

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 1086
HOUSE BILL 2641

AN ACT TO APPROPRIATE FUNDS FOR THE 1988-89 FISCAL YEAR.

The General Assembly of North Carolina enacts:

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

PART I.—GENERAL FUND/CURRENT OPERATIONS OF STATE
GOVERNMENT

Sec. 2. Section 2 of Chapter 738 of the 1987 Session Laws, as amended by Section 2 of Chapter 886 of the 1987 Session Laws, reads as rewritten:

"Sec. 2. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated except for aid to certain governmental and nongovernmental units are made for the biennium ending June 30, 1989, according to the following schedule:

<u>Current Operations-General Fund</u>	<u>1987-88</u>	<u>1988-89</u>
General Assembly	\$ 13,775,242	\$ 16,636,353 <u>16,661,353</u>
Judicial Department	151,146,101	157,252,143 <u>163,659,054</u>
Department of the Governor	4,089,063	4,118,251
Lieutenant Governor's Office	712,503	513,122 <u>553,915</u>
Department of Secretary of State	2,633,872	2,842,066 <u>2,931,712</u>

Department of State Auditor	6,350,979	6,410,906
Department of State Treasurer	3,872,684	3,699,281
Department of Public Education	2,498,598,824	<u>2,640,970,882</u> <u>2,661,511,426</u>
Department of Justice	41,896,189	<u>41,187,926</u> <u>41,748,175</u>
Department of Agriculture	33,586,010	<u>33,737,065</u> <u>35,908,860</u>
Department of Labor	6,626,328	6,726,797
Department of Insurance	11,099,959	11,144,224
Department of Administration	42,463,756	<u>42,947,588</u> <u>44,650,078</u>
Department of Transportation - Aeronautics	116,571	116,571
Department of Natural Resources and Community Development	59,594,311	<u>58,563,104</u> <u>59,781,982</u>
Office of Administrative Hearings	1,883,791	1,874,045
Office of State Budget and Management	3,256,136	3,411,979
Department of Human Resources		
01. Alcoholic Rehabilitation Center - Black Mountain	2,934,623	<u>2,986,736</u> <u>2,987,028</u>
02. Alcoholic Rehabilitation Center - Butner	2,725,581	<u>2,736,746</u> <u>2,728,839</u>
03. Alcoholic Rehabilitation Center - Greenville	2,369,121	<u>2,394,556</u> <u>2,410,928</u>

04.	N.C. Special Care Center	3,850,572	3,912,649 <u>3,863,101</u>
05.	Black Mountain Center	464,080	478,375 <u>581,162</u>
06.	DHR - Administration and Support Program	6,788,729	6,806,069 <u>6,812,609</u>
07.	Schools for the Deaf and Blind	20,281,056	20,509,415 <u>19,720,945</u>
08.	Division of Health Services	48,829,882	47,585,329 <u>47,885,329</u>
09.	Social Services	72,957,253	76,156,555 <u>75,903,694</u>
10.	Medical Assistance	255,214,369	288,526,093 <u>302,526,434</u>
11.	Division of Services for the Blind	5,887,010	5,935,924
12.	Division of Mental Health, Mental Retardation and Substance Abuse Services	10,664,886	10,385,624
13.	Dorothea Dix Hospital	32,372,589	32,621,340 <u>31,687,753</u>
14.	Broughton Hospital	26,435,921	26,716,420 <u>27,097,893</u>
15.	Cherry Hospital	26,897,587	27,193,092 <u>26,054,777</u>
16.	John Umstead Hospital	26,498,658	26,924,383 <u>26,341,685</u>
17.	Western Carolina Center	2,895,233	3,096,404 <u>2,878,451</u>
18.	O'Berry Center	3,587,669	3,749,154

			<u>3,657,040</u>
19.	Murdoch Center	15,402,682	15,502,346 <u>12,805,173</u>
20.	Caswell Center	11,587,364	11,052,401 <u>12,138,301</u>
21.	Division of Facility Services	26,001,329	26,145,147 <u>26,170,147</u>
22.	Division of Vocational Rehabilitation Services	21,143,144	22,432,116 <u>21,432,116</u>
23.	Division of Youth Services	25,287,438	25,594,590
24.	State-Aid Non-State Entities	153,319	296,530
	Total Department of Human Resources	651,230,095	689,737,994 <u>697,896,073</u>
	Department of Correction	262,447,914	276,424,190 <u>287,244,914</u>
	Department of Commerce	22,740,249	22,720,734 <u>22,802,734</u>
	Department of Revenue	40,094,088	41,616,392 <u>44,126,481</u>
	Department of Cultural Resources	18,376,944	18,519,558
	Department of Crime Control and Public Safety	18,458,611	17,787,433 <u>22,369,248</u>
	University of North Carolina - Board of Governors		
01.	General Administration	\$ 15,865,019	\$ 16,676,117
02.	University Operations - Lump Sum	27,689,188	27,799,367 <u>35,722,695</u>

03.	Related Educational Programs	3,899,821	4,015,524
04.	University of North Carolina at Chapel Hill		
a.	Academic Affairs	114,340,237	114,630,318
b.	Division of Health Affairs	81,799,242	82,247,899 <u>82,616,649</u>
c.	Area Health Education Centers	27,282,717	27,289,611
05.	North Carolina State University at Raleigh		
a.	Academic Affairs	144,955,453	146,903,112 <u>146,953,112</u>
b.	Agricultural Research Service	30,762,254	30,775,187 <u>30,815,635</u>
c.	Agricultural Extension Service	24,117,393	24,173,687
06.	University of North Carolina at Greensboro	43,454,411	44,262,024
07.	University of North Carolina at Charlotte	40,901,044	41,071,501
08.	University of North Carolina at Asheville	11,552,575	11,732,050
09.	University of North Carolina at Wilmington	24,140,832	24,402,742
10.	East Carolina University	99,726,556	100,903,641
11.	North Carolina Agricultural and Technical State University	29,221,544	29,333,812
12.	Western Carolina University	29,172,895	29,272,027 <u>29,522,027</u>

13.	Appalachian State University	41,033,921	41,192,349
14.	Pembroke State University	11,272,039	11,407,576
15.	Winston-Salem State University	13,415,516	13,668,478
16.	Elizabeth City State University	9,714,745	9,784,803
17.	Fayetteville State University	13,551,535	13,615,775
18.	North Carolina Central University	24,082,211	24,181,242
19.	North Carolina School of the Arts	7,471,387	7,609,745
20.	North Carolina Science and Math High School	5,584,259	5,759,907
21.	North Carolina Memorial Hospital	27,805,159	28,493,798
	Total University of North Carolina	902,811,953	911,202,292 <u>919,834,818</u>
	Department of Community Colleges	310,371,821	301,241,942 <u>302,383,854</u>
	State Board of Elections	1,177,512	419,256
	Contingency and Emergency	1,125,000	1,125,000
	Office of State Budget - Other Reserves	8,300,000	-
	Reserve for Benefits for Part-time Employees	875,000	905,000 <u>376,336</u>
	Reserve for Salary Increase	198,600,000	202,000,000 <u>406,376,062</u>

Reserve for Salary Adjustments	500,000	500,000 <u>4,000,000</u>
Reserve for Telephone Systems	500,000	500,000
Reserve for Health Benefit Premium Increase	47,000,000	65,100,000 <u>56,870,454</u>
Reserve for Electronic Data Processing	500,000	500,000
Debt Service	73,929,627	71,636,370
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GRAND TOTAL CURRENT OPERATIONS-- GENERAL FUND	\$5,440,741,133	\$5,654,088,464" <u>\$5,921,889,767"</u>

PART II. CURRENT OPERATIONS/GENERAL FUND/AID TO CERTAIN GOVERNMENTAL AND NONGOVERNMENTAL UNITS

Sec. 3. Section 2 of Chapter 830 of the 1987 Session Laws reads as rewritten:

"Sec. 2. Appropriations from the General Fund of the State to State departments, institutions, and agencies for aid to certain governmental and nongovernmental units as enumerated are made for the biennium ending June 30, 1989, according to the following schedule:

<u>General Fund</u>	<u>1987-88</u>	<u>1988-89</u>
Judicial Department	367,450	389,360 <u>457,860</u>
Office of State Budget - State Aid	19,914,685	9,105,000 <u>14,763,750</u>
Department of State Auditor	5,934,865	5,934,865
Department of Public Education	8,661,797	10,861,797 <u>15,076,797</u>
Department of Justice	50,000	- <u>50,000</u>

Department of Agriculture	230,014	230,014
Department of Insurance	200,000	200,000
Department of Administration	2,184,520	2,059,520 <u>2,427,520</u>
Department of Transportation		
01. Aeronautics	5,045,000	5,045,000 <u>5,545,000</u>
02. Aid to Railroads	100,000	100,000 <u>216,666</u>
Total Department of Transportation	5,145,000	5,145,000 <u>5,761,666</u>
Department of Natural Resources and Community Development	9,678,962	8,043,962 <u>9,793,962</u>
Department of Human Resources		
01. DHR - Administration and Support Program	1,543,563	1,253,563 <u>4,981,563</u>
02. Division of Health Services	26,212,081	25,409,994 <u>26,379,994</u>
03. Social Services	15,007,324	15,007,324
04. Social Services - State Aid to Non-State Agencies	4,714,318	4,778,322 <u>5,585,129</u>
05. Division of Services for the Blind	22,000	12,000
06. Division of Mental Health, Mental Retardation and Substance Abuse Services	132,865,821	136,105,679 <u>143,438,179</u>
07. Division of Facility Services	2,297,795	1,906,802 <u>2,051,802</u>

08.	Division of Youth Services	13,626,226	13,626,226
09.	State Aid, Local Programs		
	(a) Inflationary Increases	1,422,089	2,750,379
	(b) Salary Increases	6,115,660	6,115,660
			<u>12,141,763</u>
	Total Department of Human Resources	203,826,877	<u>206,965,949</u> <u>225,974,359</u>
	Department of Correction	75,000	75,000
	Department of Commerce	10,583,922	3,630,660 <u>4,300,660</u>
	Reserve for Biotechnology Center	6,360,200	6,360,200
	Reserve for Microelectronics Center of North Carolina	18,453,600	14,155,896
	Department of Cultural Resources	16,995,250	17,245,250 <u>17,270,250</u>
	Department of Crime Control and Public Safety	761,800	556,000 <u>771,967</u>
	University of North Carolina - Board of Governors		
01.	Related Educational Programs	33,688,815	35,848,000 <u>35,997,219</u>
<u>02.</u>	<u>North Carolina State University- Academic Affairs</u>	<u>-</u>	<u>100,000</u>
02. <u>03.</u>	East Carolina University	105,000	55,000 <u>105,000</u>
03. <u>04.</u>	Appalachian State University	35,000	35,000
04. <u>05.</u>	Western Carolina University	250,000	250,000
05. <u>06.</u>	Elizabeth City State		

University	150,000	150,000
Total University of North Carolina	34,228,815	36,338,000 <u>36,637,219</u>
Department of Community Colleges	381,650	381,650
GRAND TOTAL GENERAL FUND	\$ 344,034,407	\$ 327,678,123 <u>\$ 360,623,635</u>

PART III. GENERAL FUND/CAPITAL IMPROVEMENTS

Sec. 4. Section 4 of Chapter 795 of the 1987 Session Laws reads as rewritten:

"Sec. 4. Appropriations are made from the General Fund for use by the State departments, institutions, and agencies to provide for capital improvements according to the following schedule:

<u>Capital Improvements</u>	<u>1987-88</u>	<u>1988-89</u>
Department of Administration (Total)	\$ 14,300,000	\$ 25,000,000 <u>\$ 34,800,000</u>
.01 Construction of Underground Parking and Thermal Storage Facility	3,600,000	-
.02 New Museum of History-Supplement	8,000,000	-
.03 Construction of a new Education Building	-	25,000,000 <u>32,000,000</u>
.04 Bath Building Renovation for Additional Health Laboratory Space	2,600,000	-
.05 Office of Administrative Hearings-Roof Repairs and Removal of Handicap Barriers	100,000	-
<u>.06 Revenue Building - Final Drawings for construction of new six-floor facility</u>		<u>500,000</u>
<u>.07 Underground Parking - North end of Bicentennial Mall (H 2427 -</u>		

	<u>\$2.5 million bond authorization</u>		-
.08	<u>Infrastructure Needs for Blue Ridge Road Complex - Extension to new Toxic Metal and Organic Analytical Lab</u>		<u>300,000</u>
.09	<u>State Capitol Grounds Improvements (\$500,000 from repairs and renovations reserve in Office of State Budget)</u>		-
.10	<u>Low Level Radioactive Waste Management Site Development</u>		<u>2,000,000</u>
Department of Cultural Resources (Total)		475,000	575,000 <u>1,199,100</u>
.01	Ziegler House in Edenton-Renovations and Equipment	25,000	-
.02	New History Museum-Equip the Sports Hall of Fame Exhibit	-	250,000
.03	Museum of the Cape Fear in Fayetteville-Renovations	125,000	-
.04	Thomas Wolfe Memorial - Construction of a New Visitors Center	325,000	325,000
.05	<u>Tryon Palace - Renovate Disosway House</u>		<u>100,000</u>
.06	<u>Art Museum - Completion of Landscape Project</u>		<u>474,100</u>
.07	<u>Charlotte Hawkins Brown Historic Site - Renovations</u>		<u>50,000</u>
Department of Agriculture (Total)		4,126,180	1,600,700 <u>8,150,500</u>
.01	Western Farmers' Market- a. Addition to the Fruit and Vegetable Building	280,000	-

b.	Construction of a Small Truck Shed	50,000	-
.02	Western N.C. Agriculture Center-Paving	225,000	-
.03	Watercraft Museum-Construction of a New Facility	259,000	-
			<u>290,700</u>
.04	Raleigh Farmers' Market Completion of New Facility	-	1,500,000
.05	Triad Farmers' Market-Purchase of Land	3,000,000	-
.06	Oxford Tobacco Research Station-Construction of a Farm Storage/Maintenance Building and a Supervisor's Dwelling	157,400	100,700
.07	Mountain Research Station at Waynesville-Construction of a Multi-Purpose Education Building	154,780	-
<u>.08</u>	<u>Office and Conference Center, Tidewater Research Center - Construction support for designed facility</u>		<u>3,830,000</u>
<u>.09</u>	<u>State Fairgrounds - curbs, gutters, other improvements</u>		<u>1,013,100</u>
<u>.10</u>	<u>Butner Warehouse - Freezer Addition</u>		<u>841,000</u>
<u>.11</u>	<u>Agronomic Lab - Planning for new facility</u>		<u>225,000</u>
<u>.12</u>	<u>Western N.C. Agriculture Center - Land Purchase</u>		<u>350,000</u>
Department of Commerce (Total)		19,900,000	16,000,000
.01	State Ports-Expansion,		

Modernization and Development and Purchase of Radio Island	19,900,000	16,000,000
Department of Natural Resources and Community Development (Total)	9,234,000	<u>8,450,000</u> <u>13,513,000</u>
.01 N.C. Zoological Park-Continued Development of the North American Phase	6,000,000	- <u>3,500,000</u>
.02 Toxic Metal and Organic Analytical Laboratory-Planning and New Construction	600,000	7,800,000
.03 Reserve for Civil Works Projects	1,409,000	- <u>503,000</u>
.04 Jordan State Forest Development	400,000	-
.05 Bladen Lake State Park-Restroom Facilities	25,000	-
.06 Marine Fisheries-Complete Construction of Building in Morehead City	150,000	-
.07 Wildlife Resources-Acquisition of the Timber Deed on Conine Island Tract, Bertie County	650,000	650,000
<u>.08 Stallings Air Field - Repairs to Aprons of Airfield (\$312,000 from Highway Funds)</u>		-
<u>.09 Dredging of North Channel - Dare County</u>		<u>500,000</u>
<u>.10 Eno River State Park - Land Purchase</u>		<u>250,000</u>
<u>.11 New River State Park - Construct meeting shelter</u>		<u>60,000</u>
<u>.12 Lake James State Park - Development</u>		<u>250,000</u>

Department of Crime Control and Public Safety	202,967	- <u>65,000</u>
.01 Armory Construction 60-person Armory, Marion		
Total Requirements	\$1,059,186	
Less Federal Receipts	775,640	
Less Local Receipts	141,773	
Appropriation	141,773	-
.02 Supplemental Funds for Armories in Wadesboro and Taylorsville	61,194	-
.03 <u>National Guard Military Center Addition - planning, Raleigh</u>		<u>65,000</u>
Department of Correction (Total)	6,765,000	- <u>1,458,000</u>
.01 Reserve for Prison Recreation Facilities and for Repairs and Renovations	5,000,000	-
.02 Cumberland County-Reserve for Work Release Facility	1,230,000	-
.03 Washington County Prison Unit at Creswell-Drainage System	85,000	-
.04 Western Correctional Center- Construction of a Chapel	450,000	- <u>65,000</u>
.05 <u>Wastewater Treatment Facility Upgrading, Caledonia</u>		<u>1,300,000</u>
.06 <u>Complete chapel at Harnett Youth Center</u>		<u>93,000</u>
Department of Justice (Total)	1,961,800	- <u>8,626,923</u>
.01 Justice Academy Dormitory Building	1,961,800	- <u>396,223</u>
.02 <u>SBI Facility, Garner Road -</u>		

	<u>Design Completion, Site Development, and Construction Funds</u>		<u>8,230,700</u>
Department of Human Resources (Total)	4,510,563	<u>5,436,300</u>	<u>6,388,300</u>
.01	Cherry Hospital-		
	a. Renovate Water Plant	266,500	-
	b. Renovate Waste Water Treatment Plant	730,700	-
.02	Broughton Hospital- Air Condition Patient Living Area	169,000	3,286,000
.03	Jackson Training School- Construction of two new dorms	150,000	2,150,300
.04	Dobbs School- Construction of a Multi- Purpose Building	195,000	-
.05	Eastern School for the Deaf in Wilson -		
	a. Renovate three dormitories	511,000	-
	b. Air Condition Eagle Hall	89,000	-
.06	Black Mountain Center -		
	a. Renovate Moore Hall Second Floor Wing	100,000	-
	b. Correct ICF/MR Deficiencies and remove asbestos	1,380,924	-
	c. <u>Other ongoing renovations</u>	<u>-</u>	<u>852,000</u>
.07	Juvenile Evaluation Center -		
	a. Replace window screens	88,439	-
	b. Construction of a new Vocational Building	680,000	-
	c. Paving and Road improvements	150,000	-
	d. <u>Air conditioning</u>	<u>-</u>	<u>100,000</u>

Department of Community Colleges (Total)	25,888,125	19,461,266 <u>29,346,726</u>
University of North Carolina Board of Governors (Total)	63,018,200	52,684,400 <u>93,298,900</u>
.01 Appalachian State University - Classroom Building for College of Business	5,500,000	4,188,000
.02 East Carolina University -		
a. Sports Medicine Physical Education Facility	2,200,000	2,225,500
b. Renovations/Additions to the Brody Building	2,100,000	2,100,000
c. <u>Land Acquisition</u>	<u>-</u>	<u>500,000</u>
.03 Fayetteville State University - New School of Business Administration Building	3,000,000	3,350,000
.04 North Carolina A & T University - New Library Building	7,000,000	7,823,000
.05 North Carolina Central University - Renovation of Major Facilities	2,000,000	2,485,000
.06 North Carolina State University -		
a. Forest Resources - Expansion of Robertson Pulp and Paper Lab	4,402,000	-
b. Textile School Facilities Equipment	3,000,000	3,000,000
c. <u>Addition/Remodel</u> <u>Scott Hall</u>	<u>-</u>	<u>8,863,500</u>
d. <u>Planning Funds -</u> <u>Centennial Campus</u> <u>Site Development</u>	<u>-</u>	<u>1,710,000</u>
.07 Pembroke State University - Addition to Oxendine Science		

	Building	1,200,000	1,253,600
.08	University of North Carolina at Asheville -		
	a. Graduate Center and Classroom Building	5,558,500	-
	b. Western North Carolina Arboretum	-	1,449,500
			<u>3,499,500</u>
	c. <u>Design and site work for Conference Center</u>	<u>-</u>	<u>2,377,000</u>
	d. <u>Complete Design for Physical Education Building</u>	<u>-</u>	<u>300,000</u>
	e. <u>Kellog Center</u>	<u>-</u>	<u>100,000</u>
.09	University of North Carolina at Chapel Hill -		
	a. Biology/Biotechnology Building	5,000,000	5,994,500
	b. Alcohol Studies Center	2,000,000	2,255,700
	c. Family Physicians Center	3,600,000	3,665,000
	d. Construction of a Community Learning and Living Center for Autistic Adults (TEACCH)	638,000	-
	e. <u>Complete Design for School of Social Work</u>	<u>-</u>	<u>250,000</u>
.10	University of North Carolina at Charlotte		
	a. Office/Classroom Building for College of Architecture	3,600,000	3,657,000
	b. College of Engineering, Applied Research Lab Facility	-	6,500,000
			<u>7,750,000</u>
.11	University of North Carolina at Greensboro - Land Acquisition	3,000,000	-
			<u>1,500,000</u>
.12	Western Carolina University -		
	a. Warehouse and Storage Building	1,829,700	-
	b. Renovate Stillwell Building	3,520,000	-
	c. Renovate McKee Building and Hoey Auditorium	-	2,737,600

	d. <u>Land Acquisition</u>	-	<u>425,000</u>
.13	<u>School of the Arts - Renovate Gray High School</u>	-	<u>5,989,000</u>
.13			
.14	University Advance Planning Funds	3,280,000	-
.15	<u>University Repairs/ Renovation Reserve</u>	-	<u>15,000,000</u>
.14			
.16	Agricultural Programs -		
	a. Mountain Horticulture Crops Research Station and Extension Center at Fletcher - Landscaping and Renovations	140,000	-
	b. North Carolina State University - Complete construction of stalls at Equine Teaching Facility	200,000	-
	c. North Carolina State University - completion of Swine Research Facility	250,000	-
	d. <u>Mitchell 4-H Camp - Repairs and Renovations</u>	-	<u>272,500</u>
	e. <u>Swannanoa 4-H Camp - Land Purchase and Development</u>	-	<u>27,500</u>
	Office of State Budget and Management (Total)	<u>7,363,200</u>	-
		<u>7,038,200</u>	<u>29,631,691</u>
.01	Reserve for Repairs and Renovations	<u>7,038,200</u>	-
			<u>2,184,300</u>
.02	<u>Construction of new dorms (600 beds) for Department of Correction</u>		<u>17,447,391</u>
.03	<u>Sewer and Water Grants</u>		<u>10,000,000</u>
	GRAND TOTAL - GENERAL FUND	\$157,420,035	\$129,207,626

PART IV. FEDERAL BLOCK GRANT/APPROPRIATIONS

Requested by: Senator Walker, Representative Nye, Senator Basnight, Representative Colton, Representative Bruce Ethridge
—APPROPRIATION OF BLOCK GRANT FUNDS

Sec. 5. Section 4 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 4. (a) Appropriations from federal block grant funds are made for the fiscal year ending ~~June 30, 1988~~, June 30, 1989, according to the following schedule:

