

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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2

HOUSE BILL 229
Committee Substitute Favorable 4/27/95

Short Title: '95 Continuation Budget.

(Public)

Sponsors:

Referred to:

February 21, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE CONTINUATION BUDGET
3 OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES,
4 AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6
7 **PART 1. INTRODUCTION AND TITLE OF ACT**

8
9 **INTRODUCTION**

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

16
17 **TITLE OF ACT**

1 Sec. 1.1. This act shall be known as the Continuation Budget Operations
2 Appropriations Act of 1995.

3
4 **PART 2. GENERAL FUND APPROPRIATIONS**

5
6 **CURRENT OPERATIONS/GENERAL FUND**

7 Sec. 2. Appropriations from the General Fund of the State for the maintenance
8 of the State departments, institutions, and agencies, and for other purposes as enumerated
9 are made for the biennium ending June 30, 1997, according to the schedule that follows.
10 Amounts set out in brackets are reductions from General Fund appropriations for the
11 1995-96 and 1996-97 fiscal years.

12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43
	<u>Current Operations - General Fund</u>				<u>1995-96</u>		<u>1996-97</u>																								
	General Assembly				\$ 27,313,680		\$ 30,702,253																								
	Judicial Department				273,190,832		276,393,121																								
	Office of the Governor																														
	01. Office of the Governor				4,833,590		4,852,628																								
	02. Office of State Budget and Management				3,442,164		3,578,579																								
	03. Office of State Planning				1,791,079		1,793,484																								
	04. Housing Finance Agency				2,300,000		2,300,000																								
	Office of the Lieutenant Governor						577,313		578,729																						
	Department of Secretary of State						4,580,487		4,632,853																						
	Department of State Auditor						8,849,655		8,855,702																						
	Department of State Treasurer																														
	01. State Treasurer				6,015,881		6,023,960																								
	02. Special Contributions				7,477,187		7,477,187																								
	Department of Public Education						3,917,583,704		3,984,022,583																						
	Department of Justice						56,996,586		56,816,952																						
	Department of Administration						51,664,263		52,919,155																						
	Department of Agriculture						45,316,982		45,566,296																						

1	Department of Labor		15,054,312	14,902,477
2				
3	Department of Insurance		18,145,166	18,186,396
4				
5	Department of Transportation			
6	01. Aeronautics	9,434,000	10,047,210	
7	02. Aid to Railroads	100,000	100,000	
8	Total Department of			
9	Transportation		9,534,000	10,147,210
10				
11	Department of Environment, Health, and			
12	Natural Resources		226,090,495	225,937,960
13				
14	Office of Administrative Hearings		2,041,641	2,046,136
15				
16	Rules Review Commission		262,661	262,661
17				
18	Department of Human Resources			
19	01. Office of the Secretary	23,779,371	20,922,966	
20	02. Division of Aging	12,925,967	12,926,726	
21	03. Division of Child Development		119,629,656	126,249,399
22	04. Division of Services for the			
23	Deaf and Hard of Hearing	26,250,298	26,393,081	
24	05. Division of Social Services	196,988,053	200,975,251	
25	06. Division of Medical Assistance		1,038,893,003	1,163,587,453
26	07. Division of Services			
27	for the Blind	15,205,452	15,150,530	
28	08. Division of Mental Health,			
29	Developmental Disabilities, and			
30	Substance Abuse Services	472,750,080	469,696,600	
31	09. Division of Facility Services	9,198,369	9,126,950	
32	10. Division of Vocational			
33	Rehabilitation Services	26,253,527	26,571,684	
34	11. Division of Youth Services	70,794,973	69,349,109	
35	Total Department of Human Resources		2,012,668,749	2,140,949,749
36				
37	Department of Correction		762,235,922	790,393,198
38				
39	Department of Commerce			
40	01. Commerce	34,242,425	33,812,728	
41	02. Biotechnology Center	7,379,396	7,379,396	
42	03. MCNC	19,765,000	19,765,000	
43	04. Rural Economic Development			

1	Center	3,170,000	3,170,000	
2				
3	Department of Revenue		59,706,976	59,602,150
4				
5	Department of Cultural Resources		43,793,472	44,693,396
6				
7	Department of Crime Control			
8	and Public Safety		31,357,768	31,104,678
9				
10	Office of the State Controller		8,718,487	8,727,680
11				
12	University of North Carolina - Board			
13	of Governors			
14	01. General Administration	16,668,950	18,853,473	
15	02. University Institutional			
16	Programs	6,768,790	6,768,790	
17	03. Related Educational Programs	52,562,556	53,328,301	
18	04. University of North Carolina			
19	at Chapel Hill			
20	a. Academic Affairs	140,208,323	137,199,359	
21	b. Health Affairs	118,799,045	119,610,902	
22	c. Area Health Education			
23	Centers	35,940,542	35,928,355	
24	05. North Carolina State University			
25	at Raleigh			
26	a. Academic Affairs	185,306,674	186,203,069	
27	b. Agricultural Research Service	39,113,633	38,883,615	
28	c. Cooperative Extension Service	30,624,696	30,636,751	
29	06. University of North Carolina at			
30	Greensboro	57,714,699	58,075,765	
31	07. University of North Carolina at			
32	Charlotte	65,564,241	66,284,677	
33	08. University of North Carolina at			
34	Asheville	19,044,091	19,326,738	
35	09. University of North Carolina at			
36	Wilmington	36,460,485	37,093,937	
37	10. East Carolina University			
38	a. Academic Affairs	82,244,681	82,807,699	
39	b. Division of Health Affairs	39,669,702	39,718,554	
40	11. North Carolina Agricultural and			
41	Technical State University	47,519,110	47,833,506	
42	12. Western Carolina University	40,288,335	40,546,419	
43	13. Appalachian State University	56,671,373	57,162,556	

1	14.	Pembroke State University	18,088,313	18,169,010	
2	15.	Winston-Salem State University	18,727,479	18,931,857	
3	16.	Elizabeth City State			
4		University	18,208,951	18,290,873	
5	17.	Fayetteville State University	22,766,127	22,945,472	
6	18.	North Carolina Central			
7		University	32,687,131	33,009,271	
8	19.	North Carolina School of the			
9		Arts	9,680,850	9,333,891	
10	20.	North Carolina School of			
11		Science and Mathematics	8,568,869	8,747,959	
12	21.	UNC Hospitals at Chapel Hill	44,088,054	44,088,054	
13	Total University of North				
14	Carolina - Board of Governors			1,243,985,700	1,249,778,853
15					
16	Department of Community Colleges			436,169,834	440,765,325
17					
18	State Board of Elections			835,456	835,673
19					
20	Contingency and Emergency			1,125,000	1,125,000
21					
22	Reserve for Compensation Increase			2,000,000	2,000,000
23					
24	Reserve for Salary Adjustments			1,000,000	1,500,000
25					
26	Reserve for Retirement Rate Change			(1,154,000)	(1,154,000)
27					
28	Debt Service			116,805,051	115,113,536
29					
30	GRAND TOTAL CURRENT OPERATIONS –				
31	GENERAL FUND			\$9,466,866,914	\$9,707,558,684
32					

PART 3. CURRENT OPERATIONS/HIGHWAY FUND

Sec. 3. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the biennium ending June 30, 1997, according to the following schedule:

40	<u>Current Operations - Highway Fund</u>	<u>1995-96</u>	<u>1996-97</u>
41			
42	Department of Transportation		
43	01. Administration	\$36,479,381	\$36,663,220

1	02.	Division of Highways		
2	a.	Administration and		
3		Operations	35,978,558	36,044,682
4	b.	State Construction		
5	(01)	Secondary Construction	73,900,000	75,563,941
6	(02)	Urban Construction	20,000,000	20,000,000
7	(03)	Access and Public		
8		Service Roads		2,000,000 2,000,000
9	(04)	Spot Safety Improvements	9,100,000	9,100,000
10	c.	State Funds to Match Federal		
11		Highway Aid		
12	(01)	Construction	33,153,153	33,153,153
13	(02)	Highway Planning/		
14		Research		2,959,649 2,959,649
15	d.	State Maintenance		
16	(01)	Primary	106,146,405	106,146,405
17	(02)	Secondary	185,554,790	185,554,790
18	(03)	Urban	30,764,757	30,764,757
19	(04)	Contract Resurfacing	89,127,392	89,127,392
20	e.	Ferry Operations	17,947,994	17,947,994
21	03.	Division of Motor Vehicles	81,572,443	79,937,436
22	04.	Governor's Highway Safety Program	302,968	303,237
23	05.	State Aid to Municipalities	73,900,000	75,563,941
24	06.	State Aid for Public		
25		Transportation	10,246,921	10,246,921
26	07.	State Aid for Railroads	800,000	800,000
27	08.	Reserve for Salary Adjustments	200,000	200,000
28	09.	Reserve for OSHA Deficiencies	425,000	425,000
29	10.	Reserve for Increase in Travel		
30		Reimbursement Rate	200,000	200,000
31	11.	Reserve for Asphalt		
32		Plant Cleanup	1,000,000	1,000,000
33	12.	Reserve for Global		
34		Transpark Authority	750,000	750,000
35	13.	Reserves for Employee Benefits		
36	a.	Change in amortization period (528,000)	(528,000)	(528,000)
37	b.	Disability Income Plan		
38		increase	406,000	406,000
39	14.	Transfer to Highway Trust Fund	12,100,000	32,300,000
40	15.	Debt Service	25,133,780	4,978,215

41

42 Appropriations to Other State Agencies

43 01. Crime Control and Public

1	Safety	104,040,927	105,438,322	
2	02. Other Agencies			
3	a. Department of Agriculture	3,025,401	3,162,344	
4	b. Department of Revenue	2,268,383	2,270,054	
5	c. Department of Environment,			
6	Health, and Natural Resources:			
7	LUST Trust Fund	6,119,216	6,162,602	
8	Chemical Test Program	391,903	391,903	
9	d. Department of Public			
10	Instruction	21,188,826	21,188,826	
11	e. Department of State			
12	Treasurer	11,130,000	11,853,450	
13				
14	GRAND TOTAL CURRENT OPERATIONS –			
15	HIGHWAY FUND			\$997,785,847 \$1,002,076,234

PART 4. HIGHWAY TRUST FUND

Sec. 4. Appropriations from the Highway Trust Fund are made for the fiscal biennium ending June 30, 1997, according to the following schedule:

22	<u>Highway Trust Fund</u>	<u>1995-96</u>	<u>1996-97</u>
24	01. Intrastate System	\$295,184,649	\$319,382,722
25	02. Secondary Roads Construction	61,918,898	64,954,983
26	03. Urban Loops	119,360,379	129,145,071
27	04. State Aid - Municipalities	30,971,755	33,510,697
28	05. Program Administration	20,996,319	21,852,527
29	06. Transfer to General Fund	170,000,000	170,000,000
30			
31	GRAND TOTAL/HIGHWAY TRUST FUND	\$698,432,000	\$738,846,000

PART 5. GENERAL FUND/HIGHWAY FUND AVAILABILITY STATEMENTS/RESERVE FOR REPAIRS AND RENOVATIONS

Requested by: Representatives Holmes, Creech, Esposito

BUDGET REFORM STATEMENTS

Sec. 5. The General Fund and availability used in developing the 1995-97 budget is as shown below:

- (1) Composition of the 1995-97 beginning availability:
 - a. Revenue collections in 1994-95 in excess of authorized estimates \$131.80
 - b. Unexpended appropriations

1		during 1994-95 (reversions)	162.40
2	c.	Balance brought forward	<u>33.40</u>
3		Subtotal	327.60
4	d.	Transfer to Savings Reserve	81.90
5	e.	Transfer to Reserve	
6		for Repair and	
7		Renovations	<u>125.00</u>
8		Ending Fund Balance	\$ 120.7

		<u>1995-96</u>	<u>1996-97</u>
11			
12	(2)	Beginning Unrestricted	
13		Fund Balance	\$ 120.7 \$ -
14			
15	(3)	Revenues Based on Existing Tax	
16		Structure	9,987.8 10,624.2
17			
18	(4)	94-95 Reserve for Tax	
19		Relief	28.1 -
20	Changes:		
21			
22	1.	Tax Relief Package	
23		(a) Personal Income	-235.0 -244.1
24		(b) Intangibles Repeal	-124.4 -124.5
25	2.	Local Sales Tax -	
26		Local Government Commission	1.5 1.5
27	3.	Insurance Regulatory Charges	4.4 3.6
28	4.	Treasurer's Banking Fees	-.7 -.7
29	5.	Disproportionate Share	
30		Receipts	106.9 117.7
31	5.	Investment Income Electronic	
32		Fund Transfers	2.0 2.0
33		Availability	\$9,891.3 \$10,379.7

Requested by: Representatives Holmes, Creech, Esposito

HIGHWAY FUND AVAILABILITY

Sec. 5.1. The Highway Fund appropriations availability used in developing the 1995-97 Highway Fund budget is shown below:

	<u>(\$ Million)</u>	<u>(\$ Million)</u>
	<u>1995-96</u>	<u>1996-97</u>
41	Beginning Credit Balance	\$ 19,382,000 \$ -
42	Estimated Revenue	1,023,228,000 1,046,316,000
43	Reversions:	

1 Financial System Funds 1,300,000
 2 Ferry Credit Balance 200,000
 3 International Travel Funds 2,200,000
 4 Capital Improvements 3,808,686
 5

6 **Total Highway Fund Availability** **\$1,050,118,686** **\$1,046,316,000**
 7

8 Requested by: Representatives Holmes, Creech, Esposito

9 **REPAIRS RESERVE ACCOUNT CHANGES**

10 Sec. 5.2. (a) G.S. 143-15.2 reads as rewritten:

11 "**§ 143-15.2. Use of General Fund credit balance.**

12 The State Controller shall reserve up to one-fourth of any unreserved credit balance,
 13 as determined on a cash basis, remaining in the General Fund at the end of each fiscal
 14 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would
 15 result in the Savings Reserve Account having funds in excess of five percent (5%) of the
 16 amount appropriated the preceding year for the General Fund operating budget, including
 17 local government tax-sharing funds; in that case, only funds sufficient to reach the five
 18 percent (5%) level shall be reserved. The State Controller shall also reserve the ~~lesser~~
 19 greater of (i) one-fourth of any unreserved credit balance, as determined on a cash basis,
 20 remaining in the General Fund and (ii) ~~one and one-half percent (1.5%)~~ three percent
 21 (3%) of the replacement value of all State buildings supported from the General Fund, at
 22 the end of each fiscal year to the Repairs and Renovations Reserve Account as provided
 23 in G.S. 143-15.3A. The General Assembly may appropriate that part of the anticipated
 24 General Fund credit balance not expected to be reserved to the Savings Reserve Account
 25 or the Repairs and Renovations Reserve Account only for capital improvements or other
 26 one-time expenditures. As used in this section, the term 'unreserved credit balance'
 27 means the credit balance amount, as determined on a cash basis, before funds are
 28 reserved by the Controller to the Savings Reserve Account or the Repairs and
 29 Renovations Reserve Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A."

30 (b) G.S. 143-15.3A reads as rewritten:

31 "**§ 143-15.3A. Repairs and Renovations Reserve Account.**

32 (a) There is established a Repairs and Renovations Reserve Account as a restricted
 33 reserve in the General Fund. The State Controller shall reserve to the Repairs and
 34 Renovations Reserve Account the greater of (i) one-fourth of any unreserved credit
 35 balance as determined on a cash basis, remaining in the General Fund and (ii) three
 36 percent (3%) of the replacement value of all State buildings supported from the General
 37 Fund, at the end of each fiscal year. As used in this section, the term 'unreserved credit
 38 balance' means the credit balance amount, as determined on a cash basis, before funds are
 39 reserved by the Controller to the Savings Reserve Account or the Repairs and
 40 Renovations Reserve Account pursuant to this section and G.S. 143-15.3.

41 (b) The funds in the Repairs and Renovations Reserve Account shall be used only
 42 for the repair and renovation of State facilities and related infrastructure that are

1 supported from the General Fund. Funds from the Repairs and Renovations Reserve
2 Account shall be used only for the following types of projects:

- 3 (1) Roof repairs and replacements;
- 4 (2) Structural repairs;
- 5 (3) Repairs and renovations to meet federal and State standards;
- 6 (4) Repairs to electrical, plumbing, and heating, ventilating, and air-
7 conditioning systems;
- 8 (5) Improvements to meet the requirements of the Americans with
9 Disabilities Act, 42 U.S.C. § 12101 et seq., as amended;
- 10 (6) Improvements to meet fire safety needs;
- 11 (7) Improvements to existing facilities for energy efficiency;
- 12 (8) Improvements to remove asbestos, lead paint, and other contaminants,
13 including the removal and replacement of underground storage tanks;
- 14 (9) Improvements and renovations to improve use of existing space;
- 15 (10) Historical restoration;
- 16 (11) Improvements to roads, walks, drives, utilities infrastructure; and
- 17 (12) Drainage and landscape improvements.

18 Funds from the Repairs and Renovations Reserve Account shall not be used for new
19 construction or the expansion of the footprint of an existing facility unless required in
20 order to comply with federal or State codes or standards.

21 The Director of the Budget shall not use funds in the Repairs and Renovations
22 Reserve Account unless the use has been approved by an act of the General Assembly."

23 (c) This section becomes effective June 30, 1995.

24
25 Requested by: Representatives Holmes, Creech, Esposito

26 **EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND** 27 **RENOVATIONS**

28 Sec. 5.3. Of the funds in the Reserve for Repairs and Renovations for the
29 1995-96 fiscal year, fifty percent (50%), shall be allocated to the Board of Governors of
30 The University of North Carolina for repairs and renovations pursuant to G.S.143-15.3A,
31 in accordance with guidelines developed in The University of North Carolina Funding
32 Allocation Model for Reserve for Repairs and Renovations, as approved by the Board of
33 Governors of The University of North Carolina; forty-two percent (42%) shall be
34 allocated to the Office of State Budget and Management for repairs and renovations
35 pursuant to G.S. 143-15.3A, and eight percent (8%) shall be allocated to the Division of
36 Parks and Recreation, Department of Environment, Health, and Natural Resources, for
37 repairs and improvements to the State park system's facilities pursuant to G.S. 143-
38 15.3A.

39 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds
40 for the repair and renovation of facilities not supported from the General Fund if the
41 Board determines that sufficient funds are not available from other sources and that
42 conditions warrant General Fund assistance. Any such finding shall be included in the

1 Board's submission to the Joint Legislative Commission on Governmental Operations on
2 the proposed allocation of funds.

3 The Board of Governors, the Office of State Budget and Management, and
4 the Division of Parks and Recreation, Department of Environment, Health, and Natural
5 Resources, shall submit to the Joint Legislative Commission on Governmental
6 Operations and to the Fiscal Research Division of the Legislative Services Office, for
7 their review, the proposed allocation of these funds. Subsequent changes in the proposed
8 allocations shall be reported prior to expenditure to the Joint Legislative Commission on
9 Governmental Operations and to the Fiscal Research Division of the Legislative Services
10 Office.

11 12 **PART 6. GENERAL PROVISIONS**

13
14 Requested by: Representatives Holmes, Creech, Esposito

15 **PERMIT DEVIATION FROM EXPENDITURE OF FUNDS RESTRICTION**

16 Sec. 6. For the 1995-96 fiscal year only, G.S. 143-16.3 does not apply to the
17 extent that the Director of the Budget finds that compliance is impossible and that
18 deviation is necessary because of complications in the budget process that were not
19 contemplated when the budget for the 1995-97 fiscal biennium was enacted.

20 The Director of the Budget shall report on a quarterly basis for the first six
21 months of the 1995-96 fiscal year and monthly thereafter, to the Joint Legislative
22 Commission on Governmental Operations and to the Fiscal Research Division of the
23 Legislative Services Office on any deviations from G.S. 143-16.3, the reasons that
24 compliance was impossible, and the complications in the budget process that were not
25 contemplated when the budget for the 1995-97 fiscal biennium was enacted that made
26 compliance impossible.

27
28 Requested by: Representatives Holmes, Creech, Esposito

29 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL** 30 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

31 Sec. 6.1. There is appropriated out of the cash balances, federal receipts, and
32 departmental receipts available to each department, sufficient amounts to carry on
33 authorized activities included under each department's operations. All these cash
34 balances, federal receipts, and departmental receipts shall be expended and reported in
35 accordance with provisions of the Executive Budget Act, except as otherwise provided by
36 statute, and shall be expended at the level of service authorized by the General Assembly.
37 If the receipts, other than gifts and grants that are unanticipated and are for a specific
38 purpose only, collected in a fiscal year by an institution, department, or agency exceed
39 the receipts certified for it in General Fund Codes or Highway Fund Codes, then the
40 Director of the Budget shall decrease the amount he allots to that institution, department,
41 or agency from appropriations from that Fund by the amount of the excess, unless the
42 Director of the Budget finds that the appropriations from the Fund are necessary to
43 maintain the function that generated the receipts at the level anticipated in the certified

1 Budget Codes for that Fund. Funds that become available from overrealized receipts in
2 General Fund Codes and Highway Fund Codes, other than gifts and grants that are
3 unanticipated and are for a specific purpose only, shall not be used for new permanent
4 employee positions or to raise the salary of existing employees except:

5 (1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4, or 143-27;

6 or

7 (2) If the Director of the Budget finds that the new permanent employee
8 positions are necessary to maintain the function that generated the
9 receipts at the level anticipated in the certified budget codes for that
10 Fund. The Director of the Budget shall notify the President Pro
11 Tempore of the Senate, the Speaker of the House of Representatives, the
12 chairmen of the appropriations committees of the Senate and the House
13 of Representatives, and the Fiscal Research Division of the Legislative
14 Services Office that he intends to make such a finding at least 10 days
15 before he makes the finding. The notification shall set out the reason
16 the positions are necessary to maintain the function.

17 The Office of State Budget and Management shall report to the Joint Legislative
18 Commission on Governmental Operations and to the Fiscal Research Division of the
19 Legislative Services Office within 30 days after the end of each quarter the General Fund
20 Codes or Highway Fund Codes that did not result in a corresponding reduced allotment
21 from appropriations from that Fund.

22 The Director of the Budget shall develop necessary budget controls,
23 regulations, and systems to ensure that these funds and other State funds subject to the
24 Executive Budget Act, are not spent in a manner which would cause a deficit in
25 expenditures.

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

32
33 Requested by: Representatives Holmes, Creech, Esposito

34 **INSURANCE AND FIDELITY BONDS**

35 Sec. 6.2. All insurance and all official fidelity and surety bonds authorized for
36 the several departments, institutions, and agencies shall be effected and placed by the
37 Insurance Department, and the cost of placement shall be paid by the affected
38 department, institution, or agency with the approval of the Insurance Commissioner.

39
40 Requested by: Representatives Holmes, Creech, Esposito

41 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

42 Sec. 6.3. Of the funds appropriated in this act to the Contingency and
43 Emergency Fund, the sum of two hundred twenty-five thousand dollars (\$225,000) for

1 the 1995-96 fiscal year and the sum of two hundred twenty-five thousand dollars
2 (\$225,000) for the 1995-96 fiscal year shall be designated for emergency allocations,
3 which are for the purposes outlined in G.S. 143-23(a1)(3), (4), and (5). Nine hundred
4 thousand dollars (\$900,000) for the 1995-96 fiscal year and nine hundred thousand
5 dollars (\$900,000) for the 1996-97 fiscal year shall be designated for other allocations
6 from the Contingency and Emergency Fund.

7
8 Requested by: Representatives Holmes, Creech, Esposito

9 **AUTHORIZED TRANSFERS**

10 Sec. 6.4. The Director of the Budget may transfer to General Fund budget
11 codes from the General Fund salary adjustment appropriation, and may transfer to
12 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
13 amounts required to support approved salary adjustments made necessary by difficulties
14 in recruiting and holding qualified employees in State government. The funds may be
15 transferred only when the use of salary reserve funds in individual operating budgets is
16 not feasible.

17
18 Requested by: Representatives Holmes, Creech, Esposito

19 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

20 Sec. 6.5. All funds appropriated by this act into reserves may be expended
21 only for the purposes for which the reserves were established.

22
23 Requested by: Representatives Holmes, Creech, Esposito

24 **STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY**

25 Sec. 6.6. Each private, nonprofit entity eligible to receive State funds, either
26 by General Assembly appropriation, or by grant, loan, or other allocation from a State
27 agency, before funds may be disbursed to the entity, shall file with the disbursing agency
28 a notarized copy of that entity's policy addressing conflicts of interest that may arise
29 involving the entity's management employees and the members of its board of directors
30 or other governing body. The policy shall address situations where any of these
31 individuals may directly or indirectly benefit, except as the entity's employees or
32 members of the board or other governing body, from the entity's disbursing of State
33 funds, and shall include actions to be taken by the entity or the individual, or both, to
34 avoid conflicts of interest and the appearance of impropriety.

35
36 Requested by: Representatives Holmes, Creech, Esposito

37 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED**
38 **MOTOR VEHICLES**

39 Sec. 6.7. (a) Pursuant to the provisions of G.S. 14-250, for the 1995-97 fiscal
40 biennium, the General Assembly authorizes the use of private license tags on State-
41 owned motor vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
42 Motor Vehicles	43 License and Theft	97

1	Justice	SBI Agents	277
2	Correction	Probation/Parole Surveillance	
3		Officers (intensive	
4		probation)	25
5	Crime Control and		
6	Public Safety	ALE Officers	92

7 (b) The 92 ALE vehicles authorized by this section to use private license tags shall
8 be distributed as follows:

- 9 (1) 54 among Agent I officers;
- 10 (2) 20 among Agent II officers;
- 11 (3) 1 to the Deputy Director;
- 12 (4) 12 to the District Offices/Extra Vehicles; and
- 13 (5) 5 to the Director, to be distributed at the Director's discretion.

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

16
17 Requested by: Representatives Gardner, Hayes

18 **DISPOSITION OF DISPROPORTIONATE SHARE RECEIPTS**

19 Sec. 6.8. As it receives funds associated with Disproportionate Share
20 Payments from the State psychiatric hospitals, the Division of Medical Assistance shall
21 deposit funds appropriated for the Medicaid program in a sum equal to the federal share
22 of the Disproportionate Share Payments as nontax revenue. Any of these funds that are
23 not appropriated by the General Assembly shall be reserved by the State Controller for
24 future appropriation.

25
26 Requested by: Representative Nichols

27 **PROMPT STATE CHANGES FOLLOWING FEDERAL REGULATORY**
28 **CHANGES**

29 Sec. 6.9. Each agency shall monitor federal regulations that affect a program
30 administered by the agency. If a federal regulation that affects a program administered
31 by the agency is changed, the agency shall review its administrative rules adopted to
32 implement the program to determine if the agency needs to change its rules in response to
33 the change in the federal regulation.

