

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 591
HOUSE BILL 1605

AN ACT TO MAKE MODIFICATIONS IN APPROPRIATIONS FOR OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES FOR THE 1994-95 FISCAL YEAR, TO EXTEND CERTAIN EXPIRING BUDGET PROVISIONS, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

Section 1. Notwithstanding Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24 of the Session Laws of the 1994 Extra Session, the Director of the Budget shall not allocate funds for any of the purposes set out in the base budget reductions contained in Senate Bill 1505, 3rd edition, 1993 Session, and Senate Bill 1505, 5th edition, 1993 Session, that are not in controversy.

This section shall remain in effect until ratification of The Current Operations and Capital Improvements Appropriations Act of 1994, at which time that act shall become effective and shall govern appropriations and expenditures. Upon ratification of The Current Operations and Capital Improvements Appropriations Act of 1994, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 1994.

Except as otherwise provided by this act, the limitations and directions for the 1994-95 fiscal year in Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24 of the Session Laws of the 1994 Extra Session, shall remain in effect.

BLOCK GRANT PROVISIONS
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Sec. 2. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1995, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT

01.	Community Action Agencies	\$ 9,455,796
02.	Limited Purpose Agencies	525,322
03.	Department of Human Resources to administer and monitor the activities of the Community Services Block Grant	525,322

TOTAL COMMUNITY SERVICES BLOCK GRANT \$ 10,506,440

SOCIAL SERVICES BLOCK GRANT

01.	County Departments of Social Services	\$ 42,253,005
02.	Allocation for In-Home Services provided by County Departments of Social Services	458,722
03.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	5,524,186
04.	Division of Services for the Blind	3,205,711
05.	Division of Youth Services	1,052,674
06.	Division of Facility Services	343,341
07.	Division of Aging	336,157
08.	Day Care Services	12,158,899
09.	Office of Citizen Affairs	55,458
10.	State Administration and State Level Contracts	3,473,524
11.	Voluntary Sterilization Funds	98,710
12.	Transfer to Maternal and Child Health Block Grant	1,585,833
13.	Adult Day Care Services	599,551
14.	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	394,841
15.	Allocation to Division of Maternal and Child Health for Grants-in-Aid to Prevention Programs	439,261

16.	Transfer to Preventive Health Block Grant for Emergency Medical Services and Basic Public Health Services	633,128
17.	Allocation to Preventive Health Block Grant for AIDS Education	81,001
18.	Allocation to Department of Administration for North Carolina Fund for Children	45,270
19.	Allocation to Home and Community Care Block Grant for Persons Age 60 and Older	1,649,077
20.	Allocation to the Office of Economic Opportunity for Elderly and Handicapped Services	49,954
21.	Division of Services for the Deaf and the Hard of Hearing	31,611
22.	Division of Child Development for Head Start	147,467
TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 74,617,381
LOW INCOME ENERGY BLOCK GRANT		
01.	Energy Assistance Programs	\$ 17,934,847
02.	Crisis Intervention	5,411,563
03.	Administration	2,413,779
04.	Weatherization Program	2,100,000
05.	Indian Affairs	33,022
TOTAL LOW INCOME ENERGY BLOCK GRANT		\$ 27,893,211
MENTAL HEALTH SERVICES BLOCK GRANT		
01.	Provision of Community-Based Services in accordance with the	

	Mental Health Study Commission's Adult Severe and Persistently Mentally Ill Plan	\$ 3,794,179
02.	Provision of Community-Based Services in accordance with the Mental Health Study Commission's Child Mental Health Plan	1,802,819
03.	Administration	514,037
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$ 6,111,035

**BLOCK GRANT FOR THE PREVENTION AND
TREATMENT OF SUBSTANCE ABUSE**

01.	Provision of Community-Based Alcohol and Drug Abuse Services, Tuberculosis Services, and Services provided by the Alcohol, Drug Abuse Treatment Centers	\$ 10,935,939
02.	Continuation and Expansion of Services for Pregnant Women and Women with Dependent Children	5,057,281
03.	Continuation and Expansion of Services to IV Drug Abusers and others at risk for HIV diseases	4,560,670
04.	Provision of services in accordance with the Mental Health Study Commission's Child and Adolescent Alcohol and other Drug Abuse Plan	4,816,501
05.	Administration	1,749,371
TOTAL BLOCK GRANT FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE		\$ 27,119,762

