age 10 in the Children's Special Health Services Program shall be one
29 hundred percent (100%) of the federal poverty guidelines as revised annually by the
30 United States Department of Health and Human Services, in effect on July 1 of each
31 fiscal year.

32
33 Requested by: Senator Walker.

34 ---TRANSFERS OF CERTAIN FUNDS AUTHORIZED

35 Sec. 85. In order to assure maximum utilization of funds in county
36 departments of social services, county or district health agencies, and area mental
37 health, mental retardation, and substance abuse authorities, the Director of the Budget is
38 authorized to transfer excess funds appropriated to a specific service or program or
39 fund, whether specified in a block grant plan or General Fund appropriation, into
40 another service or program or fund for local services within the budget of the respective
41 State agency.

42 The Office of State Budget and Management shall report quarterly to the
43 Joint Legislative Commission on Governmental Operations on each transfer authorized
44 by this section.

1
2 Requested by: Senator Walker

3 —CAREGIVER SUPPORT

4 Sec. 86. (a) Of the funds appropriated to the Division of Aging, Department
5 of Human Resources, by Sec. 5 of this act for the 1989-91 fiscal biennium, the sum of
6 one million eight thousand dollars (\$1,008,000) for the 1989-90 fiscal year and the sum
7 of one million eight thousand dollars (\$1,008,000) for the 1990-91 fiscal year shall be
8 used for services that support family caregivers of elderly persons with functional
9 disabilities, whether physical or mental, who want to stay in their homes rather than be
10 institutionalized but who need assistance with the activities of daily living in order to
11 remain at home. The services that may be purchased from funds received under this
12 section include:

- 13 (1) Respite Care;
14 (2) Adult Day Care;
15 (3) Stipends and other related costs for senior companions, modeled after
16 the federal Senior Companion Program; and
17 (4) Other related services that meet needs not now adequately addressed
18 by the services described in subsections (1) through (3) of this
19 subsection.

20 (b) The Division of Aging shall expend funds for these services according to
21 the population of persons 70 years of age or more in each region. The Division of
22 Aging shall use a maximum of ninety-five percent (95%) of the funds it receives under
23 this section for the services described in subdivisions (1) through (4) of subsection (a) of
24 this section and may only use a maximum of five percent (5%) for technical assistance
25 as described in subsection (c) of this section. The Division of Aging shall choose
26 providers in accordance with procedures under the Older Americans Act. Funds
27 allocated by the Division pursuant to this section shall be allocated by October 1, 1989.

28 (c) The Division of Aging may contract for technical assistance. The
29 technical assistance shall include training assistance, coordination of various service
30 delivery and funding sources, and ideas for innovative ways to build a lasting system of
31 services for family caregivers.

32
33 Requested by: Senator Walker.

34 —AGING FEDERAL MATCHING FUNDS

35 Sec. 87. Effective July 1, 1989, the Division of Aging, Department of Human
36 Resources, may use funds appropriated in Sec. 3 of this act to the Department of Human
37 Resources, Secretary's Office, to provide the State matching requirement necessary to
38 draw down federal money available through the new Title III-D of the Older Americans
39 Act for in-home services for the frail elderly, including those with Alzheimer's Disease.

40
41 Requested by: Senator Walker

42 —RESPITE CARE PROGRAM

43 Sec. 88. (a) A respite care program is established to provide needed relief to
44 caregivers of impaired adults who cannot be left alone because of mental or physical

1 problems and who are not eligible for respite care services through the North Carolina
2 Medicaid Program.

3 (b) Those eligible for respite care under the program established by this section
4 are limited to those unpaid primary caregivers who are caring for people 60 years of age
5 or older and/or their spouses who require constant supervision and cannot be left alone,
6 either because of memory impairment, physical immobility, or other problems that
7 render them unsafe alone.

8 (c) Respite Care Services provided under this program may include:

- 9 (1) Attendance and companion services for the patient in order to provide
10 release time to the caregiver.
11 (2) Personal care services, and meal preparation for the patient of the
12 caregiver.
13 (3) Temporarily placing the person out of his home to provide the
14 caregiver total respite when the mental or physical stress on the
15 caregiver necessitates this type of respite.

16 The services described in subdivisions (1) and (2) of this subsection are limited to a
17 maximum of two days (48 hours) of service per month per primary caregiver. The
18 services described in subdivision (3) of this subsection are limited to 24 days (576
19 hours) of service per year per primary caregiver. Total combined respite services (in
20 home and out of home) for a primary caregiver shall not exceed 24 days per year.
21 Program funds may provide no more than the current domiciliary home reimbursement
22 rate for out of home placement. For purposes of this subsection, an out of home
23 placement is defined as placement in a hospital, skilled or intermediate nursing facility,
24 domiciliary home, adult day health center or adult day care center. Duration of the
25 service period shall be unlimited for as long as the caregiver continues to qualify as a
26 caregiver.

27 (d) In addition, the following services will be provided to recipients of respite
28 care services as needed: (i) assessment and care planning for the person; (ii) counseling
29 and training in the caregiving role, including coping mechanism and behavior
30 modification techniques; and (iii) counseling in accessing available local, regional, and
31 State services.

32 (e) The respite care program established by this section shall be administered
33 by the Division of Aging in consultation with the Council of Government in each
34 region. The program will be coordinated with other appropriate Divisions in the
35 Department of Human Resources, the North Carolina Chapter of Alzheimers Disease
36 and Related Disorders Association, the North Carolina Home Care Association, and
37 other appropriate organizations.