34 If the agency's rules adopt the federal regulation by reference under G.S. 150B-
35 21.6 and the adoption by reference includes future changes to the federal regulation, no
36 agency action is needed. If the agency's rules do not adopt the federal regulation by
37 reference or they adopt it by reference but the reference does not include future changes,
38 the agency shall consider taking appropriate action to adopt a temporary rule under G.S.
39 150B-21.1 in response to the federal change.

40
41 Requested by: Representative Weatherly

1 **FAILURE TO INDICATE THE NUMBER OF COPIES PRINTED AND COST OF**
2 **STATE DOCUMENT SUBJECTS AGENCY TO PRINTING BUDGET**
3 **REDUCTION**

4 Sec. 6.10. G.S. 143-170.1 is amended by adding a new subsection to read:

5 "(a3) If an agency fails to comply with this section, then the agency's printing budget
6 for the fiscal year following the violation shall be reduced by ten percent (10 %)."

7
8 **PART 7. SALARIES AND BENEFITS**
9

10 Requested by: Representatives Holmes, Creech, Esposito

11 **SALARY RELATED CONTRIBUTIONS/EMPLOYERS**

12 Sec. 7.1. (a) Required employer salary-related contributions for employees whose
13 salaries are paid from department, office, institution, or agency receipts shall be paid
14 from the same source as the source of the employees' salaries. If an employee's salary is
15 paid in part from the General Fund or Highway Fund and in part from department, office,
16 institution, or agency receipts, required employer salary-related contributions may be
17 paid from the General Fund or Highway Fund only to the extent of the proportionate part
18 paid from the General Fund or Highway Fund in support of the salary of the employee,
19 and the remainder of the employer's requirements shall be paid from the source that
20 supplies the remainder of the employee's salary. The requirements of this section as to
21 source of payment are also applicable to payments on behalf of the employee for
22 hospital-medical benefits, longevity pay, unemployment compensation, accumulated
23 leave, workers' compensation, severance pay, separation allowances, and applicable
24 disability income and disability salary continuation benefits.

25 (b) Effective July 1, 1995, the State's employer contribution rates budgeted for
26 retirement and related benefits as a percentage of covered salaries for the 1995-96 fiscal
27 year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State
28 Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State Law
29 Enforcement Officers; (iii) nine and ten hundredths percent (9.10%) - University
30 Employees' Optional Retirement Program; (iv) twenty-two and sixty-five hundredths
31 percent (22.65%) - Consolidated Judicial Retirement System; and (v) thirty-six and seven
32 hundredths percent (36.07%) - Legislative Retirement System. Each of the foregoing
33 contribution rates includes two percent (2%) for hospital and medical benefits. The rate
34 for State Law Enforcement Officers includes five percent (5%) for the Supplemental
35 Retirement Income Plan. The rates for Teachers and State Employees, State Law
36 Enforcement Officers, and for the University Employees' Optional Retirement Program
37 includes fifty-two hundredths percent (0.52%) for the Disability Income Plan.

38 (c) The General Assembly authorizes the Board of Trustees of the Teachers' and
39 State Employees' Retirement System to adopt a fixed amortization period of nine years
40 for purposes of the unfunded accrued liability for the Retirement System.

41 (d) The maximum annual employer contributions, payable monthly, by the State
42 for each covered employee or retiree for the 1995-96 fiscal year and for the 1996-97
43 fiscal year to the Teachers' and State Employees' Comprehensive Major Medical Plan

1 are: (i) Medicare-eligible employees and retirees - one thousand three hundred twenty-
2 one dollars (\$1,321); and (ii) Non-Medicare-eligible employees and retirees - one
3 thousand seven hundred thirty-six dollars (\$1,736).

4 5 **PART 8. GENERAL ASSEMBLY**

6
7 Requested by: Representatives Ives, Lemmond

8 **BLUE RIBBON TASK FORCE ON EXECUTIVE BUDGET ACT REVISION**

9 Sec. 8. (a) There is established in the General Assembly a Blue Ribbon Task
10 Force on Executive Budget Act Revision. This task force shall study this State's and
11 other states' laws and policies.

12 (b) The Blue Ribbon Task Force on Executive Budget Act Revision shall be
13 composed of 12 members appointed as follows:

14 (1) Six members appointed by the Speaker of the House of Representatives,
15 three of whom shall be members of the House of Representatives at the
16 time of their appointment; and

17 (2) Six members appointed by the President Pro Tempore of the Senate,
18 three of whom shall be members of the Senate at the time of their
19 appointment.

20 The Speaker of the House of Representatives and the President Pro Tempore of
21 the Senate shall each select a legislative member from their appointments to serve as
22 cochair of the task force. Meetings shall be called at the will of the cochairs.

23 All members shall serve at the will of their appointing officer. Unless removed
24 or unless resigning, members shall serve until the task force has made its report.
25 Vacancies in membership shall be filled by the appropriate appointing officer.

26 (c) The Blue Ribbon Task Force on Executive Budget Act Revision may contract
27 for consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative
28 Services Commission, the Legislative Administrative Officer shall assign professional
29 and clerical staff to assist in the work of the task force. The professional staff shall
30 include the appropriate staff from the Fiscal Research, Research, and Legislative Drafting
31 Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall
32 be furnished to the task force through the offices of House of Representatives and Senate
33 Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne
34 by the task force. The task force may meet in the Legislative Building or the Legislative
35 Office Building upon the approval of the Legislative Services Commission. The task
36 force, while in the discharge of official duties, may exercise all the powers provided
37 under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to
38 request all officers, agents, agencies, and departments of the State to provide any
39 information and any data within their possession or ascertainable from their records, and
40 the power to subpoena witnesses.

41 Members of the task force shall receive per diem, subsistence, and travel
42 allowances as follows:

- 1 (1) Task force members who are members of the General Assembly, at the
2 rate established in G.S. 120-3.1;
- 3 (2) Task force members who are officials or employees of the State or of
4 local government agencies, at the rate established in G.S. 138-6; and
- 5 (3) All other task force members, at the rate established in G.S. 138-5.
- 6 (d) The Blue Ribbon Task Force shall report the results of its study to the 1995
7 General Assembly, Regular Session 1996, within a week of its convening. This report
8 shall include the full proposed revision of the State Executive Budget laws and policies as
9 prescribed in subsection (a) of this section, together with a detailed cost analysis.
- 10 (e) Of the funds appropriated to the General Assembly in this act, two hundred
11 thousand dollars (\$200,000) for the 1995-96 fiscal year shall be placed in a Reserve for
12 the Blue Ribbon Task Force on Executive Budget Act Revision, to fund the work of the
13 task force established by this section.

14
15 Requested by: Representatives Ives, Lemmond

16 **CONFIDENTIALITY OF REQUESTS FOR ASSISTANCE IN THE**
17 **PREPARATION OF FISCAL NOTES**

18 Sec. 8.1. (a) Article 17 of Chapter 120 of the General Statutes is amended by
19 adding a new section to read:

20 **"§ 120-131.1. Requests from legislative employees for assistance in the preparation**
21 **of fiscal notes.**

22 (a) A request made to an employee of a State agency other than the General
23 Assembly by an employee of the Fiscal Research Division for assistance in the
24 preparation of a fiscal note is confidential. An employee of a State agency other than the
25 General Assembly who receives such a request or who learns of such a request made to
26 another employee of his or her agency shall reveal the existence of the request only to
27 other employees of the agency to the extent that it is necessary to respond to the request,
28 and to the employee's supervisor and to the Office of State Budget and Management. All
29 documents prepared by the employee in response to the request of the Fiscal Research
30 Division are also confidential and shall be kept confidential in the same manner as the
31 original request.

32 (b) As used in this section, 'employee' means an employee or officer of a State
33 agency.

34 (c) Violation of this section shall be grounds for disciplinary action."

35 (b) This section becomes effective 30 days after ratification.

36
37 Requested by: Representatives Ives, Lemmond

38 **LRC STUDY TRANSFER OF ALL STATE VEHICLES TO MOTOR FLEET**
39 **MANAGEMENT**

40 Sec. 8.2. The Legislative Research Commission shall study the transfer of all
41 State vehicles to the Division of Motor Fleet Management, Department of
42 Administration.

1 The Legislative Research Commission may make an interim report, together
2 with any legislative recommendations, on this study to the 1995 General Assembly,
3 Regular Session 1996, and shall make a final report, together with any legislative
4 recommendations, to the 1997 General Assembly.

5
6 Requested by: Representatives Ives, Lemmond

7 **LRC STUDY CIVILIANIZATION**

8 Sec. 8.3. The Legislative Research Commission shall study the issue of
9 civilianization. This study shall include the recommendations made by the Government
10 Performance Audit Committee on civilianization to the 1993 General Assembly.

11 The Legislative Research Commission may make an interim report, including
12 any legislative recommendations, to the 1995 General Assembly, Regular Session 1996,
13 and shall make a final report, including any legislative recommendations, to the 1997
14 General Assembly.

15
16 Requested by: Representative Esposito

17 **SMART START INDEPENDENT EVALUATION/REPORT**

18 Sec. 8.4. From funds available to it, the Legislative Services Commission shall
19 contract for an independent evaluation of the Early Childhood Education and
20 Development Initiatives (Smart Start) program at the State and local levels.

21 The independent evaluation shall be completed by April 30, 1996, and shall be
22 reported to the 1995 General Assembly by May 15, 1996.

23 **PART 9. OFFICE OF THE GOVERNOR**

24
25
26 Requested by: Representatives Ives, Lemmond

27 **ELIMINATION OF THE OMBUDSMAN OFFICE IN THE OFFICE OF THE** 28 **GOVERNOR**

29 Sec. 9.2. The Office of Ombudsman in the Office of the Governor is
30 abolished. No appropriated State funds shall be used to reestablish this office.

31
32 Requested by: Representatives Mitchell, Weatherly

33 **HOME PROGRAM MATCHING FUNDS**

34 Sec. 9.3. (a) Funds appropriated in this act to the Housing Finance Agency for the
35 federal HOME Program shall be used to match federal funds appropriated for the HOME
36 Program. In allocating State funds appropriated to match federal HOME Program funds,
37 the Agency shall give priority to HOME Program projects, as follows:

- 38 (1) First priority to projects that are located in counties designated as
39 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
40 151.17(c); and
- 41 (2) Second priority to projects that benefit persons and families whose
42 incomes are fifty percent (50%) or less of the median family income for
43 the local area, with adjustments for family size, according to the latest

1 figures available from the U.S. Department of Housing and Urban
2 Development.

3 The Housing Finance Agency shall report to the Joint Legislative Commission
4 on Governmental Operations by April 1 of each year concerning the status of the HOME
5 Program and shall include in the report information on priorities met, types of activities
6 funded, and types of activities not funded.

7 (b) If the United States Congress changes the HOME Program such that matching
8 funds are not required for a given program year, then the Agency shall not spend the
9 matching funds appropriated under this act for that program year.

10 (c) Funds appropriated in this act to match federal HOME Program funds shall not
11 revert to the General Fund on June 30, 1996, or on June 30, 1997.

13 PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT

14
15 Requested by: Representatives Ives, Lemmond

16 LINE ITEM BUDGETING CONTINUED

17 Sec. 10. G.S. 143-11 reads as rewritten:

18 "§ 143-11. Survey of departments.

19 On or before the fifteenth day of December, biennially in the even-numbered years,
20 the Director shall make a complete, careful survey of the operation and management of
21 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
22 agencies and undertakings of the State and all persons or corporations who use or expend
23 State funds, in the interest of economy and efficiency, and of obtaining a working
24 knowledge upon which to base recommendations to the General Assembly as to
25 appropriations for maintenance and special funds and capital expenditures for the
26 succeeding biennium. If the Director and the Commission shall agree in their
27 recommendations for the budget for the next biennial period, he shall prepare their report
28 in the form of a proposed budget, together with such comment and recommendations as
29 they may deem proper to make. If the Director and Commission shall not agree in
30 substantial particulars, the Director shall prepare the proposed budget based on his own
31 conclusions and judgment, and the Commission or any of its members retain the right to
32 submit separately to the General Assembly such statement of disagreement and the
33 particulars thereof as representing their views. The budget report shall contain a complete
34 and itemized plan ~~in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5~~ of all
35 proposed expenditures for each State department, bureau, board, division, institution,
36 commission, State agency or undertaking, person or corporation who receives or may
37 receive for use and expenditure any State funds, in accordance with the classification of
38 funds and accounts adopted by the State Controller, and of the estimated revenues and
39 borrowings for each year in the ensuing biennial period beginning with the first day of
40 July thereafter. Opposite each line item of the proposed expenditures, the budget shall
41 show in separate parallel ~~columns the amount expended for the last preceding fiscal year,~~
42 ~~for the current fiscal year, and the increase or decrease.~~ columns:

43 (1) Proposed expenditures and receipts for each fiscal year of the biennium;

- 1 (2) The certified budget for the preceding fiscal year;
- 2 (3) The currently authorized budget for the preceding fiscal year;
- 3 (4) Actual expenditures and receipts for the most recent fiscal year for
4 which actual expenditure information is available; and
- 5 (5) Proposed increases and decreases.

6 Revenue and expenditure information shall be no less specific than the two-digit level in
7 the State Accounting System Chart of Accounts as prescribed by the State Controller.

8 The budget shall clearly differentiate between general fund expenditures for operating
9 and maintenance, special fund expenditures for any purpose, and proposed capital
10 improvements.

11 The Director shall accompany the budget with:

- 12 (1) A budget message supporting his recommendations and outlining a
13 financial policy and program for the ensuing biennium. The message
14 will include an explanation of increase or decrease over past
15 expenditures, a discussion of proposed changes in existing revenue laws
16 and proposed bond issues, their purpose, the amount, rate of interest,
17 term, the requirements to be attached to their issuance and the effect
18 such issues will have upon the redemption and annual interest charges
19 of the State debt.
- 20 (2) State Controller reports including:
 - 21 a. An itemized and complete financial statement for the State at the
22 close of the last preceding fiscal year ending June 30.
 - 23 b. A statement of special funds.
- 24 (2a) A statement showing the itemized estimates of the condition of the State
25 treasury as of the beginning and end of each of the next two fiscal years.
- 26 (3) A report on the fees charged by each State department, bureau, division,
27 board, commission, institution, and agency during the previous fiscal
28 year, the statutory or regulatory authority for each fee, the amount of the
29 fee, when the amount of the fee was last changed, the number of times
30 the fee was collected during the prior fiscal year, and the total receipts
31 from the fee during the prior fiscal year.
- 32 (4) A statement showing the State Board of Education's request, in
33 accordance with G.S. 115C-96, for sufficient funds to provide textbooks
34 to public school students.
- 35 (5) A proposal for expenditure of the funds in the Repairs and Renovations
36 Reserve Account, which is established in G.S. 143-15.3A. The Director
37 shall consider the data from the Facilities Condition and Assessment
38 Program in the Office of State Construction when establishing priorities
39 for the proposed expenditure of these funds.
- 40 (6) Statements of the objections of members of the Council of State
41 received pursuant to G.S. 143-10.3(b) to the performance measures,
42 departmental operations plans, and indicators of program impact
43 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.

1 (7) A list of the budget requests of members of the Council of State that are
2 not included in the proposed budget.

3 It shall be a compliance with this section by each incoming Governor, at the first
4 session of the General Assembly in his term, to submit the budget report with the
5 message of the outgoing Governor, if he shall deem it proper to prepare such message,
6 together with any comments or recommendations thereon that he may see fit to make,
7 either at the time of the submission of the said report to the General Assembly, or at such
8 other time, or times, as he may elect and fix.

9 The function of the Advisory Budget Commission under this section applies only if
10 the Director of the Budget consults with the Commission in preparation of the budget."
11

12 Requested by: Representatives Ives, Lemmond

13 **ANALYSIS OF STATE GOVERNMENT ADMINISTRATIVE SPAN OF** 14 **CONTROL**

15 Sec. 10.1. The Office of State Budget and Management shall review and
16 analyze the administrative span of control, or the ratio of supervisors to those supervised,
17 exercised throughout State government, except for the Community College System and
18 The University of North Carolina, to determine the average span of control, and to
19 determine what the appropriate average should be. In this review, the Office of State
20 Budget and Management shall consider the study produced for the 1993 General
21 Assembly by the Government Performance Audit Committee on the issue of
22 administrative span of control.

23 The Office of State Budget and Management shall report the results of this
24 review, together with any recommendations, to the 1995 General Assembly, Regular
25 Session 1996, within one week of its convening.
26

27 Requested by: Representatives Ives, Lemmond

28 **REVIEW OF DEPARTMENT FORMS AND REPORTS**

29 Sec. 10.2. Article 1 of Chapter 143 of the General Statutes, the Executive
30 Budget Act, is amended by adding a new section to read:

31 **"§ 143-10.7. Review of department forms and reports.**

32 The Director, through the Office of State Budget and Management, shall review on
33 three-year cycles all internal and external forms and reports in use by State departments
34 and institutions to confirm whether these forms and reports continue to be needed. If,
35 during the review process, it is determined that these forms and reports are no longer
36 necessary, or that they duplicate other forms or reports either in whole or in part, the
37 Director shall have these forms and reports modified or eliminated. All departments shall
38 provide the Director with copies of all forms and reports used, together with any
39 additional information necessary for the review of these reports."
40

41 Requested by: Representatives Ives, Lemmond

42 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM PILOT**

1 Sec. 10.3. The Office of State Budget and Management may establish a pilot
2 program, which shall be known as the Workers' Compensation Cost Containment
3 Program, to reduce the cost to State government of workers' compensation claims filed
4 by State employees. The Office of State Budget and Management shall, after
5 consultation with the Office of State Personnel, choose, by a process of competitive
6 bidding, a third-party administrator to manage claims processing. Services provided by
7 the third-party administrator shall include determination of compensability and related
8 questions, incident reporting analysis, incident investigation, medical case management,
9 disability management, and information management. Reimbursement to the third-party
10 administrator shall be determined as a percentage of realized savings, calculated
11 according to a methodology established by the Office of State Budget and Management.
12 The Director of the Budget shall select agencies to participate in the pilot program and
13 may transfer lapsed salary funds from the salary accounts of participating agencies to a
14 Workers' Compensation Reserve Fund established in the Office of State Budget and
15 Management for the purpose of paying workers' compensation claims of employees of
16 the participating agencies.

17 On or before April 1, 1996, the Office of State Budget and Management, after
18 consultation with the Office of State Personnel, shall submit to the General Assembly a
19 report setting forth the status of the program, the results achieved, and recommendations
20 for any further action by the General Assembly as may be required.

21
22 Requested by: Representatives Mitchell, Weatherly

23 **OSBM STUDY STATE-OWNED AIRCRAFT**

24 Sec. 10.4. The Office of State Budget and Management shall study the use of
25 State-owned aircraft and shall report the results of its study to the Joint Legislative
26 Commission on Governmental Operations on or before April 1, 1996. The study shall
27 include consideration of the following:

- 28 (1) For each Department, the number and type of aircraft, the number of
29 pilots, and the number and type of support personnel for aircraft.
- 30 (2) For each Department, the budget for aircraft, the source of funding for
31 aircraft, the number of hours the aircraft is available, and the number of
32 hours the aircraft is used.
- 33 (3) The feasibility and desirability of consolidating any or all State-owned
34 aircraft operations.
- 35 (4) The feasibility and desirability of sharing of aircraft by Departments.
- 36 (5) The feasibility and desirability of Departments' contracting for aircraft
37 services rather than owning their own aircraft.
- 38 (6) Compilation and review of Departments' policies regarding authorized
39 passengers on the aircraft and which Departmental personnel is
40 responsible for determining which passengers are authorized.

41
42 Requested by: Representatives Holmes, Creech, Esposito

43 **DOWNSIZING GOVERNMENT EXPENDITURES REPORT**

1 Sec. 10.5. (a) The Office of State Budget and Management shall report any direct
2 and any indirect expenditures incurred since July 1, 1994, that are related to the
3 downsizing of State government to the Joint Legislative Commission on Governmental
4 Operations by September 30, 1995.

5 (b) Expenditures reported on shall include payment for accumulated leave,
6 severance pay, moving expenses for employment at another State government agency,
7 and expenses or referral services performed by the Office of State Personnel and the
8 Employment Security Commission.

9 (c) In addition to the report required by subsection (a) of this section, the Office of
10 State Budget and Management shall present to the 1995 General Assembly by May 1,
11 1996, documentation of all expenditures defined in subsections (a) and (b) of this section
12 and identification of the funding sources in both the 1994-95 fiscal year and the 1995-96
13 fiscal year for all these expenditures.

14 15 **PART 11. DEPARTMENT OF ADMINISTRATION**

16
17 Requested by: Representatives Ives, Lemmond

18 **DOMESTIC VIOLENCE PROGRAMS**

19 Sec. 11. All grantees receiving Domestic Violence grants from the Department
20 of Administration shall meet the financial statement filing requirements of G.S. 143-6.1,
21 regardless of the amount of their grants.

22
23 Requested by: Representatives Ives, Lemmond

24 **TRANSFER EXECUTIVE MANSION CURATOR FROM DEPARTMENT OF** 25 **ADMINISTRATION TO THE DEPARTMENT OF CULTURAL RESOURCES**

26 Sec. 11.1. The position of Executive Mansion Curator (position number 4129-
27 0101-0006-125) is transferred from the Department of Administration to the Department
28 of Cultural Resources. This transfer will permit the Department of Cultural Resources to
29 better maintain the historical personal properties of the Executive Mansion. This
30 provision does not affect, in any way, the jurisdiction of the Department of
31 Administration over the Executive Mansion and its grounds.

32
33 Requested by: Representatives Ives, Lemmond

34 **ABOLISH NORTH CAROLINA ALLIANCE FOR COMPETITIVE** 35 **TECHNOLOGIES**

36 Sec. 11.2. The North Carolina Alliance For Competitive Technologies
37 (NCACTS), created by Executive Order No. 63 on September 26, 1994, is abolished.

38
39 Requested by: Representatives Justus, Thompson

40 **STUDY OF REPLACEMENT OF MOTOR VEHICLES**

41 Sec. 11.3. The Department of Administration shall study the obsolescence and
42 replacement of motor vehicles, including those used by law enforcement agencies, to
43 determine the optimal replacement time. The replacement time shall be stated as optimal

1 mileage or cost of operating the vehicle. The Department shall include safety and
2 efficiency of motor vehicle operations as an integral part of the study. The Department
3 shall report its findings and recommendations to the General Assembly by March 1,
4 1996.

6 PART 12. DEPARTMENT OF CULTURAL RESOURCES

8 Requested by: Representatives Lemmond, Ives

9 REVIEW PLANS FOR STATE HISTORIC SITES REQUESTING STATE FUNDS

10 Sec. 12. G.S. 121-12 reads as rewritten:

11 "§ 121-12. North Carolina Historical Commission.

12 (a) Protection of Properties on National Register. – It shall be the duty of the
13 Historical Commission, meeting at such times and according to such procedures as it
14 shall by rule prescribe, to provide an advisory and coordinative mechanism in and by
15 which State undertakings of every kind that are potentially harmful to the cause of
16 historic preservation within the State may be discussed, and where possible, resolved,
17 giving due consideration to the competing public interests that may be involved. To this
18 end, the head of any State agency having direct or indirect jurisdiction over a proposed
19 State or state-assisted undertaking, or the head of any State department, board,
20 commission, or independent agency having authority to build, construct, operate, license,
21 authorize, assist, or approve any State or state-assisted undertaking, shall, prior to the
22 approval of any State funds for the undertaking, or prior to any approval, license, or
23 authorization, as the case may be, take into account the effect of the undertaking on any
24 district, site, building, structure, or object that is listed in the National Register of Historic
25 Places established pursuant to Public Law 89-665, 16 U.S.C. 470.

26 Where, in the judgment of the Commission, an undertaking will have an effect upon
27 any listed district, site, building, structure, area, or object, the head of the appropriate
28 State agency shall afford the Commission a reasonable opportunity to comment with
29 regard to such undertaking.

30 The Historical Commission shall act with reasonable diligence to insure that all State
31 departments, boards, commissions, or agencies potentially affected by the provisions of
32 this section be kept currently informed with respect to the name, location, and other
33 significant particulars of any district, site, building, structure, or object listed or placed
34 upon the National Register of Historic Places. Each affected State department or agency
35 shall furnish, either upon its own initiative or at the request of the Historical Commission
36 such information as may reasonably be required by the Commission for the proper
37 implementation of this section.

38 (b) Criteria for State Historic Properties. – The Commission shall prepare and
39 adopt criteria for the evaluation of State historic sites and all other real and personal
40 property which it may consider to be of such historic, architectural, archaeological, or
41 cultural importance as would justify the acquisition and ownership thereof by the State of
42 North Carolina, or for the extension of any assistance or aid thereto by the State, acting
43 by itself or in connection with any county, city, corporation, organization, or individual.

1 The Commission shall cooperate to the fullest practical extent with any local historical
2 organization and with any city or county historic district properties commission. In
3 evaluating whether a building should be a State historic site, the Commission shall
4 request and review plans for the use and maintenance of the building.

5 (c) Criteria for State Aid to Historic Properties. – The Commission shall also
6 prepare and adopt criteria for the evaluation of all properties of historic or archaeological
7 importance owned by, under option to, or being considered for acquisition by a county,
8 city, historic properties commission, or other organization or individual for which State
9 aid or assistance is requested from the Department of Cultural Resources. The
10 Commission shall investigate, evaluate, and prepare a written report on all historic or
11 archaeological property for which State aid or appropriations to be administered by the
12 Department of Cultural Resources are proposed. If the property is a building, the
13 Commission shall request and review the plans for the use, maintenance, operation, and
14 purpose of the building and shall comment on the feasibility of the plans in the written
15 report. This report, which shall be filed as a matter of record in the custody of the
16 Department of Cultural Resources, shall set forth the following opinions or
17 recommendations of the Commission:

- 18 (1) Whether the property is historically authentic;
- 19 (2) Whether it is of such educational, historical, or cultural significance as
20 to be essential to the development of a balanced State program of
21 historic and archaeological sites and properties;
- 22 (3) The estimated total cost of the project under consideration and the
23 apportionment of said cost among State and nonstate sources;
- 24 (4) Whether practical plans have been or can be developed for the funding
25 of the nonstate portion of the costs;
- 26 (5) Whether practical plans have been developed for the continued staffing,
27 maintenance and operation of the property without State assistance;
- 28 (6) Such further comments and recommendations
29 that the Commission may make.