JOB TRAINING PARTNERSHIP ACT

01.	Title II A funds to the 26 service delivery areas to train economically disadvantaged youth and adults	\$25,127,445 <u>\$24,221,167</u>
02.	Education set aside to State education agencies for projects to serve eligible participants	<u>2,577,174</u> <u>2,484,222</u>
03.	Incentive grants and technical assistance funds to service delivery areas	1,932,880 <u>1,863,167</u>
04.	Funds for training economically disadvantaged older workers	966,440 <u>931,583</u>
05.	Funds to the Department of Natural Resources and Community Development to administer and audit all activities related to the Job Training Partnership Act Programs	1,610,735 <u>1,552,639</u>
06.	Title II B Summer Youth Employment and Training funds to service delivery areas for economically disadvantaged youth	10,968,303 <u>12,653,616</u>
07.	Title III Dislocated workers funds to the Employment Security Commission	1,928,243 <u>2,824,875</u>

TOTAL JOB TRAINING PARTNERSHIP ACT	\$45,111,220
	<u>\$46,531,269</u>
<u>COMMUNITY SERVICES BLOCK GRANT</u>	
01. Community Action Agencies	\$7,831,265
	<u>\$ 7,541,520</u>
02. Limited Purpose Agencies	435,070
	<u>420,000</u>
03. Commission on Indian Affairs	19,710
	<u>18,480</u>
04. Department of Natural Resources and Community Development to administer and monitor the activities of the Community Services Block Grant	435,070
	<u>420,000</u>
TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 8,721,115
	<u>\$ 8,400,000</u>
<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	
01. State Administration	\$ 850,660
	<u>\$ 827,500</u>
02. Urgent Needs/Contingency	1,834,117
	<u>1,777,375</u>
03. Development Planning Housing	550,235
	<u>1,066,425</u>
04. Economic Development	7,336,468
	<u>7,109,500</u>
05. Community Revitalization	26,961,520
	<u>25,594,200</u>
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	\$37,553,000
	<u>\$36,375,000</u>
<u>EDUCATION CONSOLIDATION AND IMPROVEMENT BLOCK GRANT</u>	
	<u>\$12,374,979</u>

\$12,000,346

PREVENTIVE HEALTH BLOCK GRANT

01.	Emergency medical services	\$ 407,324 <u>\$ 365,885</u>
02.	Health Department	933,000 <u>902,440</u>
03.	Hypertension Programs	549,587 <u>559,540</u>
04.	<u>Health Education</u> /Risk Reduction Programs	481,003 <u>489,165</u>
05.	Health Promotion/Local Health Departments	459,461
06.	Fluoridation of Water Supplies	159,838 <u>149,911</u>
07.	Rape Prevention and Rape Crisis Programs	89,369
TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 3,079,582 <u>\$ 3,015,771</u>

MATERNAL AND CHILD HEALTH SERVICES

01.	Local Maternal and Child Health and Family Planning Services	\$ 9,591,119 <u>\$10,597,352</u>
02.	High Risk Maternity Clinic Services, Perinatal Education and Child Vaccination Services	1,289,835
03.	Services to Disabled Children	4,059,998 <u>4,102,258</u>
04.	Sudden Infant Death Syndrome	33,000
05.	Lead-Based Paint Poisoning	72,000
06.	<u>New Special Projects</u>	<u>453,138</u>

TOTAL MATERNAL AND CHILD
HEALTH SERVICES

\$15,045,952
\$16,547,583

SOCIAL SERVICES BLOCK GRANT

01.	County Departments of Social Services	\$41,559,668
02.	Division of Mental Health, Mental Retardation, and Substance Abuse	5,770,693
03.	Division of Services for the Blind	2,691,673
04.	Division of Health Services	1,488,019
05.	Division of Youth Services	1,051,428
06.	Division of Facility Services	224,299
07.	Division of Aging	327,424
08.	Day Care Services	11,805,887 <u>12,517,760</u>
09.	Volunteer Services	44,970
10.	State Administration and State Level Contracts	2,963,183 <u>3,085,110</u>
11.	Voluntary Sterilization funds	100,000
12.	Transfer to Maternal and Child Health Block Grant	1,000,000 <u>540,539</u>
13.	Allocation to Salary Reserve for all Divisions	250,000
<u>13.</u>	<u>Allocation to Division of Social Services for Child Medical Evaluation Program</u>	<u>100,000</u>
14.	Adult Day Care Services	161,629

		<u>653,910</u>
15.	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	400,000
16.	Allocation to Division of Health Services for Grants in Aid to Prevention Programs	445,000
17.	<u>Transfer to Preventive Health Block Grant for Health Promotion Programs</u>	<u>459,461</u>
	TOTAL SOCIAL SERVICES BLOCK GRANT	\$70,283,873
		<u>\$71,459,954</u>
<u>LOW INCOME ENERGY BLOCK GRANT</u>		
01.	Energy Assistance Programs	\$23,702,453
		<u>\$21,199,157</u>
02.	Crisis Intervention	5,436,079
		<u>5,017,530</u>
03.	Administration	2,630,360
		<u>2,223,722</u>
04.	Weatherization Program	2,894,834
		<u>2,000,000</u>
05.	Indian Affairs	37,070
		<u>31,341</u>
06.	Transfer to Maternal and Child Health Block Grant <u>for Family Planning</u>	1,753,554
		<u>741,230</u>
07.	Emergency Medical Services	175,357
		<u>147,478</u>
08.	Transfer to Social Services Block Grant for Adult Day Care Services	558,512
		<u>472,162</u>

09.	<u>Transfer to Social Services Block Grant for State Administration & Contract Services</u>	<u>221,927</u>
10.	<u>Transfer to Social Services Block Grant for Maternal and Child Health Block Grant in the Division of Health</u>	<u>269,802</u>
11.	<u>Allocation to the Council on the Status of Women for the 13th Prosecutorial District for Rape/Sexual Abuse Victim Services</u>	<u>25,000</u>
12.	<u>Allocation to the Department of Administration for the North Carolina Fund for Children</u>	<u>50,000</u>

TOTAL LOW INCOME ENERGY BLOCK GRANT	\$37,188,219
	<u>\$32,399,349</u>

ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT

01.	Continuation of Staffing Grants to Area Mental Health Programs	\$ 420,000
		<u>\$ 140,000</u>
02.	Funds to Area Mental Health, Mental Retardation, and Substance Abuse Programs to Be Distributed on a Per Capita Basis	2,051,556
03.	Services to Persons Who Have Aged Out of the Willie M. Class	1,001,502
		<u>500,000</u>
04.	Crisis Stabilization for the Mentally Ill	119,847
05.	Group Homes, Early Intervention, and Day Treatment Programs for Emotionally Disturbed Children	298,000

06.	Programs for the Chronically Mentally Ill	2,790,738 <u>3,037,580</u>
07.	Funds to Substance Abuse Programs	3,468,485 <u>3,379,884</u>
08.	Alcohol Services Funds for Female Substance Abusers	591,163 <u>557,563</u>
09.	Administration	597,028 <u>621,200</u>
10.	Community-based Child and Family Residential Treatment	130,118 <u>203,418</u>
11.	Training Related to the Provision of Mental Health Services	46,000 <u>6,000</u>
12.	Training Related to the Provision of Substance Abuse Services	67,200 <u>56,000</u>
13.	Child and Adolescent Sex Offenders Pilot Projects	89,836 <u>119,781</u>
14.	<u>Eastern Region Detox Services</u>	<u>284,530</u>
	TOTAL ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT	\$11,671,473 <u>\$11,375,359</u>
	<u>ALCOHOL AND DRUG ABUSE TREATMENT AND REHABILITATION BLOCK GRANT</u>	
01.	Community-based Services for Youth Substance Abusers	\$ 2,697,140 <u>\$ 2,930,864</u>

02.	Treatment Alternatives to Street Crimes	319,608
		<u>347,104</u>
03.	<u>Eastern Region Detox Services</u>	<u>68,580</u>
TOTAL ALCOHOL AND DRUG ABUSE TREATMENT AND REHABILITATION BLOCK GRANT		3,016,748
		<u>3,346,548</u>
<u>MENTAL HEALTH SERVICES FOR THE HOMELESS BLOCK GRANT</u>		
01.	<u>Specialized Community Services for the Chronically Mentally Ill</u>	<u>220,000</u>
02.	<u>Community-based Services for Chronically Mentally Ill Youth</u>	<u>70,000</u>
<u>TOTAL MENTAL HEALTH SERVICES FOR THE HOMELESS BLOCK GRANT</u>		<u>290,000</u>

(b) Decreases in Federal Fund Availability

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

(c) Increases in Federal Fund Availability

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

(d) Education Setaside of JTPA Funds

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

PART V—SALARIES, RETIREMENT, AND EMPLOYEE BENEFITS

Requested by: Representative Watkins

—GOVERNOR'S SALARY INCREASE

Sec. 6. Effective July 1, 1988, G.S. 147-11 reads as rewritten:

"§ 147-11. Salary and expense allowance of Governor; allowance to person designated to represent Governor's office. (a) The salary of the Governor shall be ~~one hundred five thousand dollars (\$105,000)~~ one hundred nine thousand, seven hundred twenty-eight dollars (\$109,728) annually, payable monthly.

(b) He shall be paid annually the sum of eleven thousand five hundred dollars (\$11,500) as an expense allowance in attending to the business for the State and for expenses out of the State and in the State in representing the interest of the State and people, incident to the duties of his office, the said allowance to be paid monthly.

(c) In addition to the foregoing allowance, the actual expenses of the Governor while traveling outside the State on business incident to his office shall be paid by a warrant drawn on the State Treasurer. Whenever a person who is not a State official or employee is designated by the Governor to represent the Governor's office, such person shall be paid actual travel expenses incurred in the performance of such duty; provided that the payment of such travel expense shall conform to the provisions of the biennial appropriation act in effect at the time the payment is made."

Requested by: Representative Watkins

—COUNCIL OF STATE/SALARY INCREASE

Sec. 7. Section 12 of Chapter 738, Session Laws of 1987 reads as rewritten:

"Sec. 12. The annual salaries for members of the Council of State, payable monthly, for the ~~1987-89 fiscal biennium~~ 1988-89 fiscal year are:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$64,092 <u>66,972</u>
Attorney General	64,092 <u>66,972</u>
Secretary of State	64,092 <u>66,972</u>
State Treasurer	64,092 <u>66,972</u>
State Auditor	64,092 <u>66,972</u>
Superintendent of Public Instruction	64,092 <u>66,972</u>
Agriculture Commissioner	64,092 <u>66,972</u>
Insurance Commissioner	64,092 <u>66,972</u>
Labor Commissioner	64,092 <u>66,972</u> ."

Requested by: Representative Watkins

—NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 8. Section 13 of Chapter 738, Session Laws of 1987 reads as rewritten:

"Sec. 13. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the ~~1987-88 and 1988-89 fiscal years~~ year are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$64,092 <u>66,972</u>
Secretary of Commerce	64,092 <u>66,972</u>
Secretary of Correction	64,092 <u>66,972</u>

Secretary of Crime Control and Public Safety	64,092-66,972
Secretary of Cultural Resources	64,092-66,972
Secretary of Human Resources	64,092-66,972
Secretary of Natural Resources and Community Development	64,092-66,972
Secretary of Revenue	64,092-66,972
Secretary of Transportation	64,092-66,972. "

Requested by: Representative Watkins

—LEGISLATORS/SALARY AND EXPENSE INCREASES

Sec. 9. Effective upon convening of the 1989 Regular Session of the General Assembly, G.S. 120-3 as amended by Section 15 of Chapter 738, Session Laws of 1987 and Section 70 of Chapter 830, Session Laws of 1987 reads as rewritten:

"§ **120-3. Pay of members and officers of the General Assembly.** (a) The Speaker of the House shall be paid an annual salary of ~~twenty-nine thousand eight hundred eighty dollars (\$29,880)~~ thirty-one thousand two hundred twenty-four dollars (\$31,224), payable monthly, and an expense allowance of ~~nine hundred seventy-five dollars (\$975.00)~~ one thousand one hundred seventy-five dollars (\$1,175) per month. The President Pro Tempore of the Senate shall be paid an annual salary of ~~eighteen thousand two hundred seventy-six dollars (\$18,276)~~ nineteen thousand one hundred four dollars (\$19,104), payable monthly, and an expense allowance of ~~six hundred thirty-three dollars (\$633.00)~~ eight hundred thirty-three dollars (\$833.00) per month. The Speaker Pro Tempore of the House shall be paid an annual salary of ~~sixteen thousand eight hundred thirty-six dollars (\$16,836)~~ seventeen thousand five hundred ninety-two dollars (\$17,592), payable monthly, and an expense allowance of ~~four hundred ninety-four dollars (\$494.00)~~ six hundred ninety-four dollars (\$694.00) per month; and the Deputy President Pro Tempore of the Senate shall be paid an annual salary of ~~fifteen thousand three hundred eighty-four dollars (\$15,384)~~ sixteen thousand eighty dollars (\$16,080), payable monthly, and an expense allowance of ~~three hundred fifty-four dollars (\$354.00)~~ five hundred fifty-four dollars (\$554.00) per month. The minority leader in the House and the majority and minority leaders in the Senate shall be paid an annual salary of ~~thirteen thousand eighty dollars (\$13,080)~~ thirteen thousand six hundred eighty-eight dollars (\$13,688), payable monthly, and an expense allowance of ~~three hundred fifty-four dollars (\$354.00)~~ five hundred fifty-four dollars (\$554.00) per month.

(b) Every other member of the General Assembly shall receive increases in annual salary ~~and expense allowances~~ only to the extent of and in the amounts equal to the average increases received by employees of the State, effective upon convening of the next Regular Session of the General Assembly after enactment of these increased amounts. Accordingly, upon convening of the 1989 Regular Session of the General Assembly, every other member of the General Assembly shall be paid an annual salary of ~~ten thousand six hundred forty-four dollars (\$10,644)~~ eleven thousand one hundred twenty-four dollars (\$11,124), payable monthly, and an expense allowance of ~~two~~

~~hundred sixty five dollars (\$265.00)~~ four hundred sixty-five dollars (\$465.00) per month.

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

Requested by: Representative Watkins

—GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Sec. 10. G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to State employees and shall be paid an annual salary of ~~thirty nine thousand three hundred twelve dollars (\$39,312)~~ forty-one thousand seventy-six dollars (\$41,076), payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

Requested by: Representative Watkins

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

Sec. 11. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~one hundred seventy seven dollars (\$177.00)~~ one hundred eighty-five dollars (\$185.00) per week, plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

Requested by: Representative Watkins

—LEGISLATIVE EMPLOYEES/SALARY INCREASES

Sec. 12. The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1987-88 by an amount equal to the same amount as authorized in Section 19 of this act for most other State employees, rounded to conform to the steps in the salary ranges adopted by the Legislative Services Commission, commencing July 1, 1988. The granting of this legislative salary increase does not affect the status of employees' eligibility for other salary increments. Nothing in this Part limits any of the provisions of G.S. 120-32.

Requested by: Representative Watkins

—JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

Sec. 13. (a) Section 19 of Chapter 738, Session Laws of 1987 reads as rewritten:

"Sec. 19. The annual salaries, payable monthly, for specified judicial branch officials for the ~~1987-88 and 1988-89 fiscal years-year~~ are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$77,844 <u>81,348</u>
Associate Justice, Supreme Court	76,236 <u>79,668</u>
Chief Judge, Court of Appeals	73,800 <u>77,124</u>
Judge, Court of Appeals	72,180 <u>75,432</u>
Judge, Senior Regular Resident Superior Court	66,204 <u>69,180</u>
Judge, Superior Court	64,092 <u>66,972</u>
Chief Judge, District Court	56,532 <u>59,076</u>
Judge, District Court	54,372 <u>56,820</u>
District Attorney	59,628 <u>62,316</u>
Assistant District Attorney - an average of	38,568 <u>40,308</u>
Administrative Officer of the Courts	66,204 <u>69,180</u>
Assistant Administrative Officer of the Courts	53,964 <u>56,388</u>
Public Defender	59,628 <u>62,316</u>
Assistant Public Defender - an average of	38,568 <u>40,308</u>

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

The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed ~~thirty-eight thousand five hundred sixty-eight dollars (\$38,568)~~ forty thousand three hundred eight dollars (\$40,308) and the minimum salary of any assistant district attorney or assistant public defender is at least ~~nineteen thousand four hundred seventy-six dollars (\$19,476)~~ twenty thousand three hundred fifty-two dollars (\$20,352).

~~The salaries in effect for fiscal year 1986-87 for permanent employees of the Judicial Department, except for those whose salaries are itemized in this act, shall be increased by an amount, commencing July 1, 1987, equal to the same amount as authorized in Section 30 of this act for most other State employees, rounded to conform to the steps in the salary ranges adopted by the Judicial Department."~~

(b) The salaries in effect for fiscal year 1987-88 for permanent employees of the Judicial Department, except for those whose salaries are itemized in this act, shall

be increased by an amount, commencing July 1, 1988, equal to the same amount as authorized in Section 19 of this act for most other State employees, rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

Requested by: Representative Watkins
—CLERKS OF COURT/SALARY INCREASE

Sec. 14. G.S. 7A-101 reads as rewritten:

"§ 7A-101. **Compensation.** (a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county, as determined by the population projections of the Office of State Budget and Management for the year preceding the first year of each biennial budget, according to the following schedule:

<u>Population</u>	<u>Annual Salary</u>
Less than 50,000	\$34,728 <u>36,288</u>
50,000 to 99,999	39,948 <u>41,748</u>
100,000 to 199,999	45,156 <u>47,184</u>
200,000 and above	51,516 <u>53,832</u>

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

(b) The clerk shall receive no fees or commission by virtue of his office. The salary set forth in this section is the clerk's sole official compensation, but if, on June 30, 1975, the salary of a particular clerk, by reason of previous but no longer authorized merit increments, is higher than that set forth in the table, that higher salary shall not be reduced during his continuance in office.

(c) In lieu of merit and other increment raises paid to regular State employees, a clerk of superior court shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Budget Appropriation Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and nineteen and two-tenths percent (19.2%) after 20 years of service. Service shall mean service in the elective position of clerk of superior court and shall not include service as an assistant, deputy, or acting clerk. Service shall also mean service as a justice or judge of the General Court of Justice or as a district attorney."

Requested by: Representative Watkins
—ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

Sec. 15. G.S. 7A-102(c) reads as rewritten:

"(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of the Courts shall establish an incremental salary plan for assistant clerks and for deputy clerks based on a series of salary steps corresponding to the steps contained in the Salary Plan for State Employees adopted by the Office of State Personnel, subject to

a minimum and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan based on satisfactory job performance as determined by each clerk. Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the office of superior court clerk would warrant an annual salary greater than the salary first established under this section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan, and shall remain eligible for a two-step increase each year as recommended by each clerk until that assistant or deputy clerk's annual salary corresponds to his number of years of service. A full-time assistant clerk or a full-time deputy clerk shall be paid an annual salary subject to the following minimum and maximum rates:

<u>Assistant Clerks</u>	<u>Annual Salary</u>
Minimum	\$17,628 <u>18,420</u>
Maximum	29,580 <u>30,912</u>

<u>Deputy Clerks</u>	<u>Annual Salary</u>
Minimum	\$13,812 <u>14,436</u>
Maximum	22,680 <u>23,700</u>

(d) Full-time assistant clerks, licensed to practice law in North Carolina, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an entry-level annual salary of not more than three-fourths of the maximum annual salary established for assistant clerks. Full-time assistant clerks, holding a law degree from an accredited law school, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an entry-level annual salary of not more than two-thirds of the maximum annual salary established for assistant clerks. The entry-level annual salary for all other assistant and deputy clerks employed on and after July 1, 1984, shall be at the minimum rates as herein established."

Requested by: Representative Watkins

—MAGISTRATES/SALARY INCREASE

Sec. 16. G.S. 7A-171.1(a)(1) reads as rewritten:

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

Table of Salaries of Full-Time Magistrates

<u>Number of Prior Years of Service</u>	<u>Annual Salary</u>
Less than 1	\$14,076 <u>14,712</u>
1 or more but less than 3	14,808 <u>15,480</u>
3 or more but less than 5	16,320 <u>17,052</u>
5 or more but less than 7	17,988 <u>18,792</u>

7 or more but less than 9	19,836 - 20,724
9 or more but less than 11	21,840 - 22,824
11 or more	24,036 - 25,116

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

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

Requested by: Representative Watkins

—COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 17. The Director of the Budget may transfer from the salary increase reserve fund created for fiscal year 1988-89 and included in Section 2 of this act funds necessary to provide an average annual salary increase of four and one-half percent (4.5%), including funds for the employer's retirement and Social Security contributions, commencing July 1, 1988, for all permanent community college institutional personnel supported by State funds. Subject to the availability of funds, the salaries for temporary community college institutional personnel may be increased by pro rata amounts of the four and one-half percent (4.5%) average annual salary increase provided for permanent institutional employees. These funds may not be used for any purpose other than for the salary increases and necessary employer contributions.

Requested by: Representative Watkins

—HIGHER EDUCATION PERSONNEL/SALARY INCREASES

Sec. 18. The Director of the Budget may transfer from the salary increase reserve fund created for fiscal year 1988-89 and included in Section 2 of this act funds necessary to provide an annual average salary increase of four and one-half percent (4.5%), including funds for the employer's retirement and Social Security contributions, commencing July 1, 1988, for all employees of The University of North Carolina supported by State funds who are exempt from the State Personnel Act. These funds shall be allocated to individuals according to rules adopted by the Board of Governors and may not be used for any purpose other than for the salary increases and necessary employer contributions.

Requested by: Representative Watkins

—MOST STATE EMPLOYEES AND PUBLIC SCHOOL EMPLOYEES/SALARY INCREASES

Sec. 19. (a) The salaries in effect for fiscal year 1987-88 for all permanent full-time State employees paid from the General Fund or the Highway Fund shall be increased, on and after July 1, 1988, unless otherwise provided by this Part, by an average of four and one-half percent (4.5%), rounded to conform to the steps in the salary ranges adopted by the State Personnel Commission. If an employee's salary for fiscal year 1987-88 is not equal to a specific pay rate on the 1987-88 salary schedule, his salary increase, effective July 1, 1988, unless otherwise provided by this Part, shall be four and one-half percent (4.5%) with the annual salary adjusted so as to be divisible by 12.

Except as otherwise provided in this act, the fiscal year 1987-88 salaries for permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by an average of four and one-half percent (4.5%), commencing July 1, 1988.

The salaries in effect for fiscal year 1987-88 for all permanent part-time State employees shall be increased on and after July 1, 1988, by pro rata amounts of the four and one-half percent (4.5%) average salary increase provided for permanent full-time employees covered by the provisions of this subsection.

The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds to allow a salary increase, on and after July 1, 1988, averaging four and one-half percent (4.5%), including funds for the employer's retirement and Social Security contributions, for the permanent full-time and part-time employees of the agency, provided the employing agency elects to make available the necessary funds.

Within regular Executive Budget Act procedures as limited by this act, all State agencies and departments may increase on an equitable basis the rate of pay of temporary and permanent hourly State employees, subject to availability of funds in the particular agency or department, by pro rata amounts of the four and one-half percent (4.5%) average salary increase provided for permanent full-time employees covered by the provisions of this subsection, commencing July 1, 1988.