38 The Division of Aging shall delegate contract authority for service provision
39 to participating Councils of Government and Area Agencies on Aging offices. Area
40 Agencies on Aging shall contract with an agency to be chosen by the same process as
41 used for federal contracting. The Area Agencies on Aging in each region shall choose
42 respite care providers on the basis of a competitive bidding process and shall include the
43 following criteria: documented capacity to provide care, adequacy of quality assurance,
44 training, supervision, abuse prevention, complaint mechanisms, and lowest cost.

1 (f) Eligibility for initial and continued receipt of funding shall be determined
2 by review of grant applications by the Division of Aging and the Councils of
3 Governments' Area Agencies on Aging.

4 (g) Caregivers receiving respite care services through the program
5 established by this section shall pay for the services on a sliding fee scale depending on
6 their ability to pay. The Division of Aging in consultation with the Councils of
7 Governments in each region shall specify rates of payment for the services.

8 (h) Funds shall be dispersed by the Division of Aging to the Council of
9 Governments Area Agencies on Aging according to the formula stated in subsection (j)
10 of this section. The Division of Aging shall be responsible for providing technical
11 assistance and monitoring budgetary considerations, including the reallocation of funds.
12 The Councils of Governments shall prepare programmatic and fiscal reports for the
13 Division of Aging. The Division of Aging shall present an annual report to the Joint
14 Legislative Commission on Governmental Operations and to the Fiscal Research
15 Division of the Legislative Services Office no later than the first of May each year. The
16 report shall include an analysis of the service needed in each region, along with a
17 category of the various services provided and costs.

18 (i) Funds dispersed to the Councils of Governments to fund respite care
19 under this section shall be based on the number of elderly citizens 75 years of age or
20 more in each of the regions. This funding allocation may be changed by the Secretary
21 of the Department of Human Resources upon the recommendation of the Assistant
22 Secretary of the Division of Aging and the Councils of Governments after these entities
23 have considered utilization of services, caregiver capacities, and dependency, disease,
24 mental status, age, and marital status data on clients served by the programs. These data
25 shall be provided annually to the Councils of Governments by all respite care service
26 providers. Revenues received from caregivers' payments for services pursuant to
27 subsection (g) of this section shall be used by the provider agencies to provide respite
28 services to new caregivers and to expand services to existing caregivers.

29 (j) Sufficient funds from those allocated in subsection (h) of this section may
30 be used to cover administrative costs in the Division of Aging to carry out the
31 requirements of this section.

32
33 Requested by: Senator Walker.

34 —IN-HOME AGING SERVICES

35 Sec. 89. Of the funds appropriated to the Division of Aging, Department of
36 Human Resources, by Sec. 5 of this act for the 1989-91 fiscal biennium, the sum of
37 seven hundred twenty thousand dollars (\$720,000) for the 1989-90 fiscal year and the
38 sum of seven hundred twenty thousand dollars (\$720,000) for the 1990-91 fiscal year
39 shall be used to provide funds for additional in-home aide services that enable the frail
40 elderly to remain in their homes and avoid institutionalization.

41 The Division shall administer the in-home aide services and activities funded
42 by this section. The Division of Aging shall choose in-home service providers in
43 accordance with procedures under the Older Americans Act and shall include the
44 following criteria: documented capacity to provide care, adequacy of quality assurance,

1 training, supervision, abuse prevention complaint mechanisms, and costs. All funds
2 allocated by the Division pursuant to this section shall be allocated by October 1, 1989,
3 on the same basis as funding under the Older Americans Act.

4
5 ~~---SEPTAGE MANAGEMENT FEES~~

6 Sec. 90. Receipts collected by the Department of Human Resources pursuant
7 to G.S. 130A-291.1 are appropriated to the Department of Human Resources to
8 establish and operate the North Carolina Septage Management Program.

9
10 Requested by: Senator Walker.

11 ~~---DAY CARE FUNDS MATCH REQUIREMENT~~

12 Sec. 91. No local matching funds may be required by the Department of
13 Human Resources as a condition of any locality's receiving any State day care funds
14 appropriated by this act unless federal law requires such a match.

15
16 Requested by: Senator Walker.

17 ~~---DAY CARE~~

18 Sec. 92. The Department of Human Resources shall distribute the funds
19 appropriated and otherwise available to it for the purchase of slots in day care for minor
20 children of needy families so as to serve the greatest number of children possible.

21
22 Requested by: Senator Walker.

23 ~~---DAY CARE RATES~~

24 Sec. 93. (a) Rules for the monthly schedule of payments for the purchase of day
25 care services for low income children shall be established by the Social Services
26 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
27 requirements:

- 28 (1) For facilities in which fewer than fifty percent (50%) of the enrollees
29 are subsidized by State or federal funds, the State shall continue to pay
30 the same fee paid by private paying parents for a child in the same age
31 group in the same facility.
- 32 (2) Facilities in which fifty percent (50%) or more of the enrollees are
33 subsidized by State or federal funds may choose annually one of the
34 following payment options:
- 35 a. The facility's payment rate for fiscal year 1985-86; or
36 b. The county market rate, as calculated annually by the
37 Department of Human Resources' Office of Child Day Care
38 Services. A market rate shall be calculated for each county and
39 for each age group of enrollees, and shall be the county average
40 of all fees charged to unsubsidized private paying parents for
41 each age group of enrollees. Effective July 1, 1987, and
42 thereafter, the county market rates shall be calculated from
43 facility fee schedules collected by the Office of Child Day Care
44 Services during its annual inspection visits.