CHILD CARE AND DEVELOPMENT BLOCK GRANT

01.	Child Day Care Services	\$ 16,544,305
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02.	Administrative Expenses and Quality and Availability Initiatives	1,832,456
03.	Before and After School Child Care Programs and Early Childhood Development Programs	4,686,840
04.	Quality Improvement Activities	1,511,106

TOTAL CHILD CARE AND DEVELOPMENT BLOCK GRANT \$ 24,574,707

(c) Increases in Federal Fund Availability

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly. All these budgeted increases shall be reported to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division.

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

(d) If funds appropriated through the Child Care and Development Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to other programs, in accordance with the federal requirements of the grant, in order to use the federal funds fully.

NER BLOCK GRANT PROVISIONS

Sec. 3. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1995, according to the following schedule:

TOTAL JOB TRAINING PARTNERSHIP ACT \$ 53,841,243

COMMUNITY DEVELOPMENT BLOCK GRANT

01.	State Administration	\$ 1,097,380
02.	Urgent Needs and Contingency	2,413,646
03.	Housing Development	-0-
04.	Economic Development	9,654,586
05.	Community Revitalization	30,404,698

06.	State Technical Assistance	498,690
07.	Entrepreneurial Empowerment	4,800,000
08.	Microenterprise	1,000,000

TOTAL COMMUNITY DEVELOPMENT
BLOCK GRANT \$ 49,869,000

MATERNAL AND CHILD HEALTH SERVICES

01.	Healthy Mother/Healthy Children Block Grants to Local Health Departments	\$ 11,600,877
02.	High Risk Maternity Clinic Services, Perinatal Education, and Consultation to Local Health Departments and Other Health Care Providers	1,565,313
03.	Services to Children with Disabilities	5,065,331
04.	Reimbursements for Local Health Departments for Contracted Nutritional Services	120,530

TOTAL MATERNAL AND CHILD
HEALTH SERVICES \$ 18,352,051

PREVENTIVE HEALTH BLOCK GRANT

01.	Emergency Medical Services	\$ 452,375
02.	Basic Public Health Services	180,753
03.	Hypertension Programs	773,203
04.	Statewide Health Promotion Programs	2,985,265
05.	Fluoridation of Water Supplies	228,404
06.	Rape Prevention and Rape Crisis Programs	183,632
07.	AIDS/HIV Education, Counseling,	

and Testing 81,001

08. Office of Minority Health and
Minority Health Council 190,000

TOTAL PREVENTIVE HEALTH BLOCK GRANT \$ 5,074,633

(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.

(c) Increases in Federal Fund Availability

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

(1) For the Community Development Block Grant – each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

(2) For the Maternal and Child Health Services Block Grant – thirty percent (30%) of these additional funds shall be allocated to services for children with special health care needs and seventy percent (70%) shall be allocated to local health departments to assist in the reduction of infant mortality.

(3) For the Preventive Health Block Grants – these additional funds may be budgeted by the appropriate department, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly. All these budgeted increases shall be reported to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division.

(d) Education Setaside of JTPA Funds

The Department of Commerce 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.

(e) Limitations on Community Development Block Grant Funds

Of the funds appropriated in this section for the Community Development Block Grant, not more than one million ninety-seven thousand three hundred eighty dollars (\$1,097,380) may be used for State administration; up to two million four hundred thirteen thousand six hundred forty-six dollars (\$2,413,646) may be used for Urgent Needs and Contingency; up to nine million six hundred fifty-four thousand five hundred eighty-six dollars (\$9,654,586) may be used for Economic Development; not less than thirty million four hundred four thousand six hundred ninety-eight dollars