(b) The salaries in effect for fiscal year 1987-88 for all permanent full-time public school employees supported by State funds and paid from the State public school fund and from other special allocations to local public school units shall be increased by an average of four and one-half percent (4.5%), rounded to conform to the steps in the salary ranges adopted by the State Board of Education, commencing July 1, 1988.

The salaries in effect for fiscal year 1987-88 for all permanent part-time public school employees supported by State funds and paid from the State public school fund and from other special allocations to local public school units shall be increased by pro rata amounts of the four and one-half percent (4.5%) average salary increase provided for permanent full-time employees covered by the provisions of this subsection.

The fiscal year 1987-88 pay rates adopted by local boards of education for school bus drivers shall be increased by at least four and one-half percent (4.5%), on

and after July 1, 1988, to the extent that such rates of pay are supported by the allocation of State funds from the State Board of Education. Local boards of education shall increase the rates of pay for all school bus drivers who were employed during fiscal year 1987-88 and who continue their employment for fiscal year 1988-89 by at least four and one-half percent (4.5%) on and after July 1, 1988.

Requested by: Representative Watkins

—ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

Sec. 20. (a) Salaries for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

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

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

(d) The salary increases provided in this act to be effective July 1, 1988, do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, whose last workday is prior to July 1, 1988.

(e) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979 Session Laws as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-12(9)a., G.S. 115C-12(16), G.S. 126-7, or any other provision of law other than G.S. 20-187.3(a) or G.S. 7A-102(c), no employee or officer of the public school system shall receive an automatic increment and no State employee or officer shall receive a merit increment during the 1988-89 fiscal year, except as otherwise permitted by this act.

(f) The Director of the Budget shall transfer from the salary increase reserve funds for fiscal year 1988-89 and included in Section 2 of this act and Section 3 of Chapter 738 of the 1987 Session Laws all funds necessary for the salary increases provided by Sections 6 through 19 and Section 25 of this act, including funds for the employer's retirement and Social Security contributions.

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

Requested by: Representative Watkins

—SALARY RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 21. (a) Required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employees' salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from

department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of the employee for hospital-medical benefits, longevity pay, unemployment compensation, accumulated leave, workers' compensation, severance pay, separation allowances, and applicable disability salary continuation benefits.

(b) The State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1988-89 fiscal year are (1) eleven and nineteen hundredths percent (11.19%) - Teachers and State Employees; (2) sixteen and nineteen hundredths percent (16.19%) - State Law Enforcement Officers; (3) seven and sixty-two hundredths percent (7.62%) - University Employees' Optional Retirement Program; (4) thirty and eighty-one hundredths percent (30.81%) - Consolidated Judicial Retirement System; and (5) thirty-six and eighty-six hundredths percent (36.86%) - Legislative Retirement System. Each of the foregoing contribution rates includes one and ten hundredths percent (1.10%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees, State Law Enforcement Officers, and for the University Employees' Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan.

(c) The maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for fiscal year 1988-89 to the Teachers' and State Employees' Comprehensive Major Medical Plan are: (1) Medicare eligible employees and retirees - eight hundred fifty-eight dollars (\$858.00); and (2) Non-Medicare eligible employees and retirees - one thousand one hundred twenty-six dollars (\$1,126).

Requested by: Representative Watkins

—POST-RETIREMENT ALLOWANCE INCREASES/RETIRED TEACHERS,
STATE EMPLOYEES, JUDICIAL PERSONNEL, LOCAL GOVERNMENT
EMPLOYEES, AND LEGISLATORS

Sec. 22. (a) G.S.135-5 is amended by adding a new subsection to read:

"(nn) From and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1987, shall be increased by three and six-tenths percent (3.6%) of the allowance payable on July 1, 1987, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1987, but before June 30, 1988, shall be increased by a prorated amount of three and six-tenths percent (3.6%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1987, and June 30, 1988."

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

"(i) From and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1987, shall be increased by three and six-tenths percent (3.6%) of the allowance payable on July 1, 1987. Furthermore, from and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1987, but before June 30, 1988, shall be increased by a prorated amount of three and six-tenths percent (3.6%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1987, and June 30, 1988."

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

"(dd) From and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1987, shall be increased by three and six-tenths percent (3.6%) of the allowance payable on July 1, 1987, in accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1987, but before June 30, 1988, shall be increased by a prorated amount of three and six-tenths percent (3.6%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1987, and June 30, 1988."

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

"(d) In accordance with subsection (a) of this section, from and after July 1, 1988, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 1988, shall be increased by the same amount as provided to retired members and beneficiaries of the Teachers' and State Employees' Retirement System pursuant to the provisions of G.S. 135-5(ll) and (mm)."

(e) The Legislative Administrative Officer shall transfer to the Legislative Retirement System the sum of eighty-three thousand dollars (\$83,000) from funds available to the General Assembly for fiscal year 1988-89 to fund the provisions of subsection (d) of this section.

Requested by: Representative Watkins

—CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Sec. 25. Section 14 of Chapter 738, Session Laws of 1987 reads as rewritten:

"Sec. 14. (a) The annual salaries, payable monthly, for the ~~1987-88 and~~ 1988-89 fiscal ~~years-year~~ for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$61,656 64,428
Commissioner of Motor Vehicles	61,656 64,428
Commissioner of Banks	61,656 64,428
Deputy Banking Commissioner	47,136 55,392
Chairman, Employment Security Commission	61,656 64,428
State Personnel Director	64,092 66,972
Chairman, Parole Commission	56,268 58,800

Members of the Parole Commission	51,900 <u>54,240</u>
Chairman, Industrial Commission	55,344 <u>57,840</u>
Members of the Industrial Commission	53,988 <u>56,412</u>
Executive Director, Agency for Public Telecommunications	51,900 <u>54,240</u>
Director, Seafood Industrial Park Authority	34,332 <u>35,880</u>
General Manager, Ports Railway Commission	46,824 <u>48,936</u>
Director, Museum of Art	63,192 <u>66,036</u>
Director, State Ports Authority	71,664 <u>74,892</u>
Controller, State Board of Education	74,184 <u>77,520</u>
Executive Director, Wildlife Resources Commission	53,160 <u>55,548</u>
Executive Director, North Carolina Housing Finance Agency	76,404 <u>79,848</u>
Executive Director, North Carolina Technological Development Authority	40,764 <u>42,600</u>
Executive Director, North Carolina Agricultural Finance Authority	60,000 <u>62,700</u>
Director, Office of Administrative Hearings	54,372 <u>56,820</u> "

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

—MERIT PAY/STUDY

Sec. 27. (a) The Legislative Study Commission on a System of Merit Pay for State Employees is created. The Commission shall consist of 16 members:

- (1) Six Senators appointed by the President of the Senate;
- (2) Six Representatives appointed by the Speaker of the House; and
- (3) Four persons appointed by the President of the State Employees Association of North Carolina, Inc. The President of the State Employees Association of North Carolina, Inc., shall be eligible for appointment to the Commission. The list of appointments shall be sent to the President of the Senate and the Speaker of the House of Representatives no later than the date set by subsection (b) of this subsection.

(b) All initial appointments shall be made by August 1, 1988. Vacancies on the Study Commission shall be filled in the same manner as initial appointments.

(c) The President of the Senate shall designate one Senator as Cochair and the Speaker shall designate one Representative as Cochair. The Cochairs shall call the initial meeting of the Study Commission.

(d) The Study Commission shall conduct a study of a system of merit pay for State employees.

(e) The Study Commission shall submit a report of its findings and recommendations to the 1989 General Assembly on or before the first day of the 1989 Session of the General Assembly by filing the report with the President of the Senate and the Speaker of the House of Representatives. Upon filing its report, the Study Commission shall terminate.

(f) Upon approval of the Legislative Services Commission, the Legislative Administrative Officer shall assign professional staff to assist in the work of the Study Commission. Clerical staff shall be furnished to the Study Commission through the offices of the House and Senate Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Study Commission. The Study Commission may meet in the Legislative Building or the Legislative Office Building with approval of the Legislative Services Commission.

(g) Members of the Study Commission shall be paid compensation, subsistence, and travel allowances as follows:

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

(h) Of funds available to the General Assembly, the Legislative Services Commission may allocate such sums as deemed necessary for use of the Legislative Study Commission on a System of Merit Pay for State Employees.

Requested by: Representative Bob Etheridge and Senator Royall

—INCREASE EMPLOYER CONTRIBUTION RATE/OPTIONAL RETIREMENT PROGRAM

Sec. 28. G.S. 135-5.1(c) reads as rewritten:

"(c) Each employing institution shall contribute on behalf of each participant in the Optional Retirement Program an amount equal to ~~the amount which the employee would be required to contribute to the Retirement System as a member of the Retirement System as specified in G.S. 135-8(b)(1)~~ a percentage of the participant's compensation as established from time to time by the General Assembly. Each participant shall contribute the amount which he or she would be required to contribute if a member of the Retirement System. Contributions authorized or required by the provisions of this subsection on behalf of each participant shall be made, consistent with Section 414(h) of the Internal Revenue Code, by salary reduction according to rules and regulations established by The University of North Carolina. Additional personal contributions may also be made by a participant by payroll deduction or salary reduction to an annuity or retirement income plan established pursuant to G.S. 116-17. Payment of contributions shall be made by the employing institution to the designated company or companies underwriting the annuities or the trustees for the benefit of each

participant, and this employer contribution shall not be subject to any State tax if made under the Optional Retirement Program or, otherwise, by salary reduction."

Requested by: Representative Bob Etheridge

—FIREMAN & RESCUE SQUAD WORKER PENSION CREDITS

Sec. 29. G.S. 118-46 reads as rewritten:

"§ 118-46. **Determination of creditable service; information furnished by applicants for membership.** The board shall determine by appropriate rules and regulations the number of years' credit for service of firemen and rescue squad workers. Firemen and rescue squad workers who are now serving as such shall furnish the board with information upon applying for membership as to previous service. Notwithstanding any other provisions of this Article, the Board may grant qualified prior service credits to eligible firemen and rescue squad workers under such terms and conditions that the Board may adopt when the Board determines that an eligible fireman or rescue squad worker has been denied such service credits through no fault of his own."

Requested by: Representative Watkins

—ADJUST STATE EMPLOYEE/BOARD COMMISSION PER DIEM/SUPERIOR COURT JUDGE EXPENSE ALLOWANCE/LEGISLATIVE SUBSISTENCE

Sec. 30. (a) Effective January 1, 1989, G.S. 138-6(a)(3) reads as rewritten:

"(3) For expenses incurred for subsistence, payment of ~~fifty two dollars (\$52.00)~~ fifty-five dollars (\$55.00) per day when traveling in-state or ~~sixty four dollars (\$64.00)~~ sixty-seven dollars (\$67.00) per day when traveling out-of-state. When travel involves less than a full day (24-hour period), a reasonable prorated amount shall be paid in accordance with regulations and criteria which shall be promulgated and published by the Director of the Budget. Reimbursement to State employees for lunches eaten while on official business may be made only in the following circumstances:

a. When an overnight stay is required reimbursement is allowed while an employee is in travel status;

b. When the cost of the lunch is included as part of a registration fee for a formal congress, conference, assembly, or convocation, by whatever name called. Such assembly must involve the active participation of persons other than the employees of a single State department, institution, or agency and must be necessary for conducting official State business; or

c. When the State employee is a member of a State board, commission, committee, or council which operates from funds deposited with the State Treasurer, and the lunch is preplanned as part of the meeting for the entire board, commission, committee, or council."

(b) Effective January 1, 1989, G.S. 7A-44(a) reads as rewritten:

"(a) A judge of the superior court, regular or special, shall receive the annual salary set forth in the Current Operations Appropriations Act, and in addition shall be paid the same travel allowance as State employees generally by G.S. 138-6(a)(1) and (2), provided that no travel allowance be paid for travel within his county of residence. In addition, a judge of the superior court shall be allowed ~~six thousand five hundred~~

dollars ~~(\$6,500)~~ seven thousand dollars (\$7,000) per year, payable monthly, in lieu of necessary subsistence expenses while attending court or transacting official business at a place other than in the county of his residence and in lieu of other professional expenses incurred in the discharge of his official duties. The Administrative Officer of the Courts may also reimburse superior court judges, in addition to the above funds for travel and subsistence, for travel and subsistence expenses incurred for professional education."

(c) Effective upon convening of the 1989 Regular Session of the General Assembly, G.S. 120-3.1(a) reads as rewritten:

"(a) In addition to compensation for their services, members of the General Assembly shall be paid the following allowances:

- (1) A weekly travel allowance for each week or fraction thereof that the General Assembly is in regular or extra session. The amount of the weekly travel allowance shall be calculated for each member by multiplying the actual round-trip mileage from that member's home to the City of Raleigh by the rate per mile allowed to State employees for official travel.
- (2) A travel allowance at the rate allowed by statute for State employees whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission.
- (3) A subsistence allowance for meals and lodging at a daily rate equal to the maximum per diem rate for federal employees traveling to Raleigh, North Carolina, as set out at ~~51 Federal Register 19683 May 30, 1986~~, 52 Federal Register 26644 (July 15, 1987), while the General Assembly ~~as is~~ in session and, except as otherwise provided in this subdivision, while the General Assembly is not in session when, with the approval of the Speaker of the House in the case of Representatives or the President Pro Tempore of the Senate in case of Senators, the member is:
 - a. Traveling as a representative of the General Assembly or of its committees or commissions, or
 - b. Otherwise in the service of the State.

A member who is authorized to travel, whether in or out of session, within the United States outside North Carolina, may elect to receive, in lieu of the amount provided in the preceding paragraph, a subsistence allowance of twenty dollars (\$20.00) a day for meals, plus actual expenses for lodging when evidenced by a receipt satisfactory to the Legislative Administrative Officer, the latter not to exceed the maximum per diem rate for federal employees traveling to the same place, as set out at ~~51 Federal Register 19677 19686 (May 30, 1986)~~ 52 Federal Register 26630-26648 (July 15, 1987) and at ~~51 Federal~~

~~Register 16885-16886 (May 7, 1986).~~ 52 Federal Register 33616-33617 (September 4, 1987).

- (4) A member may be reimbursed for registration fees as permitted by the Legislative Services Commission."

Requested by: Representative Watkins and Senator Swain

—INCREASE EMERGENCY JUDGE PER DIEM

Sec. 31. (a) G.S. 7A-39.3(b) reads as rewritten:

"(b) In addition to the compensation or retirement allowance he would otherwise be entitled to receive by law, each emergency justice or emergency judge recalled for temporary active service shall be paid by the State his actual expenses, plus ~~one hundred dollars (\$100.00)~~ one hundred fifty dollars (\$150.00) for each day of active service rendered upon recall. No recalled retired or emergency justice or judge shall receive from the State total annual compensation for judicial services in excess of that received by an active justice or judge of the bench to which the justice or judge is being recalled."

(b) G.S. 7A-52(b) reads as rewritten:

"(b) In addition to the compensation or retirement allowance he would otherwise be entitled to receive by law, each emergency judge of the district or superior court who is assigned to temporary active service by the Chief Justice shall be paid by the State his actual expenses, plus ~~one hundred dollars (\$100.00)~~ one hundred fifty dollars (\$150.00) for each day of active service rendered upon recall. No recalled retired trial judge shall receive from the State total annual compensation for judicial services in excess of that received by an active judge of the bench to which the judge is recalled."

PART VI—DEPARTMENT OF ADMINISTRATION

Requested by: Representative Hunter

—DOMESTIC VIOLENCE GRANTS/LUMP SUM PAYMENTS

Sec. 32. Funds appropriated for grants for domestic violence programs for the 1988-89 fiscal year and included in Section 3 of this act shall be paid to the programs in lump sums as soon as possible after the programs qualify for the grants.

Requested by: Senator Royall, Representative Nesbitt

—SIPS

Sec. 33. Section 23.1 of Chapter 876, Session Laws of 1987, reads as rewritten:

"Sec. 23.1 (a) The functions and powers of the Secretary of the Department of Administration relating to the administration of the State Information Processing Services are hereby transferred to the State Controller as follows: Those functions, powers and duties related to the authority to carry out the provisions of G.S. 143-341(9) and the staff and services provisions of G.S. 143B-426.21.

(b) This section is effective until August 1, ~~1988~~ 1989."

Requested by: Senator Royall, Representative Nesbitt

Sec. 34. (a) The funds appropriated in Chapter 738, Section 65, Session Laws of 1987, to a Reserve Fund to the Department of Revenue for expenditure in Fiscal Year 1988-89 shall be expended as follows: one million two hundred sixty thousand seven hundred fourteen dollars (\$1,260,714) for development of an office automation system and four hundred thousand dollars (\$400,000) for development of an agency distributed computer capability at the Department of Revenue in cooperation with the State Information Processing Services and in design, implementation, evaluation, and documentation of a distributed data processing model for State Government. The Department of Revenue shall report on (1) the development of the office automation system, (2) the planning and development of the distributed computer capability, pursuant to the requirements of G.S. 143-341(9) as rewritten below, and (3) the expenditure of funds for these purposes to a regular monthly meeting of the Joint Legislative Commission on Governmental Operations not later than December 31, 1988.

(b) G.S. 143-341(9) reads as rewritten:

"(9) Information Processing Services. – With respect to all executive departments and agencies of State government, except the Department of Justice and The University of North Carolina:

a. To establish and operate information processing centers and services to serve two or more departments on a cost-sharing basis, if the Computer Commission decides it is advisable from the standpoint of efficiency and economy to establish these centers and services;

b. With the approval of the Computer Commission, to charge, on a time basis, each department for which services are performed its proportionate part of the cost of maintaining and operating the shared centers and services;

c. With the approval of the Computer Commission, to require any department served to transfer to the Department of Administration ownership, custody, or control of information processing equipment, supplies, and positions required by the shared centers and services;

d. With the approval of the Computer Commission, to adopt reasonable rules for the efficient and economical management and operation of the shared centers and services;

e. With the approval of the Computer Commission, to adopt plans, policies, procedures, and rules for the acquisition, management, and use of information processing equipment and personnel in the departments affected by this subdivision to facilitate more efficient and economic use of information processing resources in these departments; and

f. To develop and promote training programs to improve the technical and managerial capability of personnel in information processing functions.

The Department of Revenue is authorized to deviate from this section's requirements that departments or agencies consolidate information processing functions on equipment owned, controlled or under custody of the State Information Processing Services. All deviations from this section's requirements shall be reported in writing within 15 days

by the Department of Revenue to the Computer Commission and shall be consistent with available funding. The Department of Revenue is authorized to adopt and shall adopt plans, policies, procedures, requirements and rules for the acquisition, management, and use of information processing equipment, information processing programs, data communications capabilities, and information systems personnel in the Department of Revenue. If the plans, policies, procedures, requirements, rules, or standards adopted by the Department of Revenue deviate from the policies, procedures, or guidelines adopted by the State Information Processing Services, those deviations shall be allowed and shall be reported in writing within 15 days by the Department of Revenue to the Computer Commission. The Department of Revenue shall develop an information systems capability, in cooperation with the State Information Processing Services, that will distribute the Department's information processing resources and databases between the agencies' two information processing centers. The distributed system shall require that major computer production processing, data communications through the state data communications network, and major database activity shall occur on computer facilities maintained by the State Information Processing Services. The distributed system shall allow major data entry processing, computer program development, and computer program testing to occur on the Department of Revenue computer system. The Department of Revenue and the State Information Processing Services shall develop data communications capabilities between the two computer centers, subject to a security review by the Secretary of the Department of Revenue. The State Information Processing Services and the Department of Revenue shall prepare a plan to allow for substantial recovery and operation of major, critical computer applications at each agency's respective facility. The plan shall include the names of the computer programs, databases, and data communications capabilities from each facility, identifying the maximum amount of outage that can occur prior to the initiation of the plan and resumption of operation at the backup facility. The plan shall include the names of designated personnel from both information processing facilities to serve as a joint disaster recovery team in the event one of the facilities is rendered inoperable for a substantial amount of time. The plan shall be consistent with commonly accepted practices for disaster recovery in the information processing industry. The plan shall be tested as soon as practical, but not later than six months, after the establishment of the Department of Revenue information processing capability that is compatible with and partially redundant to the information processing capabilities at the State Information Processing Services.

No data of a confidential nature, as defined in the General Statutes or federal law, may be entered into or processed through any cost-sharing information processing center established under this subdivision until safeguards for the data's security satisfactory to the department head and the Secretary of Administration have been designed and installed and are fully operational. Nothing in this section may be construed to prescribe what programs to satisfy a department's objectives are to be undertaken, nor to remove from the control and administration of the departments the responsibility for program efforts, regardless whether these efforts are specifically required by statute or are administered under the general program authority and

responsibility of the department. This subdivision does not affect the provisions of G.S. 147-58 or G.S. 143-340(14). Notwithstanding any other provision of law, the Department of Administration shall provide information processing services on a cost-sharing basis to the General Assembly and its agencies as requested by the Legislative Services Commission."

(c) This section is effective upon ratification.

Requested by: Senator Royall

—COMPUTER STUDY COMMISSION FUNDS

Sec. 35. (a) Of the funds appropriated to the Office of the State Controller in Section 2 of Chapter 738 of the 1987 Session Laws as amended, the sum of fifty thousand dollars (\$50,000) is hereby transferred to the State Information Processing Needs and Cost Study Commission. The funds shall be used by the Study Commission to evaluate the Office of the State Controller's request for funds to redesign and develop a State accounting system and to evaluate the research previously conducted on this topic.

(b) This section is effective upon ratification.

Requested by: Senator Royall

—SUPERCOMPUTER-POLICY BOARD

Sec. 36. (a) Section 74(a) of Chapter 830 of the 1987 Session Laws is rewritten as follows:

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

(b) The State Computer Commission and the agency, institution, or organization it designates as the manager for the supercomputer project shall present a written report on the progress of the supercomputer project to each regular monthly meeting of the Joint Legislative Commission on Governmental Operations through the years 1988, 1989, and 1990. The written reports shall be delivered to the Director of General Assembly Fiscal Research Division not less than 48 hours prior to the beginning of the Commission's full meeting. The written reports shall contain at least the following information: the major tasks accomplished since the last report; the major tasks expected for the project over the two calendar years after the date of the report; the projected budgets and expenditures of the project over the next two calendar years after the date of the report; the major applications and uses on the supercomputer in the time since the last report; and the major projected applications and uses on the supercomputer in the next several months that will follow the report. The report shall constitute a full management and status report on the supercomputer project. If so

requested by the Cochairmen of the Joint Legislative Commission on Governmental Operations, the Chairman of the State Computer Commission, or his designee, shall present the report verbally to the meeting of Joint Legislative Commission on Governmental Operations.

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

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

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

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

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

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

- (g) This section is effective upon ratification.

Requested by: Representatives Bob Etheridge and Hardaway
—CONTINUE PROGRAM TO ENCOURAGE STATE PURCHASES FROM
MINORITY BUSINESSES

Sec. 38. Section 52 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 52. (a) Of the funds appropriated in a reserve to the Office of State Budget and Management in Section 2 of this act, the sum of fifty thousand dollars (\$50,000) for the 1987-88 fiscal year, and an additional sum of fifty thousand dollars (\$50,000) for the 1988-89 fiscal year if appropriated by the General Assembly, shall be used by the Department to:

- (1) Identify small businesses, especially those owned by minorities, disabled persons, and women, that could do business with the State, and to provide pre- and post-bid information and assistance to these businesses on how to do business with the State;
- (2) Publish and distribute to State purchasers a directory of small business enterprises, especially those owned by minorities, disabled persons, and women; and
- (3) Establish a system to monitor, record, and measure the use of small businesses, especially those owned by minorities, disabled persons, and women, by the State.