30 (c1) Criteria for State Aid to Historical Museums. – The Commission shall also
31 prepare and adopt criteria for the evaluation of all interpretive, security or climate control
32 programs or projects to be installed in nonprofit history museums for which State aid or
33 assistance is requested from the Department of Cultural Resources. The Commission
34 shall investigate, evaluate, and prepare a written report on all interpretive, security, or
35 climate control programs or projects for which State appropriations to be administered by
36 the Department of Cultural Resources are proposed. This report, which shall be filed as a
37 matter of record in the custody of the Department of Cultural Resources, shall set forth
38 the following opinions or recommendations of the Commission:

- 39 (1) The statewide educational significance and the
40 qualitative level of the program or project and whether the program or project
41 is essential to the development of a State program of historical
42 interpretation;
- 43 (2) The local or regional need for such a program or project;

- 1 (3) The estimated total cost of the program or project under consideration
2 and the apportionment of said cost among State and nonstate sources;
3 (4) Whether practical plans have been or can be developed for the funding
4 of the nonstate portions of the costs;
5 (5) Whether practical plans have been developed for the continued staffing,
6 maintenance, and operating of the museum without State assistance; and
7 (6) Such further comments and recommendations
8 that the Commission may make.

9 (d) Commission to Furnish Recommendations to Legislative Committees. – The
10 Commission through the Department of Cultural Resources shall furnish as soon as
11 practicable to the chairman of each legislative committee to which is referred any bill
12 seeking an appropriation of State funds to the Department of Cultural Resources for the
13 purpose of acquiring, preserving, restoring, or operating, or otherwise assisting, any
14 property having historic, archaeological, architectural, or other cultural value or
15 significance, and to the chairman of each legislative committee to which is referred any
16 bill seeking an appropriation of State funds to the Department of Cultural Resources for
17 the purpose of assisting a history museum, at least five copies of a report on the findings
18 and recommendations of the Commission relating to such property."
19

20 Requested by: Representatives Ives, Lemmond

21 **NUMBER OF ARTS COUNCIL POSITIONS REDUCED/REPORT**

22 Sec. 12.1. The Department of Cultural Resources shall identify eight positions
23 to be eliminated from the Arts Council Division and shall report those positions by
24 number and title to the Office of State Budget and Management and to the Fiscal
25 Research Division by June 30, 1995.
26

27 Requested by: Representatives Ives, Lemmond

28 **REPEAL ART WORKS IN STATE BUILDINGS REQUIREMENT**

29 Sec. 12.2. Article 47A of Chapter 143 of the General Statutes is repealed.
30

31 Requested by: Representatives Ives, Lemmond

32 **NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES 33 REDUCED/REPORT**

34 Sec. 12.3. The Department of Cultural Resources shall identify positions to be
35 eliminated in the Department and shall report those positions by number and title to the
36 Office of State Budget and Management and to the Fiscal Research Division by May 31,
37 1995.
38

39 Requested by: Representative Ellis

40 **ARTS COUNCIL GRANTS**

41 Sec. 12.4. Arts Council grants that are to be used for artworks shall include as
42 a term of the grant that the artwork created with the grant funds shall not be displayed or
43 performed in a publicly funded facility if the governing body of the community that

1 would have zoning jurisdiction over the facility objects by resolution to the display or
2 performance of the artwork in that community.

3
4 Requested by: Representative Creech

5 **NORTH CAROLINA SYMPHONY ADDITIONAL PRIVATE SECTOR**
6 **FUNDING**

7 Sec. 12.5. The General Assembly recognizes and encourages the North
8 Carolina Symphony's trend of reducing its percentage of State appropriations from
9 seventy percent (70%) to forty percent (40%) of its operating budget in the period from
10 1984 to 1994. The General Assembly shall continue funding the North Carolina
11 Symphony for the 1995-97 fiscal biennium at the level funded for the 1993-95 fiscal
12 biennium, provided that the North Carolina Symphony raises an additional one hundred
13 thousand dollars (\$100,000) each year of the 1995-97 biennium. If this goal is not
14 achieved in a given fiscal year, the North Carolina Symphony shall revert one hundred
15 thousand dollars (\$100,000) of State appropriations to the General Fund by June 30 of
16 that year.

17
18 **PART 13. DEPARTMENT OF INSURANCE**

19
20 Requested by: Representatives Ives, Lemmond

21 **UNBUDGETED INSURANCE RECEIPTS REVERT TO GENERAL FUND**

22 Sec. 13. Departmental receipts realized by the Department of Insurance in
23 excess of amounts approved for expenditure by the General Assembly, as adjusted by the
24 Office of State Budget and Management to reflect the distribution of statewide reserves,
25 shall revert to the General Fund at the end of each fiscal year.

26
27 Requested by: Representatives Ives, Lemmond

28 **TRANSFER CONSUMER PROTECTION FUND TO THE DEPARTMENT OF**
29 **JUSTICE**

30 Sec. 13.1. G.S. (a) 58-2-215 reads as rewritten:

31 **"§ 58-2-215. Consumer Protection Fund.**

32 (a) A special fund is created in the Office of the State Treasurer, to be known as
33 the ~~Department of Insurance~~ Consumer Protection Fund. The Fund shall be placed in an
34 interest bearing account and any interest or other income derived from the Fund shall be
35 credited to the Fund. Moneys in the Fund shall only be spent pursuant to warrants drawn
36 by the ~~Commissioner~~ Attorney General on the Fund through the State Treasurer. The
37 Fund shall be subject to the provisions of the Executive Budget Act; except that the
38 provisions of Article 3C of Chapter 143 of the General Statutes do not apply to
39 subdivision (b)(1) of this section.

40 (b) All moneys credited to the Fund shall be used only to pay the following
41 expenses incurred by the ~~Department~~ Attorney General on behalf of the Department of
42 Insurance:

- 1 (1) For the purpose of retaining outside actuarial and economic consultants,
2 legal counsel, and court reporting services in the review and analysis of
3 rate filings, in conducting all hearings, and through any final
4 adjudication.
- 5 (2) In connection with any delinquency proceeding under Article 30 of this
6 Chapter, for the purpose of locating and recovering the assets of or any
7 other obligations or liabilities owed to or due an insurer that has been
8 placed under such proceeding.
- 9 (3) In connection with any civil litigation, other than under Chapter 150B of
10 the General Statutes or any appeal from an order of the Commissioner
11 or his deputies, that is commenced against the Commissioner or his
12 deputies and that arises out of the performance of their official duties,
13 for the purpose of retaining outside consultants, legal counsel, and court
14 reporting services to defend such litigation.

15 (c) Moneys appropriated by the General Assembly shall be deposited in the Fund
16 and shall become a part of the continuation budget of the Department of ~~Insurance~~
17 Justice. Such continuation budget amount shall equal the actual expenditures drawn from
18 the Fund during the prior fiscal year plus the official inflation rate designated by the
19 Director of the Budget in the preparation of the State Budget for each ensuing fiscal year;
20 provided that if interest income on the Fund exceeds the amount yielded by the
21 application of the official inflation rate, such continuation budget amount shall be the
22 actual expenditures drawn from the Fund. In the event the amount in the Fund exceeds
23 one million dollars (\$1,000,000) at the end of any fiscal year, such excess shall revert to
24 the General Fund.

25 (d) In no event shall more than seventy percent (70%) of the amount in the Fund
26 be allocated or spent for any one purpose specified in subsection (b) of this section in any
27 fiscal year."

28 (b) Section 31 of Chapter 1069 of the 1989 Session Laws, Regular Session
29 1990, reads as rewritten:

30 "Sec. 31. Section 23 of this act does not apply to the 1990 automobile rate filing
31 made pursuant to Article 36 of Chapter 58 of the General Statutes. Section 27 of this act
32 shall expire at the end of the 1993-94 fiscal year and Section 28 shall become effective
33 upon the expiration of Section 27. ~~If the General Assembly does not appropriate or~~
34 ~~transfer funds in accordance with Sections 1, 22, 26, 27, or 28 of this act for a fiscal year,~~
35 ~~Sections 1 through 14 and Sections 23 through 30 of this act shall expire on the day after~~
36 ~~the General Assembly adjourns without making the appropriations or transfers; and the~~
37 ~~statutes amended by Sections 2 through 14, 23, and 26 shall read as they did immediately~~
38 ~~prior to the effective date of this act."~~

39 (c) Subsection (b) of this section becomes effective June 30, 1995.

40
41 Requested by: Representatives Ives, Lemmond

42 **CONTINUATION OF FINANCIAL AUDIT OF THE DEPARTMENT OF**
43 **INSURANCE**

1 Sec. 13.2. Of the funds appropriated in this act to the General Assembly, the
2 sum of one hundred fifty thousand dollars (\$150,000) for the 1995-96 fiscal year shall be
3 used to continue the independent financial audit of the Department of Insurance
4 contracted pursuant to Section 9 of Chapter 769 of the 1993 Session Laws. The audit
5 shall be conducted in accordance with the auditing standards set forth in Government
6 Auditing Standards. The audit shall be completed on or before January 15, 1996.

7 8 **PART 14. STATE BOARD OF ELECTIONS**

9
10 Requested by: Representatives Ives, Lemmond

11 **COMPETITIVE BIDS FOR PRINTING AND DISTRIBUTING BALLOTS**

12 Sec. 14. G.S. 163-136(b)(3) reads as rewritten:

13 "(3) For all elections, primaries, and referenda not specified in the two
14 preceding subdivisions, by the State Board of Elections, at the expense
15 of the State.

16 Provided, that the State Board of Elections, in its discretion, may
17 direct some or all counties to print the ballots required by this
18 subdivision under the supervision of the State Board of Elections. If the
19 State Board of Elections prints and distributes the ballots required by
20 this subdivision at the expense of the State, the State Board shall ~~have~~
21 ~~the authority to negotiate for the ballots to be printed and distributed on~~
22 ~~a regional or centralized basis, and the State Board shall be exempt from~~
23 ~~securing competitive bids~~ establish contracts through competition
24 pursuant to Article 3 of Chapter 143 of the General Statutes for printing
25 and distribution of all ballots, abstracts and precinct return forms."
26

27 **PART 15. COLLEGES AND UNIVERSITIES**

28
29 Requested by: Representatives Grady, Preston

30 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE**

31 Sec. 15. (a) Funds appropriated in this act to the Board of Governors of The
32 University of North Carolina for aid to private colleges shall be disbursed in accordance
33 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to
34 five hundred fifty dollars (\$550.00) per full-time equivalent North Carolina
35 undergraduate student enrolled at a private institution as of October 1 each year.

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

42 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
43 to all other financial assistance made available to private educational institutions located

1 within the State, or to students attending these institutions, there is granted to each full-
2 time North Carolina undergraduate student attending an approved institution as defined in
3 G.S. 116-22, a sum, not to exceed one thousand two hundred fifty dollars (\$1,250) per
4 academic year, which shall be distributed to the student as hereinafter provided.

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

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

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

22 (1) The Board of Governors of The University of North Carolina, with the
23 approval of the Office of State Budget and Management, may transfer
24 available funds to meet the needs of the programs provided by
25 subsections (a) and (b) of this section; and

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

29 Any remaining funds shall revert to the General Fund.

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

32
33 Requested by: Representatives Grady, Preston

34 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**
35 **FORMULA**

36 Sec. 15.1. Funds appropriated in this act to the Board of Governors of The
37 University of North Carolina for continuation of financial assistance to the medical
38 schools of Duke University and Wake Forest University shall be disbursed on
39 certifications of the respective schools of medicine that show the number of North
40 Carolina residents as first-year, second-year, third-year, and fourth-year students in each
41 medical school as of November 1, 1995, and November 1, 1996. Disbursement to Wake
42 Forest University shall be made in the amount of eight thousand dollars (\$8,000) for each
43 medical student who is a North Carolina resident, one thousand dollars (\$1,000) of which

1 shall be placed by the school in a fund to be used to provide financial aid to needy North
2 Carolina students who are enrolled in the medical school. The maximum aid given to any
3 student from this fund in a given year may not exceed the amount of the difference in
4 tuition and academic fees charged by the school and those charged at the School of
5 Medicine at the University of North Carolina at Chapel Hill.

6 Disbursement to Duke University shall be made in the amount of five thousand
7 dollars (\$5,000) for each medical student who is a North Carolina resident, five hundred
8 dollars (\$500.00) of which shall be placed by the school in a fund to be used to provide
9 student financial aid to financially needy North Carolina students who are enrolled in the
10 medical school. No individual student may be awarded assistance from this fund in
11 excess of two thousand dollars (\$2,000) each year. In addition to this basic disbursement
12 for each year of the biennium, a disbursement of one thousand dollars (\$1,000) shall be
13 made for each medical student who is a North Carolina resident in the first-year, second-
14 year, third-year, and fourth-year classes to the extent that enrollment of each of those
15 classes exceeds 30 North Carolina students.

16 The Board of Governors shall establish the criteria for determining the
17 eligibility for financial aid of needy North Carolina students who are enrolled in the
18 medical schools and shall review the grants or awards to eligible students. The Board of
19 Governors shall adopt rules for determining which students are residents of North
20 Carolina for the purposes of these programs. The Board shall also make any regulations
21 as necessary to ensure that these funds are used directly for instruction in the medical
22 programs of the schools and not for religious or other nonpublic purposes. The Board
23 shall encourage the two schools to orient students towards primary care, consistent with
24 the directives of G.S. 143-613(a), and the Board shall require the cooperation of the two
25 schools in complying with G.S. 143-613(d).

26
27 Requested by: Representatives Grady, Preston

28 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES/LEGISLATIVE**
29 **TUITION GRANT LIMITATIONS**

30 Sec. 15.2. (a) No Legislative Tuition Grant funds shall be expended for a program
31 at an off-campus site of a private institution, as defined in G.S. 116-22(1), established
32 after May 15, 1987, unless (i) the private institution offering the program has previously
33 notified and secured agreement from other private institutions operating degree programs
34 in the county in which the off-campus program is located or operating in the counties
35 adjacent to that county or (ii) the degree program is neither available nor planned in the
36 county with the off-campus site or in the counties adjacent to that county.

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

39 (b) Any member of the armed services as defined in G.S. 116-143.3(a), abiding
40 in this State incident to active military duty, who does not qualify as a resident for tuition
41 purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition Grant
42 pursuant to this section if the member is enrolled as a full-time student. The member's

1 Legislative Tuition Grant shall not exceed the cost of tuition less any tuition assistance
2 paid by the member's employer.

3
4 Requested by: Representatives Grady, Preston

5 **EQUITY OF FUNDING**

6 Sec. 15.3. The Commission on the Quality of Education in The University of
7 North Carolina reported to the General Assembly that the funding system for
8 appropriations to each campus for continuing operations, which constitutes the majority
9 of General Fund support to higher education, is not based on identifiable criteria that are
10 measurable or that allow comparisons of adequacy of funding among the 16 campuses.

11 The Board of Governors of The University of North Carolina shall review the
12 equity of the continuation budget funding system, and the equity of its methods of
13 distributing the lump-sum expansion funds appropriated by the General Assembly. The
14 Board of Governors shall assess the criteria that should be used in deriving an equitable
15 funding system, such as comparisons of funding at like institutions, such factors as size of
16 student body, the costs of the programs offered by each campus, the level of the student
17 body (lower division, upper division, graduate), the resources required to meet the early
18 college needs of entering students based on their relative preparations for college success,
19 and any other factors deemed by the Board of Governors to be relevant to assuring
20 successful student outcomes. In carrying out this review, the Board of Governors shall
21 consult with the Office of State Budget and Management.

22 After its review, the Board of Governors shall propose a system of funding to
23 the General Assembly which uses identifiable criteria which are based on educationally
24 and financially sound principles. If the Board of Governors recommends changes in the
25 current funding system, it shall also propose a plan and schedule for moving to the
26 recommended system. The Board of Governors shall report its progress to the Joint
27 Legislative Education Oversight Committee by January 31, 1996, and shall report its final
28 findings and recommendations to the Joint Legislative Education Oversight Committee
29 and the House and Senate Appropriations Subcommittees on Education by April 15,
30 1996.

31
32 Requested by: Representatives Grady, Preston

33 **FULL-TIME EQUIVALENT STUDENTS (FTE)**

34 Sec. 15.4. The Board of Governors of The University of North Carolina shall
35 consider alternative approaches to funding University undergraduate and graduate
36 enrollment, including the current funding of full-time equivalent students based on 12
37 semester hours annually for undergraduates, increasing this level to 15 semester hours
38 annually, which would be consistent with graduating in four years, or funding the
39 University on the basis of student credit hours rather than on full-time equivalent
40 enrollment. The Board of Governors shall report its progress to the Joint Legislative
41 Education Oversight Committee by January 31, 1996, and shall make its final
42 recommendations regarding changes on enrollment funding to the Joint Legislative

1 Education Oversight Committee and the House and Senate Appropriations
2 Subcommittees on Education by April 15, 1996.

3
4 Requested by: Representatives Grady, Preston

5 **EDUCATIONAL OPPORTUNITY**

6 Sec. 15.5. The Board of Governors of The University of North Carolina shall
7 consider different funding approaches to meeting the needs of an increasing pool of high
8 school graduates, as well as adult learners unable to return to a university campus for
9 additional education. Such methods as funding additional credit hours above the current
10 levels for summer school and for off-campus degree programs on a basis more
11 comparable to the current regular term funding, the application of distance learning
12 technologies, collaboration with the community colleges and the private colleges in the
13 State, and other possibilities should be explored by the Board. The study shall consider
14 the increased utilization of campus facilities, and it shall consider the use of financial
15 resources and financial incentives to provide additional higher education opportunities at
16 off-campus locations. The Board of Governors shall recommend a plan to provide for
17 additional educational opportunities in the summer and at off-campus locations across the
18 State, including any funding mechanisms necessary to accomplish these goals.

19 The Board of Governors shall report its progress to the Joint Legislative
20 Education Oversight Committee by January 31, 1996, and shall make a final report of its
21 findings and recommendations to the Joint Legislative Education Oversight Committee
22 and the House and Senate Appropriations Subcommittees on Education by April 15,
23 1996.

24
25 Requested by: Representatives Grady, Preston

26 **INCENTIVE FUNDING**

27 Sec. 15.6. The Commission on the Quality of Education in The University of
28 North Carolina reported to the General Assembly that the perceived ability of the General
29 Assembly to initiate policy change in the University had diminished with the use of
30 budget management flexibility statutes enacted in 1991. While the statutes are a good
31 management tool for the campuses, specific benchmarks for change are not tied to new
32 funding, and new funds may be shifted to other purposes based on campus priorities.

33 The Board of Governors of The University of North Carolina shall study
34 various methods to provide funding incentives for the campuses when they accomplish
35 specifically stated performance goals in the improvement of the quality of undergraduate
36 education as enacted by the General Assembly. As a part of this study, the Board of
37 Governors of The University of North Carolina shall consider whether the ability of the
38 campuses to retain some portion of their reversions each year under current management
39 flexibility statutes should be tied to specific institutional gains toward prestated student
40 performance goals.

41 If the Board of Governors finds that incentive funding could be a positive
42 element in the higher education funding system in North Carolina, the Board of
43 Governors shall recommend a model for a proposed system of incentive funding to the

1 Joint Legislative Education Oversight Committee and the House and Senate
2 Appropriations Subcommittees on Education by April 15, 1996. A monitoring system to
3 provide an evaluation of performance back to the Board of Governors and to the General
4 Assembly shall be a part of any proposal. The Board may propose such a model in its
5 future budget proposals to the Governor and the General Assembly.

6
7 Requested by: Representatives Grady, Preston

8 **EPA NONTEACHING REDUCTIONS**

9 Sec. 15.7. The Board of Governors of The University of North Carolina shall
10 require each campus or other entity to provide a list of all nonteaching positions or other
11 nonpersonnel categories to be eliminated by this act to the General Assembly by May 15,
12 1995. In preparing their lists, the constituent institutions shall reduce midlevel
13 management positions, and shall avoid eliminating faculty of the Institute of
14 Government, librarians, student advisors, financial aid counselors, and other positions
15 which provide direct services to students, to the extent possible. In order to minimize the
16 disruption of services, the University may reduce personnel positions exempt from the
17 State Personnel Act (EPA) or may reduce nonpersonnel budgetary items.

18
19 Requested by: Representatives Grady, Preston

20 **CONTINUING EDUCATION UNC-CH HEALTH AFFAIRS**

21 Sec. 15.8. The University of North Carolina at Chapel Hill Health Affairs shall
22 charge continuing education fees that are reasonably expected to cover a higher
23 percentage of the costs of those professional programs. Health care professionals in those
24 areas that are likely to generate substantial revenue or clientele shall pay a higher
25 proportion of costs for continuing education.

26
27 Requested by: Representatives Grady, Preston

28 **FACULTY PRODUCTIVITY**

29 Sec. 15.9. The General Assembly has reduced the base budgets of selected
30 constituent institutions of The University of North Carolina by a percentage of teaching
31 faculty in an effort to emphasize the primary teaching mission of the University by
32 reducing the time available for other activities. Each campus may use an amount
33 equivalent to the budget reduction for this purpose to provide salary increases to those
34 members of the teaching faculty who increase their teaching responsibilities. The
35 constituent institutions are encouraged to provide extra incentives to faculty who agree to
36 increase undergraduate teaching responsibilities.

37 The Board of Governors shall design and implement a system to monitor
38 faculty teaching workloads on the campuses of the constituent institutions.

39 The Board of Governors may, upon the request of any of the five constituent
40 institutions not affected by this reduction, approve a plan to reduce faculty positions and
41 use the salary funds then freed up to provide salary increases to teaching faculty who
42 agree to increase their undergraduate teaching responsibilities. The Board of Governors

1 shall approve such a plan only if the Board of Governors is satisfied that the proposed
2 plan would enhance the quality of undergraduate education at the requesting institution.

3 The Board of Governors shall report on the implementation of this section to
4 the Joint Legislative Education Oversight Committee by December 1, 1995.

5
6 Requested by: Representatives Grady, Preston

7 **STUDY POTENTIAL COST SAVINGS TO UNC THROUGH PRIVATIZATION**
8 **OF CERTAIN SERVICES**

9 Sec. 15.10. The Board of Governors of The University of North Carolina, in
10 consultation with the constituent institutions and affiliated organizations, shall study the
11 potential for cost savings by contracting for various services with private contractors,
12 including housekeeping and maintenance of physical facilities.

13 East Carolina University is currently realizing savings from privatizing the
14 management of its housekeeping services. The General Assembly has reviewed requests
15 for funding to operate approximately 2.8 million square feet of new or renovated space
16 for the 1995-97 biennium. With this amount of new space opening up, the potential for
17 cost savings by initially contracting for certain services to operate these facilities appears
18 worth reviewing.

19 The Board of Governors shall report on the potential for increased efficiency
20 and budget savings from the use of private contractual services to the Joint Legislative
21 Education Oversight Committee by April 15, 1996.

22
23 **PART 16. COMMUNITY COLLEGES**

24
25 Requested by: Representatives Grady, Preston

26 **BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR**

27 Sec. 16. G.S. 115D-31 is amended by adding a new subsection to read:

28 "(c) State funds appropriated to the State Board of Community Colleges for
29 equipment and library books shall revert to the General Fund 12 months after the close of
30 the fiscal year for which they were appropriated. Encumbered balances outstanding at
31 the end of each period shall be handled in accordance with existing State budget policies.
32 The Department shall identify to the Office of State Budget and Management the funds
33 that revert at the end of the 12 months after the close of the fiscal year."

34
35 Requested by: Representatives Grady, Preston

36 **COMMUNITY COLLEGE FUNDING FLEXIBILITY**

37 Sec. 16.1. A local community college may use all State funds allocated to it,
38 except for Literacy Funds and Funds for New and Expanding Industries, for any
39 authorized purpose that is consistent with the college's Institutional Effectiveness Plan.
40 Each local community college shall submit an Institutional Effectiveness Plan that
41 indicates to the State Board of Community Colleges how the college will use this funding
42 flexibility to meet the demands of the local community and maintain a presence in all
43 previously funded categorical programs.

1
2 Requested by: Representatives Grady, Preston
3 **COURSE REPETITION POLICY FOR FIRE, RESCUE, AND POLICE**
4 **PERSONNEL**

5 Sec. 16.2. The course repetition policy adopted by the State Board of
6 Community Colleges in accordance with Section 102(a) of Chapter 321 of the 1993
7 Session Laws does not apply to fire, rescue, or law enforcement training courses taken by
8 fire, rescue, or law enforcement personnel.

9
10 Requested by: Representatives Grady, Preston
11 **PENALTY FOR AUDIT EXCEPTIONS MODIFIED**

12 Sec. 16.3. The audit policies of the State Board of Community Colleges shall
13 provide that if a community college is in violation of a State or federal law or of a State
14 Board rule or policy, the program auditors shall cite the college for an audit exception
15 and not a concern. The State Board shall assess a twenty-five percent (25%) fiscal
16 penalty in addition to the audit exception on all audits of both dollars and student
17 membership hours excepted, unless the State Board finds that the audit exception was
18 caused only by a processing or clerical error; no penalty shall be assessed in the case of a
19 processing or clerical error.

20 The president of each community college shall present the findings of the
21 college's program audit to the board of trustees of the college.

22
23 Requested by: Representatives Grady, Preston
24 **MULTI-ENTRY/MULTI-EXIT CLASSES IN PRISONS AUTHORIZED**

25 Sec. 16.4. G.S. 115D-5(c1) reads as rewritten:
26 "(c1) Community colleges shall report full-time equivalent (FTE) student hours for
27 correction education programs on the basis of contact hours rather than student
28 membership hours. No community college shall operate a multi-entry/multi-exit class or
29 program in a prison ~~facility~~-facility, except for a literacy class or program.

30 The State Board shall work with the Department of Correction on offering classes and
31 programs that match the average length of stay of an inmate in a prison facility."

32
33 Requested by: Representatives Grady, Preston
34 **REPEAL 1994-95 FACULTY SALARY LIMITATIONS**

35 Sec. 16.5. Section 18.6 of Chapter 769 of the 1993 Session Laws is repealed.

36
37 Requested by: Representatives Grady, Preston
38 **CENSUS REPORTING DATES**

39 Sec. 16.6. (a) For the 1995-96 fiscal year, the census dates for reporting student
40 membership hours for curriculum and occupational extension classes shall be at the thirty
41 percent (30%) point of the class and at the ten percent (10%) point of the class which
42 typically coincides with the end of each college's drop-add period. It is the intent of the

1 General Assembly to determine during the Regular 1996 Session which census date shall
2 be used in computing FTE enrollment.

3 (b) This section does not apply to courses offered on a contact-hour basis.
4

5 Requested by: Representatives Grady, Preston

6 **STATE BOARD RESERVE FUNDS**

7 Sec. 16.7. The State Board of Community Colleges shall use one-half of its
8 Board Reserve for the 1995-96 fiscal year for expenses incurred during the North
9 Carolina Community College System's conversion from the quarter credit system to the
10 semester credit system.