(\$30,404,698) shall be used for Community Revitalization; up to four hundred ninety-eight thousand six hundred ninety dollars (\$498,690) may be used for State Technical Assistance; up to four million eight hundred thousand dollars (\$4,800,000) may be used for Entrepreneurial Empowerment projects; and up to one million dollars (\$1,000,000) may be used for Microenterprise projects. Housing Development projects will be funded in 1994 from available Program Income. If federal block grant funds are reduced or increased by the United States Congress after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

EMPLOYEE SALARIES

Sec. 4. The salary schedules and specific salaries established for fiscal year 1993-94 in Chapter 321 of the 1993 Session Laws for offices and positions shall remain in effect until the effective date of The Current Operations and Capital Improvements Appropriations Act of 1994.

Teachers and other employees shall not move up on these salary schedules or receive automatic, annual, performance, merit, or other increments or bonuses until authorized by the General Assembly.

CLARIFY "UNRESERVED CREDIT BALANCE"

Sec. 5. (a) G.S. 143-15.2 reads as rewritten:

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

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

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

"(a) There is established a Savings Reserve Account as a restricted reserve in the General Fund. The State Controller shall reserve to the Savings Reserve Account one-fourth of any unreserved credit balance remaining in the General Fund at the end of

each fiscal year until the account contains funds equal to five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax-sharing funds. If the balance in the Savings Reserve Account falls below this level during a fiscal year, the State Controller shall reserve to the Savings Reserve Account for the following fiscal years up to one-fourth of any unreserved credit balance remaining in the General Fund at the end of each fiscal year until the account again equals five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax-sharing funds. As used in this section, the term 'unreserved credit balance' means ~~that part of the credit balance,~~ balance amount, as determined on a cash basis, ~~not already reserved to before funds are reserved by the Controller to the Savings Reserve Account or the Repairs and Renovations Reserve Account.~~ Account pursuant to this section and G.S. 143-15.3A."

(c) G.S. 143-15.3A(a) reads as rewritten:

"(a) There is established a Repairs and Renovations Reserve Account as a restricted reserve in the General Fund. The State Controller shall reserve to the Repairs and Renovations Reserve Account one-fourth of any unreserved credit balance remaining in the General Fund at the end of each fiscal year. As used in this section, the term 'unreserved credit balance' means ~~that part of the credit balance,~~ balance amount, as determined on a cash basis, ~~not already reserved to before funds are reserved by the Controller to the Savings Reserve Account or the Repairs and Renovations Reserve Account.~~ Account pursuant to this section and G.S. 143-15.3."

(d) This section becomes effective June 30, 1994.

EXTEND SENTENCING COMMISSION

Sec. 6. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as amended by Chapters 812 and 816 of the 1991 Session Laws and Chapters 253 and 321 of the 1993 Session Laws, reads as rewritten:

"Sec. 8. This act is effective upon ratification, and shall expire July 1, ~~1994.~~ 1995."

(b) G.S. 164-38 reads as rewritten:

"§ 164-38. Terms of members; compensation; expenses.

The terms of existing members shall expire on June 30, ~~1993.~~ ~~New members shall be appointed or the existing members reappointed by the appointing authorities to serve until July 1, 1994, 1995,~~ unless they resign or are removed. Members serving by virtue of elective or appointive office or as designees of such officeholders may serve only so long as the officeholders hold those respective offices. Members appointed by the Speaker of the House and the President Pro Tempore of the Senate may be removed by the appointing authority without cause. Vacancies occurring before the expiration of a term shall be filled in the manner provided for the members first appointed. A member of the Commission may be removed only for disability, neglect of duty, incompetence, or malfeasance in office. Before removal, the member is entitled to a hearing. Effective with respect to members designated on or after July 1, 1992, a person making a designation pursuant to G.S. 164-37 may not make another designation, except that the person's successor in elective or appointive office may make a new designation.

The Commission members shall receive no salary for serving. All Commission members shall receive necessary subsistence and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable."

(c) This section is effective upon ratification.

PIONEER TESTING RULE WAIVER EXTENSION

Sec. 7. Subsection (n) of Section 220 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"(n) Effective ~~July 1, 1994~~, July 1, 1995, G.S. 122C-151.1 is repealed."