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

5 Day care plans from which the State purchases day care services shall meet
6 the standards established by the Child Day Care Commission pursuant to G.S. 110-101
7 and G.S. 110-105.1. Until it can demonstrate that it meets the standards adopted by the
8 Child Day Care Commission, a day care plan from which the State purchases day care
9 services for minor children of needy families shall meet all certification standards
10 adopted by the Department of Human Resources' Office of Child Day Care Services.
11 The fee for the purchase of care from a day care plan is one hundred fifty dollars
12 (\$150.00) per month. The fee for the purchase of care from individual Child Caring
13 Providers is one hundred dollars (\$100.00) per month.

14 (c) Providers whose programs exceed licensing standards may modify their
15 programs to standards consistent with licensing standards.

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

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

23
24 Requested by: Senator Walker.

25 ---DAY CARE ALLOCATION FORMULA

26 Sec. 94. (a) To simplify current day care allocation methodology and more
27 equitably distribute State day care funds, the Department of Human Resources shall
28 apply the following allocation formula to all noncategorical federal and State day care
29 funds used to pay the costs of necessary day care for minor children of needy families:

- 30 (1) Fifty percent (50%) of budgeted funds shall be distributed according to
31 the county's population; and
- 32 (2) Fifty percent (50%) of budgeted funds shall be distributed based upon
33 the county's poverty rate as a percentage of the sum total of all North
34 Carolina's county poverty rates.

35 (b) Counties whose allocation, if based on previously used formulas, exceeds the
36 allocation produced by the formula prescribed by this section may not have their
37 allocations reduced in either fiscal year 1989-90 or fiscal year 1990-91 to the level that
38 results from application of the new formula. Counties whose allocation, if based on
39 previously used formulas, is less than the allocation produced by the formula prescribed
40 by this section shall continue to receive the proportional share of those funds that they
41 received pursuant to appropriations for this purpose by the 1985 General Assembly.

42
43 Requested by: Senator Walker.

44 ---NO EYE CLINICS IN CERTAIN COUNTIES

1 Sec. 95. No funds may be expended by the Division of Services for the
 2 Blind, Department of Human Resources, to hold eye clinics in any county in which an
 3 optometrist or ophthalmologist is willing to perform the services that would otherwise
 4 be performed by the clinic.

5
 6 Requested by: Senator Walker.

7 ---DHR EMPLOYEES AS IN-KIND MATCH

8 Sec. 96. Notwithstanding the limitations of Chapter 634 of the 1987 Session
 9 Laws, the Secretary of the Department of Human Resources may assign employees of
 10 the Office of Health Resources, Division of Facility Services, Department of Human
 11 Resources, to serve as in-kind match to nonprofit corporations working to establish
 12 health care cost containment strategies.

13
 14 Requested by: Senator Walker.

15 ---NON-MEDICAID REIMBURSEMENT

16 Sec. 97. Providers of medical services under the various State programs
 17 other than Medicaid offering medical care to citizens of the State shall be reimbursed at
 18 rates no more than those under the North Carolina Medical Assistance Program.

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

25 Maximum net family annual income eligibility standards for services in these
 26 programs with the exception of Migrant Health, School Health, and Home Health shall
 27 be as follows:

	Family	Medical Eye	All		
		Size	Kidney	Care Adults	Rehabilitation
			Other		
31	1	6,400	4,860	8,364	4,200
32	2	8,000	5,940	10,944	5,300
33	3	9,600	6,204	13,500	6,400
34	4	11,000	7,284	16,092	7,500
35	5	12,000	7,824	18,648	7,900
36	6	12,800	8,220	21,228	8,300
37	7	13,600	8,772	21,708	8,800
38	8	14,400	9,312	22,220	9,300

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

1 Care Program in the Division of Services for the Blind shall be the same as that for
2 children in the Children's Special Health Services Program.

3
4 PART XV.—DEPARTMENT OF AGRICULTURE

5
6 Requested by: Senator R.L. Martin

7 —STATE FARM OPERATIONS CHANGES

8 Sec. 98. (a) Article 1B of Chapter 106 of the General Statutes is repealed.

9 (b) Part 3 of Article 1 of Chapter 106 of the General Statutes is amended by
10 adding a new section to read:

11 "**§ 106-22.1. State farms.**

12 State-owned farmland, including timberland, allocated to the Department of
13 Agriculture for the State Farm Program, shall be managed by the Department for
14 research, teaching, and demonstration in agriculture, forestry, and aquaculture.
15 Research projects on the State farms shall be approved by the Department. The
16 Department may sell surplus commodities produced on the farms."

17
18 Requested by: Senator R.L. Martin

19 —DROUGHT EMERGENCY RESERVE REALLOCATION

20 Sec. 99. (a) Of the funds appropriated to the Department of Agriculture and
21 allocated to the Drought Emergency Reserve in Section 155.1 of Chapter 1086 of the
22 1987 Session Laws, nine hundred fifty thousand eight hundred dollars (\$950,800) shall
23 be reallocated to the Department of Agriculture to be used to complete construction of
24 the new Raleigh Farmers Market.

25 (b) This section shall become effective June 30, 1989.

26
27 Requested by: Senator Daughtry

28 —ABOLISH AGRICULTURAL FINANCE AUTHORITY

29 Sec. 100. (a) The funds in the Reserve for Farm Loans of the North Carolina
30 Agricultural Finance Authority in excess of three hundred five thousand dollars
31 (\$305,000) to meet its present obligations and written commitments shall be deposited
32 in the General Fund, and these funds shall revert to the General Fund on June 30, 1989.