(b) The General Assembly urges all subdivisions and agencies of the State, all local governments, and all other entities, authorized to use the services of the Department of Administration in the purchase of materials, supplies, and equipment, (i) to participate in a Program to Encourage Business Enterprises Owned by Minority, Women and Disabled Persons, and (ii) to purchase a minimum of four percent (4%) of their contract purchases from businesses owned by minorities, disabled persons, and women, provided that the purchases comply with the policy set forth in G.S. 143-48.

All participating entities required to use the services of the Department of Administration in the purchase of materials, supplies, and equipment shall report to the Department of Administration in March of 1988 and in March of 1989 on what percentage of their contract purchases were from businesses owned by minorities, disabled persons, and women, and what percentage of the contract bids for such purchases were from businesses owned by such persons. The Department of Administration shall provide the reports to the House and Senate Base Budget Appropriations Committees on General Government in April of 1989.

For the purpose of this section, whenever it is specified that a business must be owned by minorities, disabled persons, and women, it means such persons who are also either United States Citizens or United States Nationals."

Requested by: Representative Murphy
—LOW LEVEL RADIOACTIVE WASTE MANAGEMENT

Sec. 39. Of the funds appropriated for the 1988-89 fiscal year and included in Section 4 of this act to the Department of Administration for the Low Level Radioactive Waste Management Authority, the sum of one hundred thousand three hundred eleven dollars (\$100,311) shall be transferred to the Department of Human Resources, Division of Facility Services, Radiation Protections Section, to perform its responsibilities relative to the siting, design, and licensing of a low level radioactive waste disposal facility.

Requested by: Representative Murphy, Senator Thomas

—GOVERNOR'S WASTE MANAGEMENT BOARD FUNDS

Sec. 40. Of the funds appropriated for fiscal year 1988-89 to the Department of Administration for the Low-Level Radioactive Waste Management Authority, and included in Section 2 of this act, the sum of fifty thousand dollars (\$50,000) for fiscal year 1988-89 shall be transferred to the Department of Human Resources for the Governor's Waste Management Board, to develop a public education program on low level radioactive waste.

Requested by: Representatives Watkins and Bob Etheridge

—ALLOCATION OF RAPE CRISIS CENTER FUNDS/MERGER WITH DOMESTIC VIOLENCE PROGRAMS

Sec. 41. The additional funds for Rape Crisis Centers in the amount of three hundred sixty-eight thousand dollars (\$368,000) appropriated for fiscal year 1988-89 and included in Section 3 of this act shall be distributed to the recipients in the same proportion as federal funding lost by those recipients. Since this is a one-time appropriation, in order to improve efficiency, those Rape Crisis Centers should where possible do what is necessary to merge their operations with Domestic Violence Centers in their area by June 30, 1989.

PART VII—DEPARTMENT OF STATE AUDITOR

Requested by Representative Bob Etheridge and Senator Royall

—AUDITOR'S HOTLINE

Sec. 42. The Department of State Auditor is authorized to use over-realized receipts, when they become available, in the amount of one hundred seventy-three thousand four hundred twenty-two dollars (\$173,422) for fiscal year 1988-89 in order that the Department may fund two hotline positions (one Assistant State Auditor Supervisor II and one Assistant State Auditor III) with full funding for all support items and two Assistant State Auditor III positions. This will allow continuation of the hotline program to encourage reporting of fraud, waste, and abuse in State government.

PART VIII—DEPARTMENT OF CULTURAL RESOURCES

Requested by: Representative Murphy

—LIBERTY CART OUTDOOR DRAMA FUNDS

Sec. 43. Of the funds appropriated to the Department of Cultural Resources for the 1988-89 fiscal year for Aid to Theatre and included in Section 3 of this act, the sum of thirty-five thousand dollars (\$35,000) shall be allocated to the Duplin Outdoor Drama Society, Inc., for fiscal year 1988-89 for production of the outdoor drama "The Liberty Cart: A Duplin Story." This allocation is for one year only.

Requested by: Senator Harrington
—FIRST IN FREEDOM FUNDS

Sec. 44. G.S. 143-204.8(c) reads as rewritten:

"(c) For purposes of this section, an 'outdoor historical drama corporation or trust,' means only the following corporations or trusts presenting outdoor historical dramas:

Corporation or Trust	Outdoor Historical Drama
Cherokee Historical Association, Incorporated	'Unto These Hills'
The Committee for an Outdoor Drama at Bath, Incorporated	'Blackbeard – The Knight of the Black Flag'
The Duplin Outdoor Drama Society, Incorporated	'The Liberty Cart: A Duplin Story'
Halifax County Historical Eastern Association Stage, Inc.	'First for Freedom'
The Moore County Historical Association, Incorporated	'The House in the Horseshoe'
The Outdoor Theatre Fund Charitable Trust	'From This Day Forward'
'Revolution!', Incorporated	'Revolution!'
Roanoke Island Historical Association, Incorporated	'The Lost Colony'
Robeson Historical Drama, Incorporated	'Strike at the Wind'
Snow Camp Historical Drama Society, Incorporated	'Sword of Peace'
Southern Appalachian Historical Association, Incorporated	'Horn in the West'
The Waxhaws Historical Festival and Drama Association	'Listen and Remember'

The above listing of dramas is for informational purposes only and shall not be construed to limit the eligibility of the specified outdoor historical drama corporation or trust to receive allotments under this section."

Requested by: Representative Nesbitt
—USE OF LAND NEAR POLK YOUTH CENTER LIMITED

Sec. 46. Notwithstanding any other provision of law, the State land which lies beside the North Carolina Museum of Art and behind the Polk Youth Center, and

which is bounded by the Raleigh Beltline on the east, Wade Avenue on the south, Blue Ridge Road on the west, and a northern boundary that is the extension of the current State land boundary beginning at the Raleigh Beltline and running generally westward to Blue Ridge Road between the Cross Country Transmission Line and the intersection of Myron Drive and Nancy Ann Drive, may not be used by the North Carolina Museum of Art for any purpose until the Museum's master plan for site development is presented to and specifically and expressly approved by the General Assembly, and by the Office of State Construction, Department of Administration in accordance with existing law.

Requested by: Representative Nesbitt

—USE OF THOMAS WOLFE HISTORIC SITE FUNDS

Sec. 47. The Department of Cultural Resources may use funds available to it for the Thomas Wolfe Memorial State Historic Site for redesign of the building.

Requested by: Senator Plyler

—ANDREW JACKSON MEMORIAL FUNDS

Sec. 47.1. Of the funds available to the Department of Cultural Resources, the Department shall use the sum of sixty thousand dollars (\$60,000) in fiscal year 1988-89 for operating staff and facilities maintenance of the Andrew Jackson Memorial in Union County.

PART IX—OFFICE OF THE GOVERNOR

Requested by: Senator Rand

—TRANSITION EXPENSES

Sec. 48. G.S. 147-31.1 reads as rewritten:

"§ 147-31.1. Office space and expenses for Governor-elect and Lieutenant Governor-elect; and other Council of State members-elect.—(a) The Department of Administration, upon request of the Governor-elect and Lieutenant Governor-elect, made after the general election for these respective offices, is empowered and directed to provide suitable office space and office staff for each such official for the period between the general election and inauguration.

The Department of Administration shall provide, for the fiscal years in which general election and inauguration of the Governor and Lieutenant Governor shall occur, such sums, not in excess of ~~three thousand five hundred dollars (\$3,500)~~ eighty thousand dollars (\$80,000) for the Governor-elect, and not in excess of ~~one thousand five hundred dollars (\$1,500)~~ ten thousand dollars (\$10,000) for the Lieutenant Governor-elect, as may be necessary for the salary of the staffs and the payment of office expenses of each such official during such interim.

(b) The Department of Administration, upon request of any other member-elect of the Council of State who is not an incumbent in that office, shall provide for such persons suitable office space and office staff for each such official for the period between the general election and inauguration.

The Department of Administration shall provide, for the fiscal years in which general election and inauguration of such persons occurs, ten thousand dollars (\$10,000) for the salary of the staffs and the payment of office expenses of each such official during such interim. If there are more than two such persons, such services and payments shall be made from the Contingency and Emergency Fund upon approval of the Council of State."

Requested by: Senator Plyler

—TRANSFER OSBM POSITION TO UNC

Sec. 49. The Director of the Budget may transfer a Statistical Assistant V position from the Office of State Budget and Management to the Need-Based Student Loan Program, State Education Assistance Authority, General Administration, University of North Carolina, as well as the funds for salary and fringe benefits for that position.

Requested by: Representative Watkins

—EXPENDITURE OF FUNDS FOR REJECTED PURPOSE

Sec. 50. G.S. 143-16.3 reads as rewritten:

"§ 143-16.3. No expenditures for purposes for which the General Assembly has considered but not enacted an appropriation.— ~~No~~ Notwithstanding any other provision of law, no funds from any source, except for gifts and grants, may be expended for any purpose for which the General Assembly has considered but not enacted an appropriation of funds for the current fiscal period. For the purpose of this section, the General Assembly has considered a purpose when that purpose is included in a bill or petition or when any committee of the Senate or the House of Representatives deliberates on that purpose."

PART X—DEPARTMENT OF INSURANCE

Requested by: Representative Bob Etheridge

—INSURANCE POSITIONS

Sec. 52. In the Department of Insurance, position #3904-0000-0000-235 (Administrative Officer I) is moved from fund "1220"-Company Services to fund "1500"-Special Services, and the funding for such position is also transferred.

Requested by: Representative Bob Etheridge

—INSURANCE FUND MERGER

Sec. 53. In the Department of Insurance, fund numbers "1250"-Investigations and "1500"-Special Services are merged into a new fund number "1260"-Field Services. All positions and working funds are likewise moved to the merged fund.

Requested by: Representative Bob Etheridge

—MOBILE HOME WARRANTY PROGRAM

Sec. 54. When receipts and federal funds are insufficient the Department of Insurance may use available funds during fiscal year 1988-89 to fund current positions in the Mobile Home Monitoring Program of the North Carolina Manufactured Housing Board. The Department may use such funds until federal funds and the fees collected pursuant to G.S. 143-143.11 produce sufficient revenues to fund the Program. In the event such fee revenues exceed the amount necessary to fund the program, the Department and Board shall transfer such excess funds back to the Department, and the funds shall then revert.

PART XI—DEPARTMENT OF REVENUE

Requested by: Senator Royall; Representative Watkins

—FUNDS USED FOR LOCAL TAX REIMBURSEMENT

Sec. 55. Legislation enacted by the General Assembly requires that local government units in North Carolina be reimbursed out of collections from specific General Fund taxes for State-mandated reductions in the local tax base since 1981. The estimated amounts of the reimbursements are shown below:

<u>Reimbursement Category</u>	<u>Source of Reimbursement</u>	<u>Year of Legislation</u>	<u>1988-89 Amount</u>
Intangibles Tax on Money on Deposit (G.S. 105-213.1)	Personal Income Tax	1985	\$23,405,000
Intangibles Tax on Accounts Receivable (G.S. 105-213.1)	Personal Income Tax	1985	\$5,700,000
Property Tax on Manufacturing Inventories (G.S. 105-275.1)	Corporate Income Tax	1985 1987	\$103,900,000
Property Tax on Wholesale and Retail Inventories (G.S. 105-277A)	Sales and Use Tax	1985 1987	\$66,100,000
Property Tax Homestead Exemption Expansion (G.S. 105-277.1A)	Cigarette Tax	1981 1985	\$7,800,000
Sales Tax Exemption for Food Stamp Purchases (G.S. 105-164.44C)	Sales and Use Tax	1985	<u>\$5,300,000</u>

TOTAL

\$212,205,000

The Fiscal Research Division shall, after consultation with the Department of State Auditor and the Office of State Controller, report to the 1989 General Assembly on possible alternative systems for accounting for these reimbursements.

Requested by: Representative Miller

—STATE/LOCAL SPECIAL REVENUE FUNDS

Sec. 56. House Bill 2430, 1987 Session, if enacted, will enhance the ability of the Department of Revenue to collect State and local sales taxes due on sales by non-resident vendors to residents of this State. If House Bill 2430 is enacted, the Secretary of Revenue shall to the extent practicable identify the out-of-State retailers that, as a result of the legislation, will be required to collect State and local sales and use taxes on sales to residents of this State because they purposefully or systematically exploit the market provided by this State, as provided in proposed G.S. 105-164.8(b)(5), and would not otherwise be required to collect the taxes based on one of the conditions in proposed G.S. 105-164.8(b)(1) through (3). Because at this time it is impossible to estimate the amount of additional revenue that may be generated by enactment of House Bill 2430, sound budgetary practices dictate that the State and local sales taxes collected and remitted by these identified retailers should not be distributed or expended before the 1989-90 fiscal year. Therefore, notwithstanding any other provision of law, the Secretary of Revenue shall deposit the State sales and use taxes collected and remitted by these identified retailers in a special fund to the credit of the State Treasurer, to be called the State Special Revenue Fund. It is the intent of the General Assembly that these State tax proceeds shall remain in the Special Fund until the General Assembly provides that they shall be deposited in the General Fund. In addition, notwithstanding any other provision of law, the Secretary of Revenue shall deposit the local sales and use taxes collected and remitted by these identified retailers in another special fund to the credit of the State Treasurer, to be called the Local Special Revenue Fund. It is the intent of the General Assembly that these local tax proceeds shall remain in the Special Fund until the General Assembly provides that they shall be distributed to local governments in accordance with Articles 39, 40, 41, and 42 of Chapter 105 of the General Statutes and in accordance with Chapter 1096 of the 1967 Session Laws.

Requested by: Representative Nesbitt

—SALES-ASSESSMENT RATIO STUDIES/CLARIFICATION OF FUNDING

Sec. 57. Section 84(d) of Chapter 830 of the 1987 Session Laws reads as rewritten:

"(d) The enactment of the School Facilities Finance Act of 1987 has created the need for a statistical adjustment of the assessed value of taxable real property in each county in light of the staggered real property revaluation cycle. This adjustment is necessary for the allocation of the proceeds of the Critical School Facility Needs Fund.

This need is in addition to the adjustments required by the 1985 legislation that equalized the property tax burden of public service companies.

For the purpose of determining net collections under G.S. 105-213 for the fiscal year ending June 30, 1987, the sum of seventy-two thousand three hundred forty-five dollars (\$72,345) shall be deducted, in addition to the amounts specified by the second paragraph of G.S. 105-213(a), to fund the cost to the Department of Revenue for the 1987-88 fiscal year of making the sales-assessment ratio studies required by G.S. 105-284 and G.S. 105-289. For the purpose of determining net collections under G.S. 105-213 for the fiscal year ending June 30, 1989, the sum of eighty-nine thousand eight hundred fourteen dollars (\$89,814) shall be deducted, in addition to the amounts specified by the second paragraph of G.S. 105-213(a), to fund the cost to the Department of Revenue for the 1988-89 fiscal year of making the sales-assessment ratio studies required by G.S. 105-284 and G.S. 105-289. Such ~~deduction~~ deductions shall be expended as follows:

<u>PURPOSE</u>	<u>1987-88</u>	<u>1988-89</u>
Property Valuation Specialists	\$ 46,828	\$ <u>66,293</u>
Accounting Clerk	12,267	<u>17,521</u>
Additional Travel Expense	6,000	<u>6,000</u>
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Total Recurring	65,095	<u>89,814</u>
Furniture and Equipment	2,250	
Data Processing Equipment	5,000	

Total Nonrecurring	7,250	
Total Expenditures	\$ 72,345	\$ <u>89,814</u> "

PART XIII—DEPARTMENT OF COMMUNITY COLLEGES

Requested by: Senator Ward, Representative Watkins

—COMMUNITY COLLEGE FUNDS TRANSFERS

Sec. 59. (a) Sections 210 and 220 of Chapter 738 of the 1987 Session Laws are repealed.

(b) The State Board of Community Colleges shall establish policies and procedures for the transferring of funds within each community college's budget that will assure the General Assembly proper accountability for the use of such funds. It is the intent of the General Assembly that all community colleges achieve the goal of paying an average salary to curriculum instructors equal to or greater than the unit value established in the community college formula for curriculum instructors and that any transfers among line items in the budget allocation formula be minimized.

The State Board of Community Colleges shall make quarterly reports of all transfers approved in accordance with the State Board of Community Colleges' policies and procedures for transferring funds within each college's budget to the Joint Legislative Commission on Governmental Operations, the Chairmen of the House and Senate Base and Expansion Budget Committees, and to the Fiscal Research Division.

Requested by: Senator Ward, Representative Watkins

—COMMUNITY COLLEGES PRESIDENTIAL SALARY STUDY

Sec. 60. The State Board of Community Colleges may revise the salary schedule for Community College Presidents from funds appropriated for the 1988-89 fiscal year to the Department of Community Colleges in keeping with the results of the consultant study on presidential salaries commissioned by the State Board of Community Colleges. However, no salary revision for the elimination of inequities among Community College Presidents' salaries may be made until the State Board of Community Colleges has received the recommendations of the consultant study on Community College Presidential Salaries and reported to the Joint Commission on Governmental Operations, the Chairmen of the House and Senate Base and Expansion Budget Committees and the Fiscal Research Division on any proposed modifications.

Requested by: Representative Watkins, Senator Ward

—ALLOCATION OF COMMUNITY COLLEGE FUNDS

Sec. 61. (a) Sections 211 and 215 of Chapter 738 of the 1987 Session Laws are repealed.

(b) Funds appropriated to the Department of Community Colleges for the 1988-89 fiscal year for purposes of State aid shall be allocated in accordance with procedures established by the State Board of Community Colleges for distribution to local community colleges and for departmental support. These procedures shall be in accordance with the formula changes recommended to the General Assembly by the State Board of Community Colleges at its March 10, 1988, board meeting. These funds may also be used to expand existing programs or innovative programs.

It is the intent of the General Assembly that the State Board of Community Colleges ensure that proper community service programs remain available to senior citizens without charge.

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

Requested by: Senator Ward, Representative Watkins

—COMMUNITY COLLEGE TRUSTEES TRAINING COURSE

Sec. 62. Section 216 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 216. The General Assembly urges the North Carolina Association of Community College Trustees to continue providing and to expand its training course for community college trustees and to offer the course on a regional basis. The General Assembly also urges all community college trustees, especially those serving their first term, to complete the course.

The General Assembly requests the North Carolina Association of Community College Trustees to submit an annual report to the State Board of Community Colleges and to the ~~1987 Session of the General Assembly, 1988 Regular Session,~~ 1989 General Assembly on the training programs provided and the number of trustees participating."

Requested by: Senator Ward, Representative Watkins

—LITERACY EDUCATION

Sec. 63. Section 217 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 217. Literacy education funds, as defined by the State Board of Community Colleges, shall not be expended for any other purpose.

The Department of Community Colleges shall establish measurements of progress for the literacy program and provide technical assistance to institutions for implementation of these measurements. Each institution shall develop and submit a plan to the Department of Community Colleges for approval to show how it will increase and retain a significant percentage of its targeted population in the literacy program. Each plan shall address recruitment, assessment, retention, and evaluation of student progress. An assessment and retention specialist may be funded from direct instructional funds to assure implementation of this plan.

The State Board of Community Colleges is authorized to reallocate literacy education funds among institutions when an institution determines that it will not be able to utilize its full allocation.

Literacy education programs shall be provided in proper, on-campus and off-campus educational settings, as defined by the State Board of Community Colleges, in order to ensure accessibility to those in need of these programs.

The State Board of Community Colleges shall report by ~~May 1, 1988, to the 1987 Session of the General Assembly, 1988 Regular Session,~~ June 1, 1989, to the 1989 General Assembly, on the progress made by each institution of the Community College system toward achieving significant enrollment increases and retention of students throughout the literacy education programs. The General Assembly encourages the Community College system at least to double the number of illiterate adults being served in literacy education programs."

Requested by: Senator Ward, Representative Watkins

—CLASS REPORTING DATE FOR EXTENSION FTE

Sec. 64. (a) Section 218 of Chapter 738, 1987 Session Laws is repealed.

(b) Enrollments in literacy education and occupational extension courses within the Community College system shall be calculated for budget full-time equivalent (FTE) student purposes when one-half of the course has been completed. Only those students in attendance for at least one-half of the classes prior to the date of calculation shall be included in the calculation. Notwithstanding any other requirements under this section, literacy education and occupational extension courses may be reported for budget purposes on a contact hour basis.

Requested by: Senator Plyler

—UNION COUNTY SATELLITE/LAND MATCH

Sec. 65. The funds appropriated to the Department of Community Colleges for the 1988-89 fiscal year for the Union County satellite of Anson and Stanly Community Colleges shall be allocated to Union County for the satellite facility. Land provided by Union County on a long-term lease basis shall satisfy the matching requirement for funds appropriated for the 1988-89 fiscal year for a Union County satellite of Anson and Stanly Community Colleges.

Requested by: Representative Nye

—CAPE FEAR FUNDS/LAND MATCH

Sec. 66. Land provided by Pender County for the facility shall satisfy the matching requirement for funds appropriated for the 1985-86 fiscal year and the 1987-88 fiscal year for the Pender County Satellite of Cape Fear Community College.

Requested by: Representatives Bob Etheridge, Wicker

—CENTRAL CAROLINA COMMUNITY RESOURCE CENTER

Sec. 67. The funds allocated to Central Carolina Community College in Section 19 of Chapter 795 of the 1987 Session Laws are reallocated to Lee County. These funds shall be used to build a Community Resource Center which will be operated by the college for the use of the county and the college. The county shall provide an additional two million dollars (\$2,000,000) for the construction of this facility.

Requested by: Representative Beall

—HAYWOOD COMMUNITY COLLEGE/NO MATCH

Sec. 68. Funds appropriated for the 1988-89 fiscal year to the Department of Community Colleges for capital construction at Haywood Community College are not subject to any requirement that they be matched with non-State funds.

Requested by: Representative Locks

—HOKE COUNTY SATELLITE

Sec. 70. The funds appropriated to the Department of Community Colleges for the 1988-89 fiscal year for the Hoke County satellite for Sandhills Community College shall be allocated to Hoke County for the satellite facility.

Requested by: Representative Nesbitt
 ---MACON COUNTY SATELLITE FUNDS

Sec. 72. The funds appropriated to the Department of Community Colleges for the 1988-89 fiscal year for the Macon County satellite for Southwestern Community College shall be spent only for the regional fire training center.

Requested by: Representative Watkins
 ---WATAUGA COUNTY SATELLITE

Sec. 73. The funds appropriated to the Department of Community Colleges for the 1988-89 fiscal year for the Watauga County satellite for Caldwell Community College and Technical Institute shall be allocated to Watauga County for the satellite facility.

Requested by Representative Watkins
 ---ALLOCATION OF COMMUNITY COLLEGE FUNDS

Sec. 74. Section 19 of Chapter 795 of the 1987 Session Laws reads as rewritten:

"Sec. 19. Funds are appropriated to the Department of Community Colleges in Section 4 of this act in the sum of twenty-five million eight hundred eighty-eight thousand one hundred twenty-five dollars (\$25,888,125) for the 1987-88 fiscal year and the sum of ~~nineteen million four hundred sixty one thousand two hundred sixty six dollars (\$19,461,266)~~ twenty-nine million three hundred forty-six thousand seven hundred twenty-six dollars (\$29,346,726) for the 1988-89 fiscal year for capital improvements. These funds shall be allocated as follows:

<u>Institution</u>	<u>Project</u>	<u>1987-88</u>	<u>1988-89</u>
.01 Central Piedmont CC	High Technology Center	\$ 1,586,275	\$ 0- <u>\$1,000,000</u>
.02 TC of Alamance	Complete Classroom Lab Building	450,000	<u>400,000</u> <u>843,500</u>
.03 Mayland TC	LRC, Shop/Renovations	500,000	544,750
	<u>Emergency Water and Sewer Project.</u> <u>\$170,000 to be allocated from Water and Sewer Funds in Office of State</u>		

Budget and Management

.04	Wayne CC	Vocational & Social Sciences Building <u>Classroom building</u>	1,000,000 -	1,000,000 <u>900,000</u>
.05	Pitt CC	Vocational Building	510,170	200,830
.06	Wake TC	Health Education Building	1,000,000	1,175,000
.07	Rowan TC	General Purpose Building-Cabarrus Co.	-	500,000 <u>1,000,000</u>
.08	Sampson TC	Complete 2nd Floor Adult Education/ Student Center	251,250	-
.09	Sandhills CC	Complete Library/ Performing Arts and provide for increased costs of project <u>Hoke County Satellite</u>	400,000 -	- <u>100,000</u>
.10	Cape Fear TI	Satellite in Pender County	300,000	-
.11	Craven CC	Student Activity Center	300,000	300,000 <u>1,050,000</u>
.12	Caldwell CC & TI	Technical Skills Building <u>Watauga County Satellite</u>	750,000 -	740,000 <u>640,000</u> <u>100,000</u>
.13	Vance- Granville CC	Small Business Ctr. Granville Satellite <u>Repay loan</u>	250,000 300,000 -	500,000 - <u>350,000</u>
.14	Randolph TC	Planning Money	200,000	700,000

.15	Nash TC	Student Center/ Library	-	500,000
.16	Blue Ridge TC	Library/Student Center	-	588,000
		<u>Transylvania Satellite</u>	-	<u>75,000</u>
.17	Cleveland TC	Student Activities Center	1,300,000	1,300,000
.18	Wilkes CC	Skills Center & Power Mechanics Renovations	700,000	<u>700,000</u>
.19	Halifax CC	Student Development Ctr. Completion	-	400,000
.20	Forsyth TC	Vocational Education Building	850,000	-
.21	Isothermal CC	Funds to complete project currently under construction	200,000	-
		Polk County Satellite	250,000	-
		<u>Land Purchase</u>	-	<u>121,000</u>
.22	Rockingham CC	Laboratory/Class- room Building	-	757,826
.23	Edgecombe TC	LRC/Classroom- Tarboro	-	600,000
		<u>Complete Library/ Classroom Building</u>	-	<u>330,000</u>
.24	Tri-County CC	Classroom/Lab Building Phase II and for needed sewer line	700,000	500,000
		<u>Complete Classroom, Office Shop Addition</u>	-	<u>316,000</u>
.25	Mitchell CC	Renov. for Continuing Education Center	500,000	-

.26	Martin CC	Equine Training Center	900,440	-
.27	Bladen TC	High Tech. Bldg.	150,000	-
.28	Western Piedmont CC	Complete Learning Resource Center facilities	750,000	-
.29	Roanoke-Chowan CC	Complete & equip. Indust. Tech./ Small Business Center	-	1,000,000
.30	Asheville-Buncombe TC	Voc. Additions & Renovations	1,500,000	1,500,000
		<u>Library Planning Madison Satellite</u>	<u>-</u>	<u>150,000</u>
			400,000	-
.31	Carteret TC	Renovate recently acquired bldg.	347,975	-
.32	Central Carolina TC	Student Activity/ Performing Arts Center	-	1,000,000
	Harnett Satellite	Equip. Laser-Electro Optics Building	479,000	828,520
		<u>Additional Funds for Satellite</u>	<u>-</u>	<u>50,000</u>
.33	Coastal Carolina CC	Business Technology Building	500,000	500,000
.34	College of the Albemarle	Complete current		

		project and repay Rockingham CC	500,000	500,000
.35	Haywood TC	Regional Education Services Center <u>Student Activities</u> <u>Building Completion</u>	1,487,300 -	1,487,300 <u>750,000</u>
.36	James Sprunt TC	Renovations & complete Student Center	200,000	-
.37	Johnston TC	Increased costs for current project <u>Renovate Library</u>	500,000 -	- <u>100,000</u>
.38	Gaston College	Planning Funds	442,000	-
.38	(1)Funds appropriated herein for Gaston College shall be used for the purchase of equipment for the Lincoln School of Technology			
.39	Fayetteville TI	Equipping a center for business and industry and a center for applied technology	1,000,000	1,000,000
.40	Lenoir CC	Aviation Facility & Classroom Bldg. Greene County Satellite	- 50,000	939,000 -
.41	Durham TC	Satellite in northern Durham County	500,000	-
.42	Richmond TC	Scotland County Satellite Repay Rockingham CC	184,500 80,000	- -

.43	Robeson TC	Complete current project	187,715	-
.44	Sandhills CC	Increased costs for Library/Music/Audiovisual Bldg.	136,500	-
.45	Piedmont Tech.	Repay Rockingham CC <u>Adult Learning Center - Planning</u>	350,000	-
	Caswell Satellite	Start-up funds	-	<u>100,000</u>
			50,000	-
.46	Stanly TC	Planning/Learning Resource Center	250,000	-
.47	Montgomery TC	Planning/Specialty Lab Building	100,000	-
.48	Anson TC	Water and Sewer Line	1,500,000	-
.49	Southwestern TC	Equipping Regional Allied Health Center <u>Macon County Satellite - Regional Fire Training Center</u>	945,000	-
		Macon County Satellite	-	<u>350,000</u>
			100,000	-
<u>.50</u>	<u>Anson/Stanly TC</u>	<u>Union County Satellite</u>	-	<u>1,000,000</u>
<u>.51</u>	<u>Guilford TC</u>	<u>Aviation/Transportation Building</u>	-	<u>1,700,000</u>
<u>.52</u>	<u>Davidson CC</u>	<u>Emergency Water and Sewer Project - \$450,000 to be allocated from Water and Sewer Funds in Office of State Budget and Management</u>		
<u>.53</u>	<u>Vocational Textile School</u>	<u>Safety, Energy and Handicap Code Requirements (\$684,300) to be allocated from</u>		

Requested by: Representatives Watkins, Bob Etheridge
—SUMMER SCHOOL/TWELFTH GRADE

Sec. 78. Funds appropriated to the Department of Public Education for the 1987-88 fiscal year and for the 1988-89 fiscal year to provide remedial summer school programs may be used by local boards of education in the summer of 1988 to provide summer school to students in the twelfth grade as well as to students in grades one through eleven. Funds appropriated for this purpose for the 1988-89 fiscal year shall be used by local boards of education in the summer of 1989 to provide remedial summer schools for students in grades one through twelve.

Local boards of education may also use funds appropriated for the 1987-88 fiscal year and for the 1988-89 fiscal year for remedial summer school programs to provide a summer course to students to help them prepare for the Scholastic Aptitude Test.

Requested by: Representatives Watkins, Bob Etheridge, Senator Ward
—STAFF DEVELOPMENT

Sec. 79. (a) Section 203 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 203. (a) Funds appropriated in Section 2 of this act to the Department of Public Education for the 1987-88 fiscal year to provide funds to local school administrative units for staff development at the local level shall remain available for expenditure until ~~September 1, 1988~~, September 30, 1988.

(b) Funds appropriated ~~in Section 2 of this act~~ to the Department of Public Education for the 1988-89 fiscal year and subsequent fiscal years to provide funds to local school administrative units for staff development at the local level shall become available for expenditure on ~~September 1~~ July 1 of ~~that each~~ fiscal year and shall remain available for expenditure until ~~August 31~~ September 30 of the next fiscal year."

(b) Of the funds appropriated to the Department of Public Education for staff development at the local level, the State Board of Education shall allocate two hundred eighty thousand dollars (\$280,000) for staff development of school food service personnel.

Requested by: Representatives Watkins, Bob Etheridge, Senator Ward
—TEXTBOOK SERVICES/ACCOUNTING SUPPORT

Sec. 80. Section 175 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 175. The Department of Public Education may use funds appropriated to it for the 1987-88 fiscal year and the 1988-89 fiscal year for the Textbook Fund to provide for a managing accountant III to ensure proper ordering, distributing, inventorying, and accounting for the business operation of the Textbook Services Area."

Requested by: Representatives Watkins, Bob Etheridge, Senator Ward
—SCHOOL CUSTODIAN TRAINING PROGRAM

Sec. 81. Section 1 of Chapter 794 of the 1987 Session Laws reads as rewritten:

"Section 1. The Department of Public Education may use up to one-fourth of one percent (.25%) of the funds appropriated to it for school custodians for the 1987-88 fiscal year ~~in Chapter 738, Session Laws of 1987~~ and for the 1988-89 fiscal year to employ personnel to establish and conduct a training program for custodians. This training program shall be performed on a local or regional basis."

Requested by: Representatives Watkins, Bob Etheridge, Senator Ward
—FLEXIBILITY IN THE USE OF SCHOOL FUNDS/STUDY

Sec. 83. The Joint Legislative Commission on Governmental Operations shall study the feasibility of allowing local school administrative units more flexibility in the use of State-allotted funds for the operation of the public schools. The Commission shall make its recommendations, if any, to the 1989 General Assembly.

Requested by: Representatives Watkins, Bob Etheridge
—TEACHER CERTIFICATION STAFF

Sec. 84. The Controller of the State Board of Education shall transfer, at the request of the Department of Public Instruction, personnel positions and personnel support within the Department of Public Instruction sufficient to satisfy the emergency and backlog existing in the teacher certification process.

Requested by: Representative Bob Etheridge, Senator Ward
—TEACHERS WITH MASTERS DEGREES/SALARY INCREASE

Sec. 85. (a) Proviso (1) of Section 19.1(d) of Chapter 1137 of the 1979 Session Laws (Second Session 1980), as rewritten by Chapter 1053 of the 1981 Session Laws, Section 46 of Chapter 757 of the 1985 Session Laws, Section 57 of Chapter 1014 of the 1985 Session Laws (Regular Session 1986), and Section 26 of Chapter 876 of the 1987 Session Laws reads as rewritten:

"(1) in the case of a teacher who was awarded a higher teaching certificate ~~from~~ after September 1, 1980, ~~through June 30, 1987,~~ as a result of a receipt of a masters degree, such person shall be entitled to credit for all teaching experience earned previously, recognizable under State Board of Education regulations, in determining placement on the salary schedule;"

(b) The Department of Public Education shall use funds appropriated to it for the 1988-89 fiscal year to implement subsection (a) of this section.

Requested by: Representative Bob Etheridge
—SCHOOL FINANCE PILOT PROJECT CONTINUED

Sec. 86. The State Board of Education shall continue the School Finance Pilot Project, established by the Board pursuant to Section 86, Chapter 761 of the 1983 Session Laws, and continued by Chapter 646 of the 1985 Session Laws, through the 1988-89 fiscal year. Each participating pilot project shall submit to the State Board of Education prior to the September 1988 meeting (i) a statement of measurable goals it

intends to accomplish with the budget flexibility, and (ii) a statement of what budget flexibility it requests and how the requested flexibility would change its budget. The participating pilot projects may not deviate from the proposals authorized for them by the State Board at its September meeting. The State Board shall report to the Joint Legislative Commission on Governmental Operations on the September reports of the participating pilot projects and on the budget flexibility the State Board of Education authorized for each participating pilot project for the 1988-89 fiscal year.

The participating pilot projects shall report to the State Board of Education at its March 1989 meeting on how the budget flexibility authorized for them increased educational opportunities and educational achievement for their students. The State Board of Education shall report these results to the General Assembly in March 1989.

Requested by: Representative Bob Etheridge, Senator Ward

—USE OF FUNDS FOR TEACHERS

Sec. 87. Section 209(b) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(b) When a school has too few students to provide a teacher to offer a class in a curricular offering in accordance with the Basic Education Program, the local board of education may, with the approval of the State Board of Education, use the funds allocated to it for expanded curricular offerings to otherwise provide the curricular offering at that school, as called for in the Basic Education Program. The State Board of Education shall monitor and report concerning the alternative use of these funds by February 1 to the President of the Senate, the Speaker of the House of Representatives, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division.

This subsection applies only to the 1987-88 fiscal year and the 1988-89 fiscal year."

Requested by: Representative Bob Etheridge

—ROBESON SCHOOL TRANSITION FUNDS

Sec. 88. The Department of Public Education shall, upon the request of the Interim Board of Education for the Public Schools of Robeson County, allot to the Interim Board up to two hundred thousand dollars (\$200,000) for the 1988-89 fiscal year. The Interim Board shall use these funds to prepare for and implement the merger mandated in Chapter 605 of the 1987 Session Laws and to otherwise carry out its responsibilities under that act, and the Interim Board may contract for professional, clerical, and other assistance in accomplishing same.

The amount allotted to the Interim Board for the 1988-89 fiscal year shall be deducted from the amount the Interim Board would have received during the 1989-91 fiscal biennium for central office personnel to maintain for two years after the merger the pre-merger allotment of central office personnel.

Requested by: Senator Ward

—CLASS SIZE

Sec. 89. (a) G.S. 115C-301 is rewritten to read:

"§ 115C-301. Allocation of teachers; class size.—(a) Request for Funds. The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) Maximum Class Size. The average class size for each grade span in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students. At the end of the second school month and for the remainder of the school year, the size of an individual class shall not exceed the allotment ratio by more than three students. At no time may the General Assembly appropriate funds for higher unit-wide class averages than those for which State funds were provided during the 1984-85 school year.

(d) Maximum Teaching Load. Students shall be assigned to classes so that from the 15th day of the school year through the end of the school year the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students, except as provided in subsection (g) of this section.

(e) Alternative Maximum Class Sizes. The State Board of Education, in its discretion, may set higher maximum class sizes and daily teaching loads for classes in music, physical education, and other similar subjects, so long as the effectiveness of the instructional programs in those areas is not thereby impaired.

(f) Second Month Reports. At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the Controller of the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, the teaching load of each teacher, and such other information as the State Board or Controller may require. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that occur at that time.

(g) Waivers and Allotment Adjustments. Local boards of education shall report exceptions to the State Board of Education as provided in G.S. 115C-47(10), and shall request allotment adjustments or waivers from the standards set out above. Within 45 days of receipt of reports, the State Board of Education, within funds available, may allot additional positions or grant waivers for the excess class size or daily load:

- (1) If the exception resulted from (i) exceptional circumstances, emergencies, or acts of God, (ii) large changes in student population, (iii) organizational problems caused by remote geographic location, or (iv) classes organized for a solitary curricular area, and
- (2) If the local board cannot organizationally correct the exception.

All allotment adjustments and waivers submitted under this provision shall be reported to the Director of the Budget and to the General Assembly by May 15 of each year.

(h) State Board Rules. The State Board of Education shall adopt rules necessary for the implementation of class size and teaching load provisions.

(i) Penalty for Noncompliance. If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance."

(b) G.S. 115C-47(10) is rewritten to read:

"(10) To Assure Appropriate Class Size. It shall be the responsibility of local boards of education to assure that the class size and teaching load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception and if any of the conditions set out in G.S. 115C-301(g)(1) exist, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).

Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception.

At the end of the second month of each school year, the local board of education, through the superintendent, shall file a report with the State Board of Education, in a format prescribed by the Controller of the State Board of Education, describing the organization of each school, the duties of each teacher, the size of each class, and the teaching load of each teacher. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that exist at that time.

In addition to assuring that the requirements of G.S. 115C-301 are met, each local board of education shall also have the duty to provide an adequate number of classrooms to meet the requirements of that statute."

(c) G.S. 115C-276(k) is rewritten to read:

"(k) To Submit Organization Reports and Other Information to the State Board. Each year the superintendent of each local school administrative unit shall submit to the State Board of Education statistical reports, certified by the chairman of the board of education, showing the organization of the schools in his unit and any additional information the State Board may require. At the end of the second month of school each year, local boards of education, through the superintendent, shall report school organization, employees' duties, class sizes, and teaching loads to the State Board of Education as provided in G.S. 115C-47(10). As of February 1 each year, local boards

of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that occur at that time."

(d) G.S. 115C-82 is repealed.

Requested by: Representative Watkins

—PROGRAMS FOR ACADEMICALLY GIFTED

Sec. 90. The Department of Public Education shall use the sum of three million dollars (\$3,000,000) of the funds available to it for the 1988-89 fiscal year for programs for academically gifted students.

The State Board of Education shall study the effectiveness of all programs for academically gifted students. As part of this study, it shall consider the effectiveness of enrichment programs as opposed to academic acceleration and academically advanced courses.

The State Board of Education shall also reassess its guidelines for admission into programs for academically gifted students.

The State Board of Education shall report to the Joint Legislative Commission on Governmental Operations on a quarterly basis on its progress in carrying out the provisions of this section.

Requested by: Senator William Martin

—DROPOUT PREVENTION/IN-SCHOOL SUSPENSION

Sec. 91. Of the funds appropriated to the Department of Public Education for the 1988-89 fiscal year for the Dropout Prevention/In-School Suspension Program, the sum of one hundred fifty thousand dollars (\$150,000) may be used to fund eight pilot public/private educational compacts to bring together on an ongoing basis representatives from public education, community colleges, higher education, and business and industry leaders to determine how to improve attendance, prevent dropping out of school, increase academic performance, and increase participation in higher education and the workforce by at-risk students. The funds may also be used to fund eight parental involvement pilot programs, and to provide for operating costs, workshops, and committee meetings for the State Department of Public Instruction's dropout prevention staff.

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

Requested by: Representative Watkins

—SCHOOL OFFICE SUPPORT PERSONNEL

Sec. 92. (a) Effective July 1, 1989, no full-time public school employees in office support personnel positions paid in whole or in part from State funds may be paid less than one thousand eighty-four dollars (\$1,084) per month. The average salary for such employees shall be one thousand one hundred sixty-seven dollars (\$1,167) per month. Less than full-time employees shall receive no less than a pro rata amount of the minimum salary for full-time employees. For the purpose of this section, full-time employees shall be designated as those who are employed 40 hours a week.

The State Board of Education shall estimate the additional cost, if any, of implementing this subsection and shall request any additional funds that may be required in its 1989-91 budget request to the General Assembly.

(b) The State Board of Education shall recommend a new salary schedule for such employees to the 1989 General Assembly, prior to March 1, 1989.

Requested by: Representative Watkins, Senator Royall

—UNIFORM EDUCATION REPORTING SYSTEM FUNDS

Sec. 93. Of the funds appropriated to the Department of Public Education for the 1988-89 fiscal year, the sum of six million eight hundred seventy thousand dollars (\$6,870,000) shall be used to complete the implementation of the Uniform Education Reporting System by September 1, 1989. These funds shall be used by the State Board of Education to purchase financial management information systems services, equipment, software, and data communications capabilities that meet all of the standards of the Uniform Education Reporting System.

The State Board shall report quarterly to the Joint Legislative Commission on Governmental Operations on the progress made in implementing the Uniform Education Reporting System. The reports shall constitute a full management and status report on the Uniform Education Reporting System project.

Requested by: Representative Bob Etheridge

—SCHOOL TRANSPORTATION STUDY

Sec. 94. The Controller of the State Board of Education may use up to fifty thousand dollars (\$50,000) of public school transportation funds to conduct an operational study to examine the effective and efficient use of funds appropriated by the General Assembly in support of the school transportation system.

The Controller shall report the results of the study to the Education Subcommittee of the Joint Legislative Commission on Governmental Operations by February 1, 1989.

Requested by: Representative Watkins

—FUNDING OF SCHOOL FACILITIES/STUDIES

Sec. 95. The Joint Legislative Commission on Governmental Operations shall: (i) study the feasibility of the State building and maintaining all public school facilities; and (ii) perform an inventory and survey of abandoned school buildings to determine the feasibility of using the buildings to meet other community needs. The Commission shall report its recommendations to the 1989 General Assembly as soon as it has completed its study.

Requested by: Representative Holt

—PHYSICAL EDUCATION TEACHER CERTIFICATION

Sec. 96. G.S. 115C-296(a) reads as rewritten:

"(a) The State Board of Education shall have entire control of certifying all applicants for teaching positions in all public elementary and high schools of North

Carolina; and it shall prescribe the rules and regulations for the renewal and extension of all certificates and shall determine and fix the salary for each grade and type of certificate which it authorizes: Provided, that the State Board of Education shall require each applicant for an initial certificate or graduate certificate to demonstrate his academic and professional preparation by achieving a prescribed minimum score at least equivalent to that required by the Board on November 30, 1972, on a standard examination appropriate and adequate for that purpose: Provided, further, that in the event the Board shall specify the National Teachers Examination for this purpose, the required minimum score shall not be lower than that which the Board required on November 30, 1972: Provided, further, that the State Board of Education shall not decrease the certification standards for physical education teachers or health education teachers below the standards in effect on June 1, 1988."

Requested by: Representative Nesbitt

—SUPERINTENDENTS SALARY/101 RULE CLARIFIED

Sec. 97. Section 19.1(g) of Chapter 1137 of the 1979 Session Laws (Second Session 1980) reads as rewritten:

"(g) Superintendents in each local school unit shall receive in State salary at least one percent (1%) more than the highest paid principal receives in State salary in that local school unit. The amount the superintendent receives in State salary under this section may not be decreased during a school year."

Requested by: Senator Plyler, Representative Watkins

—EMERGENCY FUNDS/PUBLIC SCHOOLS

Sec. 97.1. (a) To the extent that funds are available, the Department of Public Education shall allocate to the Johnston County Board of Education up to three hundred thousand dollars (\$300,000) of the overcollections from the School Facilities Finance Act of 1987 to provide mobile classroom units for students displaced by a fire that destroyed Four Oaks School in Johnston County.

Notwithstanding any other provision of law, the Johnston County Board of Education may negotiate for the purchase of mobile classroom units to meet this emergency situation.

(b) When the Johnston County Board of Education no longer needs these mobile classroom units, Johnston County shall transfer title to the units to the State of North Carolina. The State Board of Education shall assign these mobile classroom units to other schools as it deems appropriate.

Requested by: Senator Plyler, Representative Watkins and Bob Etheridge

—SCHOOL FACILITY STANDARDS

Sec. 97.2. Whereas, it is considered to be in the best interests of all citizens of North Carolina that minimum school facility standards be adopted for the construction and renovation of school facilities in North Carolina, the North Carolina General Assembly, having passed, since 1985, numerous new educational initiatives and having begun to assist directly the counties in providing for these needs as a result

of the initiatives, and whereas the legal duty and authority to develop minimum standards has been placed on the State Board of Education and whereas they have adopted minimum standards, and whereas the county commissioners of North Carolina, whose responsibility and legal authority to provide funds for the construction and renovation of school facilities in North Carolina other than the assistance rendered by the State, and the local school boards whose responsibility it is to construct, renovate and maintain local school facilities, desire to consult with the State Board in a review of the standards adopted, it is therefore requested that the State Board review the adopted school facility standards and consult with the appropriate groups in regard to the minimum standards adopted to the end that all appropriate groups have sufficient opportunity to consult with the Board on the minimum standards adopted. And in the event the Board feels that any revisions would better serve the State of North Carolina that action can be taken by the State Board of Education. It is requested that this procedure be completed by December 15, 1988. Additionally, the State Board of Education has publicly agreed to be lenient in its consideration of requests for deviations from the minimum standards until the proper groups have had the opportunity to consult with the Board.

Requested by: Senator Ward

—BEFORE/AFTER SCHOOL PROGRAMS

Sec. 97.3. Of the funds appropriated to the Department of Public Education for the 1988-89 fiscal year the sum of four million two hundred thousand dollars (\$4,200,000) shall be used to establish a program of incentive grants of thirty thousand dollars (\$30,000) each for local school administrative units to provide before and after school care for school age children. Of these funds, the sum of two million one hundred thousand dollars (\$2,100,000) shall be used for programs in grades kindergarten through five and two million one hundred thousand dollars (\$2,100,000) shall be used for programs in grades six through nine. Local programs shall be designed to become self-supporting through parent fees, grants, and community resources.

Local boards of education shall apply for the funds before October 1, 1988, on forms provided by the Superintendent of Public Instruction. The Division of School Community Relations of the Department of Public Instruction shall receive applications and shall provide technical assistance and training to local boards of education applying for or receiving these funds.

Local boards of education may operate the program or may contract with nonprofit organizations and other governmental entities for the operation of a program. Local units may use these funds to expand existing programs or start new programs.

Funds received for before and after school care under this program shall remain available until June 30, 1991. Funds received for a program for grades kindergarten through five may be used for a program for grades six through nine and funds received for a program for grades six through nine may be used for a program for grades kindergarten through five so long as the intent of the grant application is met.

The programs shall charge fees to parents. Fees shall be affordable and consideration given to parents' ability to pay.

The State Board of Education shall encourage local boards of education to seek other available community resources, such as Social Services Block Grant funds or State funds for day care, to pay for their programs.

The Department of Public Instruction shall report to the General Assembly in March of 1989 on the progress of local school administrative units in implementing local programs.

Requested by: Senator Rand

—PROJECT TEACH FUNDS

Sec. 97.4. Of the funds appropriated to the Department of Public Education for the 1988-89 fiscal year, the sum of seventy-three thousand dollars (\$73,000) may be used to:

- (1) Maintain the Project Teach Initiative in the Robeson, Pitt, Cumberland, Warren, Halifax, and Northampton County Schools and the Durham and Greensboro City Schools;
- (2) In at least two of those counties, to expand the project to focus on parents of students in the seventh grade so as to involve parents in the coaching and support of promising minority young people; and
- (3) To expand Project Teach into at least two additional local school administrative units.

The Department of Public Instruction shall administer the project and may not contract with any public or private entity other than local school administrative units for administration of the project.

PART XV—UNIVERSITY OF NORTH CAROLINA

Requested by: Senators Barker, Guy

—SCALLOP RESEEDING/AQUACULTURE

Sec. 98. (a) It is the policy and goal of the State:

- (1) To develop the ability in North Carolina to reseed bay scallops as a contingency for replenishing scallops after natural disasters such as the red tide and hurricanes, or other disasters such as spills of toxic materials; and
 - (2) To demonstrate the feasibility of commercial bay scallop aquaculture.
- (b) The University of North Carolina Sea Grant College Program shall

develop and implement a two year program to test the feasibility of replenishing bay scallop populations through reseedling and of initiating bay scallop aquaculture. The University of North Carolina shall make an interim report on the results of this program to the 1989 General Assembly and shall make a final report to the 1989 General Assembly, Regular Session 1990.

(c) The Board of Governors of The University of North Carolina shall allocate forty-five thousand dollars (\$45,000) of the funds appropriated to it for the 1988-89 fiscal year to The University of North Carolina Sea Grant College Program at North Carolina State University to implement the program established by this section.

Requested by: Representative Ed Warren

—ECU MED SCHOOL MEDICARE-MEDICAID REIMBURSEMENT

Sec. 99. Section 231(b) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(b) This section shall remain effective until ~~June 30, 1988~~ June 30, 1989."

Requested by: Representative Nesbitt, Senator Ward

—SHIFT PREMIUM PAY/NURSING SALARIES

Sec. 100. (a) Section 9 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 9. Shift premium pay shall be paid to all State employees in non-medically related positions through salary grade 69 and to all State employees in medically related positions through salary grade ~~73, 75~~, subject to the provisions of this section. Shift premium pay for employees in medically related positions shall be limited to ~~ten percent (10%)~~ a maximum of twenty percent (20%) of salary ~~or one dollar (\$1.00) per hour, whichever is greater.~~ The State Personnel Commission shall set the higher shift premium pay for employees in medically related positions only after finding that the higher pay is necessary to meet existing competition from private employers. for weekday nights and to a maximum of thirty percent (30%) of salary for weekend nights.

The State Personnel Commission may not adopt a shift premium pay schedule higher than those stated in this section unless the higher schedule is first approved by the General Assembly and funds are appropriated to implement the higher pay. The Commission may, however, request authorization to pay shift premium pay to employees in grades above those stated in this section when the Commission determines that there is a critical shortage of employees in a position because of competition from private employers who pay shift premium pay for that type work. Such a request shall be made to the General Assembly if it is in session; otherwise, the request shall be approved by the Director of the Budget with the advice of the Advisory Budget Commission.

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

(b) Funds in the amount of three million five hundred thousand dollars (\$3,500,000) appropriated for the 1988-89 fiscal year and included in Section 2 of this act for a Reserve for Salary Adjustments may be used for a salary range revision for nurses and licensed practical nurses, for additional requirements for shift premium pay for nurses, to fund permanent weekend, evening, and night pay plans for nurses, and to adjust nurses' salaries to address internal inequities and job performance. These funds may only be used with the approval of the Office of State Budget and Management.

Requested by: Representative Watkins

—UNIVERSITY FUND TRANSFER FOR CERTAIN PROGRAM AREAS

Sec. 101. From the 1988-89 base budget appropriations to the 16 constituent institutions of The University of North Carolina, the Board of Governors may transfer appropriations among the constituent institutions in the amount of five million five hundred thousand dollars (\$5,500,000) in the utilities budgets to fund urgent University-wide needs in the program areas of computing, medical education, inter-institutional programs, basic program support, and physical plant operations and repairs.

Requested by: Representative Ed Warren

—ECU BUDGET CODE DIVISION

Sec. 102. The one hundred million nine hundred three thousand six hundred forty-one dollars (\$100,903,641) appropriated for the 1988-89 fiscal year and included in Section 2 of this act, for current operations to East Carolina University shall be divided into two budget operating codes as follows:

East Carolina University

- | | | |
|----|------------------|--------------|
| a. | Academic Affairs | \$58,785,253 |
| b. | Health Affairs | \$42,118,388 |

The "Health Affairs" operating budget code includes the School of Medicine and related operations.

Requested by: Senator Royall

—AUTISTIC ADULTS FUNDS

Sec. 103. Section 24 of Chapter 795 of the 1987 Session Laws reads as rewritten:

"Sec. 24. Of the funds appropriated in Section 4 of this act to the Board of Governors of The University of North Carolina for Division TEACCH of the School of Medicine at The University of North Carolina at Chapel Hill for the 1987-88 fiscal year the sum of six hundred thirty-eight thousand dollars (\$638,000) shall be used for purchasing and improving property for a special living and training center for adult persons with autism who have aged beyond public school services; provided that such funds shall be expended only upon certification by the Office of State Budget and Management that appropriate provisions for transfer of title to the property have been made. Of these funds, no more than thirty-nine thousand dollars (\$39,000) may be expended for services provided by the Autistic Foundation of North Carolina, Inc., in planning and development of the center."

Requested by: Senators Seymour, Walker, Royall

—REGIONAL TEACCH CENTER

Sec. 105. Of the funds appropriated to The University of North Carolina at Chapel Hill, Division of Health Affairs, for the 1988-89 fiscal year and included in Section 2 of this act, two hundred twenty-six thousand eight hundred fifty-six dollars (\$226,856) shall be used to establish a pilot regional TEACCH Center to serve the Greensboro, High Point, and Winston-Salem area. This project shall be funded by the transfer of General Fund appropriations from physical plant operations made possible

by the increased amount of the thirty percent (30%) of overhead receipts transferred into that budget purpose.

Requested by: Representatives Watkins and Bob Etheridge
—CENTENNIAL CAMPUS CENTER

Sec. 107. Of the funds appropriated for fiscal year 1988-89 by this act to the Office of State Budget and Management for the Centennial Campus Center at North Carolina State University, the sum of one million five hundred thousand dollars (\$1,500,000) is for planning and development of a sports arena on the Centennial Campus or at another location to be determined by the Board of Trustees of North Carolina State University, but funds shall only be available if matched on a dollar-for-dollar basis by non-State funds, such as from alumni, and shall only be available if the appropriate University body with authority over such matters agrees to allocate one-half of the seats at such sports arena for students at all regular North Carolina State University athletic contests held at such sports arena. Such funds shall be available as matched, shall not revert, and shall remain available for expenditure until rescinded by act of the General Assembly. It is the intent of the General Assembly to match any non-State funds received for this purpose in excess of the one million five hundred thousand dollars (\$1,500,000).

PART XVI—JUDICIAL DEPARTMENT

Requested by: Representative Watkins
—DEATH PENALTY RESOURCE CENTER

Sec. 109. Of the funds appropriated to the Judicial Department for the 1988-89 fiscal year and included in Section 2 of this act to be used for indigent counsel fees, the sum of one hundred ninety-one thousand five hundred five dollars (\$191,505) shall be used by the Office of the Appellate Defender for the Death Penalty Resource Center.

Requested by: Representative Watkins
—ADD ASSISTANT DISTRICT ATTORNEYS

Sec. 111. G.S. 7A-60(a1) reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Judicial District	Counties	No. of Full-Time Asst. District Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	5
2	Beaufort, Hyde, Martin, Tyrrell, Washington	4
3A	Pitt	4 <u>5</u>

3B	Carteret, Craven, Pamlico	4
4	Duplin, Jones, Onslow, Sampson	8
5	New Hanover, Pender	7
6	Bertie, Halifax, Hertford, Northampton	4
7	Edgecombe, Nash, Wilson	7
8	Greene, Lenoir, Wayne	8
9	Franklin, Granville, Person, Vance, Warren	6
10	Wake	15
11	Harnett, Johnston, Lee	6
12	Cumberland, Hoke	12
13	Bladen, Brunswick, Columbus	5
14	Durham	8
15A	Alamance	3
15B	Orange, Chatham	3
16	Robeson, Scotland	7
17A	Caswell, Rockingham	3 <u>4</u>
17B	Stokes, Surry	3
18	Guilford	14
19A	Cabarrus, Rowan	5 <u>6</u>
19B	Montgomery, Randolph	3 <u>4</u>
20	Anson, Moore, Richmond, Stanly, Union	8
21	Forsyth	9 <u>10</u>
22	Alexander, Davidson, Davie, Iredell	7
23	Alleghany, Ashe, Wilkes, Yadkin	3
24	Avery, Madison, Mitchell, Watauga, Yancey	3
25	Burke, Caldwell, Catawba	8
26	Mecklenburg	19
27A	Gaston	6
27B	Cleveland, Lincoln	4
28	Buncombe	5
29	Henderson, McDowell, Polk, Rutherford, Transylvania	6
30	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain."	5

Requested by: Representative Blue

—TECHNICAL CORRECTION/JUDICIAL ELECTIONS

Sec. 112. (a) Section 6 of Chapter 1056, Session Laws of 1987 reads as rewritten:

"Sec. 6. The other district court judgeship for District Court District 16A, as provided for in section 4 of this act, shall become effective July 1, 1989. The judgeship shall be filled, to the extent applicable, in the manner provided for in G.S. 7A-142, as amended by subsection (g) of this section, as if a vacancy had occurred on April 1, 1989, and the initial appointee shall serve until a successor takes office. The relevant date under the last sentence of G.S. 7A-142 shall be May 1, 1989. The initial term of office shall expire on the first day of December 1990, and a successor shall be elected in 1990 for a four-year term. In the November, 1990 General Election, and quadrennially thereafter, a successor shall be elected for a four-year term beginning the first Monday in December after the election."

(b) Section 7 of Chapter 1056, Session Laws of 1987 is amended by deleting: "If House Bill 2216, 1987 Session is enacted, Section 16 of that act, which amends G.S. 7A-142, is repealed. In any case, effective January 1, 1989" and substituting: "Section 16 of Chapter 1037, Session Laws of 1987 is repealed. Effective January 1, 1989".

Requested by: Representative Watkins

—INDIGENT PERSONS' ATTORNEY FEE FUND

Sec. 113. (a)(1) Effective July 1, 1988, the Administrative Office of the Courts shall place the sum of three million dollars (\$3,000,000) from the Indigent Persons' Attorney Fee Fund in a reserve for capital cases and for transcripts, professional examinations, and expert witness fees. The Administrative Office of the Courts shall allot these funds as needed for these purposes and for unanticipated demands on the fund.

(2) Effective July 1, 1988, the Administrative Office of the Courts shall allot the sum of nine million seven hundred seventy-four thousand six hundred thirty-six dollars (\$9,774,636) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and guardian **ad litem** cases for the 1988-89 fiscal year to each judicial district where the superior and district court districts are coterminous, and otherwise by county, according to the case-load of indigent persons who were not represented by the public defender in the districts or counties during 1987-88.

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

The senior resident superior court judge and the chief district court judge of each district or county shall ask all judges holding court within the district or county: (i) to take into consideration the amount allotted at the beginning of the fiscal year and the amount remaining in the allotment when they award counsel fees to attorneys of

indigent persons, and (ii) to make an effort to award fees equally and justly for legal services provided. The clerk of superior court for each county shall assure that all judges holding court within the county receive this request from the senior resident superior court judge and the chief district court judge.

The General Assembly requests that the Administrative Office of the Courts develop a fee schedule for attorneys of indigent persons for compensating counsel on a per case basis and that the Administrative Office of the Courts report that schedule to the 1989 General Assembly before March 1, 1989.

(3) If the funds allotted pursuant to subdivision (2) of this subsection are depleted in a district or county prior to the end of the 1988-89 fiscal year, the Administrative Office of the Courts shall allot the funds from the Reserve for Indigent Persons' Attorney Fee Funds in the same manner as provided in subdivision (2) and such funds shall be subject to the limitations and directions set out in subdivision (2).

(b) G.S. 7A-458 reads as rewritten:

"§ 7A-458. **Counsel fees.**—In districts which do not have a public defender, the court shall fix the fee to which an attorney who represents an indigent person is entitled. In doing so, the court shall allow a fee based on the factors normally considered in fixing attorneys' fees, such as the nature of the case, and the time, effort and responsibility involved, ~~and the fee usually charged in similar cases~~. Fees shall be fixed by the district court judge who hears the case for actions or proceedings finally determined in the district court and by the superior court judge who hears the case for actions or proceedings originating in, heard on appeal in, or appealed from the superior court. Even if the trial, appeal, hearing or other proceeding is never held, preparation therefor is nevertheless compensable."

(c) G.S. 7A-456 reads as rewritten:

"§ 7A-456. **False statements; penalty.**—~~(a)~~ A false material statement made by a person under oath or affirmation in regard to the question of his indigency constitutes perjury, and upon conviction thereof, the defendant may be punished as provided in G.S. 14-209.

(b) A judicial official making the determination of indigency shall notify the person of the provisions of subsection (a) of this section and shall explain to him the meaning of and the consequences of committing the crime of perjury.

(c) After a determination is made that a person is an indigent, the clerk of superior court for the county in which the determination was made shall make reasonable efforts to determine that, except for property he listed when the determination was made, the person owns no real property in that county."

PART XVII—DEPARTMENT OF JUSTICE

Requested by: Representative Watkins

—JORDAN LAKE AND KERR LAKE LAW ENFORCEMENT

Sec. 114. Of the funds appropriated to the Department of Justice for the 1988-89 fiscal year and included in Section 3 of this act, the sum of twenty-five thousand dollars (\$25,000) shall be used by Chatham County during fiscal year 1988-89

and the sum of twenty-five thousand dollars (\$25,000) shall be used by Vance County during fiscal year 1988-89 for law enforcement at the public access and camping areas during peak use times at Jordan Lake and Kerr Lake. Chatham and Vance Counties shall report before December 1, 1988, on expenditures of these funds to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division.

Requested by: Representatives Anderson and Holt, Senator Marvin

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

Sec. 115. (a) Assets transferred to the Department of Justice during the 1988-89 fiscal year pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that Department and shall result in an increase of law enforcement resources for the Department. Assets transferred to the Department of Crime Control and Public Safety during the 1988-89 fiscal year pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that Department and shall result in an increase of law enforcement resources for the Department. Each of these Departments shall report to the Joint Legislative Commission on Governmental Operations on how it intends to use these assets before it uses these assets.

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

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

Requested by: Senator Rand

—UNIFORM LAWS COMMISSION FUNDS

Sec. 116.1. Of the funds appropriated for the 1988-89 fiscal year to the Contingency and Emergency Fund the sum of twenty thousand dollars (\$20,000) shall be allocated to the Department of Justice for the Uniform Laws Commission to support travel to necessary meetings for the Commission.

Requested by: Representatives Watkins and Bob Etheridge

—SBI LAB TO BE LOCATED ON GARNER ROAD CAMPUS

Sec. 117. The new State Bureau of Investigation Facility shall be located on the Garner Road Campus, and no funds shall be used to locate the laboratory at any other location.

PART XVIII—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Representative Holt, Senator Marvin

—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY RECEIPTS
FROM PROPERTY AND EQUIPMENT SALES

Sec. 118. The Joint Legislative Commission on Governmental Operations and the Fiscal Research Division may study the procedure and practices used by the Department of Crime Control and Public Safety in reporting, accounting for, and using receipts from the sale of property or equipment by that Department without prior approval from the General Assembly.

PART XIX—DEPARTMENT OF CORRECTION

Requested by: Representative Barnes

—GATE MONEY INCREASE

Sec. 120. (a) G.S. 148-13(a) reads as rewritten:

"(a) The Secretary of Correction may issue regulations regarding the grades of custody in which State prisoners are kept, the privileges and restrictions applicable to each custody grade, and the amount of cash, clothing, etc., to be awarded to State prisoners after their discharge or parole. The amount of cash awarded to a prisoner upon discharge or parole after being incarcerated for two years or longer shall be at least forty-five dollars (\$45.00)."

(b) G.S. 148-60.1 reads as rewritten:

"**§ 148-60.1. Allowances for paroled prisoner.**—Upon the release of any prisoner upon parole, the superintendent or warden of the institution shall provide the prisoner with suitable clothing and, if needed, an amount of money sufficient to purchase transportation to the place within the State where the prisoner is to reside. The Parole Commission may, in its discretion, provide that the prisoner shall upon his release on parole receive a sum of money ~~not to exceed twenty five dollars (\$25.00).~~ of at least forty-five dollars (\$45.00)."

(c) Of the funds appropriated to the Department of Correction for the 1988-89 fiscal year and included in Section 2 of this act, the Department shall pay for the increase in money that may be awarded to a prisoner upon his discharge from prison or release on parole as provided in G.S. 148-13(a) and G.S. 148-60.1.

Requested by: Representative Watkins

—LIMIT USE OF PRISON PERSONNEL FUNDS

Sec. 121. (a) Funds appropriated for the 1988-89 fiscal year and included in Section 2 of this act to the Department of Correction for new personnel positions set forth in the expansion budget approved by the General Assembly in this act shall be used for those positions and may not be expended for any other purpose.

(b) Funds appropriated for the 1988-89 fiscal year and included in Section 2 of this act to the Department of Correction and held in reserve for Craggy Correctional Center and for Buncombe Correctional Center may not be expended for additional prison personnel positions until the new facilities are within 90 days of

completion, and then those funds may be used only for the new positions at those facilities as set out in the expansion budget approved by the General Assembly in this act.

Requested by: Representative Barnes, Senator Parnell
—ELECTRONIC PERIMETER SECURITY SYSTEM AT JOHNSTON PRISON
UNIT AUTHORIZED

Sec. 122. (a) Section 14(b) of Chapter 795 of the 1987 Session Laws reads as rewritten:

"(b) Except as otherwise authorized by the General Assembly, no electronic perimeter security system may be purchased for or installed at any custodial or correctional facility operated by the Department of Correction. No electronic perimeter security system may be purchased for or installed at any custodial or correctional facility authorized for construction or renovation under Chapter 3 of the 1987 Session Laws, except that such a system may be purchased and installed at the new Craggy Prison in Buncombe County ~~and at McCain Prison in Hoke County.~~"

(b) Of the funds appropriated for the 1988-89 fiscal year and included in Section 4 of this act to the Office of State Budget and Management for new prison construction, an electronic perimeter security system may be purchased and installed at the Johnston County Prison Unit.

Requested by: Representative Watkins, Senator Plyler
—PRISON FACILITIES CONSTRUCTION FUNDS

Sec. 123. (a) Of the funds appropriated for the 1988-89 fiscal year and included in Section 4 of this act to the Office of State Budget and Management, the sum of seventeen million four hundred forty-seven thousand three hundred ninety-one dollars (\$17,447,391) for the 1988-89 fiscal year shall be used as follows:

- (1) To construct two 104-bed medium custody dormitories at the Harnett Prison Unit;
- (2) To construct two 104-bed medium custody dormitories at the Johnston Prison Unit;
- (3) To construct a 104-bed medium custody dormitory at the Franklin Prison Unit;
- (4) To construct a 104-bed medium custody dormitory at the Sampson Prison Unit;
- (5) To construct and improve support facilities at the sites authorized in subdivisions (1) through (4) of this section; and
- (6) To contract for outside professional assistance in administering these funds.

If, in the preparation for construction, conditions are discovered at any of the foregoing sites making them unsuitable for construction, such housing units and related support facilities may be constructed on State property adjacent to or within the other State prison facilities.

Contracts shall be entered into in such manner so that all projects listed in subdivisions (1) through (6) of this section shall be accomplished within the sum of seventeen million four hundred forty-seven thousand three hundred ninety-one dollars (\$17,447,391).

(b) The Office of State Budget and Management may contract for and supervise all aspects of design, construction, or demolition of prison facilities designated in subdivisions (1) through (5) of subsection (a) of this section without being subject to the requirements of the following statutes and rules implementing those statutes: G.S. 143-135.26(1), 143-128, 143-129, 143-132, 143-134, 143-131, 143-64.10 through 143-64.13, 113A-1 through 113A-10, 113A-50 through 113A-66, 133-1.1(b), and 133-1.1(g). All contracts for the design, construction, or demolition of these facilities shall include a penalty for failure to complete the work by a specified date.

Construction of the dormitories set out in subdivisions (1), (2), (3), and (4) of subsection (a) of this section shall be based on the existing design used for the new 104-man dormitories built in the South Piedmont Area of the Division of Prisons to comply with the consent judgment in the case of HUBERT v. WARD, allowing for site adaptations and other necessary modifications.

This subsection expires upon completion of the capital projects designated in subdivisions (1) through (5) of subsection (a) of this section.

(c) The Office of State Budget and Management shall report to the Cochairmen of the Prison Construction Subcommittee of the Joint Legislative Commission on Governmental Operations at least monthly and shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the funds allocated by this section. The report shall include information on which contractors have been selected, what contracts have been entered into, the projected and actual occupancy dates of facilities contracted for, the number of prison beds to be constructed on each project, the location of each project, and the projected and actual cost of each project.

Requested by: Representative Watkins

—CALEDONIA PRISON WASTEWATER TREATMENT FACILITY

Sec. 124. (a) Out of the funds appropriated to the Department of Correction for the 1988-89 fiscal year and included in Section 4 of this act, a proper wastewater treatment facility shall be provided for Caledonia Prison Farm.

(b) The Department of Correction shall report quarterly to the Chairmen of the Appropriations Base Budget Committee and the Appropriations Expansion Budget Committee in the House, the Chairmen of the Appropriations Committee and the Base Budget Committee in the Senate, and the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the expenditures made to implement this section.

Requested by: Senator Warren

—JOHNSTON PRISON CHAPEL/DONATION

Sec. 125. The Office of State Budget and Management may accept a donation from At the Foot of the Cross Chapel, Inc., for the purpose of building an extension to be used as a chapel on a proposed support building at Johnston County Prison Unit.

Requested by: Representatives Barnes, Bowen
—SAMPSON PRISON CHAPEL/DONATION

Sec. 126. The Office of State Budget and Management may accept a donation from the Clinton Ministerial Association Prison Chapel Fund in the sum of thirty thousand four hundred seven dollars and ninety-eight cents (\$30,407.98) to build an extension to a proposed support services building at the Sampson County Prison Unit. The extension will serve as a chapel for the Sampson County Prison Unit. If the proposed support services building is not constructed at the Sampson County Prison Unit, the donation for the prison chapel may not be accepted.

Requested by: Senator Plyler
—SUBSTANCE ABUSE PROGRAM PERSONNEL

Sec. 126.1. (a) Subsection (c) of Section 111 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(c) The Substance Abuse Program established by subsection (a) of this section shall be offered in a medium custody facility, or a portion of a medium custody facility that is self-contained, so that the residential and program space is separate from any other programs or inmate housing, and shall be operational by January 1, 1988, at such unit as the Secretary may designate.

An Assistant Secretary for Substance Abuse shall be employed and shall report directly to the Office of the Secretary of Correction. A Correctional Administrator I shall be employed to manage programs for offenders with substance abuse problems in the Department of Correction and its divisions. The Correctional Administrator I shall report to the Assistant Secretary for Substance Abuse. A Secretary IV shall be employed to assist the Correctional Administrator I. An Administrative Officer II and a Secretary IV shall be employed to assist the Assistant Secretary and work under his direction and management. The duties of the Assistant Secretary shall include the following:

- (1) Administer and coordinate all substance abuse programs, grants, contracts, and related functions in the Department of Correction;
- (2) Develop and maintain working relationships and agreements with agencies and organizations that will assist in developing and operating a Substance Abuse Program in the Department of Correction;
- (3) Develop and coordinate the use of volunteers in the Substance Abuse Program;
- (4) Develop and present training programs related to substance abuse for employees and others at all levels in the agency;
- (5) Develop programs that provide effective treatment for inmates, probationers, and parolees with substance abuse problems;

- (6) Maintain contact with key leaders in the substance abuse field and active supporters of the Correction Program;
- (7) Supervise directly the directors of treatment units, specialized personnel, and programs that exist or may be developed in the Department of Correction; and
- (8) Develop employee assistance programs for employees with substance abuse problems.

Ten additional program staff shall be employed. There shall be a Correctional Program Director II who is responsible to the Assistant Secretary for Substance Abuse. This employee shall be responsible for managing and implementing the inpatient treatment program. Also employed will be a Correctional Program Director I, two Correctional Program Supervisors, four Correctional Program Assistant II's, one Correctional Program Assistant I, and one Clerk-Stenographer IV.

The duties of the Program Director shall include the following:

- (1) Implement and manage the inpatient treatment program for inmates with substance abuse problems;
- (2) Supervise personnel assigned to the inpatient treatment program;
- (3) Assist in developing the treatment program for inmates with substance abuse problems;
- (4) Recruit and develop staff for the inpatient program and other staff required;
- (5) Assist in developing linkage and follow-up of inmates between the inpatient program, related agencies, organizations, and other facilities of the Department of Correction;
- (6) Be responsible for treatment plans and daily activities and schedules for all assigned inmates;
- (7) Develop methods for involving families of inmates in the program to the extent deemed appropriate and useful; and
- (8) Other duties as required.

Preference shall be accorded to qualified recovering alcoholics and substance abusers in the employment of treatment counselors.

In the unit there shall be a unit superintendent under the Division of Prisons and other custodial, administrative, and support staff as required for a medium custody facility for approximately 100 inmates. The unit superintendent shall be responsible for all matters pertaining to custody and administration of the unit. The Correctional Program Director II will administer the inpatient treatment program under the direction of the Assistant Secretary for Substance Abuse.

Extensive use may be made of inmates working in the role of ancillary staff, peer counselors, role models, or group leaders as the program manager determines. Additional resource people who may be required for specialized treatment activities, presentations, or group work may be employed on a fee or contractual basis.

The program in each unit shall be structured such that approximately 25 offenders will enter the Program on a weekly basis.

Admission priorities shall be established as follows:

- (1) Court recommendation.
- (2) Evaluation and referral from reception and diagnostic centers.
- (3) General staff referral.
- (4) Self-referral.

The program shall include extensive follow-up after the period of intensive treatment. There will be specific plans for each departing inmate for follow-up, including active involvement with Alcoholics Anonymous, community resources, and personal sponsorship."

(b) The Department of Correction may use up to eighty-one thousand dollars (\$81,000) of the funds available to it for the 1988-89 fiscal year to support the positions of Correctional Administrator I and Secretary IV for the Substance Abuse Program.

PART XX—DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Royall

—LENOX BAKER TRANSFER/TECHNICAL CORRECTION

Sec. 127. (a) Section 16 of Chapter 856 of the 1987 Session Laws reads as rewritten:

"Sec. 16. G.S. ~~143B-173(a)(5)~~ 143B-173(a)(3) is repealed."

(b) This section shall become effective August 14, 1987.

Requested by: Representative Nye

—CASWELL COUNTY FAMILY MEDICAL CENTER

Sec. 128. Of the funds appropriated to the Department of Human Resources, Division of Facility Services, for the 1988-89 fiscal year and included in Section 3 of this act, the sum of one hundred forty-five thousand dollars (\$145,000) shall be used to construct an extension to the Caswell County Medical Center to help meet the medical needs of the area.

Requested by: Senator Walker, Representative Nye

—PREVENTION PROGRAMS FUNDS

Sec. 129. Section 100 of Chapter 738 of the 1987 Session Laws reads as rewritten:

"Sec. 100. (a) Social Services Block Grant funds appropriated ~~in Section 4 of this act~~ for fiscal year 1988-89 and included in Section 5 of this act shall be allocated as follows:

Swain County	Cherokee Boys Club, Inc.	\$30,000
Caldwell County	Health Department	30,000
Robeson County	Health Department	30,000
Harnett County	Health Department	40,000
Buncombe County	Health Department	40,000
Carteret County	Community Action, Inc.	40,000
Davidson County	Health Department	40,000

Greene County	Health Care, Inc.	40,000
Bertie County	Health Department	40,000
Scotland County	Health Department	40,000
Macon County	Programs for Progress	55,000
Mecklenburg County	N.C. Coalition on Adolescent Pregnancy	20,000

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

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

(d) Each program receiving funds under this section shall report to the Department of Human Resources those program specifics required by the Department, including specifics required by the Department designed to permit evaluation of the program's success in fulfilling the requirement set out in subsection (b) of this section. The Department shall report to the General Assembly no later than May 1, 1989, on the programs' operations, including any legislative recommendations."

Requested by: Senator Walker, Representative Nye

—RESPITE CARE PROGRAM

Sec. 130. (a) Section 101(a) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(a) A respite care program is established to provide needed relief to caregivers of impaired adults who cannot be left alone because of mental or physical problems and ~~whose income preclude coverage under North Carolina's Medicaid eligibility standards~~ who are not eligible for respite care services through the North Carolina Medicaid Program."

(b) Section 101(h) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(h) Up to three hundred thousand dollars (\$300,000) of the funds appropriated from the Social Services Block Grant ~~in Section 4 of this act for the 1987-88~~ for the 1988-89 fiscal year and included in Section 5 of this act may be used to implement this section."

Requested by: Representative Nye

—HEALTH PROMOTION FUNDS

Sec. 131. (a) Of the Preventive Health Block Grant funds appropriated by Section 5 of this act to the Division of Health Services, Department of Human Resources, for Health Promotion Programs, the sum of three hundred thirty-three thousand three hundred four dollars (\$333,304) shall be allocated to the 29 risk

reduction projects funded in 1986-87, at the same allocation rate as was used in 1986-87.

(b) Of the Preventive Health Block Grant funds appropriated in Section 5 of this act to the Division Of Health Services, Department of Human Resources, for Health Promotion Programs, the sum of four hundred fifty-nine thousand four hundred sixty-one dollars (\$459,461) for the 1988-89 fiscal year shall be allocated as follows:

(1) Six thousand dollars (\$6,000) each to the 29 existing risk reduction projects; and

(2) Two hundred eighty-five thousand four hundred sixty-one dollars (\$285,461) to be divided equally between the 55 remaining local health departments for risk reduction projects.

(c) The Division of Health Services shall report to the Human Resources subcommittees of the House and Senate appropriations committees by March 15, 1989, on the use of the funds allocated by this section.

Requested by: Representative Nye

—MEDICAID SERVICES AND PAYMENT BASES/DRUGS

Sec. 132. Section 67(a)(5) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(5) Drugs - Drug cost as allowed by federal regulations plus ~~three dollars eighty-five cents (\$3.85)~~ four dollars four cents (\$4.04) professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection (g) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with a plan adopted by the Department of Human Resources consistent with federal reimbursement regulations."

Requested by: Senator Walker, Representative Nye

—YOUTH SUBSTANCE ABUSE SERVICES PLAN DEVELOPMENT

Sec. 134. Section 86 of Chapter 738 reads as rewritten:

"Sec. 86. Of the Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant funds appropriated ~~in Section 4 of this act for the 1988-89 fiscal year~~ to the Department of Human Resources, ~~the sum of three million sixteen thousand seven hundred forty-eight dollars (\$3,016,748) for the 1987-88~~ the sum of two million nine hundred thirty thousand eight hundred sixty-four dollars (\$2,930,864) shall be expended to ~~begin~~ continue and expand development of service services in accordance with the Youth Substance Abuse Plan as transmitted by the Secretary of Human Resources to the cochairmen of the Mental Health Study Commission on March 1, 1987, as amended by letter from the Secretary to the cochairmen dated April 28, 1987, and as consistent with the content and intent of the Committee Substitute for Senate Bill 1356. These documents shall serve as policy guidelines for the development of services."

Requested by: Senator Walker, Representative Nye

—EASTERN REGION DETOX FUNDS

Sec. 135. Two hundred eighty-four thousand five hundred thirty dollars (\$284,530) of the Alcohol, Drug Abuse, Mental Health Services Block Grant funds appropriated for fiscal year 1988-89 and included in Section 5 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services and sixty-eight thousand five hundred eighty dollars (\$68,580) of the Alcohol, Drug Abuse Treatment and Rehabilitation Block Grant funds appropriated for fiscal year 1988-89 and included in Section 5 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services shall be used to continue the nonhospital based medical detox programs in the following mental health, mental retardation, and substance abuse services authorities, in the following amounts:

(1)	Tideland	\$145,110
(2)	Pitt	\$100,000
(3)	Onslow	\$ 41,000
(4)	Roanoke-Chowan	\$ 67,000.

Requested by: Representative Nye

—WASTE WATER DISPOSAL AND TREATMENT STUDY

Sec. 137. (a) Of the funds appropriated for fiscal year 1988-89 and included in Section 3 of this act to the Department of Human Resources, Division of Health Services, the sum of twenty thousand dollars (\$20,000) shall be allocated to Craven County to be used to contract for consultation and technical assistance.

(b) The Division of Health Services shall conduct a review of the local situations in Brunswick, Craven, and Pender Counties as they pertain to the evaluation of the sites for sub-surface waste water disposal and treatment, in order to compare the current laws and rules with recent technology and methods. The Division shall report the findings of its review to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office by December 1, 1988.

Requested by: Senator Walker, Representative Nye

—ALCOHOL REHABILITATION CENTER STUDY

Sec. 138. (a) The Department of Human Resources shall conduct a study of the feasibility of operating the three Alcohol Rehabilitation Centers (ARC) as nonmedical rehabilitation facilities. The study shall include the determination of:

- (1) The operating costs associated with the medical component of each of the ARCs, and the savings to be realized from the elimination of this component. The costs of the medical component shall include the salaries of physicians and nurses and other staff, full time, part time, or contractual, engaged in the detoxification of clients upon arrival or during the stay at the ARC;

- (2) The most cost effective means to provide any medical services coverage that may be needed in operating a nonmedical rehabilitation facility;
 - (3) The effect of the change in the role of the ARCs on the existing community-based service system, including a survey of the types, numbers, and costs of existing substance abuse community-based programs and any recommended changes that may be needed in this system;
 - (4) A plan to implement a rehabilitation component of the ARCs in accordance with the Alcoholics Anonymous treatment model. The Department shall confer with representatives of the substance abuse recovering community for advice and assistance in the development of the plan; and
 - (5) Recommendations concerning the process to be used to pilot test a nonmedical rehabilitation ARC program.
- (b) The Department shall report the findings of its study to the Human Resources subcommittees of the House and Senate appropriations committees by March 15, 1989.

Requested by: Representative Nye

—COMMUNITY WORK EXPERIENCE PROGRAM

Sec. 139. Of funds available for fiscal year 1988-89 to the Department of Human Resources, Division of Social Services, the sum of one hundred fifty-four thousand dollars (\$154,000) shall be used to implement the community work experience program in Anson, Burke, Duplin, Madison, Martin, Pamlico, and Rockingham Counties.

Requested by: Senators Walker, and Royall

—PILOT PROGRAM FOR CHILDREN

Sec. 140. Of the funds appropriated to The University of North Carolina at Chapel Hill, Division of Health Affairs, for the 1988-89 fiscal year and included in Section 2 of this act, one hundred eighty-eight thousand three hundred ninety-seven dollars (\$188,397) shall be used to establish, in conjunction with the Orange-Person-Chatham Mental Health, Mental Retardation, and Substance Abuse Program, a pilot program to train professionals to work in public sector mental health programs and to provide community-based treatment for emotionally disturbed children. This project shall be funded by the transfer of General Fund appropriations from physical plant operations made possible by the increased amount of the thirty percent (30%) of overhead receipts transferred into that budget purpose.

Requested by: Senators Royall, Walker

—FEDERAL CATASTROPHIC HEALTH COVERAGE ALLOCATION

Sec. 141. Of the funds appropriated for fiscal year 1988-89 and included in Section 2 of this act to the Department of Human Resources, Division of Medical

Assistance, the sum of four million nine hundred thousand dollars (\$4,900,000) shall be used to implement the provisions of the Federal Catastrophic Health Coverage Act of 1988 (HR 2470). Of this sum, the Division may, effective July 1, 1988, use four hundred thousand dollars (\$400,000) for administrative and start-up costs of the program for fiscal year 1988-89. The Division shall hold the remaining funds in a reserve and shall allocate these funds for 1988-89 program costs on February 1, 1989.

Requested by: Senator Walker, Representative Nye

—FEDERAL FUNDS/VOCATIONAL REHABILITATION ALLOCATIONS

Sec. 142. (a) Of the federal funds available to the Department of Human Resources, Division of Vocational Rehabilitation, through Title I, Section 110 of the Rehabilitation Act of 1973, as amended, the Division shall use the following sums for fiscal year 1988-89 for the following purposes:

- (1) The sum of one million three hundred ninety-eight thousand twelve dollars (\$1,398,012) to expand the vocational high school employment transition program to assist handicapped students to prepare for the transition from school to work. All students in this program shall have an individual education/work plan developed to assist this transition;
- (2) The sum of two hundred sixty-six thousand two hundred dollars (\$266,200) to establish a program to assist Social Security Disability recipients, with rehabilitation that will enable them to return to work and to be taken off the Social Security Disability roles;
- (3) The sum of ninety-eight thousand nine hundred ninety-nine dollars (\$98,999) for the Supported Employment Program, which provides on-the-job assistance in adapting to employment situations to vocational rehabilitation clients; and
- (4) The sum of fifty-eight thousand three hundred seventy-four dollars (\$58,374) for two engineering technicians, who shall work with the four rehabilitation engineers at the Division.

(b) Of the federal funds available to the Department of Human Resources, Division of Services for the Blind, through Title I, Section 110 of the Rehabilitation Act of 1973, as amended, the sum of three hundred sixty-one thousand dollars (\$361,000) for fiscal year 1988-89 shall be used by the Division to allow Division of Services for the Blind's Sheltered Workshops to take on new contracts which will expand available employment opportunities for additional blind workers.

(c) Of the federal funds available to the Department of Human Resources, Division of Vocational Rehabilitation, through Sections 2209 and 2344 of Public Law 97-35, the sum of eight hundred ten thousand five hundred dollars (\$810,500) for fiscal year 1988-89 shall be used by the Division to purchase the computer equipment necessary to complete the last phase of implementing the on-line data processing system for local Vocational Rehabilitation Unit offices.

Requested by: Representative Nye

—"ACCESS" POSITION

Sec. 143. Of the funds allocated under Section 116(a) of Chapter 830 of the 1987 Session Laws to the Department of Human Resources, the Division of Vocational Rehabilitation shall use up to thirty-seven thousand fifty dollars (\$37,050) for fiscal year 1988-89 for a position, to continue publication of the guidebook, ACCESS, a listing of recreational facilities available to the handicapped.

Requested by: Senator Walker

—LIFEGUARDIANSHIP PROGRAM FOR THE DEVELOPMENTALLY DISABLED

Sec. 144. Of the funds appropriated for fiscal year 1988-89 and included in Section 2 of this act to the Department of Human Resources, Division of Health Services, for the Prescription Drug Program for the Disabled, the sum of one hundred thousand dollars (\$100,000) shall be transferred to the Division of Mental Health, Mental Retardation, and Substance Abuse Services, to be used for the Lifeguardianship Program for Developmentally Disabled, operated by the Association for Retarded Citizens.

Requested by: Representative Nye

—POSITIONS FOR CHILD FOSTER CARE PROGRAM

Sec. 146. Notwithstanding G.S. 143-16.3, the Department of Human Resources, Division of Social Services, with the approval of the Office of State Budget may establish two positions in child foster care and child placing licensure services from an internal reallocation of positions, if available.

Requested by: Senator Walker, Representative Nye

—CHRONICALLY MENTALLY ILL FUNDS

Sec. 148. Expansion funds appropriated in the amount of one million five hundred thousand dollars (\$1,500,000) for fiscal year 1988-89 and included in Section 3 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, for the chronically mentally ill shall be allocated to the Department of Human Resources' regions on a per capita basis. The allocation of funds by each region to the area mental health, mental retardation, and substance abuse authorities within the region shall be determined by the Division through its regional management teams.

Requested by: Senator Walker, Representative Nye

—MATERNAL AND CHILD HEALTH PROGRAMS

Sec. 148.3. Section 92(b) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(b) The Division of Health Services shall determine the amount of additional revenue earned from Maternal and Child Health Programs by local health departments as a result of the expansion of Medicaid eligibility for children and pregnant women and the specific purposes these additional revenues were expended for, and shall report the results of these determinations to the ~~Joint Legislative Commission on Governmental~~

~~Operations Department of Human Resources subcommittees of the House and Senate appropriations committees and the Fiscal Research Division of the Legislative Services office Office no less than 30 days prior to the convening of the 1987 General Assembly, Regular Session 1988 by April 15, 1989."~~

Requested by: Senator Walker, Representative Nye

—INFLATIONARY INCREASES IN STATE AID TO LOCAL AGENCIES

Sec. 148.4. As required by G.S. 143-10.1, funds are included in Sections 2 and 3 of this act for inflationary increases in certain local programs, including a four and one half percent (4.5%) salary increase in the 1988-89 fiscal year, which increase will be carried forward into the 1989-90 fiscal year, computed on the State share paid by the State of North Carolina, where the State is presently providing aid. These funds shall be certified to the respective State agencies as detailed in the State budget, and they shall be distributed to the local agencies' programs using the same allocation methods by which the present aid is distributed.

Requested by: Senator Walker, Representative Nye

—PRESCRIPTION DRUG FUNDS FOR DISABLED

Sec. 148.5. (a) Of the funds appropriated for the 1988-89 fiscal year and included in Section 2 of this act to the Department of Human Resources, Division of Health Services, the sum of two hundred forty thousand dollars (\$240,000) shall be used to continue the prescription drug reimbursement program for the disabled to provide assistance in purchasing prescription drugs to people terminated from the Social Security Disability Program from March 1, 1981, through September 30, 1983, begun pursuant to Section 64(1), Chapter 1034, 1983 Session Laws. The prescription drug program shall serve only current residents of North Carolina. The rules for operating this prescription drug assistance program shall be adopted by the Secretary of the Department of Human Resources pursuant to recommendations of the Disability Task Force as authorized by Section 82, Chapter 757, 1985 Session Laws.

(b) Of the funds appropriated for fiscal year 1988-89 and included in Section 2 of this act to Department of Human Resources, Division of Health Services for the prescription drug program, sixty thousand dollars (\$60,000) shall be transferred to the Office of the Secretary to continue the Social Security Disability Program Hotline. These funds shall be in addition to the Social Security Disability Program Hotline's budget of fifty-six thousand eight hundred twenty-eight dollars (\$56,828) for fiscal year 1988-89. This program shall provide information to citizens on their rights under the Social Security Disability Program and shall work with the Disability Task Force as established in Section 82 of Chapter 757 of the 1985 Session Laws in addressing the recommendations of the General Assembly's Disability Review Study Commission. The Program's legal work shall be supervised by an attorney from the Department of Human Resources.

(c) The Secretary of the Department of Human Resources shall report to the Human Resources subcommittees of the House and Senate appropriations

committees by May 1, 1989, on the expenditure of funds required by subsections (a) and (b) of this section.

(d) Of the funds appropriated for fiscal year 1988-89 and included in Section 2 of this act to the Office of Secretary, Department of Human Resources, the sum of nine thousand dollars (\$9,000) shall be used to continue the Disability Task Force as established by Section 82 of Chapter 757 of the 1985 Session Laws.

Requested by: Senator Walker, Representative Nye

—WILLIE M

Sec. 148.6. Section 82(e) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(e) Reporting Requirements. The Department of Human Resources and the Department of Public Instruction shall submit by ~~May 1, 1988,~~ May 1, 1989, a joint report to the Governor and the General Assembly on the progress achieved in serving members of the Willie M. Class. The report shall include the following unduplicated data for each county: (i) the number of children nominated for the Willie M. Class; (ii) the number of children actually identified as members of the Class in each county; (iii) the number of children served as members of the Class in each county; (iv) the number of children who remain unserved; (v) the types and locations of treatment and education services provided to Class members; (vi) the cost of treatment services, by type, to members of the Class; (vii) information on the impact of treatment and education services on members of the Class."

Requested by: Senator Walker

—PIONEER PROJECT REIMBURSEMENT AUTHORIZATION

Sec. 148.8. The Department of Human Resources may make payments of ADAP, ADAP Transportation, Developmental Day, Outpatient Commitment, and any other funds that they may be directed to pay on a subsidy basis, on a unit cost reimbursement basis to Pioneer Project sites in accordance with Pioneer Project procedures established pursuant to Section 87 of Chapter 738 of the 1987 Session Laws.

Requested by: Senator Walker

—GROUP HOME PROGRAM FUNDS

Sec. 148.9. Section 45 of Chapter 830 of the 1987 Session Laws reads as rewritten:

"Sec. 45. Of the funds appropriated to the Division of Mental Health, Mental Retardation, and Substance Abuse Services, Department of Human Resources, in Section 2 of this act, the sum of three hundred ninety-seven thousand four hundred dollars (\$397,400) for the 1987-88 fiscal year and the sum of five hundred eighty-four thousand four hundred fifty-five dollars (\$584,455) for the 1988-89 fiscal year shall be used for start-up and operational costs in group homes and apartment living programs in Tideland, Catawba, Cleveland, Neuse, Gaston-Lincoln, Guilford, Mecklenburg, ~~and~~ Edgecombe-Nash, New River, Durham, Tri-County, Orange-Person-Chatham, Pitt, Rutherford-Polk, Duplin-Sampson, Piedmont, and Wilson-Greene Area Programs."

Requested by: Senator Royall

—CHILD MENTAL HEALTH FUNDS

Sec. 148.10. Of the funds appropriated for fiscal year 1988-89 and included in Section 3 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, the sum of one million dollars (\$1,000,000) shall be used to expand the system of community-based services developed in accordance with the Child Mental Health Plan presented to the 1987 General Assembly in the February 1987 Report of the Mental Health Study Commission and adopted to serve as policy guidance by Section 39 of Chapter 830 of the 1987 Session Laws, and in accordance with the Division's plan to use fifty-five thousand dollars (\$55,000) of these funds for community-based services in order to alleviate the over-census conditions of the adolescent unit at Cherry Hospital. Funds allocated by this section are in addition to those allocated for the 1988-89 fiscal year in Section 39 of Chapter 830 of the 1987 Session Laws.

Requested by: Senator Walker, Representative Nye

—CATHOLIC SOCIAL MINISTRIES GRANT-IN-AID

Sec. 148.11. Section 27 of Chapter 830 of the 1987 Session Laws reads as rewritten:

"Sec. 27. Of the funds appropriated to the Department of Human Resources for the 1988-89 fiscal year and included in Section 2-3 of this act, the sum of ~~thirty-five thousand nine hundred ninety-six dollars (\$35,996) for the 1987-88 fiscal year~~ thirty-nine thousand eight hundred seven dollars (\$39,807) shall be used to include Catholic Social Ministries in the private child caring institutions receiving State grants-in-aid. ~~These funds shall be~~ Funds allocated by the Department of Human Resources to Catholic Social Ministries,— shall be allocated according to rules adopted by the Department for the payment of grants-in-aid to private child caring institutions.

Any future request for a grant-in-aid to Catholic Social Ministries shall be submitted along with the requests of the other eligible private child caring institutions according to the provisions of G.S. 143B-139.2."

Requested by: Senator Royall

—IN-HOME AGING SERVICES

Sec. 148.12. Of the funds appropriated from the General Fund to the Division of Aging, Department of Human Resources, for the 1988-89 fiscal year and included in Section 3 of this act, the sum of seven hundred twenty thousand dollars (\$720,000) shall be used to provide funds for much needed, additional in-home aide services that enable the frail elderly to remain in their homes and avoid institutionalization.

The Division shall administer the in-home aide services and activities funded by this section. The Division of Aging shall choose in-home service providers on the basis of a competitive bid process and shall include the following criteria: documented capacity to provide care, adequacy of quality assurance, training, supervision, abuse

prevention, complaint mechanisms, and costs. All funds allocated by the Division pursuant to this section shall be allocated by October 1, 1988.

Requested by: Senator Royall

—CAREGIVER SUPPORT

Sec. 148.13. (a) Of the funds appropriated to the Division of Aging, Department of Human Resources for the 1988-89 fiscal year and included in Section 3 of this act, the sum of one million eight thousand dollars (\$1,008,000) for the 1988-89 fiscal year shall be used for services that support family caregivers of elderly persons with functional disabilities, whether physical or mental, who want to stay in their homes rather than be institutionalized but who need assistance with the activities of daily living in order to be able to remain at home. The services that may be purchased from funds received under this section include:

- (1) Respite care services, under the rules adopted by the Department of Human Resources on behalf of the Division of Aging;
- (2) Respite care and adult day care services, under the rules adopted pursuant to Title III-B of the Older Americans Act;
- (3) Stipends for senior companions, modeled after the federal Senior Companion program;
- (4) Other related services that meet needs not now adequately addressed by the services described in subdivisions (1) through (3) of this subsection.

(b) The Division of Aging shall expend funds for these services according to the population of persons of 70 years and more in each region. The Division of Aging shall use a minimum of ninety-three percent(93%) of the funds it receives under this section for the services described in subdivisions (1) through (4) of subsection (a) of this section and may only use a maximum of seven percent (7%) for technical assistance as described in subsection (c) of this section. Funds allocated by the Division pursuant to this section shall be allocated by October 1, 1988.

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

Requested by: Senator Walker, Representative Nye

—PRESCHOOL VISUALLY IMPAIRED PROGRAM

Sec. 148.14. Of the funds appropriated for the 1988-89 fiscal year and included in Section 2 of this act to the Department of Human Resources, Division of Schools for the Deaf and Blind, the sum of twenty-two thousand seven hundred eighty-three dollars (\$22,783) from line item 14424-1101-1211 are transferred to line item 14424-1701-1291 to continue to provide educational services to preschool visually impaired children.

Requested by: Senator Walker, Representative Nye

—EXTENDED NURSING HOME CARE

Sec. 148.15. Section 67(a)(8) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(8) **Home Health, Private Duty Nursing, Clinic Services, Mental Health Clinics, Prepaid Health Plans** - Payment to be made according to reimbursement plans developed by the Department of Human Resources."

Requested by: Senator Royall

—AGING FEDERAL MATCHING FUNDS

Sec. 148.16. Effective July 1, 1988, the Department of Human Resources, Division of Aging, may use funds appropriated in Sec.—of this act to the Department of Human Resources, Secretary's Office, to provide the State matching requirement necessary to draw down federal money available through the new Title III-D of the Older Americans Act for in-home services for the frail elderly, including those with Alzheimers's Disease.

Requested by: Senator Plyler

—INTERMEDIATE CARE FACILITY GROUP HOMES FOR THE MENTALLY RETARDED

Sec. 148.17. Of the funds appropriated to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services for the 1988-89 fiscal year and included in Section 3 of this act, the sum of two hundred forty thousand dollars (\$240,000) for the 1988-89 fiscal year shall be allocated to the following programs in the following amounts for start-up costs associated with the development of five intermediate care facility group homes for the mentally retarded:

(1)	Gaston Residential Services, Inc.	\$96,000
(2)	Piedmont Residential Development Center, Inc.	96,000
(3)	Stanly County Group Homes for the Autistic, Inc.	48,000

Requested by: Senator Plyler

—FUNDS FOR ENVIRONMENTAL HEALTH PROGRAMS AND SERVICES

Sec. 148.18. Of the funds appropriated for the fiscal year 1988-89 and included in Section 2 of this act, the sum of three hundred thousand dollars (\$300,000) is allocated to the Department of Human Resources, Division of Health Services for the purposes of providing high quality environmental health programs and services at the local level. This is a pilot program and these funds shall be allocated on an equal per county basis.

A report to the Joint Legislative Commission on Governmental Operations shall be presented outlining the responsibilities that have been given to the local health departments over the past ten years and any increased costs to local health departments resulting from the additional responsibilities.

Requested by: Representative Nye

—LAST CHANCE FOR CHILDREN FUNDS

Sec. 149. Of the funds appropriated for fiscal year 1988-89 and included in Section 3 of this act to the Department of Human Resources the sum of seventy-five thousand dollars (\$75,000) shall be used by Jackson County for construction of a residential treatment facility for the "Last Chance for Children" treatment program.

Requested by: Representative Nye

—LAST CHANCE FOR CHILDREN FUNDS/TRANSFER

Sec. 150. Funds appropriated in Section 36 of Chapter 830 of the 1987 Session Laws for fiscal year 1987-88 shall be carried forward to fiscal year 1988-89 and shall be transferred to Jackson County, to be used for the purchase of property for and the construction of a residential treatment facility for the "Last Chance for Children" treatment program.

Requested by: Representative Nesbitt

—MOUNTAIN AREA OBSTETRICAL PROGRAM

Sec. 151.1. Of the funds appropriated to the Department of Human Resources, Division of Health Services, for fiscal year 1988-89 and included in Section 3 of this act, the sum of four hundred eighty thousand dollars (\$480,000) shall be allocated to the Mountain Area Health Education Center to develop and establish an Obstetrical Education Program. This program shall be developed as a pilot program in accordance with the Ambulatory Medical Education Program under development by the North Carolina Area Health Education Center and The University of North Carolina School of Medicine. The pilot shall include an Obstetrical/Gynecological Residency Program, the operation of a high risk maternity clinic, fellowships in Obstetrics for family practitioners, and training of nursing students and other residents.

PART XXI—DEPARTMENT OF AGRICULTURE

Requested by: Representative Brewster Brown

—TIMBER SALES ACCOUNT

Sec. 153. Funds from the Department of Agriculture timber sales capital improvement account may be used by the Department of Agriculture to purchase, pursuant to G.S. 146-30, a tract of land adjacent to the Peanut Belt Research Station at Lewiston-Woodville.

Requested by: Representative Watkins

—N.E. FARMERS MARKET FUNDING

Sec. 154. Section 137(a) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(a) Of the funds appropriated in Section 158(b) of Chapter 1014 of the 1985 Session Laws and placed in a nonreverting capital account for the establishment of the

Northeastern North Carolina Farmers Market, ~~twenty five thousand dollars (\$25,000)~~ shall be available for the operation of the Northeastern North Carolina Farmers Market during the 1988-89 fiscal year provided that land has been purchased for the market the following allocations shall be made for the 1988-89 fiscal year:

- (1) Two hundred thousand dollars (\$200,000) to complete the Pasquotank County Farmers Market;
- (2) Three hundred eighty-nine thousand two hundred fifteen dollars (\$389,215) to establish the Northeastern Marketing Center;
- (3) One hundred twenty-five thousand dollars (\$125,000) to complete construction of the restaurant at the Raleigh Horse and Livestock Exhibition Facility at the North Carolina State Fairgrounds; and
- (4) One hundred thousand dollars (\$100,000) to establish the Martin County Farmers Market."

Requested by: Representatives Watkins and Bob Etheridge

—PSEUDORABIES FUNDS/RULES

Sec. 155. Of the funds appropriated in Section 2 of this act to the Department of Agriculture for the 1988-89 fiscal year, eight hundred thirty-five thousand seven hundred eighty-five dollars (\$835,785) is allocated to a reserve for the testing of all swine herds to determine the identity of herds infected with the pseudorabies virus. In promulgating rules to control the spread of pseudorabies, the Department of Agriculture shall not unreasonably restrict the growth of the swine industry.

Requested by: Senator Plyler

—DROUGHT EMERGENCY RESERVE

Sec. 155.1. Of the funds appropriated in section 2 of this act to the Department of Agriculture for the 1988-89 fiscal year, one million dollars (\$1,000,000) shall be allocated to a reserve, to be known as the Drought Emergency Reserve. The Department shall:

- (1) Develop criteria and establish priority factors for the disbursement of funds from this reserve;
- (2) Receive applications from those who seek drought relief funds; and
- (3) Recommend to the Council of State which applicants are most in need of emergency relief.

The Council of State shall authorize the expenditure of funds from the Drought Emergency Reserve based upon the recommendations of the Department of Agriculture.

PART XXII—DEPARTMENT OF COMMERCE

Requested by: Senator Plyler

—INTERNATIONAL DEVELOPMENT FUNDS

Sec. 156. Of the funds appropriated in section 2 of this act to the Department of Commerce for the 1988-89 fiscal year, eighty-two thousand dollars (\$82,000) shall be used as follows:

- (1) Sixty thousand dollars (\$60,000) for the North Carolina Department of Commerce Japan Office for leasing real property; and
- (2) Twenty-two thousand dollars (\$22,000) for the North Carolina Department of Commerce Dusseldorf Office for the purchase of data processing equipment.

Requested by: Senator Rand

—MICROENTERPRISE FUNDS

Sec. 156.1. (a) Of the funds appropriated in Section 3 of this act to the Department of Commerce for the 1988-89 fiscal year, five hundred thousand dollars (\$500,000) shall be allocated to the Rural Economic Development Center, Inc., to establish a pilot program that will develop a Microenterprise Fund.

(b) The Rural Economic Development Center, Inc., shall submit an interim report to the 1989 General Assembly no later than February 15, 1989, and a final report no later than June 30, 1989. Each report shall include the following:

- (1) The uses of any funds appropriated by this act;
- (2) Whether any of the funds appropriated by this act were matched, and if so, the source of the matching funds; and
- (3) The grants made from the Microenterprise Fund, including the recipient of the grant, the amount of the grant, the purpose of the grant, and the actual results of the grant.

Requested by: Senator Parnell

—EMPLOYMENT SECURITY COMMISSION FUNDS

Sec. 156.3. (a) Notwithstanding G.S. 96-5(c), there is appropriated from the Special Employment Security Administration Fund to the Employment Security Commission of North Carolina the sum of one million one hundred thousand dollars (\$1,100,000) for the 1988-89 fiscal year for the administration of the Veterans Employment Program, Employment Services Program, and Unemployment Insurance Program. The Employment Security Commission shall report to the Joint Legislative Commission on Governmental Operations by the first of each month, prior to an expenditure of any funds appropriated by this section. Supplemental federal funds or other additional funds received by the Employment Security Commission for similar purposes shall be expended prior to the expenditure of funds appropriated by this section. The report required by this section shall be included in the report that is required by Section 145 of Chapter 738 of the 1987 Session Laws and shall contain the same information.

(b) There is appropriated from the Worker Training Trust Fund to the Employment Security Commission of North Carolina the sum of one million six hundred forty-two thousand six hundred eighty-five dollars (\$1,642,685) for the 1988-89 fiscal year for the operation of local offices at the 1986-87 level of service.

PART XXIII—DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

Requested by: Representatives Bruce Ethridge, Colton

—AUTHORIZATION FOR USE OF WATER QUALITY FEES

Sec. 157. (a) There is appropriated from the water quality fees collected and deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to exceed eight hundred nineteen thousand three hundred fifty dollars (\$819,350) for the 1988-89 fiscal year, to the Department of Natural Resources and Community Development to retain and provide all necessary support for a position, or to establish and provide all necessary support for a position in the water quality program, when sufficient fees for a position and all necessary support for the 1988-89 fiscal year have been deposited. No more than 23 positions may be funded and supported in this manner. These positions shall be those positions that were previously established from one-time State funds appropriated for the 1987-88 fiscal year, six aquatic toxicology positions that were previously established and are presently funded from federal receipts, and up to seven newly-established positions in the water quality program of the Department of Natural Resources and Community Development. Water quality fees shall be the only source of funds for these positions and all necessary support, including fringe benefits. These positions shall be used to reduce the backlog of permit applications and to improve the rate of compliance of facilities with environmental standards for toxic substances.

(b) The Department of Natural Resources and Community Development shall provide a quarterly report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division beginning September 30, 1988. Each report shall state the amount and type of fees collected for the quarter, the number of permit applications processed for the quarter, the number of permit applications not processed, and the progress made in reducing the backlog of permit applications.

Requested by: Senator Barnes

—WAYNESBOROUGH PARK MATCHING REQUIREMENT

Sec. 158. The funds allocated by Section 7 of Chapter 795 of the 1987 Session Laws for the construction of an amphitheater at Waynesborough Park shall be matched on the basis of two State dollars for every local dollar.

Requested by: Representative Bruce Ethridge

—AUTHORIZATION FOR USE OF AIR QUALITY FEES

Sec. 159. (a) There is appropriated from the air quality fees collected and deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to exceed one hundred fifty thousand dollars (\$150,000) for the 1988-89 fiscal year, to the Department of Natural Resources and Community Development to establish and provide all necessary support for a position in the Department of Natural Resources and Community Development, when sufficient fees for a position and all necessary support for the 1988-89 fiscal year have been collected and deposited. No more than five positions may be established in this manner. Air quality fees shall be the only source of funds for these positions and all necessary support, including fringe benefits. These

positions shall be used to conduct air quality permitting and air quality monitoring activities.

(b) The Department of Natural Resources and Community Development shall provide quarterly reports to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division beginning September 30, 1988. Each report shall state the amount and type of fees collected for the quarter, the number of permit applications processed for the quarter, the number of permit applications not processed, and the progress made in reducing the backlog of permit applications.

Requested by: Senator Basnight

—CIVIL WORKS PROJECTS

Sec. 160. Of the funds appropriated in Section 4 of this act to the Department of Natural Resources and Community Development for the 1988-89 fiscal year, five hundred three thousand dollars (\$503,000) shall be allocated for certain civil works projects and a study as follows:

- (1) Seventy-five thousand dollars (\$75,000) for the Beaufort Harbor project;
- (2) Three hundred thousand dollars (\$300,000) for the Wilmington Harbor project;
- (3) Twenty-eight thousand dollars (\$28,000) for the New River Inlet project; and
- (4) One hundred thousand dollars (\$100,000) for the study of the feasibility of deepening the Morehead City Harbor.

Any funds allocated by this section that have not been expended or encumbered for these purposes at the end of the 1988-89 fiscal year shall revert to the General Fund.

Requested by: Senator Walker

—ZOOLOGICAL PARK FUNDS

Sec. 161. Of the funds appropriated in Section 4 of this act to the Department of Natural Resources and Community Development for the 1988-89 fiscal year, three million five hundred thousand dollars (\$3,500,000) shall be used for the North Carolina Zoological Park, provided the North Carolina Zoological Park Society raises the sum of eight hundred seventy-five thousand dollars (\$875,000) to match this allocation on the basis of one dollar for every four State dollars. The Society shall inform the Department periodically of the amount of matching funds that it has raised. The funds allocated by this section may be used only to the extent that the required matching funds have been raised. The funds allocated by this section that have not been expended or encumbered at the end of the 1988-89 fiscal year may not revert, but shall remain available to the Department for the North Carolina Zoological Park.

Requested by: Representative Watkins, Senator Royall

—LIMITATION ON USE OF WATER AND SEWER GRANT FUNDS

Sec. 161.3. Funds allocated to local governments by the General Assembly from the funds appropriated for the 1988-89 fiscal year to the Office of State Budget and Management for Sewer and Water Grants shall be subject to the following limitations:

- (1) These funds shall be spent for a public purpose;
- (2) Any real or personal property purchased with the funds shall remain the property of the local government: provided, however, the local government may grant utility easements; and
- (3) These funds may not supplant local funds that have been or will be used for real or personal property purchased for or given to a private, for profit corporation.

Requested by: Senator Basnight, Representative Bruce Ethridge
—BUXTON WOODS FUNDS

Sec. 161.4. Of the funds allocated in Section 7 of Chapter 795 of the 1987 Session Laws for State Parks, three hundred thousand dollars (\$300,000) shall be used for the purchase of land at Buxton Woods in Dare County to protect the natural area.

PART XXIV—DEPARTMENT OF TRANSPORTATION

Requested by: Representative Brannan
—REVOLVING FUND FOR AIRPORT HANGAR CONSTRUCTION

Sec. 162. Funds in the State Aid to Airports Reserve Account, up to a maximum of one million dollars (\$1,000,000) may be transferred at the discretion of the Department of Transportation, to a reserve for a revolving fund to provide loans for activities eligible for State aid pursuant to G.S. 63-67 for the construction of aircraft hangars and related airport facilities. Eligibility criteria and rules governing the loans shall be developed and issued by the Department of Transportation, Division of Aeronautics. Small airports shall be given preference in receiving loans pursuant to this act.

Requested by: Senator Basnight
—ESSENTIAL AIR SERVICE

Sec. 164. G.S. 63-67 reads as rewritten:

"§ 63-67. Activities eligible for State aid. – Loans and grants of State funds may be made for the planning, acquisition, construction, or improvement of any airport, seaplane base, or heliport owned or controlled, or which will be owned or controlled by any city, county or public airport authority acting by itself or jointly with any other city or county. An airport, seaplane base, or heliport development project or activity eligible for State aid under this Article shall also be deemed to include projects such as air navigation facilities, aviation easements, and the acquisition of land, lighting, marking, security items, terminal improvements, and the elimination of aviation safety hazards, and the preservation or enhancement of essential air service as defined by the Federal Aviation Act of 1958, as amended."

Requested by: Representatives Watkins and Bob Etheridge

—STATE AID TO AIRPORTS/P.B. RAIFORD

Sec. 165. Of the funds appropriated for State Aid to Airports in G.S. 136-16.4 for fiscal year 1988-89, the sum of twenty-five thousand dollars (\$25,000) shall be allocated to Duplin County for drainage at the P.B. Raiford Airport.

PART XXV MISCELLANEOUS PROVISIONS

—EXECUTIVE BUDGET ACT APPLIES

Sec. 166. The provisions of the Executive Budget Act, Chapter 143, Article 1, of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Sec. 167. The July 7, 1988 Conferee Report, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such purposes shall be considered a part of this act.

—MOST TEXT APPLIES ONLY TO 1988-89

Sec. 168. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1988-89 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1988-89 fiscal year.

—1987-88 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

Sec. 169. Except where expressly repealed or amended by this act, the provisions of Chapters 738, 795, 830, 876, 886, and 1036 of the 1987 Session Laws as amended remain in effect.

Sec. 170. Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 1987-89 fiscal biennium in Chapters 738, 795, 830, 876, 886, and 1036 of the 1987 Session Laws that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations of this act for those same particular purposes.

Sec. 170.1. Subdivisions (1) and (2) of Section 15 of Chapter 1036 of the 1987 Session Laws are repealed.

—EFFECT OF HEADINGS

Sec. 171. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

—SEVERABILITY CLAUSE

Sec. 172. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

—EFFECTIVE DATE

Sec. 173. Except as otherwise provided, this act shall become effective July 1, 1988.

In the General Assembly read three times and ratified this the 8th day of July, 1988.