11 **PART 17. PUBLIC SCHOOLS**

12 Requested by: Representative Grady, Preston

13 **PUBLIC SCHOOLS WORKERS' COMPENSATION**

14 Sec. 17. (a) Salaries for positions that are funded partially from the General Fund
15 or Highway Fund and partially from sources other than the General Fund or Highway
16 Fund shall be increased from the General Fund or Highway Fund appropriation only to
17 the extent of the proportionate part of the salaries paid from the General Fund or
18 Highway Fund.

19 (b) G.S. 115C-337(a) reads as rewritten:

20 "(a) Workers' Compensation Act Applicable to School Employees. – The
21 provisions of the Workers' Compensation Act shall be applicable to all school employees,
22 and the State Board of Education shall make ~~such~~ arrangements as necessary to carry out
23 the provisions of the Workers' Compensation Act applicable to ~~such~~ these employees
24 paid from State school funds. Liability of the State for compensation shall be confined to
25 school employees paid by the State from State school funds for injuries or death caused
26 by accident arising out of and in the course of their employment in connection with the
27 state-operated school term. The State shall be liable for ~~said~~ this compensation on the
28 basis of the average weekly wage of ~~such~~ the employees as defined in the Workers'
29 Compensation Act, ~~whether all of said compensation for the school term is paid from~~
30 ~~State funds or in part supplemented by local funds.~~ to the extent of the proportionate part
31 of each employee's salary that is paid from State funds. The State shall also be liable for
32 workers' compensation for all school employees employed in connection with the
33 teaching of vocational agriculture, home economics, trades and industries, and other
34 vocational subjects, supported in part by State and federal funds, which liability shall
35 cover the entire period of service of ~~such~~ employees. ~~these employees,~~ to the extent of the
36 proportionate part of each employee's salary that is paid from State funds. The local
37 school administrative units shall be liable for workers' compensation for school
38 employees, including lunchroom employees, whose salaries or wages are paid by ~~such~~
39 the local units from local or special funds. ~~Such~~ The local units ~~are authorized and~~
40 ~~empowered to~~ may provide insurance to cover ~~such~~ this compensation liability and to
41 include the cost of ~~such~~ this insurance in their annual budgets.
42
43

1 The provisions of this subsection shall not apply to any person, ~~firm~~firm, or
2 corporation making voluntary contributions to schools for any purpose, and ~~such~~the
3 person, firm, or corporation shall not be liable for the payment of any sum of money
4 under this Chapter."
5

6 Requested by: Representatives Grady, Preston

7 **USE OF SUBSTITUTE TEACHER FUNDS FOR LEAVE FROM SICK LEAVE**
8 **BANKS**

9 Sec. 17.1. State funds for substitute teachers shall be used to pay for substitute
10 teachers on days that teachers use sick leave from voluntary sick leave banks established
11 in accordance with G.S. 115C-336(b).
12

13 Requested by: Representatives Grady, Preston

14 **OUTCOME-BASED EDUCATION PROGRAM REPEALED**

15 Sec. 17.2. Part 5 of Article 16 of Chapter 115C of the General Statutes is
16 repealed.
17

18 Requested by: Representatives Grady, Preston

19 **CAREER DEVELOPMENT**

20 Sec. 17.3. (a) Funds appropriated to the State Board of Education for local school
21 administrative units receiving career development funds for the 1995-96 and 1996-97
22 fiscal years shall be used only to ensure that individual employees do not receive less on
23 a monthly basis in salary and State-funded bonuses during the 1995-96 fiscal year or
24 during the 1996-97 fiscal year than they received on a monthly basis during the 1994-95
25 fiscal year, so long as the employees qualify for bonuses under the local differentiated
26 pay plan. The State Board of Education may also use funds appropriated to State Aid to
27 Local School Administrative Units for the 1995-96 and 1996-97 fiscal years as is
28 necessary to hold individual employees harmless as provided in this subsection.

29 (b) Funds appropriated for local school administrative units receiving career
30 development funds for the 1994-95 fiscal year that did not revert on June 30, 1995, shall
31 not be used for expenses other than the costs of holding individual employees harmless as
32 provided in subsection (a) of this section.

33 (c) It is the intent of the General Assembly that no State funds be appropriated
34 for career development pilot units for the 1997-98 fiscal year or subsequent fiscal years.
35

36 Requested by: Representatives Grady, Preston

37 **TEACHER LEAVE IN CASES OF CATASTROPHIC ILLNESS**

38 Sec. 17.4. G.S. 115C-336 is amended by adding a new subsection to read:

39 "(c) The State Board of Education shall also adopt rules and regulations to
40 authorize an employee who requires a substitute to use annual leave on days that students
41 are in attendance if the employee has exhausted all of the employee's sick leave and if the
42 employee's absence is due to the catastrophic illness of the employee. The employee
43 shall not be required to pay the substitute."

1
2 **PART 18. DEPARTMENT OF TRANSPORTATION**

3
4 Requested by: Representatives Barbee, Bowie

5 **GENERAL SERVICES FOR THE DEPARTMENT OF TRANSPORTATION**
6 **CONSOLIDATED**

7 Sec. 18. The Facilities Management Branch of the Division of Highways and
8 the General Services Branch of the Division of Motor Vehicles shall be merged into the
9 General Services Division of the Department of Transportation. The Department of
10 Transportation shall report to the Joint Legislative Transportation Oversight Committee
11 on or before October 31, 1995, concerning the merger of these three agencies and the
12 savings resulting from the consolidation and elimination of duplication.

13
14 Requested by: Representatives Barbee, Bowie

15 **ADOPT-A-HIGHWAY PROGRAM**

16 Sec. 18.1. Chapter 136 of the General Statutes is amended by adding a new
17 section to read:

18 **"§ 136-140.1. Adopt-A-Highway.**

19 (a) Notwithstanding any other provision of this Article, the Department of
20 Transportation may permit individuals or groups participating in its Adopt-A-Highway
21 Program access to controlled access facilities for the purpose of removing litter from the
22 right-of-way. Acknowledgment of participation in the program may be indicated by
23 appropriate signs that shall be owned, controlled, and erected by the Department of
24 Transportation. The size, style, specifications, and content of the signs shall be
25 determined in the sole discretion of the Department of Transportation. The Department
26 of Transportation may issue rules and policies necessary to administer the program.

27 (b) Adopt-A-Highway participants may use contract services to clean the roadside
28 of the sections of highway the participants have adopted only in accordance with the rules
29 and policies issued by the Department of Transportation."

30
31 Requested by: Representatives Barbee, Bowie

32 **RAILROAD DIVIDEND USES SUBMITTED AS PART OF ANNUAL**
33 **DEPARTMENT OF TRANSPORTATION BUDGET**

34 Sec. 18.2. G.S. 136-16.6 reads as rewritten:

35 **"§ 136-16.6. Continuing rail appropriations.**

36 (a) There is annually appropriated one hundred percent (100%) of the annual
37 dividends received in the prior fiscal year by the State from its ownership of stock in the
38 North Carolina Railroad Company ~~and the Atlantic and North Carolina Railroad~~
39 ~~Company~~ to the Highway Fund for use by the Department of Transportation for railroad
40 purposes.

41 (b) The Department of Transportation shall include in its annual budget the
42 purposes for which the annual dividends received by the State from its ownership of
43 stock in the North Carolina Railroad Company will be used.

1 These purposes may include the following project types to be included in the annual
2 Transportation Improvement Program:

- 3 (1) Track and signal improvements for passenger service.
4 (2) Rail passenger stations and multimodal transportation centers.
5 (3) Grade crossing protection, elimination, and hazard removal.
6 (4) Rail rolling stock cars and locomotives.
7 (5) Rail rehabilitation.
8 (6) Industrial rail access.

9 The Department of Transportation shall use these funds to supplement but not
10 supplant funds allocated for projects approved as part of the Transportation Improvement
11 Program."

12
13 Requested by: Representatives Barbee, Bowie

14 **GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND**
15 **FROM FEDERAL SOURCES**

16 Sec. 18.3. When funds are provided from the Highway Fund to the Global
17 TransPark Authority for environmental impact statements or assessments and the Global
18 TransPark Authority applies for and receives reimbursement for those expenses from
19 federal sources up to one million eight hundred thousand dollars (\$1,800,000), the federal
20 reimbursements shall be paid over by the Global TransPark Authority into the Highway
21 Fund within 30 days of receipt. These funds shall be allocated to State-funded
22 maintenance appropriations in the manner approved by the Board of Transportation.

23
24 Requested by: Representatives Barbee, Bowie

25 **AIRCRAFT AND FERRY ACQUISITIONS**

26 Sec. 18.4. Before approving the purchase of an aircraft from the Equipment
27 Fund or a ferry in a Transportation Improvement Program, the Board of Transportation
28 shall prepare an estimate of the operational costs and capital costs associated with the
29 addition of the aircraft or ferry and shall report those additional costs to the General
30 Assembly pursuant to G.S. 136-12(b), and to the Joint Legislative Commission on
31 Governmental Operations.

32
33 Requested by: Representatives Barbee, Bowie

34 **SOME FERRY OPERATIONAL FUNDS REVERTED**

35 Sec. 18.5. Of the unencumbered funds appropriated for Ferry Operations as of
36 June 30, 1995, two hundred thousand dollars (\$200,000) shall revert to the Highway
37 Fund.

38
39 Requested by: Representatives Barbee, Bowie

40 **DEPARTMENT OF TRANSPORTATION TO PAY DEPARTMENT OF**
41 **CORRECTION ONLY FOR ACTUAL MEDIUM CUSTODY INMATE LABOR**

42 Sec. 18.6. The Department of Transportation shall pay the Department of
43 Correction only for the actual labor performed by medium custody inmates.

1
2 Requested by: Representatives Barbee, Bowie

3 **VISITOR CENTER OPERATIONAL FUNDS**

4 Sec. 18.7. G.S. 20-79.7(c) reads as rewritten:

5 "(c) Use of Funds in Special Registration Plate Account. –

6 (1) The Division shall deduct the costs of special registration plates,
7 including the costs of issuing, handling, and advertising the availability
8 of the special plates, from the Special Registration Plate Account.

9 (2) From the funds remaining in the Special Registration Plate Account
10 after the deductions in accordance with subdivision (1) of this
11 subsection, there is appropriated from the Special Registration Plate
12 Account the sum of ~~three hundred twenty-five thousand dollars~~
13 ~~(\$325,000) for the 1993-94~~ two hundred thousand dollars (\$200,000)
14 for the 1995-96 fiscal year and the sum of ~~three hundred seventy-five~~
15 ~~thousand dollars (\$375,000) for the 1994-95~~ two hundred thousand
16 dollars (\$200,000) for the 1996-97 fiscal year to provide operating
17 assistance for the Visitor and Welcome Centers:

- 18 a. on U.S. Highway 17 in Camden County, ~~(\$75,000);~~ ~~(\$40,000);~~
19 b. on U.S. Highway 17 in Brunswick County, ~~(\$75,000);~~ ~~(\$40,000);~~
20 c. on U.S. Highway 441 in Macon County, ~~(\$75,000);~~ ~~(\$40,000);~~
21 d. in the Town of Boone, Watauga County, ~~(\$75,000);~~ ~~(\$40,000);~~
22 and
23 e. on U.S. Highway 29 in Caswell County, ~~(\$25,000) for the 1993-~~
24 ~~94~~ fiscal year and ~~(\$75,000) for the 1994-95~~ fiscal year.
25 (\$40,000).

26 (3) The Division shall transfer the remaining revenue in the Account
27 quarterly as follows:

28 a. Thirty-three percent (33%) to the account of the Department of
29 Commerce to aid in financing out-of-state print and other media
30 advertising under the program for the promotion of travel and industrial
31 development in this State.

32 b. Fifty percent (50%) to the Department of Transportation to be used
33 solely for the purpose of beautification of highways other than those
34 designated as interstate. These funds shall be administered by the
35 Department of Transportation for beautification purposes not
36 inconsistent with good landscaping and engineering principles.

37 c. Seventeen percent (17%) to the account of the Department of
38 Human Resources to promote travel accessibility for disabled
39 persons in this State. These funds shall be used to collect and
40 update site information on travel attractions designated by the
41 Department of Commerce in its publications, to provide technical
42 assistance to travel attractions concerning accommodation of
43 disabled tourists, and to develop, print, and promote the

1 publication ACCESS NORTH CAROLINA as provided in G.S.
2 168-2. Any funds allocated for these purposes that are neither
3 spent nor obligated at the end of the fiscal year shall be
4 transferred to the Department of Administration for removal of
5 man-made barriers to disabled travelers at State-funded travel
6 attractions. Guidelines for the removal of man-made barriers
7 shall be developed in consultation with the Department of
8 Human Resources."
9

10 Requested by: Representatives Barbee, Bowie

11 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

12 Sec. 18.8. The Controller of the Department of Transportation shall allocate at
13 the beginning of each fiscal year from the various appropriations made to the Department
14 of Transportation in this act, Titles:

15 State Construction

16 State Funds to Match Federal Highway Aid

17 State Maintenance

18 Ferry Operations,

19 sufficient funds to eliminate all overdrafts on State maintenance and construction
20 projects, and these allocations shall not be diverted to other purposes.
21

22 Requested by: Representatives Barbee, Bowie

23 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
24 **APPROPRIATIONS**

25 Sec. 18.9. (a) The General Assembly authorizes and certifies anticipated revenues
26 of the Highway Fund as follows:

27 For Fiscal Year 1997-98 \$1,075.6 Million

28 For Fiscal Year 1998-99 \$1,093.1 Million

29 (b) The General Assembly authorizes and certifies anticipated revenues of the
30 Highway Trust Fund as follows:

31 For Fiscal Year 1997-98 \$ 775.8 Million

32 For Fiscal Year 1998-99 \$ 799.8 Million
33

34 Requested by: Representatives Barbee, Bowie

35 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

36 Sec. 18.10. (a) Overexpenditures from Section 3 of this act may be made by
37 authorization of the Director of the Budget, Titles:

38 State Construction Primary Construction

39 State Construction Urban Construction

40 Spot Safety Construction

41 State Construction Access and Public Service Roads

42 State Funds to Match Federal Highway Aid

43 State Maintenance

1 Ferry Operations,
2 provided that there are corresponding underexpenditures from these same Titles.
3 Overexpenditures or underexpenditures in any Titles shall 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 percent
6 (10%) shall be made to the Joint Legislative Transportation Oversight Committee. The
7 reports shall be delivered to the Director of the Fiscal Research Division not less than 96
8 hours prior to the beginning of the Commission's full meeting.

9 (b) Overexpenditures from Section 3 of this act, Titles:

10 State Construction Primary Construction

11 State Construction Urban Construction

12 Spot Safety Construction

13 State Construction Access and Public Service Roads

14 State Funds to Match Federal Highway Aid

15 State Maintenance

16 Ferry Operations,

17 for the purpose of providing additional positions shall be approved by the Director of the
18 Budget and shall be reported on a quarterly basis to the Joint Legislative Transportation
19 Oversight Committee and to the Fiscal Research Division.

20
21 Requested by: Representatives Barbee, Bowie

22 **RESURFACED ROADS MAY BE WIDENED**

23 Sec. 18.11. Of the contract maintenance resurfacing program funds
24 appropriated in this act to the Department of Transportation, an amount not to exceed
25 fifteen percent (15%) of the Board of Transportation's allocation of these funds may be
26 used for widening existing narrow pavements that are scheduled for resurfacing.

27
28 Requested by: Representatives Barbee, Bowie

29 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**

30 Sec. 18.12. Of the funds appropriated in this act to the Department of
31 Transportation, fourteen million dollars (\$14,000,000) shall be allocated in each fiscal
32 year for small urban construction projects. These funds shall be allocated equally in each
33 fiscal year of the biennium among the 14 Highway Divisions for the small urban
34 construction program for small urban construction projects that are located within the
35 area covered by a one-mile radius of the municipal corporate limits. Discretionary funds
36 of six million dollars (\$6,000,000) shall be used statewide for rural or small urban
37 highway improvements as approved by the Secretary of the Department of
38 Transportation.

39 None of these funds used for rural secondary road construction are subject to
40 the county allocation formula as provided in G.S. 136-44.5.

41 The Department of Transportation shall report to the members of the General
42 Assembly on projects funded pursuant to this section in each member's district prior to
43 the Board of Transportation's action. The Department shall make a quarterly

1 comprehensive report on the use of these funds to the Joint Legislative Transportation
2 Oversight Committee and the Fiscal Research Division.

3
4 Requested by: Representatives Barbee, Bowie

5 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

6 Sec. 18.13. Any unreserved credit balance in the Highway Fund on June 30 of
7 each of the fiscal years of this biennium shall support appropriations in the succeeding
8 fiscal year. If all of the balance is not needed for these appropriations, the Director of the
9 Budget may use the remaining excess to establish a reserve for access and public roads, a
10 reserve for unforeseen happening of a state of affairs requiring prompt action as provided
11 by G.S. 136-44.1, and other required reserves. If all of the remaining excess is not used
12 to establish these reserves, the remainder shall be allocated to the State-funded
13 maintenance appropriations in the manner approved by the Board of Transportation. The
14 Board of Transportation shall report monthly to the Joint Legislative Transportation
15 Oversight Committee and the Fiscal Research Division about the use of the reserve for
16 highway and maintenance.

17
18 Requested by: Representatives Barbee, Bowie

19 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**
20 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**
21 **MANAGEMENT**

22 Sec. 18.14. The Department of Transportation may enter into a design-build-
23 warrant contract to develop, with Federal Highway Administration participation under
24 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
25 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
26 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
27 Notwithstanding any other provision of law, contractors, contractors' employees, and
28 Department of Transportation employees involved in this project only do not have to be
29 licensed by occupational licensing boards as "license" and "occupational licensing board"
30 are defined in G.S. 93B-1; and for the purpose of entering into contracts, the Department
31 of Transportation is exempted from the provisions of the following General Statutes: G.S.
32 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These statutory exemptions
33 are limited and available only to the extent necessary to comply with federal rules,
34 regulations, and policies for completion of this project.

35 The Department of Transportation shall report quarterly to the Joint Legislative
36 Transportation Oversight Committee on its efforts to enter into a design-build-warrant
37 contract and to award and construct the project. The report shall include, but not be
38 limited to, the number of types of firms bidding on the project, special qualifications of
39 the firms bidding, and the effect statutory exemptions might have had on the award and
40 construction of the project and the receipt of federal discretionary funding for the project.

41
42 Requested by: Representatives Barbee, Bowie

43 **USE OF MAIL-IN MOTOR VEHICLE REGISTRATION RENEWALS URGED**

1 Sec. 18.15. The Division of Motor Vehicles shall develop options to increase
2 the percentage of motor vehicle registration renewals that are completed through the mail
3 as compared to those that are accomplished at contract tag agents and at Division of
4 Motor Vehicles offices.

5 The Division of Motor Vehicles shall report to the Joint Legislative
6 Transportation Oversight Committee, by November 30, 1995, concerning:

- 7 (1) The revenues and expenditures of the current mail-in registration
8 renewal program;
9 (2) The various options identified to increase the percentage of mail-in
10 renewals; and
11 (3) The cost associated with each option.

12
13 Requested by: Representatives Barbee, Bowie

14 **BRANCH AGENT/DMV COST COMPARISON**

15 Sec. 18.16. The Division of Motor Vehicles shall conduct a cost comparison
16 study comparing the costs of services provided by contract branch agents with the cost of
17 providing those services at the Division of Motor Vehicles offices in Raleigh and
18 Charlotte. The study shall also include an analysis of the impact the planned vehicle
19 registration computer system improvements will have on the cost, efficiency, and
20 delivery of services to the public. The Division of Motor Vehicles shall report the results
21 of the study to the Joint Legislative Transportation Oversight Committee by March 1,
22 1996.

23
24 Requested by: Representatives Barbee, Bowie

25 **LEGISLATIVE RESEARCH COMMISSION TO STUDY THE DRIVERS**
26 **LICENSE MEDICAL EVALUATION PROGRAM**

27 Sec. 18.17. The Legislative Research Commission shall study the Drivers
28 License Medical Evaluation Program operated pursuant to G.S. 20-9 to determine, inter
29 alia:

- 30 (1) Whether the program should be modified or abolished;
31 (2) Whether the program should be transferred entirely to the Division of
32 Motor Vehicles rather than involving reviews by the Commission for
33 Health Services; and
34 (3) How applicants for drivers licenses should be removed from the
35 program when their conditions improve.

36 The Legislative Research Commission may request the assistance of the
37 Department of Environment, Health and Natural Resources, the Department of
38 Transportation, and the Office of State Budget and Management in conducting this study.

39 The Commission may make an interim report, including any legislative
40 proposals, to the 1995 General Assembly, Regular Session 1996, and shall make a final
41 report, including any legislative proposals, to the 1997 General Assembly.

42
43 Requested by: Representatives Barbee, Bowie

REVERSIONS FOR HIGHWAY FUND PROJECTS

Sec. 18.18. Except as permitted in other sections of this act, the appropriations for capital improvements from the Highway Fund made by the 1995 General Assembly may be expended only for the specific projects set out by the 1995 General Assembly and for no other purpose.

Construction of all capital improvement projects enumerated by the 1995 General Assembly shall be commenced, or self-liquidating indebtedness with respect to them shall be incurred, within 12 months following the first day of the fiscal year in which the funds are available.

If construction contracts on those projects have not been awarded or self-liquidating indebtedness has not been incurred within that period, the direct appropriation for those projects shall revert to the Highway Fund, and the self-liquidating appropriation shall lapse; except that direct appropriations may be placed in a reserve fund if so authorized in this act.

This deadline with respect to both direct and self-liquidating appropriations from the Highway Fund may be extended with the approval of the Director of the Budget up to an additional 12 months if circumstances and conditions warrant such extension.

Requested by: Representatives Barbee, Bowie

CAPITAL REVERSIONS

Sec. 18.19. (a) The funds remaining unencumbered from the following projects shall revert to the Highway Fund:

DMV Additions Sec. 4 of Chapter 1101 of the 1987 Session Laws.

DMV Additions Sec. 6 of Chapter 754 of the 1989 Session Laws.

DMV Warehouse Sec. 6 of Chapter 754 of the 1989 Session Laws.

Land, Asheville Sec. 8 of Chapter 1074 of the 1989 Session Laws.

DMV Electrical Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

DMV Building Sec. 5 of Chapter 561 of the 1993 Session Laws.

(b) From the funds reverted to the Highway Fund by subsection (a) of this section, sufficient funds shall be used to close the accounts on the following projects:

Handicap

Modifications Sec. 4 of Chapter 1101 of the 1987 Session Laws.

Statesville DMV Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

Handicap

Modifications Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

1
2 Fire Alarm Sec. 30 of Chapter 1044 of the 1991 Session Laws.

3
4 Goldsboro DMV Sec. 30 of Chapter 1044 of the 1991 Session Laws.

5
6 Kinston DMV Sec. 30 of Chapter 1044 of the 1991 Session Laws.

7
8 Requested by: Representatives Barbee, Bowie

9 **UNSPENT BEAUFORT REST AREA FUNDS TO REVERT TO HIGHWAY**
10 **FUND**

11 Sec. 18.20. Unused funds appropriated to the Department of Administration
12 pursuant to Section 106 of Chapter 900 of the 1991 Session Laws shall revert to the
13 Highway Fund.

14
15 Requested by: Representatives Barbee, Bowie

16 **LAND SALES PROCEEDS TO BE APPROPRIATED**

17 Sec. 18.21. The proceeds from the sales of the following properties shall be
18 placed in a capital reserve to be appropriated by the 1996 General Assembly for capital
19 projects to be funded during the 1996-97 fiscal year:

20 Goldsboro - Old District Office/Maintenance Yard

21 Durham - Property at 320 Club Drive

22 Dare County - Old Bridge Maintenance Yard

23 Greenville - Maintenance Subyard

24 Cashiers - Storage Yard.

25
26 Requested by: Representatives Barbee, Bowie

27 **HIGHWAY FUND/HIGHWAY TRUST FUND FINANCIAL MODEL**

28 Sec. 18.22. The Joint Legislative Transportation Oversight Committee shall
29 prepare a request for proposal (RFP), select a qualified firm from bids submitted in
30 response to the RFP to develop a Highway Fund/Highway Trust Fund financial model,
31 and contract with that firm to develop the financial model by March 31, 1996, at a cost
32 not to exceed sixty thousand dollars (\$60,000). The funds to pay for the development of
33 the financial model shall come from the Highway Trust Fund.

34 The financial model shall be a computer-based financial model used to project
35 long-term expenditure and revenue trends under various simulations. The model will
36 identify quantitatively the long-term "structural" implications of the interplay between the
37 Highway Fund and the Highway Trust Fund budget, the economy, and selected
38 demographic factors.

39
40 Requested by: Representatives Barbee, Bowie

41 **STATE PRINTING OFFICER TO STUDY STATE PRINTING SERVICES**

1 Sec. 18.23. The State Printing Officer in the Division of Purchase and
2 Contract, Department of Administration, shall study State government printing services
3 to determine, inter alia:

- 4 (1) The feasibility of continuing separate departmental in-house printing
5 operations;
- 6 (2) The feasibility of the increased use of Correction Enterprises printing
7 services; and
- 8 (3) Whether contracting out printing orders worth more than ten thousand
9 dollars (\$10,000) would provide savings to the State.

10 The State Printing Officer shall submit a report on his findings to the Joint
11 Legislative Commission on Governmental Operations on or before October 31, 1995.

12
13 Requested by: Representatives Barbee, Bowie

14 **FINANCIAL ACCOUNTING AND REPORTING FUNDS REVERTED**

15 Sec. 18.24. Of the funds appropriated in fiscal year 1992-93 for the purpose of
16 beginning the implementation of a new financial accounting and reporting system for the
17 Department of Transportation, the sum of one million three hundred thousand dollars
18 (\$1,300,000) shall revert to the Highway Fund on June 30, 1995.

19 The remaining unencumbered and unspent funds shall be used by the
20 Department of Transportation in a joint effort with the Office of the State Controller to
21 develop a comprehensive plan for the new financial accounting and reporting system for
22 presentation to the 1996 Session of the General Assembly.

23 The comprehensive plan shall provide for the complete financial accounting
24 and reporting requirements of the Department including those for work order funding and
25 costing, billing for Federal Highway Aid and other sums owed to the Department,
26 payment to highway and engineering contractors, fleet management and inventory
27 management as well as core accounting functions of purchasing, accounts payable,
28 accounts receivable, budget preparation, budget control, fixed assets, and grant
29 accounting.

30 For all the above functions, the comprehensive plan shall identify:

- 31 (1) The processing concepts and methods that will be employed;
- 32 (2) The computer hardware and software and associated manual processes
33 required to perform the required functions efficiently and effectively;
- 34 (3) The implementation cost for the computer hardware and software and
35 related costs such as training;
- 36 (4) The time required for implementation;
- 37 (5) The projected operating costs for the new system; and
- 38 (6) The projected operating savings, if any.

39 The planned system shall conform to the applicable standards and requirements
40 of the State Accounting System.

41 The Department shall make quarterly reports on the development of the plan to
42 the Joint Legislative Transportation Oversight Committee.

43

1 Requested by: Representatives Barbee, Bowie

2 **INTERNATIONAL AIR SERVICE PROMOTION AND DEVELOPMENT**
3 **FUNDS REVERTED**

4 Sec. 18.25. Two million two hundred thousand dollars (\$2,200,000) of the
5 Reserve for Promotion and Development of International Air Service, appropriated by
6 Section 67 of Chapter 561 of the 1993 Session Laws, is reverted to the Highway Fund.

7
8 Requested by: Representatives Barbee, Bowie

9 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
10 **STUDY FERRY TOLLS**

11 Sec. 18.26. The Joint Legislative Transportation Oversight Committee shall
12 study the Ferry Division's proposal to implement tolls on free ferries and to increase
13 existing ferry tolls. The study shall include the fiscal impact of these tolls and the
14 implementation of discounts for residents of the areas served by the ferries. The Joint
15 Legislative Transportation Oversight Committee shall report the results of this study to
16 the 1995 General Assembly, Regular Session 1996.

17
18 **PART 19. DEPARTMENT OF CORRECTION**

19
20 Requested by: Representatives Justus, Thompson, Redwine

21 **AMEND CRIMINAL JUSTICE PARTNERSHIP ACT**

22 Sec. 19. G.S. 143B-273.15 reads as rewritten:

23 **"§ 143B-273.15. Funding formula.**

24 To determine the grant amount for which a county or counties may apply, the granting
25 authority shall apply the following formula:

26 (a) Twenty percent (20%) of the total ~~fund~~-fiscal year appropriation plus any
27 unspent or unclaimed funds in the Account shall be distributed in the discretion of the
28 Secretary to encourage innovative efforts to develop multicounty projects; to encourage
29 cooperation and collaboration among existing services and avoid duplication of efforts; to
30 provide for technical assistance to the counties in the development of county plans and in
31 the evaluation of programs funded under this Article; to encourage the renovation of
32 existing facilities; and to encourage innovative substance abuse programs.

33 (b) Of the remaining eighty percent (80%) of the ~~fund~~-fiscal year appropriation, a
34 total funding amount will be set for each county based upon the following variables:

- 35 (1) Twenty percent (20%) based on a fixed equal dollar amount for each
36 county;
- 37 (2) Sixty percent (60%) based on the county share of the State population;
38 and
- 39 (3) Twenty percent (20%) based on the supervised probation admissions
40 rate for the county.

41 The sum of the amounts in subdivisions (1), (2), and (3) is the total amount of the
42 funding that a county may apply for under this subsection.

1 Grants to participating counties are for a period of one fiscal year with unobligated
2 funds being returned to the Account at the end of the grant period. Funds are provided to
3 participating counties on a reimbursement basis unless a county documents a need for an
4 advance of grant funds."
5

6 Requested by: Representatives Justus, Thompson

7 **LIMIT USE OF OPERATIONAL FUNDS/GRANT MATCHING FUNDS**

8 Sec. 19.1. (a) Funds appropriated in this act to the Department of Correction for
9 operational costs for additional facilities shall be used for personnel and operating
10 expenses set forth in the budget approved by the General Assembly in this act. These
11 funds may not be expended for any other purpose, except as provided for in this act, and
12 may not be expended for additional prison personnel positions until the new facilities are
13 within 90 days of projected completion, except for certain management, security, and
14 support positions necessary to prepare the facility for opening, as authorized in the budget
15 approved by the General Assembly.

16 (b) For each year of the 1995-97 biennium, the Department of Correction may
17 transfer within its budget up to six hundred fifty thousand dollars (\$650,000) to match
18 grants received by the Department.
19

20 Requested by: Representatives Justus, Thompson

21 **REPORT ON SUMMIT HOUSE**

22 Sec. 19.2. Summit House shall report quarterly during each year of the 1995-
23 97 biennium to the Joint Legislative Commission on Governmental Operations on the (i)
24 expenditure of State appropriations and on the effectiveness of the program, including
25 information on the number of clients served, the number of clients who have their
26 probation revoked, and the number of clients who successfully complete the program
27 while housed at Summit House; and (ii) the expansion of its program into Mecklenburg
28 and Wake Counties.
29

30 Requested by: Representatives Justus, Thompson

31 **REPORT ON BOOT CAMPS**

32 Sec. 19.3. Subsection (c) of Section 19 of Chapter 24 of the Session Laws of
33 the 1994 Extra Session reads as rewritten:

34 "(c) The Department of Correction shall evaluate the IMPACT program and the
35 post-Boot Camp probation program funded under this section and report by January 1 of
36 each year to the Joint Legislative Commission on Governmental Operations, the Joint
37 Legislative Corrections Oversight Committee, and the Fiscal Research ~~Division prior to~~
38 ~~January 1, 1995, and annually thereafter.~~ Division. The evaluation of the IMPACT
39 program and the post-Boot Camp probation program shall compare-include a comparison
40 of that program's effectiveness, cost, and recidivism rate to other corrections programs
41 for offenders aged 16-25 in the same age group and similar offense classes as that
42 covered by the IMPACT program. ~~The evaluation of the post-Boot Camp probation~~

~~1 program shall compare that program's effectiveness, cost, and recidivism rate to other~~
~~2 probation programs for offenders aged 16-25."~~

3
4 Requested by: Representatives Justus, Thompson, Mercer

5 **EXTERNAL CONSULTANT TO EVALUATE DOC SUBSTANCE ABUSE**
6 **PROGRAMS**

7 Sec. 19.4. The Department of Correction shall use funds available to the
8 Department to hire an external consultant to evaluate the DART prison substance abuse
9 program and private substance abuse programs funded by the Department as follows:

- 10 (1) Evaluate the appropriateness of the treatment methodology used for
11 those programs;
12 (2) Evaluate the cost-effectiveness of those programs, with an emphasis on
13 the number and type of staff employed; and
14 (3) Evaluate the effectiveness of those programs in reducing recidivism and
15 drug dependency, if such data is available, or develop evaluation
16 standards and a process for conducting such evaluations and reporting
17 the results.

18 The Department shall provide the consultant's report to the Chairs of the Senate
19 and House Appropriations Committees and the Chairs of the Senate and House
20 Appropriations Subcommittees on Justice and Public Safety by May 1, 1996.

21
22 Requested by: Representatives Justus, Thompson

23 **YOUTH COMMAND AUDIT**

24 Sec. 19.5. The Office of State Auditor shall conduct a financial audit and a
25 performance audit of the Youth Command of the Division of Prisons, Department of
26 Correction, and shall report its findings to the Joint Legislative Corrections Oversight
27 Committee by January 1, 1996.

28
29 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

30
31 Requested by: Representatives Justus, Thompson

32 **LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER**
33 **GRANTS**

34 Sec. 20. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act
35 of 1968 provides that State applications for drug law enforcement grants are subject to
36 review by the State legislature or its designated body.

37 (b) The North Carolina General Assembly hereby provides that State applications
38 for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of
39 the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of P.L.
40 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint Legislative
41 Commission on Governmental Operations if at the time of review the General Assembly
42 is not in session. Any State agency submitting a grant application for review shall also
43 report to the House Appropriations Subcommittee on Justice and Public Safety and to the

1 Senate Appropriations Subcommittee on Justice and Public Safety with regard to the
2 grant.

3 (c) Unless a State statute provides a different forum for review, when a federal law
4 or regulation provides that a State application for a grant must be reviewed by the State
5 legislature or its designated body and at the time of the review the General Assembly is
6 not in session, that application shall be reviewed by the Joint Legislative Commission on
7 Governmental Operations. Any State agency submitting a grant application for review
8 shall also report to the House Appropriations Subcommittee on Justice and Public Safety
9 and to the Senate Appropriations Committee on Justice and Public Safety with regard to
10 the grant.

11
12 Requested by: Representatives Justus, Thompson

13 **VICTIMS ASSISTANCE NETWORK FUNDS**

14 Sec. 20.1. (a) Of the funds appropriated in this act to the Department of Crime
15 Control and Public Safety, the sum of one hundred fifty thousand dollars (\$150,000) for
16 the 1995-96 fiscal year and the sum of one hundred fifty thousand dollars (\$150,000) for
17 the 1996-97 fiscal year shall be used to support the Victims Assistance Network. These
18 funds shall be used by the Victims Assistance Network to perform the following
19 functions under the direction of and as required by the Department of Crime Control and
20 Public Safety:

- 21 (1) Conduct surveys and gather data on crime victims and their needs;
 - 22 (2) Act as a clearinghouse for crime victims services;
 - 23 (3) Provide an automated crime victims bulletin board for subscribers;
 - 24 (4) Coordinate and support the activities of other crime victims advocacy
25 groups;
 - 26 (5) Identify training needs of crime victims services providers and criminal
27 justice personnel and coordinate training efforts for those persons; and
 - 28 (6) Provide other services as identified by the Governor's Crime
29 Commission or the Department of Crime Control and Public Safety.
- 30 (b) This section becomes effective July 1, 1995.

31
32 Requested by: Representatives Justus, Thompson

33 **REPORT ON COMMUNITY SERVICE WORKERS**

34 Sec. 20.2. The Department of Crime Control and Public Safety shall report
35 quarterly in the 1995-96 fiscal year and the 1996-97 fiscal year to the Joint Legislative
36 Commission on Governmental Operations and the Fiscal Research Division on the
37 number of community service workers who were available during each month of the time
38 period preceding that report to perform repairs and maintenance of the parks and when
39 and where they were available.

40
41 Requested by: Representatives Justus, Thompson

42 **REPORT ON CRIME VICTIMS COMPENSATION FUND**

1 Sec. 20.3. The Department of Crime Control and Public Safety shall report
2 annually to the Senate and House Appropriations Base Budget Committees on Justice and
3 Public Safety and the Fiscal Research Division on the administrative expenditures of the
4 North Carolina Crime Victims Compensation Fund.

5
6 **PART 21. JUDICIAL DEPARTMENT**

7
8 Requested by: Representatives Justus, Thompson

9 **JUDICIAL DEPARTMENT REDUCTIONS**

10 Sec. 21. In addition to specific position reductions provided for in this act, the
11 Director of the Administrative Office of the Courts shall reduce the salary and wage line
12 item for the Judicial Department by four hundred thousand dollars (\$400,000) for each
13 year of the 1995-97 biennium by either eliminating positions, using salary reserve funds,
14 or both.

15
16 Requested by: Representatives Justus, Thompson

17 **JURY FEE WAIVER PROGRAM**

18 Sec. 21.1. (a) G.S. 7A-312 reads as rewritten:

19 **"§ 7A-312. Uniform fees for jurors; meals.**

20 A juror in the General Court of Justice including a petit juror, or a coroner's juror, but
21 excluding a grand juror, shall receive twelve dollars (\$12.00) per day, except that if any
22 person serves as a juror for more than five days in any 24-month period, the juror shall
23 receive thirty dollars (\$30.00) per day for each day of service in excess of five days. A
24 grand juror shall receive twelve dollars (\$12.00) per day. However, any juror may waive
25 payment of the per diem fees provided for in this section. A juror required to remain
26 overnight at the site of the trial shall be furnished adequate accommodations and
27 subsistence. If required by the presiding judge to remain in a body during the trial of a
28 case, meals shall be furnished the jurors during the period of sequestration. Jurors from
29 out of the county summoned to sit on a special venire shall receive mileage at the same
30 rate as State employees."

31 (b) The Administrative Office of the Courts shall conduct a program to determine
32 the extent to which cost savings may be generated by allowing jurors to waive payment
33 of the per diem jury fees pursuant to subsection (a) of this section. The Administrative
34 Office of the Courts shall report its findings on savings generated by this program to the
35 Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate
36 and House Appropriations Subcommittees on Justice and Public Safety by March 1,
37 1997.

38 (c) Subsection (a) of this section expires June 30, 1997.

39
40 Requested by: Representatives Justus, Thompson

41 **GRANT MATCHING FUNDS**

42 Sec. 21.2. From funds appropriated to the Judicial Department in the certified
43 budget for the 1995-97 biennium, the Administrative Office of the Courts may transfer

1 within its budget up to three hundred fifty thousand dollars (\$350,000) for each year of
2 the biennium to match grants to the Judicial Department from non-State funds.

3
4 Requested by: Representatives Justus, Thompson

5 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

6 Sec. 21.3. Funds appropriated to the Judicial Department in the 1995-97
7 biennium for equipment and supplies shall be certified in a reserve account. The
8 Administrative Office of the Courts shall have the authority to transfer these funds to the
9 appropriate programs and between programs as the equipment priorities and supply
10 consumptions occur during the operating year. These funds may not be expended for any
11 other purpose. The Administrative Office of the Courts shall make quarterly reports on
12 transfers made pursuant to this section to the Joint Legislative Commission on
13 Governmental Operations and the Chairs of the Senate and House Appropriations
14 Subcommittees on Justice and Public Safety.

15
16 Requested by: Representatives Justus, Thompson, Mercer

17 **RECIDIVISM STUDY**

18 Sec. 21.4. The North Carolina Sentencing and Policy Advisory Commission
19 shall contract with an external consultant to study recidivism of criminal offenders
20 assigned to community correctional programs or released from prison. The community
21 correctional programs to be studied shall include Treatment Alternative to Street Crime
22 (TASC), Community Penalties Program, Community Service, and all supervised
23 probation and parole programs. The study shall identify those offenders rearrested within
24 two years or more after assignment to a program or release from prison.

25 The Judicial Department may use up to fifty thousand dollars (\$50,000) in
26 funds available to the Department during the 1995-97 biennium to contract with an
27 external consultant for this study. The Department shall provide the consultant's report to
28 the Chairs of the Senate and House Appropriations Committees and the Chairs of the
29 Senate and House Appropriations Subcommittees on Justice and Public Safety by May 1,
30 1996.

31
32 Requested by: Representatives Justus, Thompson

33 **REPORT ON DISPUTE SETTLEMENT CENTERS**

34 Sec. 21.5. (a) All local dispute settlement centers currently receiving State funds
35 shall report annually to the Judicial Department on the program's funding and activities,
36 including:

- 37 (1) Types of dispute settlement services provided;
- 38 (2) Clients receiving each type of dispute settlement service;
- 39 (3) Number and type of referrals received, cases actually mediated, cases
40 resolved in mediation, and total clients served in the cases mediated;
- 41 (4) Total program funding and funding sources;
- 42 (5) Itemization of the use of funds, including operating expenses and
43 personnel;

- 1 (6) Itemization of the use of State funds;
2 (7) Level of volunteer activity; and
3 (8) Identification of future service demands and budget requirements.

4 The Judicial Department shall compile and summarize the information
5 provided pursuant to this subsection and shall provide the information to the Chairs of the
6 House and Senate Appropriations Committees and the Chairs of the House and Senate
7 Appropriations Subcommittees on Justice and Public Safety by February 1 of each year.

8 (b) Each local dispute settlement center requesting State funds for the first time
9 shall provide the General Assembly with (i) the information enumerated in subsection (a)
10 of this section, or projections where historical data is not available, as well as a detailed
11 statement justifying the need for State funding, and (ii) certification that at least fifty
12 percent (50%) of total funding for the first fiscal year in which funding is requested shall
13 come from non-State sources, and (iii) if funding is requested for a second fiscal year,
14 certification that at least sixty percent (60%) of total funding for the second fiscal year
15 shall come from non-State sources.

16 (c) Each local dispute settlement center requesting an expansion of State funding
17 shall provide the General Assembly with (i) the information enumerated in subsection (a)
18 of this section, or projections where historical data is not available, as well as a detailed
19 statement justifying the need for the expansion of State funding, and (ii) certification that
20 at least sixty percent (60%) of total funding shall come from non-State sources.

21
22 Requested by: Representatives Justus, Thompson

23 **REPEAL ACCESS TO CIVIL JUSTICE ACT**

24 Sec. 21.6. Article 37A of Chapter 7A of the General Statutes is repealed.

25
26 Requested by: Representatives Justus, Thompson

27 **TRANSFERS OF OPERATIONAL FUNDS**

28 Sec. 21.7. (a) Notwithstanding the provisions of G.S. 143-23(a1), the
29 Administrative Office of the Courts, from funds appropriated to the Judicial Department
30 in the certified budget for the 1995-97 biennium, may transfer within its budget up to one
31 million three hundred thousand dollars (\$1,300,000) to meet additional current operating
32 expenses for supplies and material, current obligations, fixed charges, other expenses,
33 equipment, books, and indigent persons' attorneys' fees.

34 (b) In addition to the authorization in subsection (a) of this section, the
35 Administrative Office of the Courts may transfer up to ten percent (10%) of nonpersonnel
36 budgets between existing programs during the 1995-97 biennium.

37 (c) The Administrative Office of the Courts shall make quarterly reports on
38 transfers made pursuant to this section to the Joint Legislative Commission on
39 Governmental Operations and the Chairs of the Senate and House Appropriations
40 Subcommittees on Justice and Public Safety.

41
42 Requested by: Representatives Justus, Thompson

43 **SPECIAL CAPITAL CASE REHEARING FUND**

1 Sec. 21.8. There is continued in the Judicial Department the nonreverting
2 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be
3 used to provide for resentencing hearings, related appeals, and postconviction hearings
4 required by the decisions of the United States Supreme Court in McKoy v. North
5 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon
6 remand of that case, including the payment of attorneys' fees and related expenses for
7 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
8 General Statutes. As determined by the Director of the Administrative Office of the
9 Courts, any amounts in this fund not required to meet the needs of special capital case
10 rehearings may be transferred to the Indigent Persons' Attorney Fee Fund.

11
12 Requested by: Representatives Justus, Thompson

13 **COMMUNITY PENALTIES PROGRAM**

14 Sec. 21.9. (a) Of the funds appropriated from the General Fund to the Judicial
15 Department for the 1995-97 biennium to conduct the Community Penalties program, the
16 sum of three million four hundred eighty-four thousand nine hundred twelve dollars
17 (\$3,484,912) for the 1995-96 fiscal year and the sum of four million one hundred thirty-
18 four thousand nine hundred twelve dollars (\$4,134,912) for the 1996-97 fiscal year may
19 be allocated by the Judicial Department in each year of the biennium in any amount
20 among existing community penalties programs, including any State-operated programs,
21 or may be used to establish new State-operated community penalties programs.

22 (b) The Judicial Department shall report annually to the Senate and
23 House Appropriations Subcommittees on Justice and Public Safety and to the Fiscal
24 Research Division on the administrative expenditures of the community penalties
25 programs. The Judicial Department shall report quarterly to the Joint Legislative
26 Commission on Governmental Operations on any elimination or reduction of funding for
27 community penalties programs funded in the 1994-95 fiscal year or any program
28 receiving initial funding during the 1995-97 biennium.

29 (c) G.S. 7A-771(1) reads as rewritten:

30 "(1) 'Community penalties program' means an agency or State-run office
31 within the judicial district which shall (i) prepare community penalty
32 plans; (ii) arrange or contract with public and private agencies for
33 necessary services for offenders; and (iii) monitor the progress of
34 offenders placed on community penalty plans."

35 (d) G.S. 7A-772 reads as rewritten:

36 **"§ 7A-772. Allocation of funds.**

37 (a) The Director may award grants in accordance with the policies established by
38 this Article and in accordance with any laws made for that purpose, including
39 appropriations acts and provisions in appropriations acts, and adopt regulations for the
40 implementation, operation, and monitoring of community penalties programs.
41 Community penalties programs that are grantees shall use such funds to develop,
42 implement, and monitor community penalty plans. Grants shall be awarded by the

1 Director to agencies whose comprehensive program plans promise best to meet the goals
2 set forth herein.

3 (b) The Director may establish local community penalties programs and appoint
4 those staff as the Director deems necessary. These personnel may serve as full-time or
5 part-time State employees or may be hired on a contractual basis when determined
6 appropriate by the director. Contracts entered under the authority of this subsection shall
7 be exempt from the competitive bidding procedures under Chapter 143 of the General
8 Statutes. The Administrative Office of the Courts shall adopt rules necessary and
9 appropriate for the administration of the program. Funds appropriated by the General
10 Assembly for the establishment and maintenance of community penalties programs under
11 this Article shall be administered by the Administrative Office of the Courts."

12 (e) G.S. 7A-773 reads as rewritten:

13 **"§ 7A-773. Responsibilities of a community penalties program.**

14 A community penalties program shall be responsible for:

- 15 (1) Targeting offenders who are eligible to receive an intermediate
16 punishment based on their class of offense and prior record level and
17 who face an imminent and substantial threat of imprisonment.
- 18 (2) Preparing detailed community penalty plans for presentation to the
19 sentencing judge by the offender's ~~attorney~~-attorney or at the request of
20 the sentencing judge.
- 21 (3) Contracting or arranging with public or private agencies for services
22 described in the community penalty plan.
- 23 (4) Monitoring the progress of offenders under community penalty plans."

24
25 Requested by: Representatives Justus, Thompson

26 **COURT REPORTING/USE OF AUDIO AND VIDEO EQUIPMENT**

27 Sec. 21.10. (a) The Administrative Office of the Courts may use funds appropriated
28 in this act for State court reporter positions and support, including contractual services, to
29 purchase audio and video recording equipment for use in the courtroom, provided that the
30 purchase is to implement budget reductions for court reporter programs as required in this
31 act.

32 (b) The Office of the State Auditor shall study the court reporting system and
33 determine the most cost-effective and appropriate use of official State court reporters,
34 contractual reporters, and audio and video recording equipment for court reporting. The
35 study shall identify specific cost savings that would result from the implementation of the
36 study recommendations. The Office of the State Auditor shall report to the Chairs of the
37 Senate and House Appropriations Committees and the Chairs of the Senate and House
38 Appropriations Subcommittees on Justice and Public Safety on the results of this study
39 by April 1, 1996.

40 (c) Any reduction in official court reporter positions pursuant to this section shall
41 be implemented notwithstanding the provisions of G.S. 7A-198(f) and G.S. 7A-95(e).

42
43 Requested by: Representatives Justus, Thompson

FUNDING OF JUDGESHIPS

Sec. 21.11. The Judicial Department may use funds available to the Department to fund the district court judgeships authorized in Section 200.6 of Chapter 321 of the 1993 Session Laws for District Court Districts 3A, 8, 12, and 18 upon the assumption of office by the initial holders of those judgeships.

Requested by: Representatives Justus, Thompson

GUARDIAN AD LITEM STUDY

Sec. 21.12. (a) The Legislative Research Commission may study the Guardian Ad Litem program in the Judicial Department and the Children's Services program in the Division of Social Services. The study shall:

- (1) Identify the amount and source of funding for legal services and administration in child abuse and neglect and dependency cases in those programs;
- (2) Identify the legal participants involved in child abuse and neglect and dependency court cases and each participant's responsibilities;
- (3) Study the purpose and activities of each program and identify activities that are similar;
- (4) Identify federal mandates and any federal funding that would be affected by any changes in legal services or administration of either program, and determine whether any federal funds are available to fund the Guardian Ad Litem program;
- (5) Review guardian ad litem programs and children's services in other states, including cost-saving measures taken by those states, and identify other methods of administering and funding those programs;
- (6) Identify methods of reducing the costs for attorneys involved in child abuse and neglect and dependency cases; and
- (7) Review administrative costs of each program and identify possible cost savings.

(b) The Commission may report its findings to the 1996 Regular Session of the 1995 General Assembly.

Requested by: Representatives Justus, Thompson

CHANGE GUARDIAN AD LITEM APPOINTMENT

Sec. 21.13. G.S. 7A-586(a) reads as rewritten:

"(a) When in a petition a juvenile under 13 years of age is alleged to be abused or neglected, the judge shall appoint a guardian **ad litem** to represent the juvenile. ~~When a juvenile is alleged to be dependent, the judge may appoint a guardian **ad litem** to represent the juvenile.~~ The guardian **ad litem** and attorney advocate have standing to represent the juvenile in all actions under this Subchapter where they have been appointed. The appointment shall be made pursuant to the program established by Article 39 of this Chapter unless representation is otherwise provided pursuant to G.S. 7A-491 or G.S. 7A-492. The appointment shall terminate at the end of two years. Upon

1 motion of any party including the guardian **ad litem**, or upon the judge's own motion, the
2 guardian **ad litem** may be reappointed upon a showing of good cause, unless the juvenile
3 is 13 or more years of age at the time of the motion to reappoint. In every case where a
4 nonattorney is appointed as a guardian **ad litem**, an attorney shall be appointed in the
5 case in order to assure protection of the child's legal rights ~~within the proceeding.~~ through
6 the dispositional phase of the proceedings, and after disposition when necessary to further
7 the best interests of the child. The duties of the guardian **ad litem** program shall be to
8 make an investigation to determine the facts, the needs of the juvenile, and the available
9 resources within the family and community to meet those needs; to facilitate, when
10 appropriate, the settlement of disputed issues; to offer evidence and examine witnesses at
11 adjudication; to explore options with the judge at the dispositional hearing; and to protect
12 and promote the best interest of the juvenile until formally relieved of the responsibility
13 by the judge."
14

15 **PART 22. DEPARTMENT OF JUSTICE**

16
17 Requested by: Representatives Justus, Thompson

18 **REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS**

19 Sec. 22. (a) Section 23.5 of Chapter 769 of the 1993 Session Laws, Regular
20 Session 1994, is repealed.

21 (b) Any funds received by the Department of Justice in settlement of insurance
22 claims arising from damage to the Blue Bell building at the North Carolina Justice
23 Academy shall be expended by the Department for replacement of the building and for no
24 other purpose.

25 (c) Subsection (a) of this section becomes effective June 30, 1995.
26

27 Requested by: Representatives Justus, Thompson

28 **DEPARTMENT OF JUSTICE SALARY FUNDS**

29 Sec. 22.1. Of the funds appropriated to the Department of Justice in this act,
30 the sum of ninety-three thousand four hundred fifty-three dollars (\$93,453) for the 1995-
31 96 fiscal year and the sum of ninety-three thousand four hundred fifty-three dollars
32 (\$93,453) for the 1996-97 fiscal year may be used for one-time annual salary adjustments
33 for attorneys who are determined to be eligible for the adjustments based upon
34 outstanding job performance for the preceding year.
35

36 Requested by: Representatives Justus, Thompson

37 **SBI FUNDS/SPENDING PRIORITIES**

38 Sec. 22.2. Of the funds appropriated in this act to the Department of Justice,
39 State Bureau of Investigation, for the 1995-97 biennium for overtime payments, the first
40 priority for use of the funds by the Department shall be:

- 41 (1) To make overtime payments to SBI agents in the Field Investigations
42 Division; and

- 1 (2) To make overtime payments to supervisory personnel receiving
2 overtime payments as of June 30, 1995, up to a maximum of five
3 thousand two hundred dollars (\$5,200) annually per individual.
4

5 Requested by: Representatives Justus, Thompson

6 **SBI USE OF COURT-ORDERED REIMBURSEMENT FUNDS**

7 Sec. 22.3. The State Bureau of Investigation (SBI) may use funds available
8 from court-ordered reimbursement in undercover drug operations.
9

10 Requested by: Representatives Justus, Thompson

11 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING**
12 **BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

13 Sec. 22.4. The Private Protective Services and Alarm Systems Licensing
14 Boards shall pay the appropriate State agency for the use of physical facilities and
15 services provided to those boards by the State.
16

17 Requested by: Representatives Justus, Thompson

18 **LIMITS ON COMPUTER SYSTEM UPGRADE**

19 Sec. 22.5. Any proposed increase in mainframe computer capacity or system
20 upgrade for the Judicial Department, the Department of Correction, the Department of
21 Justice, or the Department of Crime Control and Public Safety, to be funded from the
22 Continuation Budget, shall be reported to the Joint Legislative Commission on
23 Governmental Operations, to the Senate and House Chairs of the Appropriations
24 Committees, and to the Chairs of the Justice and Public Safety Committees before the
25 department enters into any contractual agreement. This report is to be made jointly by
26 the Information Resource Management Commission, the Office of State Budget and
27 Management, and the requesting department.
28

29 Requested by: Representatives Justus, Thompson

30 **CERTAIN LITIGATION EXPENSES TO BE PAID BY CLIENT AGENCIES**

31 Sec. 22.6. The Department of Justice may seek reimbursement from client
32 departments, agencies, and boards for court fees, attorney travel and subsistence costs,
33 and other costs directly related to litigation in which the Department is representing that
34 client department, agency, or board.
35

36 Requested by: Representatives Justus, Thompson

37 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
38 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

39 Sec. 22.7. (a) Assets transferred to the Department of Justice during the 1995-97
40 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
41 Department and shall result in an increase of law enforcement resources for the
42 Department. Assets transferred to the Department of Crime Control and Public Safety
43 during the 1995-97 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the

1 budget of that Department and shall result in an increase of law enforcement resources
2 for the Department. The Departments shall report to the Joint Legislative Commission on
3 Governmental Operations upon the receipt of these assets and, before using these assets,
4 shall report the intended use of these assets and the departmental priorities on which the
5 assets may be expended.

6 The General Assembly finds that the use of these assets for new personnel
7 positions, new projects, the acquisition of real property, repair of buildings where such
8 repair includes structural change, and construction of or additions to buildings may result
9 in additional expenses for the State in future fiscal periods; therefore, the Department of
10 Justice and the Department of Crime Control and Public Safety are prohibited from using
11 these assets for such purposes without the prior approval of the General Assembly, except
12 during the 1995-97 biennium:

13 (1) The Department of Justice may use an amount not to exceed the sum of
14 twenty-five thousand dollars (\$25,000) of the funds to extend the lease
15 of space in the Town of Salemburg for SBI training; and

16 (2) The Department of Justice may use an amount not to exceed fifty
17 thousand dollars (\$50,000) of the funds to lease space for its technical
18 operations unit, storage of its equipment and vehicles, and command
19 post vehicle.

20 (b) Nothing in this section prevents North Carolina law enforcement agencies from
21 receiving funds from the United States Department of Justice pursuant to 19 U.S.C. §
22 1616a.

23
24 Requested by: Representatives Justus, Thompson

25 **USE OF LAPSED SALARY FUNDS**

26 Sec. 22.8. The Department of Justice may transfer lapsed salary funds to other
27 budget line items, in addition to personnel, in order to meet any shortfall in operational
28 expenses resulting from reductions to the 1995-97 fiscal biennium continuation budget.
29 This amount shall not exceed one hundred twenty-five thousand dollars (\$125,000) in
30 each year of the 1995-97 biennium.

31 32 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

33
34 Requested by: Representative Redwine

35 **REDUCE DHR FUNDS IN ANTICIPATION OF RECEIPT OF FEDERAL FUNDS**

36 Sec. 23. Funds appropriated to the Department of Human Resources for the
37 1995-96 fiscal year have been reduced by fourteen million thirteen thousand three
38 hundred ninety-six dollars (\$14,013,396) in anticipation of the receipt of federal funds
39 from the Title IV A - Emergency Assistance Program. If these federal funds are not
40 received or if only a portion of these funds are received, notwithstanding G.S. 143-15.3,
41 the Director of the Budget may use funds in the Savings Reserve Account to make up the
42 difference in the federal funds not received. The funds used by the Director of the

1 Budget shall not exceed fourteen million thirteen thousand three hundred ninety-six
2 dollars (\$14,013,396).

3
4 Requested by: Representatives Gardner, Hayes

5 **DHR EMPLOYEES/IN-KIND MATCH**

6 Sec. 23.1. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
7 of the Department of Human Resources may assign employees of the Office of Rural
8 Health and Resource Development to serve as in-kind match to nonprofit corporations
9 working to establish health care programs that will improve health care access while
10 controlling costs.

11
12 Requested by: Representatives Gardner, Hayes

13 **LIABILITY INSURANCE**

14 Sec. 23.2. The Secretary of the Department of Human Resources, the
15 Secretary of the Department of Environment, Health, and Natural Resources, and the
16 Secretary of the Department of Correction may provide medical liability coverage not to
17 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments
18 licensed to practice medicine or dentistry and on behalf of physicians in all residency
19 training programs from The University of North Carolina who are in training at
20 institutions operated by the Department of Human Resources. This coverage may
21 include commercial insurance or self-insurance and shall cover these individuals for their
22 acts or omissions only while they are engaged in providing medical and dental services
23 pursuant to their State employment or training.

24 The coverage provided under this section shall not cover any individual for any
25 act or omission that the individual knows or reasonably should know constitutes a
26 violation of the applicable criminal laws of any state or the United States, or that arises
27 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to
28 willful or wanton negligence.

29 The coverage provided pursuant to this section shall not require any additional
30 appropriations and shall not apply to any individual providing contractual service to the
31 Department of Human Resources, the Department of Environment, Health, and Natural
32 Resources, or the Department of Correction, with the exception that coverage may
33 include physicians in all residency training programs from The University of North
34 Carolina who are in training at institutions operated by the Department of Human
35 Resources.

36
37 Requested by: Representatives Gardner, Hayes

38 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

39 Sec. 23.3. In order to assure maximum utilization of funds in county
40 departments of social services, county or district health agencies, and area mental health,
41 developmental disabilities, and substance abuse authorities, the Director of the Budget
42 may transfer excess funds appropriated to a specific service, program, or fund, whether
43 specified service in a block grant plan or General Fund appropriation, into another

1 service, program, or fund for local services within the budget of the respective State
2 agency.

3
4 Requested by: Representatives Gardner, Hayes

5 **HEALTH CENTERS' PURCHASE OF MEDICATIONS**

6 Sec. 23.4. Notwithstanding any provisions of law to the contrary, State rural
7 health centers and federally funded community and migrant health centers shall be
8 permitted to purchase medications by participating in contracts administered by the
9 Department of Administration, Division of Purchase and Contract.

10
11 Requested by: Representatives Gardner, Hayes

12 **DIVISION OF FAMILY DEVELOPMENT ABOLISHED**

13 Sec. 23.5. The Division of Family Development of the Department of Human
14 Resources is abolished. The Family Preservation Program is transferred to the Division
15 of Social Services of the Department of Human Resources. The Family Support Program
16 is transferred to the Division of Child Development of the Department of Human
17 Resources. The Office of Economic Opportunity is transferred to the Office of the
18 Secretary of the Department of Human Resources.

19 All transfers required by this section shall include the transfer of all
20 appropriations, budgets, and powers and duties.

21
22 Requested by: Representatives Gardner, Hayes

23 **S.O.S. AND FAMILY RESOURCE CENTER GRANT PROGRAMS**
24 **ADMINISTRATIVE COSTS LIMITS**

25 Sec. 23.6. (a) Of the funds appropriated to the Department of Human Resources in
26 this act, the Department may use up to a total of three hundred fifty thousand dollars
27 (\$350,000) each fiscal year of the biennium to administer the S.O.S. Program, to provide
28 technical assistance to applicants and to local S.O.S. programs, and to evaluate the local
29 S.O.S. programs. The Department may contract with appropriate public or nonprofit
30 agencies to provide the technical assistance, including training and related services.

31 (b) Of the funds appropriated in this act to the Department of Human Resources
32 for the Family Resource Center Grant Program, the Department may use up to three
33 hundred thousand dollars (\$300,000) each fiscal year of the biennium to administer the
34 Program.

35
36 Requested by: Representatives Gardner, Hayes

37 **DAY CARE FUNDS MATCHING REQUIREMENT**

38 Sec. 23.7. No local matching funds may be required by the Department of
39 Human Resources as a condition of any locality's receiving any State day care funds
40 appropriated by this act unless federal law requires such a match.

41
42 Requested by: Representatives Gardner, Hayes

43 **DAY CARE ALLOCATION FORMULA**

1 Sec. 23.8. (a) To simplify current day care allocation methodology and more
2 equitably distribute State day care funds, the Department of Human Resources shall
3 apply the following allocation formula to all noncategorical federal and State day care
4 funds used to pay the costs of necessary day care for minor children of needy families:

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

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

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

16 (b) A county's initial allocation shall not be less than that county's initial allocation
17 was in fiscal year 1990-91 under the formula prescribed by Section 102 of Chapter 500 of
18 the 1989 Session Laws. However, if the total amount available to allocate is less than the
19 amount allocated by formula in the 1990-91 fiscal year, a county's allocation may be less
20 than the county's initial allocation was in that fiscal year.

21
22 Requested by: Representatives Gardner, Hayes

23 **CHILD DAY CARE REVOLVING LOAN FUND**

24 Sec. 23.9. Notwithstanding any law to the contrary, funds budgeted for the
25 Child Day Care Revolving Loan Fund may be transferred to and invested by the financial
26 institution contracted to operate the Fund. The principal and any income to the Fund may
27 be used to make loans, reduce loan interest to borrowers, serve as collateral for
28 borrowers, pay the contractor's cost of operating the Fund, or to pay the Department's
29 cost of administering the program.

30
31 Requested by: Representatives Gardner, Hayes

32 **DAY CARE**

33 Sec. 23.10. Except for the allocation of support costs from federal grants by
34 the General Assembly or the reallocation of federal grant funds by the Office of State
35 Budget and Management, the Department of Human Resources shall distribute the funds
36 appropriated and otherwise available to it for the purchase of day care for minor children
37 of needy families so as to serve the greatest number of children possible.

38
39 Requested by: Representatives Gardner, Hayes

40 **DAY CARE RATES**

41 Sec. 23.11. (a) Rules for the monthly schedule of payments for the purchase of day
42 care services for low-income children shall be established by the Social Services

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

- 3 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer than
4 fifty percent (50%) of the enrollees are subsidized by State or federal
5 funds, the State shall continue to pay the same fee paid by private
6 paying parents for a child in the same age group in the same facility.
- 7 (2) Facilities in which fifty percent (50%) or more of the enrollees are
8 subsidized by State or federal funds may be paid the rate established by
9 the local purchasing agency, not to exceed the county market rate.
- 10 (3) A market rate shall be calculated for each county and for each age group
11 or age category of enrollees and shall be representative of fees charged
12 to unsubsidized private paying parents for each age group of enrollees
13 within the county. The county market rates shall be calculated from
14 facility fee schedules collected by the Division of Child Development
15 on a routine basis. The Division shall also calculate a statewide market
16 rate for each age category. The Division may also calculate regional
17 market rates for each age group and age category. The Social Services
18 Commission shall adopt rules to establish minimum county rates that
19 use the statewide market rates as a reference point.
- 20 (4) Child day care homes as defined in G.S. 110-86(4) and other home-
21 based day care arrangements that are not required to be regulated by the
22 State licensing agency may be paid the rate established by the local
23 purchasing agency, not to exceed market rate for day care homes, which
24 shall be calculated at least biennially by the Division of Child
25 Development according to the method described in subdivision (3) of
26 subsection (a) of this section.

27 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes
28 may participate in the program that provides for the purchase of care in day care facilities
29 for minor children of needy families. No separate licensing requirements shall be used to
30 select facilities to participate. In addition, day care facilities shall be required to meet any
31 additional applicable requirements of federal law or regulations.

32 Day care homes as defined in G.S. 110-86(4) from which the State purchases
33 day care services shall meet the standards established by the Child Day Care Commission
34 pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of State
35 law or federal law or regulations. Child care arrangements exempt from State regulation
36 pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements
37 established by other State law and by the Social Services Commission.

38 County departments of social services or other local contracting agencies shall
39 not use a provider's failure to comply with requirements in addition to those specified in
40 this subsection as a condition for reducing the provider's subsidized child day care rate.

41 (c) County departments of social services shall continue to negotiate with day care
42 providers for day care services below those rates prescribed by subsection (a) of this

1 section. County departments shall purchase day care services so as to serve the greatest
2 number of children possible with existing resources.

3
4 Requested by: Representatives Gardner, Hayes

5 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
6 **QUALITY ASSURANCE/ACCOUNTABILITY**

7 Sec. 23.12. (a) The General Assembly finds, in consultation with the Governor, that
8 it is essential to begin to develop comprehensive programs that provide high quality early
9 childhood education and development services locally for children and their families.
10 The General Assembly also finds that it is equally essential that these programs be
11 developed in a manner that will provide both quality assurance and performance-based
12 accountability to the children, their families, their communities, and the State.

13 (b) The Department of Human Resources shall develop and implement a
14 performance-based evaluation system to evaluate the Early Childhood Education and
15 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
16 General Statutes, if enacted. The Department shall design this system:

- 17 (1) To incorporate the elements of a formative evaluation, including process
18 and efficiency studies, and of a summative evaluation, including
19 outcome and effectiveness studies, in order to:
20 a. Provide information to the Department and to the General
21 Assembly on how to improve and refine the Programs;
22 b. Enable the Department and the General Assembly to assess the
23 overall quality and impact of the existing Programs and any
24 future ones; and
25 c. Enable the Department and the General Assembly to determine
26 whether to make the Early Childhood Education and
27 Development Initiatives statewide;
28 (2) To focus the Programs, as they develop and continue, on quality
29 assurance, by making quality a central and ongoing priority and to
30 ensure that quality improvement efforts address outcomes, such as
31 functions and processes, rather than persons, specific details, or
32 paperwork;
33 (3) To use reliable statistical methods to measure performance of processes,
34 functions, efforts, and outcomes, which methods shall allow adequate
35 tracking of children and families through the program and into the
36 school system, in order to provide a real, objective measure of the
37 outcome of the Programs; and
38 (4) To provide a detailed fiscal analysis of the use to which State funds for
39 these Programs are put.
40

41 Requested by: Representatives Gardner, Hayes

42 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
43 **PLAN**

1 Sec. 23.13. Counties participating in the Early Childhood Education and
2 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
3 General Statutes may use the county's allocation of State and federal child care funds to
4 subsidize child care according to the county's Early Childhood Education and
5 Development Initiatives Plan as approved by the Department of Human Resources. The
6 use of federal funds shall be consistent with the appropriate federal regulations. Day care
7 providers shall, at a minimum, comply with the applicable requirements for State
8 licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with
9 other applicable requirements of State law or rule, including rules adopted for
10 nonregistered day care by the Social Services Commission, and with applicable federal
11 regulations.

12
13 Requested by: Representative Creech

14 **SMART START PRIVATE MATCH OF 20% OF STATE APPROPRIATION**

15 Sec. 23.13A. (a) Of the funds appropriated by this act to the Department of Human
16 Resources for Smart Start, the sum of eleven million six hundred twenty thousand dollars
17 (\$11,620,000) for fiscal year 1995-96 from the continuation budget may be expended
18 only if an equal amount of private, nongovernmental funds are contributed in cash to the
19 State through the North Carolina Partnership for Children for Smart Start.

20 (b) Of the funds appropriated by this act to the Department of Human
21 Resources for Smart Start, the sum of eleven million six hundred twenty thousand dollars
22 (\$11,620,000) for fiscal year 1996-97 from the continuation budget shall be expended
23 only if an equal amount of private, nongovernmental funds are contributed in cash to the
24 State through the North Carolina Partnership for Children for Smart Start.

25
26 Requested by: Representatives Gardner, Hayes

27 **MEDICAID**

28 Sec. 23.14. (a) Funds appropriated in this act for services provided in accordance
29 with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy
30 and the medically needy. Funds appropriated for these services shall be expended in
31 accordance with the following schedule of services and payment bases. All services and
32 payments are subject to the language at the end of this subsection.

33 Services and payment bases:

- 34 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
35 prescribed in the State Plan as established by the Department of Human
36 Resources. Administrative days for any period of hospitalization shall
37 be limited to a maximum of three days.
- 38 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
39 prospective reimbursement plan as established by the Department of
40 Human Resources.
- 41 (3) Nursing Facilities - Payment for nursing facility services will be
42 prescribed in the State Plan as established by the Department of Human
43 Resources. Nursing facilities providing services to Medicaid recipients

- 1 who also qualify for Medicare, must be enrolled in the Medicare
2 program as a condition of participation in the Medicaid program. State
3 facilities are not subject to the requirement to enroll in the Medicare
4 program.
- 5 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
6 in the State Plan as established by the Department of Human Resources.
- 7 (5) Drugs - Drug costs as allowed by federal regulations plus a professional
8 services fee per month excluding refills for the same drug or generic
9 equivalent during the same month. Reimbursement shall be available
10 for up to six prescriptions per recipient, per month, including refills.
11 Payments for drugs are subject to the provisions of subsection (f) of this
12 section and to the provisions at the end of subsection (a) of this section,
13 or in accordance with the State Plan adopted by the Department of
14 Human Resources consistent with federal reimbursement regulations.
15 Payment of the professional services fee shall be made in accordance
16 with the Plan adopted by the Department of Human Resources,
17 consistent with federal reimbursement regulations. The professional
18 services fee shall be five dollars and sixty cents (\$5.60) per prescription.
19 Adjustments to the professional services fee shall be established by the
20 General Assembly.
- 21 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
22 Nurse Midwife Services - Fee schedules as developed by the
23 Department of Human Resources. Payments for dental services are
24 subject to the provisions of subsection (g) of this section.
- 25 (7) Community Alternative Program, EPSDT Screens - Payment to be
26 made in accordance with rate schedule developed by the Department of
27 Human Resources.
- 28 (8) Home Health and Related Services, Private Duty Nursing, Clinic
29 Services, Prepaid Health Plans, Durable Medical Equipment - Payment
30 to be made according to reimbursement plans developed by the
31 Department of Human Resources.
- 32 (9) Medicare Buy-In - Social Security Administration premium.
- 33 (10) Ambulance Services - Uniform fee schedules as developed by the
34 Department of Human Resources.
- 35 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 36 (12) Rural Health Clinic Services - Provider-based - reasonable cost;
37 nonprovider based - single cost reimbursement rate per clinic visit.
- 38 (13) Family Planning - Negotiated rate for local health departments. For
39 other providers - see specific services, for instance, hospitals,
40 physicians.
- 41 (14) Independent Laboratory and X-Ray Services - Uniform fee schedules as
42 developed by the Department of Human Resources.

- 1 (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale
2 cost of materials.
- 3 (16) Ambulatory Surgical Centers - Payment as prescribed in the
4 reimbursement plan established by the Department of Human
5 Resources.
- 6 (17) Medicare Crossover Claims - An amount up to the actual coinsurance or
7 deductible or both, in accordance with the Plan, as approved by the
8 Department of Human Resources.
- 9 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
10 eligible children. Payments are to be made only to the Children's
11 Special Health Services program at rates negotiated by the Department
12 of Human Resources.
- 13 (19) Personal Care Services - Payment in accordance with Plan approved by
14 the Department of Human Resources.
- 15 (20) Case Management Services - Reimbursement in accordance with the
16 availability of funds to be transferred within the Department of Human
17 Resources.
- 18 (21) Hospice - Services may be provided in accordance with Plan developed
19 by the Department of Human Resources.
- 20 (22) Other Mental Health Services - Unless otherwise covered by this
21 section, coverage is limited to agencies meeting the requirements of the
22 rules established by the Commission for Mental Health, Developmental
23 Disabilities, and Substance Abuse Services, and reimbursement is made
24 in accordance with a Plan developed by the Department of Human
25 Resources not to exceed the upper limits established in federal
26 regulations.
- 27 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
28 Children - Reimbursement in accordance with Plan approved by the
29 Department of Human Resources.
- 30 (24) Health Insurance Premiums - Payments to be made in accordance with
31 the Plan adopted by the Department of Human Resources consistent
32 with federal regulations.
- 33 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in
34 this section include related services in schools; health professional
35 services provided outside the clinic setting to meet maternal and infant
36 health goals; and services to meet federal EPSDT mandates. Services
37 addressed by this paragraph are limited to those prescribed in the State
38 Plan as established by the Department of Human Resources. Providers
39 of these services must be certified as meeting program standards of the
40 Department of Environment, Health, and Natural Resources.
- 41 (26) Pregnancy Related Services - Covered services for pregnant women
42 shall include nutritional counseling, psychosocial counseling, and

1 predelivery and postpartum home visits by maternity care coordinators
 2 and public health nurses.

3 Services and payment bases may be changed with the approval of the Director of the
 4 Budget.

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

13 (b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five
 14 percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all
 15 applicable services listed in this section.

16 (c) Copayment for Medicaid Services. The Department of Human Resources may
 17 establish copayment up to the maximum permitted by federal law and regulation.

18 (d) Medicaid and Aid to Families With Dependent Children Income Eligibility
 19 Standards. The maximum net family annual income eligibility standards for Medicaid
 20 and Aid to Families with Dependent Children, and the Standard of Need for Aid to
 21 Families with Dependent Children shall be as follows:

22

		<u>Categorically Needy</u>		<u>Medically Needy</u>	
	Family	Standard	AFDC Payment		
	<u>Size</u>	<u>of Need</u>	<u>Level*</u>	<u>AA, AB, AD*</u>	
26	1	\$ 4,344	\$ 2,172	\$ 2,900	
27	2	5,664	2,832	3,800	
28	3	6,528	3,264	4,400	
29	4	7,128	3,564	4,800	5 7,776 3,888 5,200
30	6	8,376	4,188	5,600	
31	7	8,952	4,476	6,000	
32	8	9,256	4,680	6,300	

33 *Aid to Families With Dependent Children (AFDC); Aid to the Aged (AA); Aid to the
 34 Blind (AB); and Aid to the Disabled (AD).

35
 36 The payment level for Aid to Families With Dependent Children shall be fifty percent
 37 (50%) of the standard of need.

38 These standards may be changed with the approval of the Director of the
 39 Budget with the advice of the Advisory Budget Commission.

40 (e) All Elderly, Blind, and Disabled Persons who receive Supplemental
 41 Security Income are eligible for Medicaid coverage.

42 (f) ICF and ICF/MR Work Incentive Allowances. The Department of Human
 43 Resources may provide an incentive allowance to Medicaid-eligible recipients of ICF and

1 ICF/MR facilities who are regularly engaged in work activities as part of their
2 developmental plan and for whom retention of additional income contributes to their
3 achievement of independence. The State funds required to match the federal funds that
4 are required by these allowances shall be provided from savings within the Medicaid
5 budget or from other unbudgeted funds available to the Department. The incentive
6 allowances may be as follows:

7
8 Monthly Net Wages Monthly Incentive Allowance

9 \$1.00 to \$100.99 Up to \$50.00

10 \$101.00 - \$200.99 \$80.00

11 \$201.00 to \$300.99 \$130.00

12 \$301.00 and greater \$212.00.

13 (g) Dental Coverage Limits. Dental services shall be provided on a restricted
14 basis in accordance with rules adopted by the Department to implement this subsection.

15 (h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through
16 G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security
17 Act) a prescription order for a drug designated by a trade or brand name shall be
18 considered to be an order for the drug by its established or generic name, except when the
19 prescriber personally indicates, either orally or in his own handwriting on the prescription
20 order, "dispense as written" or words of similar meaning. Generic drugs, when available
21 in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program
22 rather than trade or brand name drugs, subject to the prescriber's "dispense as written"
23 order as noted above.

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

28 (i) Exceptions to Service Limitations, Eligibility Requirements, and Payments.
29 Service limitations, eligibility requirements, and payments bases in this section may be
30 waived by the Department of Human Resources, with the approval of the Director of the
31 Budget, to allow the Department to carry out pilot programs for prepaid health plans,
32 managed care plans, or community-based services programs in accordance with plans
33 approved by the United States Department of Health and Human Services, or when the
34 Department determines that such a waiver will result in a reduction in the total Medicaid
35 costs for the recipient.

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

41 (k) Cost Containment Programs. The Department of Human Resources,
42 Division of Medical Assistance, may undertake cost containment programs including

1 preadmissions to hospitals and prior approval for certain outpatient surgeries before they
2 may be performed in an inpatient setting.

3 (l) For all Medicaid eligibility classifications for which the federal poverty
4 level is used as an income limit for eligibility determination, the income limits will be
5 updated each April 1 immediately following publication of federal poverty guidelines.

6 (m) The Department of Human Resources shall provide Medicaid to 19-, 20-,
7 and 21-year olds in accordance with federal rules and regulations.

8 (n) The Department of Human Resources shall provide coverage to pregnant
9 women and to children according to the following schedule:

10 (1) Pregnant women with incomes equal to or less than one hundred eighty-
11 five percent (185%) of the federal poverty guidelines as revised each
12 April 1 shall be covered for Medicaid benefits;

13 (2) Infants under the age of 1 with family incomes equal to or less than one
14 hundred eighty-five percent (185%) of the federal poverty guidelines as
15 revised each April 1 shall be covered for Medicaid benefits;

16 (3) Children aged 1 through 5 with family incomes equal to or less than one
17 hundred thirty-three percent (133%) of the federal poverty guidelines as
18 revised each April 1 shall be covered for Medicaid benefits;

19 (4) Children aged 6 through 18 with family incomes equal to or less than
20 the federal poverty guidelines as revised each April 1 shall be covered
21 for Medicaid benefits. Services to pregnant women eligible under this
22 section continue throughout the pregnancy but include only those
23 related to pregnancy and to those other conditions determined by the
24 Department as conditions that may complicate pregnancy. In order to
25 reduce county administrative costs and to expedite the provision of
26 medical services to pregnant women, to infants, and to children eligible
27 under this section, no resources test shall be applied; and

28 (5) The Department of Human Resources shall provide Medicaid coverage
29 for adoptive children with special or rehabilitative needs regardless of
30 the adoptive family's income.

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

36 (p) The Department of Human Resources shall submit a monthly status report
37 on expenditures for acute care and long-term care services to the Fiscal Research
38 Division and to the Office of State Budget and Management. This report shall include an
39 analysis of budgeted versus actual expenditures for eligibles by category and for long-
40 term care beds. In addition, the Department shall revise the program's projected spending
41 for the current fiscal year and the estimated spending for the subsequent fiscal year on a
42 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal

1 Research Division and to the Office of State Budget and Management no later than the
 2 third Thursday of the month.

3
 4 Requested by: Representatives Gardner, Hayes

5 **SSI/MEDICAID LIMITS**

6 Sec. 23.15. Aged, blind, or disabled individuals who meet the income and
 7 resource requirements for Supplemental Security Income (SSI) shall not qualify for
 8 Medicaid assistance as aged, blind, or disabled unless they are determined eligible for
 9 both SSI and Medicaid by the Social Security Administration.

10 Individuals currently financially eligible for SSI but not receiving it as of the
 11 effective date of this act shall be given written notice to apply for SSI at least 30 calendar
 12 days before losing Medicaid coverage.

13
 14 Requested by: Representatives Gardner, Hayes

15 **NONMEDICAID REIMBURSEMENT**

16 Sec. 23.16. 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 Notwithstanding the provisions of paragraph one, the Department of Human
 26 Resources may negotiate with providers of medical services under the various
 27 Department of Human Resources programs, other than Medicaid, for rates as close as
 28 possible to Medicaid rates for the following purposes: contracts or agreements for
 29 medical services and purchases of medical equipment and other medical supplies. These
 30 negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible
 31 patients, residents, and clients who require such services which cannot be provided when
 32 limited to the Medicaid rate.

33 Maximum net family annual income eligibility standards for services in these
 34 programs shall be as follows:

35
 36

37 <u>Family Size</u>	38 <u>Medical Eye</u>	39 <u>All</u>	40 <u>Other</u>
	41 <u>Care Adults</u>	42 <u>Rehabilitation</u>	
38 1	\$ 4,860	\$ 8,364	\$ 4,200
39 2	5,940	10,944	5,300
40 3	6,204	13,500	6,400
41 4	7,284	16,092	7,500
42 5	7,824	18,648	7,900
43 6	8,220	21,228	8,300

1	7	8,772	21,708	8,800
2	8	9,312	22,220	9,300

3 The eligibility level for children in the Medical Eye Care Program in the
 4 Division of Services for the Blind and for adults in the Clozaril Program in the Division
 5 of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one
 6 hundred percent (100%) of the federal poverty guidelines, as revised annually by the
 7 United States Department of Health and Human Services and in effect on July 1 of each
 8 fiscal year.

9 The Department of Human Resources shall contract at, or as close as possible
 10 to, Medicaid rates for medical services provided to residents of State facilities of the
 11 Department.

12
 13 Requested by: Representatives Gardner, Hayes

14 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

15 Sec. 23.17. To ensure uniformity in rates charged to area programs and funded
 16 with State-allocated resources, the Division of Mental Health, Developmental
 17 Disabilities, and Substance Abuse Services of the Department of Human Resources may
 18 require a private agency that provides services under contract with two or more area
 19 programs, except for hospital services that have an established Medicaid rate, to complete
 20 an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a) and G.S.
 21 122C-147.2. The resulting cost shall be the maximum included for the private agency in
 22 the contracting area program's unit cost finding.

23
 24 Requested by: Representatives Gardner, Hayes

25 **CLIENT SERVICES MONITORING**

26 Sec. 23.17A. The Department of Human Resources, Division of Mental
 27 Health, Developmental Disabilities, and Substance Abuse Services, shall utilize a system
 28 of monitoring and control for client services. This system shall ascertain whether
 29 services are provided in a timely manner. Notwithstanding any other provisions of law,
 30 the Division shall withhold area mental health agencies' administrative funds until
 31 services are provided in a timely manner.

32
 33 Requested by: Representatives Gardner, Hayes

34 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL**
 35 **DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

36 Sec. 23.18. The Department of Human Resources shall ensure that counties do
 37 not reduce county appropriations and expenditures for area mental health, developmental
 38 disabilities, and substance abuse authorities because the authorities have received
 39 additional State appropriations for services.

40
 41 Requested by: Representatives Gardner, Hayes

42 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

1 Sec. 23.19. Funds received by the Department of Human Resources from the
2 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
3 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be
4 allocated to the area mental health programs for substance abuse services on a per capita
5 basis as determined by the Office of State Budget and Management's most recent
6 estimates of county populations.

7
8 Requested by: Representatives Gardner, Hayes

9 **WILLIE M.**

10 Sec. 23.20. (a) Legislative Findings. The General Assembly finds:

- 11 (1) That there is a need in North Carolina to provide appropriate treatment
12 and education programs to children under the age of 18 who suffer from
13 emotional, mental, or neurological handicaps accompanied by violent or
14 assaultive behavior.
- 15 (2) That children meeting these criteria have been identified as a class in the
16 case of Willie M., et al. v. Hunt, et al.; and
- 17 (3) That these children have a need for a variety of services, in addition to
18 those normally provided, that may include, but are not limited to,
19 residential treatment services, educational services, and independent
20 living arrangements.

21 (b) Funds appropriated by the General Assembly to the Department of Human
22 Resources for serving members of the Willie M. Class shall be expended only for
23 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,
24 et al., including evaluations of potential class members. The Department shall reallocate
25 these funds among services to Willie M. Class members during the year as it deems
26 advisable in order to use the funds efficiently in providing appropriate services to Willie
27 M. Class children.

28 (c) Funds for Department of Public Education. – Funds appropriated to the
29 Department of Public Education in this act for members of the Willie M. Class are to
30 establish a supplemental reserve fund to serve only members of the class identified in
31 Willie M., et al. v. Hunt, et al. These funds shall be allocated by the State Board of
32 Education to the local education agencies to serve those class members who were not
33 included in the regular average daily membership and the census of children with special
34 needs, and to provide the additional program costs which exceed the per pupil allocation
35 from the State Public School Fund and other State and federal funds for children with
36 special needs.

37 (d) The Department of Human Resources shall continue to implement its
38 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
39 reasonable costs by conducting cost center service type rate comparisons and cost center
40 line item budget reviews as may be necessary, and based upon these reviews and
41 comparisons, the Department shall reduce and/or cap rates to programs which are
42 significantly higher than those rates paid to other programs for the same service. Any

1 exception to this requirement shall be approved by the Director of the Division of Mental
2 Health, Developmental Disabilities, and Substances Abuse Services.

3 (e) The Department of Human Resources shall implement a process to review
4 those cases for which treatment has been recommended whose annual cost is anticipated
5 to be in excess of one hundred fifty percent (150%) of the average annual per client
6 expenditure of the previous fiscal year and shall take actions to reduce these treatment
7 costs where appropriate.

8 (f) From existing funds available to it, the Department of Human Resources
9 shall document and assess individual class members' progress through the continuum of
10 services. Standardized measures of functioning shall be administered periodically to each
11 member of the class, and the information generated from these measures shall be used to
12 assess client progress and program effectiveness.

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

15 (1) That the General Assembly has evaluated the known needs of the State
16 and has endeavored to satisfy those needs in comparison to their social
17 and economic priorities; and

18 (2) That funds appropriated will enable the development and
19 implementation of placement and services for the class members in
20 Willie M., et al. v. Hunt, et al. within a reasonable period of time
21 considered within the context of the needs of the class members, the
22 other needs of the State, and the resources available to the State.

23 (h) The General Assembly supports the efforts of the responsible officials and
24 agencies of the State to meet the requirements of the court order in Willie M., et al. v.
25 Hunt, et al. To ensure that Willie M. Class members are appropriately served, no State
26 funds shall be expended on placement and services for Willie M. Class members except:

27 (1) Funds specifically appropriated by the General Assembly for the
28 placement and services of Willie M. Class members; and

29 (2) Funds for placement and services for which Willie M. Class members
30 are otherwise eligible.

31 This limitation shall not preclude the use of unexpended Willie M. funds from prior fiscal
32 years to cover current or future needs of the Willie M. program subject to approval by the
33 Director of the Budget. These Willie M. expenditures shall not be subject to the
34 requirements of G.S. 143-18.

35 (i) Notwithstanding any other provision of law, if the Department of Human
36 Resources determines that a local program is not providing appropriate services to
37 members of the class identified in Willie M., et al. v. Hunt, et al., the Department may
38 ensure the provision of these services through contracts with public or private agencies or
39 by direct operation by the Department of such programs.

40 (j) The Secretary of the Department of Human Resources shall adopt rules to
41 be followed in the provision of services for disabled, violent, and assaultive children who
42 have not reached their eighteenth birthday. These rules shall allow for the continuation
43 of services to any child the Secretary determines is being appropriately served until the

1 end of the fiscal year in which the child reaches the age of 18 or until six months after the
2 child reaches the age of 18, whichever period is longer.

3
4 Requested by: Representatives Gardner, Hayes

5 **THOMAS S.**

6 Sec. 23.21. (a) Funds appropriated to the Department of Human Resources in this
7 act for the 1995-96 fiscal year and the 1996-97 fiscal year for members of the Thomas S.
8 Class as identified in Thomas S., et al. v. Britt formerly Thomas S., et al. v. Flaherty,
9 shall be expended only for programs serving Thomas S. Class members or for services
10 for those clients who are:

- 11 (1) Adults with mental retardation, or who have been treated as if they had
12 mental retardation, who were admitted to a State psychiatric hospital on
13 or after March 22, 1984, and who are included on the Division of
14 Mental Health, Developmental Disabilities, and Substance Abuse
15 Services' official list of prospective class members;
- 16 (2) Adults with mental retardation who have a documented history of State
17 psychiatric hospital admissions regardless of admission date and who,
18 without funding support, have a good probability of being readmitted to
19 a State psychiatric hospital;
- 20 (3) Adults with mental retardation who have never been admitted to a State
21 psychiatric hospital but who have a documented history of behavior
22 determined to be of danger to self or others that results in referrals for
23 inpatient psychiatric treatment and who, without funding support, have a
24 good probability of being admitted to a State psychiatric hospital; or
- 25 (4) Adults who are included on the Division of Mental Health,
26 Developmental Disabilities, and Substance Abuse Services' official list
27 of prospective class members and have yet to be confirmed as class
28 members, who currently reside in the community, and who have a good
29 probability of being admitted to a facility licensed as "home for the aged
30 and disabled".

31 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
32 program shall be used for clients meeting the requirements of subdivisions (2), (3), or (4)
33 of this subsection.

34 (b) To ensure that Thomas S. Class members are appropriately served, no State
35 funds shall be expended on placement and services for Thomas S. Class members except:

- 36 (1) Funds specifically appropriated by the General Assembly for the
37 placement and services of Thomas S. Class members; and
- 38 (2) Funds for placement and services for which Thomas S. Class members
39 are otherwise eligible.

40 (c) The Department of Human Resources shall continue to implement a
41 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
42 reasonable costs by conducting cost center service type rate comparisons and cost center
43 line item budget reviews as may be necessary.

1 (d) Thomas S. funds may be expended to support services for Thomas S. Class
2 members of domiciliary care facilities when the service needs of individual class
3 members cannot be adequately met via the established maximum domiciliary care rate.

4 (e) Notwithstanding any other provision of law, if the Department of Human
5 Resources determines that a local program is not providing minimally adequate services
6 to members of the class identified in Thomas S., et al. v. Britt formerly Thomas S., et al.
7 v. Flaherty, the Department may ensure the provision of these services through contracts
8 with public or private agencies or by direct operation by the Department of these
9 programs.

10
11 Requested by: Representatives Gardner, Hayes

12 **FOSTER CARE REPORTING**

13 Sec. 23.22. Counties receiving funds for foster care shall report annually,
14 beginning with the 1995-96 fiscal year, to the Division of Social Services, Department of
15 Human Resources, the following:

- 16 (1) A narrative description of the use of State funds;
- 17 (2) Workload statistics and indicators for foster care as established by the
18 Division of Social Services; and
- 19 (3) Development of a coordinated approach to providing children's services,
20 with emphasis on meeting the total needs of the children and families
21 being served.

22
23 Requested by: Representatives Gardner, Hayes

24 **ADOPTION SUBSIDY**

25 Sec. 23.23. The maximum rates for State participation in the adoption
26 assistance program are established on a graduated scale as follows:

- 27 (1) \$315.00 per child per month for children aged birth through 5;
- 28 (2) \$365.00 per child per month for children aged 6 through 12; and
- 29 (3) \$415.00 per child per month for children aged 13 through 18.

30
31 Requested by: Representatives Gardner, Hayes

32 **FOSTER CARE**

33 Sec. 23.24. The maximum rates for State participation in the foster care
34 assistance program are established on a graduated scale as follows:

- 35 (1) \$315.00 per child per month for children aged birth through 5;
- 36 (2) \$365.00 per child per month for children aged 6 through 12; and
- 37 (3) \$415.00 per child per month for children aged 13 through 18.

38 Of these amounts, fifteen dollars (\$15.00) is a special needs allowance for the child.

39
40 Requested by: Representatives Gardner, Hayes

41 **FOSTER CARE AND ADOPTION TRAINING**

42 Sec. 23.25. The Division of Social Services, Department of Human Resources,
43 shall continue the in-house training component that provides a mandated minimum of 30

1 hours of preservice training for foster care parents and 84 hours for foster care workers
2 and adoption care workers and a mandated minimum of 10 hours of continuing education
3 for all foster care parents and 18 hours for foster care workers and adoption care workers.

4 This section remains in effect until modified or repealed by the General
5 Assembly.

6
7 Requested by: Representatives Gardner, Hayes

8 **CHILD PROTECTIVE SERVICES**

9 Sec. 23.26. (a) The funds appropriated in this act to the Department of Human
10 Resources, Division of Social Services, for the 1995-96 fiscal year for Child Protective
11 Services shall be allocated to county departments of social services based upon a formula
12 which takes into consideration the number of Child Protective Services cases in that
13 county and the number of Child Protective Services workers necessary to meet
14 recommended standards adopted by the North Carolina Association of County Directors
15 of Social Services.

16 (b) Funds allocated under subsection (a) of this section shall be used by county
17 departments for carrying out investigations of reports of child abuse or neglect or for
18 providing protective or preventive services in which the department confirms abuse,
19 neglect, or dependency.

20 (c) The Division of Social Services, Department of Human Resources, shall
21 establish criteria and guidelines to ensure that the allocations to county departments of
22 social services are used in accordance with this section and that available Federal
23 Emergency Assistance funds for Child Protective Services are maximized.

24 (d) As long as federal Emergency Assistance funds are available, counties shall
25 use these federal funds, State Child Protective Services appropriations, and county funds
26 to provide Child Protective Services.

27
28 Requested by: Representatives Gardner, Hayes

29 **STATE ABORTION FUND LIMITS**

30 Sec. 23.27. (a) No State funds in excess of fifty thousand dollars (\$50,000) each
31 fiscal year of the biennium shall be expended for the State Abortion Fund.

32 (b) State funds used to fund abortions shall be used only to terminate
33 pregnancies resulting from cases of rape or incest or to terminate pregnancies that, in the
34 opinion of two doctors licensed to practice medicine in North Carolina, endanger the life
35 of the mother.

36
37 Requested by: Representatives Gardner, Hayes

38 **HIV FOSTER CARE AND ADOPTIONS BOARD PAYMENT**

39 Sec. 23.28. The maximum rates for State participation in HIV Foster Care and
40 Adoptions Board Payments are established on a graduated scale as follows:

- 41 (1) \$800.00 per month per child with indeterminate HIV status;
42 (2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;
43 (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and

1 (4) \$1,600 per month per child terminally ill with complex care needs.

2
3 Requested by: Representatives Gardner, Hayes

4 **FOOD STAMP OUTREACH**

5 Sec. 23.29. The Department of Human Resources shall continue a Food Stamp
6 Outreach Program. Under the Program, the Department shall inform public and private
7 agencies, community groups, potentially eligible persons, and the general public
8 regarding the eligibility requirements of the Food Stamp Program. The Department shall
9 maintain a referral list of public and private agencies, community groups, and interested
10 persons and organizations who serve low-income persons. The Department shall inform
11 these agencies and persons regarding the Food Stamp Program and changes in the law
12 that affect client eligibility or the extent of benefits. The Department shall develop and
13 distribute informational materials, such as public service announcements, brochures,
14 pamphlets, posters, and correspondence.

15
16 Requested by: Representatives Gardner, Hayes

17 **SENIOR CENTER OUTREACH**

18 Sec. 23.30. (a) Funds appropriated to the Department of Human Resources,
19 Division of Aging, for the 1995-97 fiscal biennium, shall be used by the Division of
20 Aging to enhance senior center programs as follows:

21 (1) To test "satellite" services provided by existing senior centers to
22 unserved or underserved areas; or

23 (2) To provide start-up funds for new senior centers.

24 All of these funds shall be allocated by October 1 of each fiscal year.

25 (b) Prior to funds being allocated pursuant to this section for start-up funds for
26 a new senior center, the county commissioners of the county in which the new center will
27 be located shall:

28 (1) Formally endorse the need for such a center;

29 (2) Formally agree on the sponsoring agency for the center; and

30 (3) Make a formal commitment to use local funds to support the ongoing
31 operation of the center.

32 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

33
34 Requested by: Representatives Gardner, Hayes

35 **CAREGIVER SUPPORT SHARING**

36 Sec. 23.31. (a) Of the funds appropriated to the Division of Aging, Department of
37 Human Resources, for the 1995-97 fiscal biennium, the sum of one million eight
38 thousand dollars (\$1,008,000) for the 1995-96 fiscal year and the sum of one million
39 eight thousand dollars (\$1,008,000) for the 1996-97 fiscal year shall be used for services
40 that support family caregivers of elderly persons with functional disabilities, whether
41 physical or mental, who want to stay in their homes rather than be institutionalized but
42 who need assistance with the activities of daily living in order to remain at home. The
43 services that may be purchased from funds received under this section include:

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

7 (b) The Division of Aging shall expend funds for these services according to the
8 population of persons 70 years of age or older in each region. The Division of Aging
9 shall use a minimum of ninety-five percent (95%) of the funds it receives under this
10 section for the services described in subdivisions (1) through (4) of subsection (a) of this
11 section and may only use a maximum of five percent (5%) for technical assistance as
12 described in subsection (c) of this section. The Division of Aging shall choose providers
13 in accordance with procedures under the Older Americans Act. Funds allocated by the
14 Division pursuant to this section shall be allocated by October 1 of each fiscal year.

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

19
20 Requested by: Representatives Hayes, Gardner

21 **REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH**
22 **CAROLINA VOCATIONAL REHABILITATION ADVISORY COUNCIL, THE**
23 **STATEWIDE INDEPENDENT LIVING COUNCIL, AND THE COMMISSION**
24 **FOR THE BLIND**

25 Sec. 23.32. Notwithstanding G.S. 138-5(a)(1), those members of the North
26 Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living
27 Council, and the Commission for the Blind, who are unemployed or who must forfeit
28 wages from other employment to attend council or commission meetings or to perform
29 related duties, may receive compensation not to exceed fifty dollars (\$50.00) a day for
30 attending these meetings or for performing related duties, as authorized in Sections 105
31 and 705 of P.L. 102-569, the Rehabilitation Act of 1973, 42 U.S.C. § 701 et seq., as
32 amended. This compensation is instead of the compensation specified in G.S. 138-
33 5(a)(1). Reimbursement for subsistence and travel expenses is as specified in G.S. 138-
34

35 Requested by: Representatives Gardner, Hayes

36 **OWNERSHIP, CUSTODY, OR CONTROL OF VEHICLES PURCHASED BY**
37 **THE DIVISION OF VOCATIONAL REHABILITATION SERVICES**

38 Sec. 23.33. The Division of Vocational Rehabilitation Services, Department of
39 Human Resources, may use funds made available to it to purchase vehicles to be used
40 primarily to transport clients being served pursuant to the Rehabilitation Act of 1973, 42
41 U.S.C. § 701 et seq., as amended. Notwithstanding the provisions of G.S. 143-341(8)i.3.,
42 the Division of Vocational Rehabilitation Services shall not be required to transfer

1 ownership, custody, or control of any vehicle purchased pursuant to this section to the
2 Department of Administration.

3
4 Requested by: Representatives Gardner, Hayes

5 **DHR STUDY OF DIVISION OF YOUTH SERVICES' PROGRAMS AND**
6 **SERVICES EXTENDED**

7 Sec. 23.34. Section 25.26 of Chapter 769 of the 1993 Session Laws, Regular
8 Session 1994, which amended subsection (d) of Section 36 of Chapter 24 of the Session
9 Laws of the 1994 Extra Session reads as rewritten:

10 "Sec. 25.26. Subsection (d) of Section 36 of Chapter 24 of the 1994 Extra Session
11 reads as rewritten:

12 '(d) The Department shall complete this study by ~~March 1, 1995~~, October 1, 1995,
13 and shall report the results of this study to the 1995 General Assembly by ~~April 1, 1995~~.
14 November 1, 1995."

15
16 Requested by: Representatives Gardner, Hayes

17 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

18 Sec. 23.35. County governments participating in the Community-Based
19 Alternatives Program shall certify annually to the Division of Youth Services,
20 Department of Human Resources, that Community-Based Alternatives Aid to Counties
21 shall not be used to duplicate or supplant other programs within the county.

22
23 **PART 24. DEPARTMENT OF AGRICULTURE**

24
25 Requested by: Representatives Mitchell, Weatherly

26 **AUTHORIZE THE AGRICULTURAL FINANCE AUTHORITY TO USE THE**
27 **INTEREST FROM THE RESERVE FOR FARM LOANS FOR**
28 **ADMINISTRATIVE EXPENSES**

29 Sec. 24. Funds in the Reserve for Farm Loans shall be used for the purposes
30 set out in Chapter 122D of the General Statutes, but shall not be used for the
31 administration of that Chapter. Interest on funds in the Reserve for Farm Loans and
32 interest from agricultural loans, as defined in G.S. 122D-3, may be used for any of the
33 purposes set out in Chapter 122D of the General Statutes and for the administration of
34 that Chapter.

35
36 Requested by: Representatives Mitchell, Weatherly

37 **STUDY REGARDING THE STATE FARMERS MARKETS COSTS**

38 Sec. 24.1. The Department of Agriculture shall evaluate and recommend
39 options for each of the State's Farmers Markets to reach a goal of becoming self-
40 supporting within four years. No later than April 1, 1996, the Department shall report its
41 findings and recommendations to the Joint Legislative Commission on Governmental
42 Operations.

1 Requested by: Representatives Mitchell, Weatherly

2 **FEASIBILITY STUDY REGARDING FEES AT THE MARITIME MUSEUM**

3 Sec. 24.2. The Department of Agriculture shall study the feasibility of
4 charging admission fees at the North Carolina Maritime Museum. This study shall
5 evaluate different options for admission fees and shall include a proposed implementation
6 plan, anticipated revenues, anticipated costs of developing and implementing admission
7 fees, and anticipated personnel that would be required for each admission fee option. No
8 later than April 1, 1996, the Department shall report its findings and recommendations to
9 the Joint Legislative Commission on Governmental Operations.

10
11 Requested by: Representatives Mitchell, Weatherly

12 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS**
13 **FORESTLANDS**

14 Sec. 24.3. From funds received from the sale of timber that are deposited with
15 the State Treasurer pursuant to G.S. 146-30 to the credit of the Department of Agriculture
16 in a capital improvement account, the sum of twenty thousand dollars (\$20,000) is
17 transferred to the Reserve for Forest Management for expenditure during the 1995-96
18 fiscal year and the sum of twenty thousand dollars (\$20,000) is transferred to the Reserve
19 for Forest Management for expenditure during the 1996-97 fiscal year. The Department
20 may increase its expenditures of timber receipts by twenty thousand dollars (\$20,000)
21 each year, provided that the maximum expenditure in each fiscal year shall not exceed
22 fifty thousand dollars (\$50,000). These funds are in addition to any other funds already in
23 that Reserve.

24
25 **PART 25. DEPARTMENT OF COMMERCE**

26
27 Requested by: Representatives Mitchell, Weatherly

28 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

29 Sec. 25. Local governments requesting financial assistance from the Industrial
30 Development Fund that wish to request to be exempted from the local matching
31 requirements placed on the receipt of this assistance shall demonstrate to the satisfaction
32 of the Department of Commerce that it would be an economic hardship for the local
33 government to match State assistance from the Fund with local funds. The Department
34 shall develop guidelines for determining hardship.

35
36 Requested by: Representatives Mitchell, Weatherly

37 **FRAUD INVESTIGATION FUNDS**

38 Sec. 25.1. Of the funds appropriated in this act to the Department of
39 Commerce for the North Carolina Industrial Commission for the 1995-96 and 1996-97
40 fiscal years, the sum of one hundred thousand dollars (\$100,000) for each fiscal year shall
41 be transferred to the Department of Insurance to be used to investigate suspected fraud
42 and all violations related to workers' compensation claims, by or against insurers or self-
43 funded employers, pursuant to G.S. 97-88.2.

Requested by: Representatives Mitchell, Weatherly

BUDGET FLEXIBILITY/INTERNATIONAL TRADE DIVISION

Sec. 25.2. Notwithstanding G.S. 143-23, the Department of Commerce may use available funds, including lapsed salaries, for the 1995-96 and the 1996-97 fiscal years to cover underbudgeted expenses due to devaluation of the U.S. dollar or foreign country inflation. Funds transferred pursuant to this section shall be used to cover devaluation of the dollar to a foreign currency only if the devaluation is 5% or greater and shall be used to cover increased expenses due to foreign country inflation only if the inflation is greater than 1% per month. Funds transferred pursuant to this section shall be limited to a maximum of \$50,000 per office for the Department's International Trade Division offices in Hong Kong, Tokyo, Dusseldorf, and Mexico City.

Requested by: Representatives Mitchell, Weatherly

REGIONAL COMMISSION REPORTS

Sec. 25.3. The regional economic development commissions receiving grants-in-aid from the Department of Commerce shall report on their programs to the Joint Legislative Commission on Governmental Operations on or before March 1 of each fiscal year, and more frequently as requested by the Commission. The reports shall include information on the activities and accomplishments during the past fiscal year, itemized expenditures during the past fiscal year with sources of funding, planned activities and accomplishments for at least the next 12 months, and itemized anticipated expenditures with sources of funding for the next 12 months.

Requested by: Representatives Mitchell, Weatherly

ALLOCATIONS FOR REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

Sec. 25.4. Funds appropriated in this act to the Department of Commerce for regional economic development commissions shall be allocated for each fiscal year as follows:

	FY	FY
	<u>1995-96</u>	<u>1996-97</u>
Western North Carolina Regional Economic Development Commission	\$1,179,730	\$1,105,997
Research Triangle Regional Commission		415,485 389,517
Southeastern North Carolina Regional Economic Development Commission		719,145 674,198

1	Piedmont Triad Partnership	359,572
2		337,099
3		
4	Northeastern North Carolina Regional	
5	Economic Development Commission	971,525
6		910,805
7		
8	Global TransPark Development Commission	631,722
9		592,240
10		
11	Carolinas Partnership, Inc.	402,820
12		377,644
13		

14 Requested by: Representatives Mitchell, Weatherly

15 **TOURISM PROMOTION FUNDS**

16 Sec. 25.5. Funds appropriated in this act to the Department of Commerce for
 17 tourism promotion grants shall be allocated according to per capita income,
 18 unemployment, and population growth in an effort to direct funds to counties most in
 19 need in terms of lowest per capita income, highest unemployment, and slowest
 20 population growth, in the following manner:

- 21 (1) Counties 1 through 20 are each eligible to receive a maximum grant of
 22 \$7,500 for each fiscal year, provided these funds are matched on the
 23 basis of one non-State dollar for every four State dollars.
- 24 (2) Counties 21 through 50 are each eligible to receive a maximum grant of
 25 \$3,500 for two of the next three fiscal years, provided these funds are
 26 matched on the basis of one non-State dollar for every three State
 27 dollars.
- 28 (3) Counties 51 through 100 are each eligible to receive a maximum grant
 29 of \$3,500 for alternating fiscal years, beginning with the 1991-92 fiscal
 30 year, provided these funds are matched on the basis of four non-State
 31 dollars for every State dollar.

32
 33 Requested by: Representatives Mitchell, Weatherly

34 **WANCHESE SEAFOOD INDUSTRIAL PARK**

35 Sec. 25.6. No funds are appropriated in this act for the 1996-97 fiscal year for
 36 the Wanchese Seafood Industrial Park and it is the intent of the General Assembly to
 37 make no further appropriations for the Wanchese Seafood Industrial Park for subsequent
 38 fiscal years.

39
 40 Requested by: Representatives Mitchell, Weatherly

41 **BIOTECHNOLOGY CENTER**

42 Sec. 25.7. (a) The North Carolina Biotechnology Center shall recapture funds
 43 spent in support of successful research efforts in the nonacademic private sector.

1 (b) The North Carolina Biotechnology Center shall provide funding for
2 biotechnology and related bioscience applications under its Economic and Corporate
3 Development Program.

4 (c) The North Carolina Biotechnology Center shall report on all of the Center's
5 programs to the Joint Legislative Commission on Governmental Operations and the
6 Fiscal Research Division on or before March 1 of each fiscal year, and more frequently as
7 requested by the Commission. The initial report shall include information on the
8 activities and accomplishments during the past fiscal year, itemized expenditures during
9 the past fiscal year with sources of funding, planned activities and accomplishments for at
10 least the next 12 months, and itemized anticipated expenditures with sources of funding
11 for the next 12 months. Subsequent reports shall include updates of the initial report.

12 (d) The North Carolina Biotechnology Center shall provide a report containing
13 detailed budget, personnel, and salary information to the Office of State Budget and
14 Management and to the Fiscal Research Division in the same manner as State
15 departments and agencies in preparation for biennium budget requests.

16
17 Requested by: Representatives Mitchell, Weatherly

18 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

19 Sec. 25.8. Of the funds appropriated in this act from the General Fund to the
20 North Carolina Biotechnology Center for the 1995-96 and the 1996-97 fiscal years, the
21 sum of one million dollars (\$1,000,000) in each fiscal year shall be used to continue the
22 special biotechnology program initiative for North Carolina's Public Historically Black
23 Universities and Pembroke State University. This program initiative is a means to get
24 more funds to these institutions of higher education in the short run to help them develop
25 their biotechnology programs and a means to develop a mechanism to improve these
26 institutions' capacity over the long term. The Center's special initiative shall, at a
27 minimum, provide for:

- 28 (1) A range of program activities, including grants, designed to enhance the
29 existing strengths and capabilities of Pembroke State University, and the
30 Public Historically Black Universities;
- 31 (2) A Facilities and Infrastructure Review Committee to advise the Center
32 on major program elements and priority projects that would be most
33 helpful to these institutions; and
- 34 (3) A Program Advisory Panel with representation from these institutions to
35 advise and make recommendations to the Center's President and Board
36 of Directors on funding proposals under this initiative.

37 The Center shall report on its biotechnology program grants to universities to
38 the Joint Legislative Commission on Governmental Operations and the Fiscal Research
39 Division on or before March 1 of each fiscal year, and more frequently as requested by
40 the Commission. These reports shall include the current number of enrollments and the
41 capacity of enrollments in the biotechnology program in each of the universities, the
42 number of faculty in the biotechnology program in each of the universities, whether and
43 to what extent the enrollments, capacity, and number of faculty have changed in the last

1 three academic years in the biotechnology program in each of the universities, how the
 2 funds allocated by this section are being used in each of the universities, and any other
 3 information that indicates whether these grants are accomplishing their purpose.

4
 5 Requested by: Representatives Mitchell, Weatherly.

6 **MCNC**

7 Sec. 25.9. (a) MCNC shall report on all of its programs to the Joint Legislative
 8 Commission on Governmental Operations and the Fiscal Research Division on or before
 9 March 1 of each fiscal year, and more frequently as requested by the Commission. The
 10 reports shall include information on the activities and accomplishments during the past
 11 fiscal year, itemized expenditures during the past fiscal year with sources of funding,
 12 planned activities, and accomplishments for at least the next 12 months, and itemized
 13 anticipated expenditures with sources of funding for the next 12 months. The report on
 14 the activities of the Supercomputer program shall identify the users of the
 15 Supercomputer, the major projects conducted by the users, and the potential benefits of
 16 the projects.

17 (b) MCNC shall provide a report containing detailed budget information to the
 18 Office of State Budget and Management in the same manner as State departments and
 19 agencies in preparation for biennium budget requests. Specific salary information will be
 20 provided upon written request by the Chairs of the Joint Legislative Commission on
 21 Governmental Operations or the Chairs of the House Appropriations Subcommittee on
 22 Natural and Economic Resources and the Chairs of the Senate Appropriations Committee
 23 on Natural and Economic Resources.

24 (c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1995-96</u>	<u>FY 1996-97</u>
25 Microelectronics Program	\$5,362,523	
26 \$5,362,523		
27 Supercomputer	9,576,319	
28 9,576,319		
29 Telecommunications	4,826,158	
30 4,826,158		

31 (d) Of the funds appropriated to MCNC for the Microelectronics Program, five
 32 million three hundred sixty-two thousand five hundred twenty-three dollars (\$5,362,523)
 33 in each fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

34 (e) If MCNC finds it necessary to make changes in the program allocations
 35 specified in subsection (a) of this section, MCNC shall report such changes to the Joint
 36 Legislative Commission on Governmental Operations 30 days before the reallocation.

37 (f) Funds appropriated in this act to MCNC for Migration of Current Network
 38 to the North Carolina Information Highway System (NCIHS) shall be used as follows:

- 39 (1) To cover the costs of connecting and operating the North Carolina
 40 Research and Education Network through the North Carolina
 41 Information Highway so that universities and research centers will
 42

- 1 continue to have the capability currently available through the North
- 2 Carolina Research and Education Network,
- 3 (2) For program support, and
- 4 (3) For MCNC to serve as gateway to the North Carolina Information
- 5 Highway for the 18 sites.
- 6

7 Requested by: Representatives Mitchell, Weatherly

8 **MCNC PLAN FOR SELF-SUPPORT**

9 Sec. 25.10. MCNC shall develop a plan for carrying out its statutory,
 10 contractual, and other duties, responsibilities, and purposes without financial support
 11 from the State through General Fund or other appropriations. The plan shall provide for
 12 MCNC to be totally self-supporting by July 1, 1999. MCNC shall submit the plan to the
 13 Joint Legislative Commission on Governmental Operations not later than April 1, 1996.
 14 The plan shall indicate, at a minimum, the following:

- 15 (1) Financial support received from State appropriations for each of the last
- 16 six years;
- 17 (2) Activities and purposes for which State appropriated funds were used
- 18 over the last six years;
- 19 (3) Funds that will be needed to continue operations over each of the fiscal
- 20 years commencing July 1, 1995; and
- 21 (4) Public and private sources and amounts of anticipated revenue for each
- 22 fiscal year commencing July 1, 1995 through June 30, 2001.
- 23

24 Requested by: Representatives Mitchell, Weatherly

25 **RURAL ECONOMIC DEVELOPMENT CENTER**

26 Sec. 25.11. (a) Of the funds appropriated in this act to the Rural Economic
 27 Development Center the sum of one million two hundred seventy thousand dollars
 28 (\$1,270,000) for the 1995-96 fiscal year and the sum of one million two hundred seventy
 29 thousand dollars (\$1,270,000) for the 1996-97 fiscal year shall be allocated as follows:

	<u>95-96 FY</u>	<u>96-97 FY</u>
30 Research & Demonstration Grants	\$475,864	\$475,864
31 Technical Assistance and Center		
32 Administration of Research and		
33 Demonstration Grants		444,136
34		444,136
35		
36 Center Administration, Oversight,		
37 and Other Programs		350,000
38		350,000

39 (b) The Rural Economic Development Center, Inc., shall report on the Center's
 40 programs to the Joint Legislative Commission on Governmental Operations on or before
 41 March 1 of each fiscal year, and more frequently as requested by the Commission. The
 42 report shall include information on the activities and accomplishments during the fiscal
 43 year, itemized expenditures during the fiscal year with sources of funding, planned

1 activities and accomplishments for at least the next 12 months, and itemized anticipated
2 expenditures with sources of funding for the next fiscal year.

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

7 (d) Not more than fifty percent (50%) of the interest earned on State funds
8 appropriated to the Rural Economic Development Center, Inc., may be used by the Rural
9 Economic Development Center, Inc., for administrative purposes, including salaries and
10 fringe benefits.

11
12 Requested by: Representatives Mitchell, Weatherly

13 **OPPORTUNITIES INDUSTRIALIZATION CENTER FUNDS**

14 Sec. 25.12. Of the funds appropriated in this act to the Rural Economic
15 Development Center, Inc., the sum of one hundred thousand dollars (\$100,000) for the
16 1995-96 fiscal year and the sum of one hundred thousand dollars (\$100,000) for the
17 1996-97 fiscal year shall be allocated as follows:

- 18 (1) \$25,000 in each fiscal year to the Opportunities Industrialization Center
19 of Wilson, Inc., for its ongoing job training programs;
- 20 (2) \$25,000 in each fiscal year to Opportunities Industrialization Center,
21 Inc., in Rocky Mount, for its ongoing job training programs;
- 22 (3) \$25,000 in each fiscal year to Pitt-Greenville Opportunities
23 Industrialization Center, Inc. for its ongoing job training programs; and
- 24 (4) \$25,000 in each fiscal year to the Opportunities Industrialization Center
25 of Lenoir, Green, and Jones Counties.

26 The Rural Economic Development Center, Inc. shall report on the use of these
27 funds to the Joint Legislative Commission on Governmental Operations on or before
28 March 1 of each fiscal year, and more frequently as requested by the Commission.

29
30 Requested by: Representatives Weatherly, Mitchell

31 **COMMUNITY DEVELOPMENT INITIATIVE**

32 Sec. 25.13. Of the funds appropriated in this act to the Rural Economic
33 Development Center, Inc., the sum of one million eight hundred thousand dollars
34 (\$1,800,000) for fiscal year 1995-96 and the sum of one million eight hundred thousand
35 dollars (\$1,800,000) for fiscal year 1996-97 shall be used to support the grant and loan
36 fund and operations of the North Carolina Community Development Initiative, Inc. The
37 Initiative shall provide operating and project activity grants to mature community
38 development corporations that have demonstrated project and organizational capacity.

39 The North Carolina Community Development Initiative, Inc., shall report to
40 the Joint Legislative Commission on Governmental Operations on the use of these funds
41 on or before March 1 of each fiscal year, and more frequently as requested by the
42 Commission.

1 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
2 **RESOURCES**

3
4 Requested by: Representatives Baker, Nichols

5 **EHNR STUDY STATE-FUNDED ENVIRONMENTAL EDUCATION**

6 Sec. 26. The Department of Environment, Health, and Natural Resources shall
7 prepare a report identifying all State-funded environmental education programs,
8 activities, and initiatives statewide, including efforts by all State entities as well as efforts
9 by other entities funded by grants-in-aid. In addition, the Department shall include in its
10 report a plan for consolidating some or all of these programs, activities, and initiatives.
11 The Department shall submit this report on or before January 15, 1996, to the Joint
12 Legislative Commission on Governmental Operations.

13
14 Requested by: Representatives Mitchell, Weatherly

15 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

16 Sec. 26.1. (a) During the 1995-97 fiscal biennium, the Secretary of Environment,
17 Health, and Natural Resources may contribute from the Inactive Hazardous Sites Cleanup
18 Fund up to ten percent (10%) of the cost each fiscal year, not to exceed fifty thousand
19 dollars (\$50,000) per site, of implementing a voluntary remedial action program at up to
20 three high-priority sites that substantially endanger public health or the environment.

21 (b) No later than April 1 of each year of the 1995-97 fiscal biennium, the
22 Department of Environment, Health, and Natural Resources shall report to the General
23 Assembly. Each report shall contain the location of the sites for which a voluntary
24 remedial action program was implemented under subsection (a) of this section, the
25 rationale for the State contributing to the cost of that remedial action, and the amount of
26 the contribution made from the Inactive Hazardous Sites Cleanup Fund.

27
28 Requested by: Representatives Mitchell, Weatherly

29 **SUPERFUND PROGRAM FUNDS**

30 Sec. 26.2. (a) The Department of Environment, Health, and Natural Resources
31 may use available funds, with the approval of the Office of State Budget and
32 Management, in order to provide the ten percent (10%) cost share required for Superfund
33 cleanups on the National Priority List sites. These funds may be in addition to those
34 appropriated for this purpose.

35 (b) The Department of Environment, Health, and Natural Resources and the Office
36 of State Budget and Management shall report to the Joint Legislative Commission on
37 Governmental Operations the amount and the source of the funds used pursuant to
38 subsection (a) of this section within 30 days of the expenditure of these funds.

39
40 Requested by: Representatives Mitchell, Weatherly

41 **PARTNERSHIP FOR THE SOUNDS, INC.**

42 Sec. 26.3. Partnership for the Sounds, Inc., shall report on all of its programs
43 to the Joint Legislative Commission on Governmental Operations and the Fiscal

1 Research Division on March 1 of each fiscal year, and more frequently as requested by
2 the Commission. The reports shall include information on the activities and the
3 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
4 year with sources of funding, planned activities, and accomplishments for at least the
5 next 12 months, and itemized anticipated expenditures with sources of funding for the
6 next 12 months.

7
8 Requested by: Representatives Mitchell, Weatherly

9 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY**

10 Sec. 26.4. (a) For the 1995-96 and 1996-97 fiscal years, the Department of
11 Environment, Health, and Natural Resources may combine and allocate funds
12 appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the
13 Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into one
14 Acute Communicable Disease Control Aid to Counties Grant. Communicable Disease
15 Aid to Counties funding to local health departments and other authorized recipients will
16 be based on a general communicable disease formula to be developed by the Department
17 of Environment, Health, and Natural Resources.

18 (b) The Department of Environment, Health, and Natural Resources, in
19 conjunction with local health departments, will maintain a system to monitor and identify
20 Aid to Counties communicable disease expenditures by each communicable disease
21 group. The Department shall report to the Joint Legislative Commission on
22 Governmental Operations not later than October 1, 1995, and annually thereafter, on Aid
23 to Counties expenditures by county for each communicable disease group and the
24 purpose of the expenditures for the fiscal year. The report shall also include an
25 evaluation of the effectiveness of combining Aid to Counties funding into one grant fund
26 and the effectiveness of the formula used to allocate funds.

27
28 Requested by: Representatives Mitchell, Weatherly.

29 **DWI TEST CHANGES**

30 Sec. 26.5. (a) Section 272 of Chapter 321 of the 1993 Session Laws is repealed.

31 (b) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-94 and 1994-95
32 and designated for the alcohol testing program of the Injury Control Section of the
33 Department of Environment, Health, and Natural Resources shall not revert to the
34 General Fund unless the amounts exceed the amounts appropriated by the General
35 Assembly for the 1993-94 and 1994-95 fiscal years.

36 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-
37 16.5(j) that are designated for the alcohol testing program of the Injury Control Section of
38 the Department of Environment, Health, and Natural Resources and are not needed for
39 that program shall be transferred annually to the Governor's Highway Safety Program for
40 grants to local law enforcement agencies for training and enforcement of the laws on
41 driving while impaired. The Governor's Highway Safety Program shall expend funds
42 transferred to it under this section within 13 months of receipt of the funds. Amounts

1 received by the Governor's Highway Safety Program shall not revert until the June 30
2 following the 13-month period.

3
4 Requested by: Representatives Mitchell, Weatherly

5 **IMMUNIZATION PROGRAM FUNDING**

6 Sec. 26.6. (a) Of the funds appropriated to the Department of Environment,
7 Health, and Natural Resources for the 1995-97 fiscal biennium for childhood
8 immunization programs for positions, operating support, equipment, and
9 pharmaceuticals, the sum of up to one million dollars (\$1,000,000) each fiscal year may
10 be used for projects and activities that are also designed to increase childhood
11 immunization rates in North Carolina. These projects and activities shall include the
12 following:

13 (1) Outreach efforts at the State and local levels to improve service delivery
14 of vaccines. Outreach efforts may include educational seminars, media
15 advertising, support services to parents to enable children to be
16 transported to clinics, longer operating hours for clinics, and mobile
17 vaccine units; and

18 (2) Continued development of an automated immunization registry.

19 (b) Funds authorized to be used for immunization efforts under subsection (a) of
20 this section shall not be used to fund additional State positions in the Department of
21 Environment, Health, and Natural Resources.

22
23 Requested by: Representatives Mitchell, Weatherly

24 **PUBLIC HEALTH NUTRITION INTERN PROGRAM**

25 Sec. 26.7. Of the funds appropriated to the Department of Environment,
26 Health, and Natural Resources for the Special Supplemental Food Program for Women,
27 Infants, and Children (WIC), the sum of up to one hundred seventy thousand dollars
28 (\$170,000) for the 1995-96 fiscal year and the sum of up to one hundred seventy
29 thousand dollars (\$170,000) for the 1996-97 fiscal year may be used for the purpose of
30 establishing and maintaining a Public Health Nutritionist Internship Program.

31
32 Requested by: Representatives Mitchell, Weatherly

33 **AQUARIUM STUDY**

34 Sec. 26.8. The Department of Environment, Health, and Natural Resources
35 shall study whether the State needs three aquariums and shall make recommendations to
36 the Joint Legislative Commission on Governmental Operations on or before April 1,
37 1996, on the beneficialness and feasibility of the consolidation of the aquariums at Fort
38 Fisher, Pine Knoll Shores, and Roanoke Island.

39
40 Requested by: Representatives Mitchell, Weatherly

41 **TARGET FISHERY RESOURCE GRANT FUNDS**

42 Sec. 26.9. Of the funds appropriated in this act to the Department of
43 Environment, Health, and Natural Resources, the sum of five hundred thousand dollars

1 (\$500,000) for fiscal year 1995-96 and the sum of five hundred thousand dollars
 2 (\$500,000) for fiscal year 1996-97 shall be allocated to the Fishery Resource Grant
 3 Program established pursuant to Section 27.17 of Chapter 769 of the 1993 Session Laws.
 4 The Marine Fisheries Commission shall target these funds to the most cost effective or
 5 urgent proposals. The Commission shall report to the Joint Legislative Commission on
 6 Governmental Operations on or before April 1, 1996, and February 1, 1997 on the use of
 7 these funds.

8
 9 Requested by: Representatives Mitchell, Weatherly

10 **GRASSROOTS SCIENCE PROGRAM**

11 Sec. 26.10. Of the funds appropriated in this act to the Department of
 12 Environment, Health, and Natural Resources for the Grassroots Science Program, the
 13 sum of five hundred thousand dollars (\$500,000) for fiscal year 1995-96 and the sum of
 14 five hundred thousand dollars (\$500,000) for fiscal year 1996-97 are allocated as grants-
 15 in-aid for each fiscal year as follows:

16	Catawba	Science	Center
17	\$50,000		
18	Discovery		Place
19	\$50,000		
20	Imagination		Station
21	\$50,000		
22	North Carolina Museum of		
23	Life	and	Science
24	\$50,000		
25	Rocky Mount	Children's	Museum
26	\$50,000		
27	Schiele Museum	of	Natural History
28	\$50,000		
29	Sci Works Science Center and Environmental		
30	Park of	Forsyth	County
31	\$50,000		
32	Natural Science Center	of	Greensboro
33	\$50,000		
34	Western North Carolina	Nature	Center
35	\$15,000		
36	The Health Adventure Museum of Pack Place		
37	Education, Arts and Science		
38	Center,		Inc.
39	\$35,000		
40	Cape Fear		Museum
41	\$50,000		

42
 43 Requested by: Representatives Mitchell, Weatherly

SPECIAL ZOO FUND

Sec. 26.11. G.S. 143B-336.1 reads as rewritten:

"§ 143B-336.1. Special Zoo Fund.

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

PART 27. DEPARTMENT OF LABOR

Requested by: Representatives Mitchell, Weatherly

ELEVATOR DIVISION SELF-SUPPORTING

Sec. 27. The Department of Labor shall study and make recommendations to the General Assembly on a plan to make the Elevator Division of the Department of Labor self-supporting. The report shall study the corresponding fee increases that will be required for inspection periods of six months, nine months, and twelve months. The report shall also state the corresponding operating costs and personnel requirements, including expansions and reductions of positions, for each inspection period. The Department's plan shall be developed as if it were to be implemented in the 1996-97 fiscal year. The Department shall report to the Joint Legislative Commission on Governmental Operations of the General Assembly on or before April 1, 1996.

Requested by: Representatives Mitchell, Weatherly

OSHA POSITIONS

Sec. 27.1. (a) The Department of Labor may use funds appropriated to the Department of Labor for the Occupational Safety and Health Act of North Carolina (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of the OSHANC program, provided the Department of Labor certifies to the Office of State Budget and Management that no federal match is available for the 1995-96 fiscal year and for the 1996-97 fiscal year.

(b) If federal Occupational Safety and Health Administration funds are granted to match all or part of the funds for enforcement positions and support that are one hundred

1 percent (100%) State-funded, then State funds equivalent to the federal match shall revert
2 to the General Fund at the end of the fiscal year for which the federal match was
3 received.

4
5 Requested by: Representative Ken Miller

6 **DEPARTMENTAL STUDY OF WORKPLACE RETALIATORY**
7 **DISCRIMINATION DIVISION OF THE DEPARTMENT OF LABOR**

8 Sec. 27.2. The Department of Labor, the Department of Commerce, and the
9 Employment Security Commission shall jointly undertake a study to determine if the
10 functions of the Workplace Retaliatory Discrimination Division of the Department of
11 Labor can effectively and efficiently be combined with certain related activities of the
12 Employment Security Commission. The study shall include review of federal law
13 pertaining to employment security and retaliatory discrimination to ensure that the
14 combining of these functions would not conflict with pertinent federal law. The
15 Department of Labor shall be the lead agency on this study and shall report the results
16 and recommendations of the study to the Joint Legislative Commission on Governmental
17 Operations by March 1, 1996.

18
19 **PART 28. MISCELLANEOUS PROVISIONS**

20
21 Requested by: Representatives Holmes, Creech, Esposito

22 **EFFECT OF HEADINGS**

23 Sec. 28. The headings to the Parts and sections of this act are a convenience to
24 the reader and are for reference only. The headings do not expand, limit, or define the
25 text of this act.

26
27 Requested by: Representatives Holmes, Creech, Esposito

28 **EXECUTIVE BUDGET ACT REFERENCE**

29 Sec. 28.1. 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: Representatives Holmes, Creech, Esposito

34 **COMMITTEE REPORT**

35 Sec. 28.2. (a) The House Appropriations Committee Continuation Budget Report,
36 dated April 25, 1995, together with any accompanying correction sheets, which was
37 distributed in the House of Representatives and used to explain this act, shall indicate
38 action by the General Assembly on this act and shall therefore be used to construe this
39 act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall
40 be considered a part of this act.

41 (b) The budget enacted by the General Assembly for the maintenance of the
42 various departments, institutions, and other spending agencies of the State for the 1995-
43 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure

1 and the State Accounting System Uniform Chart of Accounts set out in the
2 Administrative Policies and Procedures Manual of the Office of the State Controller.
3 This budget includes the appropriations made from all sources including the General
4 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
5 receipts.

6 The General Assembly amended the itemized budget requests submitted to the
7 General Assembly by the Director of the Budget and the Advisory Budget Commission,
8 in accordance with the steps that follow and the line item detail in the budget enacted by
9 the General Assembly may be derived accordingly:

- 10 (1) Negative reserves set out in the submitted budget were deleted and the
11 totals were increased accordingly.
- 12 (2) The base budget was adjusted in accordance with the base budget cuts
13 and additions that were set out in the House Appropriations Committee
14 Continuation Budget Report, dated April 25, 1995, together with any
15 accompanying correction sheets.
- 16 (3) Transfers of funds supporting programs were made in accordance with
17 the House Appropriations Committee Continuation Budget Report,
18 dated April 25, 1995, together with any accompanying correction
19 sheets.

20 The budget enacted by the General Assembly shall also be interpreted in
21 accordance with the special provisions in this act and in accordance with other
22 appropriate legislation.

23 In the event that there is a conflict between the line item budget certified by the
24 Director of the Budget and the budget enacted by the General Assembly, the budget
25 enacted by the General Assembly shall prevail.

26
27 Requested by: Representatives Holmes, Creech, Esposito

28 **MOST TEXT APPLIES ONLY TO 1995-97**

29 Sec. 28.3. Except for statutory changes or other provisions that clearly indicate
30 an intention to have effects beyond the 1995-97 biennium, the textual provisions of this
31 act shall apply only to funds appropriated for and activities occurring during the 1995-97
32 biennium.

33
34 Requested by: Representatives Holmes, Creech, Esposito

35 **SEVERABILITY CLAUSE**

36 Sec. 28.4. If any section or provision of this act is declared unconstitutional or
37 invalid by the courts, it does not affect the validity of the act as a whole or any part other
38 than the part so declared to be unconstitutional or invalid.

39
40 Requested by: Representatives Holmes, Creech, Esposito

41 **EFFECTIVE DATE**

42 Sec. 28.5. Except as otherwise provided, this act becomes effective July 1,
43 1995.