33 (b) The title of all fixed assets of the Authority, including any office equipment
34 and supplies, shall be transferred to the Department of Agriculture. The Authority shall
35 complete such transfer no later than June 30, 1989.

36 (c) The State Treasurer shall assume all the duties and rights of the Authority
37 pursuant to the provisions of Chapter 122D of the General Statutes, specifically those
38 under G.S. 122D-6 regarding the repayment of agricultural loans and any other
39 outstanding obligations due to the Authority, as if that Chapter had not been repealed.

40 (d) The North Carolina Agricultural Finance Authority is abolished.

41 (e) Chapter 122D of the General Statutes is repealed.

42 (f) G.S. 53-234(6) reads as rewritten:

43 "(6) 'Exempt person or organization' means:

- 1 (a) Any lender authorized to engage in business as a bank, a farm
2 credit system, life insurance company, savings institution, or
3 credit union, under the laws of the United States or the State of
4 North Carolina and subsidiaries and affiliates of such lenders,
5 which subsidiaries and affiliates are subject to the general
6 supervision or regulation of the lender or subject to audit or
7 examination by a regulatory body or agency of the United
8 States or the State of North Carolina; the entities listed in this
9 sub-subdivision, and their officers and employees, are not
10 subject to any of the provisions of this Article; or
- 11 (b) Any licensed real estate agent or broker, who is performing
12 those activities subject to the regulation of the North Carolina
13 Real Estate Commission. Notwithstanding the above, an
14 exempt person does not include a real estate agent or broker
15 who receives direct compensation or income in connection with
16 the placement of a mortgage loan; or
- 17 (c) Any person who, as seller, receives in one calendar year no
18 more than ten mortgages, deeds of trust, or other security
19 instruments on real estate as security for a purchase money
20 obligation; or
- 21 (d) The North Carolina Housing Finance Agency as established by
22 Chapter 122A of the General Statutes and the North Carolina
23 Agricultural Finance Authority as established by Chapter 122D
24 of the General Statutes; Statutes; or
- 25 (e) Any agency of the federal government or any state or municipal
26 government granting first mortgage loans under specific
27 authority of the laws of any state or the United States.”
- 28 (g) G.S. 120-123(47) is repealed.
- 29 (h) Subsections (a) and (b) of this section are effective upon ratification.
- 30

31 PART XVI.—DEPARTMENT OF COMMERCE

32

33 Requested by: Senator R.L. Martin

34 —RURAL ECONOMIC DEVELOPMENT CENTER

35 Sec. 101. (a) Of the funds appropriated to the Department of Commerce in Sec.
36 5 of this act, the sum of two million dollars (\$2,000,000) for fiscal year 1989-90 and the
37 sum of two million dollars (\$2,000,000) for fiscal year 1990-91, shall be used for a
38 grant-in-aid to the Rural Economic Development Center, Inc., for the administrative
39 costs of the Center and for its pilot projects and research. No more than five hundred
40 thousand dollars (\$500,000) of the funds appropriated for each fiscal year may be used
41 for the administrative costs of the Rural Economic Development Center, Inc.

42 (b) Beginning October 1, 1989, the Rural Economic Development Center, Inc.,
43 shall provide quarterly reports on the Center's pilot projects and research program to the
44 Joint Legislative Commission on Governmental Operations and to the Director of the

1 Fiscal Research Division not less than 48 hours prior to the beginning of the
2 Commission's full meeting. These reports shall include information of the activities and
3 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
4 year, sources of funding for the past and prospective fiscal years, and planned activities
5 and planned expenditures for at least the next fiscal year.

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

10
11 Requested by: Senator R.L. Martin

12 ---FUNDS FOR THE EMPLOYMENT SECURITY COMMISSION

13 Sec. 102. (a) There is appropriated from the Worker Training Trust Fund to the
14 Employment Security Commission of North Carolina the sum of four million five
15 hundred thirty-seven thousand seven hundred eight dollars (\$4,537,708) for the 1989-90
16 fiscal year and the sum of four million five hundred thirty-seven thousand seven
17 hundred eight dollars (\$4,537,708) for the 1990-91 fiscal year for the operation of local
18 offices at the 1986-87 level of service.

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

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

32
33 Requested by: Senator Barker

34 ---TOURISM PROMOTION GRANTS

35 Sec. 103. Funds appropriated in Sec. 5 of this act to the Department of
36 Commerce for the 1989-90 fiscal year and the 1990-91 fiscal year for tourism
37 promotion grants shall be allocated according to per capita income, unemployment, and
38 population growth in an effort to direct funds to counties most in need in the following
39 manner:

- 40 (1) Counties 1 through 20, according to per capita income, unemployment,
41 and population growth, are each eligible to receive a maximum grant
42 of ten thousand dollars (\$10,000) for each fiscal year, provided these
43 funds are matched on the basis of one non-State dollar for every four
44 State dollars.

- 1 (2) Counties 21 through 50, according to per capita income,
2 unemployment, and population growth, are each eligible to receive a
3 maximum grant of five thousand dollars (\$5,000) for two of the next
4 three fiscal years, provided these funds are matched on the basis of one
5 non-State dollar for every three State dollars.
- 6 (3) Counties 51 through 100, according to per capita income,
7 unemployment, and population growth, are each eligible to receive a
8 maximum grant of five thousand dollars (\$5,000) for alternating fiscal
9 years, beginning with the 1989-90 fiscal year, provided these funds are
10 matched on the basis of four non-State dollars for every State dollar.

11
12 Requested by: Senator R.L. Martin

13 —MICROELECTRONICS CENTER

14 Sec. 104. (a) Section 36 of Chapter 1086 of the 1987 Session Laws reads as
15 rewritten:

16 "Sec. 36. (a) Section 74(a) of Chapter 830 of the 1987 Session Laws is rewritten
17 to read:

18 ‘(a) Of the funds appropriated to the Office of State Budget and Management in
19 Section 5 of this act as amended, the sum of twelve million dollars (\$12,000,000) for the
20 1987-88 fiscal year and the sum of six million dollars (\$6,000,000) for the 1988-89
21 fiscal year shall be used for a supercomputer that is needed both to keep North
22 Carolina's universities in the forefront of scholarly research and training and to maintain
23 the momentum of the State's science-based economic development. The funds shall be
24 used for capital equipment, construction of a building and operating expenses, and shall
25 be placed in a non-revert reserve.’

26 (b) The State Computer Commission and the agency, institution, or organization
27 it designates as the manager for the supercomputer project shall present a written report
28 on the progress of the supercomputer project ~~to each regular monthly meeting of on a~~
29 quarterly basis to the Joint Legislative Commission on Governmental Operations
30 through the years 1988, 1989, and 1990. fiscal years 1988, 1989, 1990, and 1991. The
31 written reports shall be delivered to the Director of the Fiscal Research Division not less
32 than 48 hours prior to the beginning of the Commission's full meeting. The written
33 reports shall contain at least the following information: the major tasks accomplished
34 since the last report; the major tasks expected for the project over the two calendar years
35 after the date of the report; the projected budgets and expenditures of the project over
36 the next two calendar years after the date of the report; the major applications and uses
37 on the supercomputer in the time since the last report; and the major projected
38 applications and uses on the supercomputer in the next several months that will follow
39 the report. The report shall constitute a full management and status report on the
40 supercomputer project. If so requested by the Cochairmen of the Joint Legislative
41 Commission on Governmental Operations, the Chairman of the State Computer
42 Commission, or his designee, shall present the report verbally to the meeting of Joint
43 Legislative Commission on Governmental Operations.

1 (c) If the Office of State Budget and Management, the State Computer
2 Commission, or any other State entity enters into a contract or other management
3 agreement with the Microelectronics Center of North Carolina or any other State
4 agency, State institution, State organization or nonprofit corporation for overall
5 management of the supercomputer project and expenditure of these funds, and further
6 specifies a board to govern the project, or if one is established subsequent to the contract
7 that board shall consist of the following members: four members appointed by the
8 General Assembly upon recommendation of the Speaker of the House of
9 Representatives, to be selected from higher education institutions in North Carolina,
10 major corporations in North Carolina, and major research organizations in North
11 Carolina, and from among the general public; four members appointed by the General
12 Assembly upon recommendation of the President of the Senate, to be selected from
13 higher education institutions in North Carolina, major corporations in North Carolina,
14 and major research organizations in North Carolina and from among the general public;
15 four members appointed by the Governor, to be selected from higher education
16 institutions in North Carolina, major corporations in North Carolina, and major research
17 organizations in North Carolina, and from the general public; the Legislative
18 Administrative Officer or his designee; and the Director of the supercomputer center
19 after he or she is employed at the supercomputer center.

20 (d) The chairman and vice-chairman of the board will be elected by the
21 membership of the board. No member of the General Assembly may serve on the
22 policy board.

23 (e) Appointments shall be made no later than 30 days after the execution of the
24 contract or management agreement between the Computer Commission or the Office of
25 State Budget and Management and the project management organization. The
26 appointments will be for terms of four years each.

27 Appointments made by the Governor can be removed by the Governor, and vacancies
28 in those appointments will be filled by the Governor to fill the unexpired term.

29 Appointments by the General Assembly shall be made in accordance with G.S. 120-
30 121, and vacancies in those appointments shall be filled in accordance with G.S. 120-
31 122.

32 (f) Among other duties, the Policy Board shall: (i) approve the appointment of a
33 Director and set his or her employment conditions; (ii) approve the specifications of the
34 supercomputer and the recommendation of a successful bidder that will be chosen
35 according to the procurement procedures of the Division of Purchase and Contract in
36 the Department of Administration; (iii) formulate and approve the budget and operating
37 policies of the supercomputer center; (iv) approve the purposes of the supercomputer
38 center; and (v) serve generally as the governing board of the supercomputer center.

39 (g) If the organization, agency, or institute selected by the Office of State Budget
40 and Management or the State Computer Commission as manager of the North Carolina
41 supercomputer project specifies a Technical Advisory Council to provide to the
42 supercomputer project, among other things:

43 (1) Technical policy and operating procedure advice.

- 1 (2) Advice concerning use of the supercomputing facilities by educational
2 institutions and other groups and individuals,
3 (3) Advice and policy suggestions concerning the structures and
4 operations of the supercomputing center and any adjunct institutes,
5 conferences, or consultative committees, and
6 (4) Advice and council to the Microelectronics Center of North Carolina
7 or anyone it employs or enters into contract with related to the
8 operation of the supercomputer project,

9 that Technical Advisory Council shall have an equal number of members appointed
10 from (i) public sector, academic, not-for-profit organizations and (ii) for-profit, private
11 companies by the beginning of the 1991 fiscal year, at the latest. The intent of the
12 General Assembly is for one-half of the members of this Technical Advisory Council,
13 or any group directly affiliated with the supercomputer project management group that
14 performs the functions of the technical advisory council as listed in this section, to be
15 current employees of private sector, for-profit corporations by the beginning of 1991
16 fiscal year."

17 (b) It is the intent of the General Assembly that all appropriations to the
18 Microelectronics Center for years after the 1990-91 fiscal year for the Center's basic
19 research program contain the proviso that the appropriated funds are matched on the
20 basis of two non-State dollars (\$2.00) for every three State dollars (\$3.00).

21 (c) Beginning October 1, 1989, the Microelectronics Center shall provide
22 quarterly reports on the Supercomputing Center and the Microelectronics Center's basic
23 research program to the Joint Legislative Commission on Governmental Operations
24 and to the Director of the Fiscal Research Division not less than 48 hours prior to the
25 beginning of the Commission's full meeting. These reports shall include information of
26 the activities and accomplishments during the past fiscal year, expenditures itemized by
27 line item during the past fiscal year, sources of funding for the past and prospective
28 fiscal years, and planned activities and planned expenditures for at least the next fiscal
29 year.

30 (d) The Microelectronics Center shall provide a report containing detailed budget
31 information other than specific salaries of individuals to the Office of State Budget and
32 Management in the same manner as State departments and agencies in preparation for
33 biennium budget requests. Specific salary information will be provided upon written
34 request by the Chairmen of the Joint Legislative Commission on Governmental
35 Operations or the Chairmen of the Appropriations Committee on Natural and Economic
36 Resources.

37

38 Requested by: Senator R.L. Martin

39 —BIOTECHNOLOGY PRIVATE SECTOR RESEARCH

40 Sec. 105. (a) The North Carolina Biotechnology Center may recapture funds
41 spent to support successful research efforts in the nonacademic private sector.

42 (b) Beginning October 1, 1989, the North Carolina Biotechnology Center shall
43 provide quarterly reports on the Center's nonacademic private sector research and
44 development projects to the Joint Legislative Commission on Governmental Operations

1 and to the Director of the Fiscal Research Division not less than 48 hours prior to the
2 beginning of the Commission's full meeting. These reports shall include information of
3 the activities and accomplishments during the past fiscal year, the annual audit, sources
4 of funding for the past and prospective fiscal years, and planned activities and planned
5 expenditures for at least the next fiscal year.

6 (c) The North Carolina Biotechnology Center shall provide a report containing
7 detailed budget, personnel, and salary information to the Office of State Budget and
8 Management in the same manner as State departments and agencies in preparation for
9 biennium budget requests.

10
11 PART XVII.—DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES
12 AND COMMUNITY DEVELOPMENT

13
14 Requested by: Senator Hunt of Moore

15 —ZOO RECEIPTS

16 Sec. 105.1. Part 22 of Article 7 of Chapter 143B is amended by adding a new
17 section to read:

18 **"§ 143B-337. Special Zoo Fund.**

19 A special continuing and nonreverting fund, to be called the Special Zoo Fund, is
20 created. The North Carolina Zoological Park shall retain unbudgeted receipts at the end
21 of each fiscal year, beginning June 30, 1989, and deposit these receipts into this Fund.
22 This Fund shall be used for repairs, renovations, and expansion of exhibits in existing
23 habitat clusters and visitor services facilities, and for the replacement of tram equipment
24 as required to maintain adequate service to the public. The Special Zoo Fund may also
25 be used to match private funds which are raised for these purposes. Funds may be
26 expended for these purposes by the Department of Natural Resources and Community
27 Development on the advice of the North Carolina Zoological Park Council."

28
29 Requested by: Senator Barker

30 —REVIEW COMMITTEE FOR AGRICULTURE COST SHARE PROGRAM

31 Sec. 106. G.S. 143-215.74B reads as rewritten:

32 **"§ 143-215.74B. Committee established.**

33 Detailed plans for implementing the program shall be reviewed and suggested
34 changes and reasons therefor shall be given by a committee consisting of the Master of
35 the North Carolina State Grange, President of the North Carolina Farm Bureau
36 Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of
37 Agriculture and Life Sciences at North Carolina State University, the Chairman of the
38 State Soil and Water Conservation Commission, ~~and~~ the President of the North Carolina
39 Association of Soil and Water Conservation ~~Districts~~—Districts, the Executive Director
40 of the Wildlife Resources Commission, and the Director of the Division of Marine
41 Fisheries. The committee shall review the program prior to expenditure of any funds
42 for the program. Certification documenting the committee's review of the program shall
43 be made in writing to the Speaker of the House of Representatives, the President of the

1 Senate, and Chairmen of the Appropriations Committees of the Senate and the House of
2 Representatives."

3

4 Requested by: Senator Barker

5 —TECHNICAL REVIEW COMMITTEE APPOINTMENTS

6 Sec. 107. The Soil and Water Conservation Commission shall include the
7 Executive Director of the Wildlife Resources Commission, or his designee, and the
8 Director of the Marine Fisheries Division, the Department of Natural Resources and
9 Community Development, or his designee, among its appointments to the Technical
10 Review Committee, which reviews the technical specifications for the best management
11 practices specified for the Agricultural Cost Share Program for Nonpoint Source
12 Pollution Control.