MEDICAID INPATIENT HOSPITAL REIMBURSEMENT CHANGE

Sec. 8. Section 227 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 227. Effective ~~July 1, 1994~~, October 1, 1994, the Department of Human Resources, Division of Medical Assistance, shall implement a budget-neutral Diagnosis-Related Group reimbursement methodology for inpatient hospital services. ~~In addition, the Department shall study the feasibility of implementing selective contracts for hospital inpatient services and shall report its recommendations to the General Assembly by March 15, 1994.~~"

WILDLIFE RESOURCES COMMISSION/FUNDS FOR SALARY INCREASES

Sec. 9. Subsection (d) of Section 290 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"(d) Subsection (b) of this section becomes effective July 1, ~~1994~~, 1995."

UNIVERSITY OF NORTH CAROLINA MANAGEMENT FLEXIBILITY

Sec. 10. (a) Subsection (f) of Section 206.2 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(f) This section is effective upon ratification. ~~This section expires~~ Subsection (c) of this section expires June 30, 1994."

(b) This section becomes effective June 30, 1994.

SCHOOL TECHNOLOGY PLANS/FUNDS

Sec. 11. (a) G.S. 115C-102.5(c) reads as rewritten:

"(c) Notwithstanding G.S. 120-123 and subsection (b) of this section, ~~for the 1993-94 fiscal year only~~, the Commission shall also include one member of the Senate appointed by the President Pro Tempore of the Senate and one member of the House of Representatives appointed by the Speaker of the House of Representatives. These members shall be voting members. The term of office of these members shall end November 1, 1994."

(b) This section becomes effective June 30, 1994.

1993 PROFESSIONAL COUNSELOR LICENSING ACT EXEMPTION

Sec. 12. G.S. 90-332.1(a) is amended by inserting two new subdivisions to read:

"(4.1) Any person counseling within the scope of employment at a local community college.

(4.2) Any person counseling within the scope of employment at a private higher education institution as defined in G.S. 116-22(1)."

DOT VEHICLES EXEMPTION EXTENDED

Sec. 13. (a) Subsection (b) of Section 70 of Chapter 561 of the 1993 Session Laws reads as rewritten:

"(b) This section expires June 30, ~~1994~~1995."

(b) This section becomes effective June 30, 1994.

HARRIET'S HOUSE FUNDS

Sec. 14. (a) The balance of the two hundred thousand dollars (\$200,000) appropriated in Chapter 321 of the 1993 Session Laws to the Department of Correction for the 1993-94 fiscal year to support the programs of Harriet's House shall not revert at the end of the fiscal year but shall remain in the Department during the 1994-95 fiscal year for that purpose.

(b) This section becomes effective June 30, 1994.

PITT REGIONAL MEDIATION CENTER FUNDS

Sec. 15. Section 220.2 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 200.2. Of the funds appropriated to the Judicial Department from the General Fund for the 1993-95 biennium, ~~1993-94 fiscal year~~, the sum of forty thousand dollars (\$40,000) for the 1993-94 fiscal year and the sum of forty thousand dollars (\$40,000) for the 1994-95 fiscal year may be used for The Mediation Center of Pitt County, Inc., a dispute settlement center in Pitt County, to establish a regional mediation and dispute settlement center to serve Eastern North Carolina."

1993 PROFESSIONAL COUNSELOR LICENSING ACT CORRECTION

Sec. 16. (a) G.S. 90-332.1(a)(8) reads as rewritten:

"(8) Any person performing ~~mental health~~ counseling solely as an employee of an area facility, as defined in G.S. 122C-3(14)a., if both of the following apply:

- a. The ~~mental health~~ services are provided by (i) a qualified ~~mental health professional who meets or exceeds the minimum educational qualifications for licensure as a licensed professional counselor under this Article~~ as defined in G.S. 122C-3(31) and subject to the rules adopted by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, or (ii) an employee supervised by a qualified professional as defined in G.S. 122C-3(31);

- b. The area facility has obtained written verification from the following boards that the employee has not had his or her license, registration, or certification revoked, rescinded, or suspended: the North Carolina Board of Licensed Professional Counselors, the North Carolina State Board of Examiners of Practicing Psychologists, the North Carolina Certification Board for Social Work, and the North Carolina Marital and Family Therapy Certification ~~Board~~-Board."