13

14 Requested by: Senator R.L. Martin

15 —COMMUNITY ACTION PROGRAM FUNDS

16 Sec. 108. For the 1989-90 fiscal year and the 1990-91 fiscal year, all
17 agencies designated as eligible agencies pursuant to G.S. 113-28.24, that receive
18 Community Service Block Grant Funds may use those funds for the administration of
19 agency programs. The amount of those funds used for administration of agency
20 programs shall be limited to ten percent (10%) of the total annual budget of the agency
21 as certified in the prior year's audit of the agency. The Department of Natural
22 Resources and Community Development shall report quarterly to the Joint Legislative
23 Commission on Governmental Operations and the Appropriations Committee on
24 Natural and Economic Resources beginning October 1, 1989, on the use of Community
25 Service Block Grant Funds for administration of agency programs. The report shall
26 show:

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

33

34 Requested by: Senator R.L. Martin

35 —FORESTRY EQUIPMENT REPLACEMENT PLAN

36 Sec. 109. The Department of Natural Resources and Community
37 Development shall prepare a plan for the replacement of fire-fighting equipment and the
38 construction of equipment sheds and office complexes to be used to protect forestry
39 equipment. This plan shall be submitted biennially to the General Assembly for
40 approval with the biennial budget request for the next biennium and in the same manner
41 as the biennial budget request.

42

43 Requested by: Senator R.L. Martin

44 —ENVIRONMENTAL MANAGEMENT PERMIT FEES

1 Sec. 110. G.S. 143-215.3A reads as rewritten:

2 "**§ 143-215.3A. Use of application and permit fees.**

3 There is established a separate nonreverting account within the Office of State
4 Budget within the Department of Natural Resources and Community Development.
5 The account will be used, to the extent appropriated by the General Assembly, ~~for~~
6 ~~allocations to the Department of Natural Resources and Community Development to~~ (a)
7 defray the expenses of any project or program supporting the permitting and
8 compliance activities needed to protect the State's surface water, groundwater, and air
9 quality, and (b) establish additional permanent positions, under the Personnel Act,
10 for water, groundwater, and air quality permitting and compliance activities. All
11 application fees and permit administration fees collected by the State for permits issued
12 under Articles 21, 21A, 21B, and 38, except those collected under Part 2 of Article 21A
13 and deposited in the Oil or Other Hazardous Substances Pollution Protection Fund, and
14 except as provided in G.S. 143-215.3B shall be deposited in the account. The total
15 monies collected per year from fees for permits under G.S. 143-215.3(a)(1a) shall not
16 exceed thirty percent (30%) of the total budgets from all sources of environmental
17 permitting and compliance programs within the Department of Natural Resources and
18 Community Development. The Department shall make an annual report to the General
19 Assembly and its Fiscal Research Division on the cost of the State's environmental
20 permitting programs contained within such Department. The report shall include, but is
21 not limited to, fees set and established under this Article, fees collected under this
22 Article, revenues received from other sources for environmental permitting and
23 compliance programs, changes made in the fee schedule since the last report, anticipated
24 revenues from all other sources, interest earned and any other information requested by
25 the General Assembly."
26

27 Requested by: Senator R.L. Martin

28 —LAB CERTIFICATION FEES

29 Sec. 111. G.S. 143-215.3(a)(10) reads as rewritten:

30 "(10) To require a laboratory facility to be certified by the
31 Department before performing any tests, analyses,
32 measurements, or monitoring required under this Article and to
33 establish fees therefor. These fees collected by the Department
34 shall remain available to the Department to be used to offset the
35 cost of certifying commercial, industrial, and municipal
36 laboratory facilities."
37

38 Requested by: Senator R.L. Martin

39 —CLEAN WATER REVOLVING LOAN AND GRANT FUND

40 Sec. 112. G.S. 159G-4(b) reads as rewritten:

41 "(b) Of the appropriations made from the General Fund to the Clean Water
42 Revolving Loan and Grant Fund for use of the Office of State Budget and Management
43 as provided in this Chapter, allocations are made as follows after first subtracting the

1 amounts allocated under subsection (a) of this section, to the extent that there are any
 2 excess funds available:

3	Wastewater Accounts			
4	General Wastewater Revolving			
5	Loan Account	45.00%	45.00%	
6	Emergency Wastewater Revolving			
7	Loan Account	13.00%	13.00%	<u>14.00%</u>
8	High-Unit Cost Wastewater			
9	Account	10.00%	10.00%	
10	Water Supply Accounts			
11	General Water Supply			
12	Revolving Loan Account	23.00%	23.00%	
13	High-Unit Cost Water Supply			
14	Account	3.00%	3.00%	
15	Emergency Water Supply Revolving			
16	Loan Account	5.00%	5.00%	
17	Administrative Account		-1.00%	-1.00% "

18

19 PART XVIII.—MISCELLANEOUS PROVISIONS

20

21 Requested by: Senator Basnight

22 —EFFECT OF HEADINGS

23 Sec. 113. The headings to the Parts and sections of this act are a convenience
 24 to the reader and are for reference only. The headings do not expand, limit, or define
 25 the text of this act.

26

27 Requested by: Senator Basnight

28 —EXECUTIVE BUDGET ACT REFERENCE

29 Sec. 114. The provisions of the Executive Budget Act, Chapter 143, Article 1
 30 of the General Statutes, are reenacted and shall remain in full force and effect and are
 31 incorporated in this act by reference.

32

33 Requested by: Senator Basnight

34 —COMMITTEE REPORT

35 Sec. 115. The Senate Base Budget Appropriations Committee Report, dated
 36 April 10, 1989, which was distributed in the Senate and used to explain this act, shall
 37 indicate action by the General Assembly on this act and shall therefore be used to
 38 construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such
 39 purposes shall be considered a part of this act.

40

41 Requested by: Senator Basnight

42 —EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY-1989-

43 91

1	Office of Admin.				
2	Hearings	1.00	19,896		19,907
3					
4	State Controller	3.00	115,829		115,895
5					
6	Cultural Resources	2.00	45,651		45,676
7					
8	Correction	20.00	454,938		455,193
9					
10	Judicial	13.10	349,886		350,083
11					
12	Justice	2.00	83,120		83,168
13					
14	Crime Control	7.25	217,421		217,545
15		.75	11,416	Federal	11,422
16		1.00	41,004	Highway	41,028
17					
18	Human Resources				
19	ARC - Black Mtn.	2.00	\$86,370		\$86,419
20					
21	ARC - Greenville	.50	9,214		9,219
22					
23	Special Care Ctr.	1.00	39,978		40,000
24					
25	Blk. Mtn. Ctr.	3.00	91,515		91,567
26					
27	Health Services	8.21	233,413		233,545
28		.39	7,741	Federal	7,745
29		1.00	34,605	Highway	34,625
30					
31	Mental Health	3.50	117,048		117,114
32					
33	Broughton	8.00	214,370		214,491
34					
35	Cherry	8.00	204,993		205,108
36					
37	Umstead	1.00	20,096		20,107
38					
39	Western Carolina	2.00	43,384		43,408
40					
41	O'Berry	6.00	200,303		200,417
42					
43	Murdoch	1.00	37,014		37,035
44					

1	Caswell	10.50	264,960	265,109		
2						
3	Social Services		1.68	37,448		37,469
4		3.32	74,262Federal	74,304Federal		
5						
6	Medical Asst.		2.50	82,171		82,218
7		2.50	74,562Federal	74,604Federal		
8						
9	Central Admin.		2.00	75,011		75,053
10						
11	Deaf Schools		2.00	43,697		43,723
12						
13	Blind Services		.50	11,174		11,180
14						
15	Facility Services		3.00	88,365		88,415
16						
17	Voc. Rehab.		1.23	27,332		27,347
18		.77	20,115Federal	20,126Federal		
19						
20	Youth Services		7.00	146,301		146,383
21						
22	TOTAL: Human					
23	Resources	74.62	2,074,157	2,075,327		
24		6.98	176,680	Federal	176,779	Federal
25		1.00	34,605Highway	34,625Highway		
26						
27	Community Colleges		10.00	\$270,397		\$270,550
28						
29	University - Board					
30	of Governors					
31	UNC- General					
32	Admin.	16.50	438,434	438,682		
33						
34	UNC-Chapel					
35	Hill	51.19	1,267,818	1,268,532		
36						
37	UNC-Health					
38	Affairs	45.35	1,134,375	1,135,013		
39						
40	UNC-Health					
41	Education	1.32	18,525	18,535		
42						
43	NCSU	20.00	554,092	554,405		
44						

1	NCSU - Agric.			
2	Res. 3.28	73,453,734,494		
3				
4	UNC-Greensboro	32.75	696,716	697,105
5				
6	UNC-Charlotte	30.00	665,591	665,913
7				
8	UNC-Asheville	2.50	56,718	56,749
9				
10	UNC-Wilmington	7.50	158,979	159,068
11				
12	East Carolina	43.25	970,535	971,078
13				
14	ECU-Health			
15	Affairs 13.00	291,918	292,082	
16				
17	A & T 6.50	297,334	297,505	
18				
19	Western Carolina	8.70	210,710	210,828
20				
21	Appalachian	9.00	195,444	195,553
22				
23	Pembroke 9.50	201,722	201,835	
24				
25	Elizabeth City St.	1.50	34,569	34,589
26				
27	Fayetteville St.	6.00	137,479	137,556
28				
29	N.C. Central	25.50	545,201	545,505
30				
31	School of Arts	7.80	183,646	183,749
32				
33	Science & Math	1.00	21,329	21,341
34				
35	TOTAL: Univ.	342.14	8,154,588	8,159,117
36	(Less Senate Base Budget Cuts as reflected in Section 3 of this act, as			
37	introduced:			
38	16.00	400,000	400,000)	
39	NET: University	326.14	7,754,588	7,759,117
40				
41				
42	(2) Other Reductions—Department of Public Education:			
43	BASE BUDGET REDUCTION			
44	<u>1989-90</u> <u>1990-91</u>			

1 a. Adjust all appropriate salary, social security, and retirement line items in the
2 Public School Fund to reflect changes in average salary \$20,764,146 20,920,635

3 b. Adjust all appropriate salary, social security, and retirement line items in the
4 Public School Fund to reflect changes in average daily membership (3,661,688)
5 (4,973,665)

6 TOTAL: 17,102,458
7 15,946,970
8

9 (3) Total Base Budget Reductions set out in subdivisions (1) and (2) of this section:

10	POSITION	BASE BUDGET REDUCTION		
11	<u>REDUCTION</u>	<u>1989-90</u>	<u>1990-91</u>	
12				
13	GENERAL FUND	522.58	\$30,429,693	\$29,281,885
14	FEDERAL FUNDS	14.75	\$ 449,074	\$ 449,328
15	HIGHWAY FUND	78.00	\$ 2,030,644	\$ 2,031,789

16
17 Requested by: Senator Basnight

18 ---EFFECTIVE DATE

19 Sec. 118. Except as otherwise provided, this act shall become effective July
20 1, 1989.