(b) G.S. 90-332.1(a) is amended by adding the following new subdivisions to read:

- "(9) Any person performing counseling as an employee of a hospital or other health care facility licensed under Chapter 131D, 131E, or 122C who is performing this counseling under the supervision of a qualified professional as defined in G.S. 122C-3(31); and
- (10) Any employee assistance professional providing core-specific employee assistance program (EAP) activities, as defined by the Employee Assistance Professionals Association Standards for Employee Assistance Programs Part II: Professional Guidelines (1988)."

CERTAIN SMART START FUNDS DO NOT REVERT

Sec. 17. (a) Funds appropriated to the Division of Child Development, Department of Human Resources, in fiscal year 1993-94 and allocated to the 12 local Smart Start projects established during the 1993-94 fiscal year shall not revert until June 30, 1995, but shall remain with the Division for use as provided under Part 10B of Article 3 of Chapter 143B of the General Statutes.

(b) Funds appropriated to the Division of Child Development, Department of Human Resources, in fiscal year 1993-94 and allocated for the statewide evaluation of Smart Start, the statewide needs and resources assessments, the professional development of day care providers, the automated payment system, and the T.E.A.C.H. program shall not revert until June 30, 1995, but shall remain with the Division for use as defined by the original appropriation for these funds.

(c) It is the intent of the General Assembly that this section's postponement of reversions of Smart Start funds shall be for one year only and that it shall not be extended.

(d) The funds in subsections (a) and (b) are nonrecurring and shall not become a part of the continuation budget for the Division of Child Development, Department of Human Resources.

(e) This section becomes effective June 30, 1994.

NORTH CAROLINA HEALTH PLANNING COMMISSION FUNDS

Sec. 18. (a) Funds appropriated to the North Carolina Health Planning Commission in the 1993-94 fiscal year shall not revert but shall remain available during

the 1994-95 fiscal year to cover the costs of services necessary to the work of the Commission.

(b) This section becomes effective June 30, 1994.

PRISON CHAPEL FUNDS

Sec. 19. (a) Section 44 of Chapter 1044 of the 1991 Session Laws reads as rewritten:

"Sec. 44. A Reserve for Prison Chapels is established in the Office of State Budget and Management to construct chapels at correctional facilities. The funds are to be allocated to specific chapel projects when a minimum local match of one dollar for every two State dollars needed for the estimated project cost is made available. ~~No more than fifty thousand dollars (\$50,000) of State funds shall be allocated to any single project.~~ Funds appropriated to the reserve established in this section shall not revert but shall remain available to the Department for the purposes of this section.

The Department of Correction shall notify all prison units of the availability of these funds and shall solicit letters of intent from interested units. The Department shall evaluate the letters of intent for proposed chapel projects, notify those prison units whose projects appear most likely to obtain local matching funds during the ~~1992-93~~ fiscal year, and authorize those units to proceed based upon the total availability of State funds. The Department shall notify the Office of State Budget and Management of those units that have been authorized to proceed.

The Office of State Budget and Management shall report quarterly to the Joint Legislative Commission on Governmental Operations on any allocations from the reserve established in this section."

(b) This section becomes effective June 30, 1994.

SUBSTANCE ABUSE FUNDS SHALL NOT REVERT

Sec. 20. (a) The balance of the two hundred thousand dollars (\$200,000) appropriated in Chapter 321 of the 1993 Session Laws to the Department of Correction for the 1993-94 fiscal year for a pilot community-based treatment program for alcohol and drug abusers on probation and parole shall not revert at the end of the fiscal year but shall remain in the Department for that purpose.

(b) This section becomes effective June 30, 1994.

EFFECTIVE DATE

Sec. 21. Except as otherwise provided, this act becomes effective July 1, 1994.

In the General Assembly read three times and ratified this the 30th day of June, 1994.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives