

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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2

SENATE BILL 1309

Appropriations Committee Substitute Adopted with Amendments 1,2,&3 8/2/89

Short Title: Budget Reconciliation Act.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE MISCELLANEOUS CHANGES TO THE STATE BUDGET FOR THE 1989-90 FISCAL BIENNIUM AND FOR PAST FISCAL YEARS.

The General Assembly of North Carolina enacts:

Section 1. From the funds appropriated to the Office of State Budget and Management in Section 4 of the Capital Improvement Appropriations Act of 1989 (Senate Bill 1042, Second Edition) to the Reserve for Repairs and Renovations, \$13,481,390 is allocated as follows:

1989-90

ADMINISTRATIVE OFFICE OF THE COURTS

- 1. To provide funds to continue the contract for a special drug trafficking prosecution program in the 13th prosecutorial district. \$ 47,500

DEPARTMENT OF AGRICULTURE

- 1. Division of Marketing - Grant-in-aid for a poultry marketing sales promotion. 25,000
State Aid

DEPARTMENT OF COMMERCE

- 1. Industrial Development Fund - Funds to continue assisting economically distressed counties. 3,500,000
State Aid

- 2. N.C. Housing Finance Agency - Provide reserve to be used for the Housing Partnership Program. 2,000,000

State Aid

1 3. Antique Village of Wilson County, Inc. - Matching funds for capital
2 improvements. Dollar-for-dollar match. 50,000

3 State Aid

4 DEPARTMENT OF COMMUNITY COLLEGES

5 1. Central Piedmont Community College - Funds to complete the third floor
6 addition to the Optical Disc facility. 600,000

7 Capital Improvements

8 DEPARTMENT OF CULTURAL RESOURCES

9 1. Unconditional Grant-in-Aid - Grant-in-aid to complete renovations of
10 various historic buildings on the campus of the Central Children's Home,
11 Inc., in Oxford. 129,730

12 State Aid

13 2. Unconditional Grant-in-Aid - Grant-in-aid to complete the second phase of
14 the restoration of Biddle Memorial Hall (a national historic property) at
15 Johnson C. Smith University in Charlotte. 400,000

16 State Aid

17 3. Unconditional Grant-in-Aid - Grant-in-aid to the Garden Clubs of North
18 Carolina, Inc., for the Elizabethan Gardens. 50,000

19 State Aid

20 5. Funds to complete the construction of the new Thomas Wolfe Memorial.
21 75,000

22 Capital Improvements

23 6. Grant-in-Aid to Arts - N.C. Shakespeare Festival - Grant for touring
24 metropolitan and rural communities throughout the State to present major
25 Shakespearean productions, to tour high schools and support operating
26 expense. 75,000

27 State Aid

28 7. Grant-in-Aid to Arts - Vagabond School of Drama - Grant-in-aid for
29 support of the official State Theater of N.C. 25,000

30 State Aid

31 8. Arts Council - Increase State
32 aid to the arts through grants
33 made by the Council. 550,000

34 State Aid

35 DEPARTMENT OF HUMAN RESOURCES

36
37 1. Division of Health Services -
38 Grant-in-aid for United Cerebral Palsy group homes and developmental
39 centers. 200,000

40 State Aid

41 2. Western Carolina Center

42 a. Funds to construct an addition to the wheelchair shop. 105,160

43 Capital Improvements

44 b. To construct a roof over the outdoor recreation center. 20,000

- 1 Capital Improvements
2 c. To replace the air conditioning cooling towers. Funds will match an
3 Exxon grant dollar-for-dollar. 200,000
4 Capital Improvements
5 SECRETARY OF STATE
6 1. Funds to implement the revised BusinessCorporations Act 100,000
7 DEPARTMENT OF INSURANCE
8 1. Funds to implement the monitoring required by SB 519 related to
9 continuing care facilities. 75,000
10 2. Funds to implement SB 446 which requires a rewrite of the N.C.
11 Medicare Supplement Insurance Minimum Standards Act of 1981 to
12 comply with new federal law. 50,000
13 DEPARTMENT OF JUSTICE
14 1. General Administration - Grant-in-aid for law enforcement at the
15 public access and camping areas during peak use time at Jordan Lake
16 and Kerr Lake.
17 Chatham County 25,000
18 Vance County 25,000
19 State Aid
20 OFFICE OF STATE BUDGET AND MANAGEMENT
21 1. Marine Research and Development Crescent - To provide economic
22 development in southeastern North Carolina to assist marine related
23 activities while maintaining the region's fragile ecology. 98,000
24 State Aid
25 2. Brevard Music Center, Inc. - Grant-in Aid. 50,000
26 State Aid
27 3. Schiele Museum of Natural History and Planetarium, Inc., in Gaston
28 County - Grant-in-Aid. 50,000
29 State Aid
30 4. Duplin Outdoor Drama Society, Inc., for the production of "The
31 Liberty Cart". 35,000
32 State Aid
33 5. Snow Camp Historical Drama Society, Inc., for the production of
34 "Sword of Peace". 50,000
35 State Aid
36 6. The Eastern Music Festival, Inc., in Guilford County - Grant-in-Aid.
37 25,000
38 State Aid
39 7. Old Salem, Inc., in Forsyth County - Grant-in Aid. 50,000
40 State Aid
41 8. The Greenville Museum of Art, Inc., to match funds for construction
42 of a new regional facility. 218,000
43 State Aid

- 1 9. Caswell County Commissioners to extend water and sewer lines along
2 N.C. Highway 86 for development of this industrial corridor. 500,000
3 State Aid
4 10. Upper Cleveland Water District - To expand water system and extend
5 water lines to alzheimer's facility. 50,000
6 State Aid
7 11. Autism Foundation of N.C. Inc., for development of a permanent year-
8 round camp and conference center for autistic adults and children.
9 250,000
10 State Aid
11 12. Fairgrounds Rural Fire Department, Inc., in Wake County to match
12 funds for construction of a new building to be used to continue fire
13 protection to State-owned properties. 140,000
14 State Aid
15 13. Town of Dillsboro for development of an additional water source for
16 the town and Jackson County (4.25 to 1 match). 43,000
17 State Aid
18 14. Rural Day Care Association of Northeastern N.C. - To provide day
19 care for senior citizens. 100,000
20 State Aid
21 15. Thelonious Monk Institute of Jazz - Grant-in-Aid for capital
22 improvements. 250,000
23 State Aid
24 16. Grant-in-Aid to the Roanoke Voyages and Corridor Commission for
25 the celebration of the birthday of Eleanor Dare, first child born of
26 English parents to be held at the Elizabeth II State historic site. 25,000
27 State Aid
28 17. Autistic Society of North Carolina - To continue grant for operations
29 and stipends for the autistic children's and adults' camp. 262,000
30 State Aid
31 DEPARTMENT OF PUBLIC INSTRUCTION
32 1. Funds for contracted personal services for new and innovative projects
33 and for research and development. 250,000
34 DEPARTMENT OF TRANSPORTATION
35 1. Matching funds to establish a Viet Nam Veterans Memorial Park on
36 Interstate 85. 100,000
37 UNIVERSITY OF NORTH CAROLINA -
38 BOARD OF GOVERNORS
39 1. Planning Funds For: 1,158,000
40 Capital Improvements
41 a. N.C. Agricultural and Technical University - School of Technology
42 Classroom/Lab Building.
43 b. UNC - Greensboro - Music Building.
44 c. N.C. Central University - Dorm Renovations.

- 1 d. Winston-Salem State University - Student Services Complex.
 2 e. N.C. Central University - Conversion of Women's Gym to Data
 3 Processing Center.
 4 2. UNC - Asheville - Funds for continued development of the N.C.
 5 Arboretum. 1,000,000
 6 Capital Improvements
 7 3. Grant to the Lineberger Cancer Research Center for planning of
 8 facility addition. 400,000
 9 4. East Carolina University - Continued support to match a grant to be
 10 used for establishing the North Carolina Geographic Alliance Network
 11 Program. 50,000
 12 State Aid
 13
 14 TOTAL ALLOCATIONS \$13,481,390.

15
 16 Sec. 2. There is appropriated from the General Fund to the Office of State
 17 Budget and Management the sum of \$2,300,000 for the 1989-90 fiscal year and the sum
 18 of \$7,800,000 for the 1990-91 fiscal year for a Reserve for Repairs and Renovations.

19
 20 Requested by: Senator Walker

21 ---LOCATION OF MONUMENT CONSTRUCTED BY VETERANS' MEMORIAL
 22 COMMISSION NOT EXEMPT FROM CERTAIN STATUTES

23 Sec. 3. G.S. 143B-133.1(b) reads as rewritten:

24 "(b) The Commission may, in its discretion, hire any person or persons to design,
 25 construct, and erect the monument, ~~and shall choose its location on the Capitol Grounds,~~
 26 in accordance with the review procedures of the North Carolina Historical Commission
 27 as set forth in Chapter 100 of the General Statutes, and without regard to Article 8 of
 28 Chapter 143 of the General Statutes, ~~G.S. 143B-373, or G.S. 147-12(12). Statutes.~~"

29
 30 Requested by: Senator Simpson

31 ---ARTS COUNCIL FUNDS LIMITATION

32 Sec. 3.1. No State funds appropriated for the 1989-90 fiscal year or for the
 33 1990-91 fiscal year to the Department of Cultural Resources for the Arts Council may
 34 be allocated for any project that denigrates any religion or religious symbol.

35
 36 Requested by: Senator Basnight

37 ---HYDE COUNTY COMMUNICATIONS BUILDING

38 Sec. 4. The funds designated in the Conference Report dated July 7, 1988,
 39 for Chapter 1086 of the 1987 Session Laws (1988 Session), for the Hyde County
 40 Sheriff's Department for construction of a communications tower on Ocracoke Island
 41 may also be used to construct a communications building.

42
 43 Requested by: Senators Johnson of Wake and Royall

44 ---REGIONAL PUBLIC TRANSPORTATION AUTHORITY FUNDING

1 Sec. 5. A Regional Public Transportation Authority created pursuant to
 2 Article 26 of Chapter 160A of the General Statutes, may, in addition to all other powers
 3 granted by G.S. 160A-610, and in furtherance of G.S. 160A-613, apply for a grant from
 4 the Department of Transportation to be funded from the funds for public transportation
 5 received from the North Carolina Highway Trust Fund if those funds are available. The
 6 Department of Transportation may allocate to a regional public transportation authority
 7 any funds appropriated for public transportation.
 8

9 Requested by: Senator Ward

10 —IMPLEMENTATION OF RECOMMENDATION OF THE TASK FORCE ON
 11 THE PREPARATION OF TEACHERS

12 Sec. 6. (a) The State Board of Education and the Board of Governors of The
 13 University of North Carolina shall implement the objectives of the plan for the
 14 preparation of teachers as identified in "The Education of North Carolina
 15 Teachers" report and in the "Second Annual Report of the Joint Committee on Teacher
 16 Education of the Board of Governors of The University of North Carolina and the State
 17 Board of Education".

18 (b) Of the funds appropriated to the Department of Public Education in Section 3
 19 of The Expansion Budget Appropriations Act of 1989 (Senate Bill 44, Second Edition)
 20 the sum of \$1,080,000 for the 1989-90 fiscal year, and the sum of \$2,000,000 for the
 21 1990-91 fiscal year shall be used by the State Board of Education to carry out the
 22 following program components as identified in the "Second Annual Report on the Joint
 23 Committee on Teacher Education of the Board of Governors of The University of North
 24 Carolina and the State Board of Education" :

	<u>1989-90</u>	<u>1990-91</u>
26 Reform of Teacher Education Programs	\$ 50,000	\$ 50,000
27 Quality Assurance Program Improvement	5,000	5,000
28 Teacher Certification and Program		
29 Approval	850,000	970,000
30 Professional Education	125,000	925,000
31 Incentive Programs for Teachers	<u>50,000</u>	<u>50,000</u>
32		
33 Total <u>\$1,080,000</u>	<u>\$2,000,000</u>	

35 (c) Of the funds appropriated to the Board of Governors of The University of
 36 North Carolina in Section 3 of The Expansion Budget Appropriations Act of 1989
 37 (Senate Bill 44, Second Edition), the sum of \$1,500,000 for the 1989-90 fiscal year, and
 38 the sum of \$2,504,089 for the 1990-91 fiscal year shall be used to carry out the
 39 following program components as identified in the "Second Annual Report of the Joint
 40 Committee on Teacher Education of the Board of Governors of The University of North
 41 Carolina and the State Board of Education" :

	<u>1989-90</u>	<u>1990-91</u>
43 Reform of Teacher Education Programs	\$ 424,000	\$ 700,000
44 Quality Assurance Program Improvement	536,000	884,087

1	Professional Education		50,000
2	Revitalization of Teacher Education		
3	Faculty	<u>540,000</u>	<u>870,000</u>
4			
5	Total	<u>\$1,500,000</u>	<u>\$2,504,089</u>
6			

7 (d) The State Board of Education and the Board of Governors of The University
8 of North Carolina shall, through the Joint Committee on Teacher Education, continue to
9 monitor and evaluate the implementation of the programs for the improvement of the
10 preparation of teachers as set forth in the report, "The Education of North Carolina
11 Teachers", and in the "Second Annual Report on the Joint Committee on Teacher
12 Education of the Board of Governors of The University of North Carolina and the State
13 Board of Education".

14
15 Requested by: Senator Sherron

16 ---DEPARTMENT OF TRANSPORTATION TO REPAIR AND MAINTAIN THE
17 STATE PARKS ROAD SYSTEM

18 Sec. 7. (a) G.S. 136-44.2 reads as rewritten:

19 **"§ 136-44.2. Budget and appropriations.**

20 The Director of the Budget shall include in the 'Budget Appropriations Bill' an
21 enumeration of the purposes or objects of the proposed expenditures for each of the
22 construction and maintenance programs for that budget period for the State primary,
23 secondary, ~~and urban,~~ and State parks road systems. The State primary system shall
24 include all portions of the State highway system located outside municipal corporate
25 limits which are designated by N.C., U.S. or Interstate numbers. The State secondary
26 system shall include all of the State highway system located outside municipal corporate
27 limits that is not a part of the State primary system. The State urban system shall include
28 all portions of the State highway system located within municipal corporate limits. The
29 State parks system shall include all State parks roads which are not also part of the State
30 highway system.

31 All construction and maintenance programs for which appropriations are requested
32 shall be enumerated separately in the budget. Programs that are entirely State funded
33 shall be listed separately from those programs involving the use of federal-aid funds.
34 Proposed appropriations of State matching funds for each of the federal-aid construction
35 programs shall be enumerated separately as well as the federal-aid funds anticipated for
36 each program in order that the total construction requirements for each program may be
37 provided for in the budget. Also, proposed State matching funds for the highway
38 planning and research program shall be included separately along with the anticipated
39 federal-aid funds for that purpose.

40 Other program categories for which appropriations are requested, such as, but not
41 limited to, maintenance, channelization and traffic control, bridge maintenance, public
42 service and access road construction, and ferry operations shall be enumerated in the
43 budget.

1 The Department of Transportation shall have all powers necessary to comply fully
2 with provisions of present and future federal-aid acts. No federally eligible construction
3 project may be funded entirely with State funds unless the Department of Transportation
4 has first consulted with the Joint Legislative Commission on Governmental Operations.
5 For purposes of this section, 'federally eligible construction project' means any
6 construction project except secondary road projects developed pursuant to G.S. 136-
7 44.7 and 136-44.8 eligible for federal funds under any federal-aid act, whether or not
8 federal funds are actually available.

9 The 'Budget Appropriations Bill' shall also contain the proposed appropriations of
10 State funds for use in each county for maintenance and construction of secondary roads,
11 to be allocated in accordance with G.S. 136-44.5 and 136-44.6. State funds appropriated
12 for secondary roads shall not be transferred nor used except for the construction and
13 maintenance of secondary roads in the county for which they are allocated pursuant to
14 G.S. 136-44.5 and 136-44.6.

15 In the event receipts and increments to the State Highway Fund shall be more than
16 the appropriations made for the preceding fiscal year, such excesses shall be allocated
17 by the Director of the Budget to the Department of Transportation for school and
18 industrial access roads and unforeseen happenings or state of affairs requiring prompt
19 action, with fifty percent (50%) of the balance to be allocated to the State secondary
20 roads program on the basis of need as determined by the Department of Transportation
21 and the remaining fifty percent (50%) to be allocated in accordance with G.S. 136-44.5.

22 The Department of Transportation may provide for costs incurred or accrued for
23 traffic control measures to be taken by the Department at major events which involve a
24 high degree of traffic concentration on State highways, and which cannot be funded
25 from regular budgeted items. This authorization applies only to events which are
26 expected to generate 30,000 vehicles or more per day."

27 (b) G.S. 136-44.12 reads as rewritten:

28 "**§ 136-44.12. ~~Construction and maintenance~~ Maintenance of roads in areas**
29 **administered by the Division of State Parks.**

30 The Department of Transportation ~~is authorized to shall~~ construct and maintain all
31 roads which are not part of the State Highway System, leading into and located within
32 the boundaries of all areas administered by the Division of ~~State Parks~~ and Recreation
33 of the Department of Natural Resources and Community Development.

34 All such roads shall be planned, designed, and engineered ~~and constructed~~ through
35 joint action between the Department of Transportation and the Division of ~~State Parks~~
36 and Recreation of the Department of Natural Resources and Community Development.
37 This joint action shall encompass all accepted park planning and design principles.
38 Particular concern shall be given to traffic counts and vehicle weight, minimal cutting
39 into or through any natural and scenic areas, width of shoulders, the cutting of natural
40 growth along roadways, and the reduction of any potential use of roads for any purpose
41 other than by park users. All State park roads shall conform to the standards regarding
42 width and other roadway specifications as agreed upon by the Division of ~~State Parks~~
43 and Recreation of the Department of Natural Resources and Community Development
44 and the Department of Transportation.

1 The State park road systems may be closed to the public in accordance with
2 approved park practices that control the use of State areas so as to protect these areas
3 from overuse and abuse and provide for functional use of the park areas, or for any
4 other purpose considered in the best interest of the public by the Division of ~~State Parks~~
5 and Recreation of the Department of Natural Resources and Community Development.

6 Nothing herein shall be construed to include the transfer to the Department of
7 Transportation the powers now vested in the Division of ~~State Parks~~ and Recreation of
8 the Department of Natural Resources and Community Development relating to the
9 patrol and safeguarding of State parks or parkway roads."

10 (c) This section shall become effective July 1, 1990.

11
12 Requested by: Senator Martin of Guilford

13 —STATE ACCOUNTING SYSTEM PROJECT FUNDS

14 Sec. 8. Effective July 1, 1989, there shall be transferred from contributed
15 capital of the State Information Processing Services (SIPS) internal service fund (Code
16 74160) to the Office of the State Controller general fund (Code 14160) the sum of
17 \$2,000,000 which shall be used by the Office of the State Controller in the ongoing
18 State Accounting System Project.

19
20 Requested by: Senator Parnell

21 —CLEAN WATER REVOLVING LOAN AND GRANT FUND APPLICANTS

22 Sec. 9. G.S. 159G-3(2) reads as rewritten:

23 "(2) 'Applicant' means a local government unit that applies for a revolving
24 loan or grant under the provisions of this Chapter. In addition, a local
25 government may provide funds to a nonprofit agency which is
26 currently under contract and authorized to provide wastewater
27 treatment or water supply services to that unit of local government."

28
29 Requested by: Senator Murphy

30 —P.B. RAIFORD REGIONAL AIRPORT IN DUPLIN COUNTY

31 Sec. 10. Section 165 of Chapter 1086 of the 1987 Session Laws reads as
32 rewritten:

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

37
38 Requested by: Senators Hunt of Durham and Royall

39 —ENO RIVER STATE PARK CAPITAL FUNDS

40 Sec. 11. Of the funds appropriated by Section 4 of the Capital Improvement
41 Appropriations Act of 1989 (Senate Bill 1042, Second Edition) to the Department of
42 Natural Resources and Community Development for the Reserve for Development of
43 the State Park System for the fiscal year 1989-90, \$500,000 shall be disbursed to the

1 Association for the Preservation of the Eno River Valley, Incorporated, for land
2 acquisition and capital improvements at the Eno River State Park.

3
4 Requested by: Senator Marvin

5 —PLAN FOR IMPLEMENTATION OF EDUCATIONAL PROGRAMS FOR
6 CERTAIN HANDICAPPED CHILDREN

7 Sec. 12. (a) During the 1989-90 school year, the Department of Public
8 Education shall plan the implementation of educational programs for handicapped
9 children between the ages of three and five as provided by Title II of Public Law 99-
10 457. The planning activities shall include:

- 11 (1) Identifying the number of handicapped children between the ages of
12 three and five currently residing in the State;
- 13 (2) Identifying facilities in which services can be provided to these
14 children;
- 15 (3) Estimating the number of qualified persons available to provide
16 services to these children; and
- 17 (4) Developing rules and a budget for implementing the educational
18 programs for handicapped children between the ages of three and five
19 as provided by Title II of Public Law 99-457.

20 (b) The Department shall report to the General Assembly describing its
21 planning activities, including proposed rules and a detailed budget request, no later than
22 May 1, 1990.

23 (c) The Department of Human Resources, local school systems, local health
24 departments, and local social services agencies shall provide the Department of Public
25 Education with any assistance it requests in conducting its planning activities and
26 preparing its report to the General Assembly.

27
28 Requested by: Senators Basnight and Martin of Pitt

29 —USE OF FUNDS FOR EASTERN DETOXIFICATION PROGRAMS

30 Sec. 13. The Department of Human Resources is authorized to use \$695,000
31 for fiscal year 1989-90 from over-realized receipts, Block Grant carry-forward monies,
32 prior year receipts or other funds available to the Department for the established
33 detoxification programs in the Eastern region during the period of study required by the
34 General Assembly to develop an Alcohol Rehabilitation Center Plan.

35
36 Requested by: Senator Royall

37 —UNIVERSITY OF NORTH CAROLINA PHYSICAL PLANT BUDGETED
38 OVERHEAD RECEIPTS

39 Sec. 14. Budgeted overhead receipts related to the thirty percent (30%)
40 transfers for support of physical plant operations for the University of North Carolina at
41 Chapel Hill, Academic Affairs, for the 1989-90 and 1990-91 fiscal years, as reflected in
42 Section 3 of Chapter 500 of the 1989 Session Laws, shall be increased by one hundred
43 seventy-seven thousand three hundred forty-five dollars (\$177,345) and the General
44 Fund appropriations for the 1989-90 and 1990-91 fiscal years shall be decreased by like

1 amounts. Budgeted overhead receipts related to the thirty percent (30%) transfers for
2 support of physical plant operations for the University of North Carolina at Chapel Hill,
3 Health Affairs, for the 1989-90 and 1990-91 fiscal years as reflected in Chapter 500 of
4 the 1989 Session Laws shall be increased by one hundred forty-one thousand six
5 hundred twenty-one dollars (\$141,621) and the General fund appropriations for the
6 1989-90 and 1990-91 fiscal years shall be decreased by like amounts.

7 The appropriations for the University of North Carolina at Chapel Hill, Health
8 Affairs, from the General Fund for the 1989-90 and 1990-91 fiscal years shall be
9 increased by three hundred eighteen thousand nine hundred sixty-six dollars (\$318,966)
10 for a Reserve for the Greensboro Regional TEACCH (Treatment and Education of
11 Autistic and other Communications Handicapped Children and Adults) Center. This
12 reserve shall be available for continuing operations of the Regional TEACCH Center
13 which serves the Greensboro, High Point, and Winston-Salem area.

14
15 Requested by: Senator Royall

16 ---NORTH CAROLINA MEMORIAL HOSPITAL IMPROVEMENT PROJECT

17 Sec. 15. (a) The purpose of this section is to authorize construction, by North
18 Carolina Memorial Hospital of an Administrative Office Building, in the amount of
19 \$8,774,200, and to authorize the financing of this capital improvements project from
20 funds available to the Hospital from gifts, grants, receipts, self-liquidating indebtedness,
21 or other funds, or any combination of funds, but not including funds appropriated from
22 the General Fund of the State.

23 (b) The project authorized to be constructed and financed as provided in
24 subsection (a) of this section is as follows:

25 1. North Carolina Memorial Hospital

26 Administrative Office Building \$8,774,200

27 (c) The Director of the Budget, provided the Director of the Budget may consult
28 with the Advisory Budget Commission, may, when in his opinion it is in the best
29 interest of the State to do so, and upon the request of The Board of Governors of The
30 University of North Carolina, authorize a decrease in the scope or a change in the
31 method of funding of the project authorized by this act.

32
33 Requested by: Senator Goldston

34 ---DEPARTMENT OF TRANSPORTATION EXEMPTION FROM LIMITATION
35 ON NUMBER OF STATE EMPLOYEES

36 Sec. 16. The limitation on the number of State employees contained in G.S.
37 143-10.2 shall not apply to the Department of Transportation with respect to additional
38 employees in administrative positions and to the Division of Highways with respect to
39 operational and field positions when those administrative, operational, and field
40 positions are needed to plan, design, and construct the specific projects funded by the
41 North Carolina Highway Trust Fund.

42
43 Requested by: Senator Goldston

44 ---NORTH CAROLINA HIGHWAY TRUST FUND CASH BALANCES

1 Sec. 17. Cash balances not required for construction payments in the North
2 Carolina Highway Trust Fund may be advanced to the Highway Fund Equipment Fund
3 to the extent required to acquire the appropriate equipment for force account
4 construction of the Secondary Roads component of the North Carolina Highway Trust
5 Fund construction schedule and plans. Advances under this section shall not exceed the
6 requirements beyond the first three years and rental rates shall be established to
7 provided for the repayment during the construction schedule.

8

9 Requested by: Senator Goldston

10 ---DEPARTMENT OF TRANSPORTATION FUND CODE STRUCTURE
11 REORGANIZATION

12 Sec. 18. During the 1989-90 fiscal year the Department of Transportation
13 may reorganize the Fund Code Structure within and between Departmental
14 Administration (Budget Code 84210), the Division of Highway Operations
15 Administration (Budget Code 84220), and Construction and Maintenance Encumbrance
16 Accounts (Budget Code 84230) in order to provide an efficient means of
17 accommodating the additional requirements resulting from the North Carolina Highway
18 Trust Fund. All changes must be approved by the Director of the Budget and reported
19 quarterly to the Joint Legislative Commission on Governmental Operations.

20

21 Requested by: Senator Goldston

22 ---EXECUTIVE BUDGET ACT APPLIES TO NORTH CAROLINA HIGHWAY
23 TRUST FUND

24 Sec. 19. Notwithstanding the establishment of the North Carolina Highway
25 Trust Fund as an entity, since various components of that Fund are coordinated with
26 programs of the Highway Fund, all projects funded shall be subject to the provisions of
27 the Executive Budget Act (Article 1 of Chapter 143 of the General Statutes) with
28 respect to allotments, obligations, encumbrances, and expenditures with appropriate
29 reporting to the Director of the Budget in the same manner as currently employed for
30 the Highway Fund and the Highway Bond Fund.

31

32 Requested by: Senator Goldston

33 ---HIGHWAY FUND CASH FLOW FUNDING

34 Sec. 20. Cash flow funding as authorized by G.S. 143-28.1 may be used to
35 the extent required to balance the 1990-91 Highway Fund budget for authorized
36 obligations which exceed anticipated revenues.

37

38 Requested by: Senator Plyler

39 ---ANSON COUNTY AIRPORT FUNDS REALLOCATION

40 Sec. 21. (a) Section 187 of Chapter 1101 of the 1987 Session Laws reads as
41 rewritten:

42 "**Sec. 7.** Of the funds appropriated for State Aid to Airports in G.S. 136-16.4 for
43 fiscal year 1988-89, the sum of fifty-eight thousand (\$58,000) shall be allocated to the

1 Anson County Airport for runway maintenance, ~~and~~ airport construction, and other
2 airport capital improvements."

3 (b) This section shall become effective July 1, 1988.

4

5 Requested by: Senator Royall

6 ---NO TRANSFERS BETWEEN ITEMS IN THE BUDGET

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

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

- 12 (1) In a program for which funds were appropriated for that fiscal period
13 and the total amount spent for the program is no more than was
14 appropriated for the program for the fiscal period;
- 15 (2) Required to continue a program because of unforeseen events, so long
16 as the scope of the program is not increased;
- 17 (3) Required by a court, Industrial Commission, or administrative hearing
18 officer's order or award or to match unanticipated federal funds;
- 19 (4) Required to respond to an unanticipated disaster such as a fire,
20 hurricane, or tornado; or
- 21 (5) Required to call out the National Guard.

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

26 Funds appropriated for salaries and wages may only be used for salaries and wages
27 or for premium pay, overtime pay, longevity, unemployment compensation, workers'
28 compensation, temporary wages, contracted personal services, moving expenses,
29 payment of accumulated annual leave, certain awards to employees, tort claims, and
30 employer's social security, retirement, and hospitalization payments: provided, however,
31 funds appropriated for salaries and wages may also be used for purposes for which over
32 expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the
33 Director of the Budget shall include such use and the reason for it in his quarterly report
34 to the Joint Legislative Commission on Governmental Operations and to the Fiscal
35 Research Division of the Legislative Services Office. ~~Salary~~ Lapsed salary funds that
36 become available from vacant positions may not be used for new permanent employee
37 positions or to raise the salary of existing employees.

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

42 The requirements in this section that the Director of the Budget report to the Joint
43 Legislative Commission on Governmental Operations shall not apply to expenditures of

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

3
 4 Requested by: Senator Marvin

5 **—SIMPLIFY CLERKS OF SUPERIOR COURT SALARY SCHEDULE**

6 Sec. 23. (a) G.S. 7A-101(a) reads as rewritten:

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

<u>Population</u>	<u>Annual Salary</u>	<u>1989-90</u>	<u>1990-91</u>
Less than 30,000	\$36,288		
30,000-0 to 99,999	41,748	44,256	46,920
100,000 to 199,999	47,184	50,016	53,028
200,000 and above	53,832	57,072	60,054

12
 13
 14
 15
 16
 17 When a county changes from one population group to another, the salary of the clerk
 18 shall be changed to the salary appropriate for the new population group on July 1 of the
 19 first year of each biennial budget, except that the salary of an incumbent clerk shall not
 20 be decreased by any change in population group during his continuance in office."

21 (b) From funds appropriated to the Judicial Department in the certified budget for
 22 the 1989-91 biennium, the Administrative Officer of the Courts may use up to three
 23 hundred thirty-two thousand six hundred twenty-five dollars (\$332,625) in fiscal year
 24 1989-90 and up to three hundred thirty-three thousand eight hundred eighty-two dollars
 25 (\$333,882) in fiscal year 1990-91 to meet the additional current operating expenses
 26 necessary to increase the salaries and benefits of clerks of superior court in counties
 27 with a population of less than 30,000 as required by subsection (a) of this section.
 28

29 Requested by: Senator Joe Johnson

30 **—WAKE TECHNICAL COMMUNITY COLLEGE EQUIPMENT FUNDS**

31 Sec. 24. Of the funds appropriated to the Department of Community
 32 Colleges for the 1989-90 fiscal year for the equipment reserve, the sum of \$50,000 shall
 33 be allocated to Wake Technical Community College for equipment for its nursing
 34 program. These funds shall be in addition to funds Wake Technical Community
 35 College receives for equipment under the State Board of Community Colleges formula
 36 for allocating community college equipment funds.
 37

38 Requested by: Senator Basnight

39 **—CIVIL AIR PATROL HEADQUARTERS BUILDING FUNDS**

40 Sec. 25. Notwithstanding any other provision of law, of the funds
 41 appropriated pursuant to G.S. 136-16.4 for aviation purposes, the sum of \$100,000 is
 42 appropriated for the 1989-90 fiscal year for the construction by the North Carolina
 43 Wing of the Civil Air Patrol, Inc., of a new headquarters and training facility. No less
 44 than ninety percent (90%) of these funds will be used for capital improvements, and the

1 remaining ten percent (10%) may be used for furnishings. In order to receive these
2 funds, the North Carolina Wing of the Civil Air Patrol, Inc., must match the funds on a
3 dollar-for-dollar basis.

4
5 Requested by: Senator Royall

6 —EXPAND PURPOSES CERTAIN RECEIPTS MAY BE USED FOR ON THE
7 BUTNER LANDS

8 Sec. 26. G.S. 146-30 reads as rewritten:

9 **"§ 146-30. Application of net proceeds.**

10 The net proceeds of any disposition made in accordance with this Subchapter shall
11 be handled in accordance with the following priority: First, in accordance with the
12 provisions of any trust or other instrument of title whereby title to such real property
13 was heretofore acquired or is hereafter acquired; second, as provided by any other act of
14 the General Assembly; third, the net proceeds shall be deposited with the State
15 Treasurer. Provided, however, nothing herein shall be construed as prohibiting the
16 disposition of any State lands by exchange for other lands, but if the appraised value in
17 fee simple of any property involved in the exchange is at least twenty-five thousand
18 dollars (\$25,000), then such exchange may not be made without consultation with the
19 Joint Legislative Commission on Governmental Operations.

20 For the purposes of this Subchapter, the term 'net proceeds' means the gross amount
21 received from the sale, lease, rental, or other disposition of any State lands, less

- 22 (1) Such expenses incurred incident to that sale, lease, rental, or other
23 disposition as may be allowed under rules and regulations adopted by
24 the Governor and approved by the Council of State;
- 25 (2) Amounts paid pursuant to G.S. 105-296.1, if any; and
- 26 (3) A service charge to be paid into the State Land Fund.

27 The amount or rate of such service charge shall be fixed by rules and regulations
28 adopted by the Governor and approved by the Council of State, but as to any particular
29 sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of the gross
30 amount received from such sale, lease, rental, or other disposition. Notwithstanding any
31 other provision of this Subchapter, the net proceeds derived from the sale of land or
32 products of land owned by or under the supervision and control of the Wildlife
33 Resources Commission, or acquired or purchased with funds of that Commission, shall
34 be paid into the Wildlife Resources Fund. Provided, however, the net proceeds derived
35 from the sale of land or timber from land owned by or under the supervision and control
36 of the Department of Agriculture shall be deposited with the State Treasurer in a capital
37 improvement account to the credit of the Department of Agriculture, to be used for such
38 specific capital improvement projects or other purposes as are provided by transfer of
39 funds from those accounts in the Current Operations Appropriations Act. Provided
40 further, the net proceeds derived from the sale of park land owned by or under the
41 supervision and control of the Department of Natural Resources and Community
42 Development shall be deposited with the State Treasurer in a capital improvement
43 account to the credit of the Department of Administration to be used for the purpose of
44 park land acquisition as provided by transfer of funds from those accounts in the

1 Current Operations Appropriations Act. In the Current Operations Appropriations Act,
2 line items for purchase of park and agricultural lands will be established for use by the
3 Departments of Administration and Agriculture. The use of such funds for any specific
4 capital improvement project or land acquisition is subject to approval by the Director of
5 the Budget. No other use may be made of funds in these line items without approval by
6 the General Assembly except for incidental expenses related to the project or land
7 acquisition. Additionally with the approval of the Director of the Budget, either
8 Department may request funds from the Contingency and Emergency Fund when the
9 necessity of prompt purchase of available land can be demonstrated and funds in the
10 capital improvement accounts are insufficient. Provided further, the net proceeds
11 derived from the sale of any portion of the land in or around the unincorporated area
12 known as Butner on or after July 1, 1980, shall be deposited with the State Treasurer in
13 a capital improvement account to the credit of the Hospital to provide water and sewers
14 and to bring those streets in the unincorporated area known as Butner not on the State
15 highway system up to standards adequate for acceptance on the system, according to a
16 plan adopted by the Department of Administration, and the Office of State Budget and
17 Management, with the approval of the Board of County Commissioners of Granville
18 ~~County and County~~, to build industrial access roads to industries on the Butner lands
19 lands, to construct new city streets on the Butner lands, extend water and sewer service
20 on the Butner lands, and repair storm drains on the Butner lands."

21
22 Requested by: Senator Ward

23 —UNIVERSITY OF NORTH CAROLINA EXPENDITURES

24 Sec. 27. G.S. 116-143 reads as rewritten:

25 **"§ 116-143. State-supported institutions of higher education required to charge**
26 **tuition and fees.**

27 The Board of Governors of the University of North Carolina shall fix the tuition and
28 fees, not inconsistent with actions of the General Assembly, at the institutions
29 enumerated in G.S. 116-4 in such amount or amounts as it may deem best, taking into
30 consideration the nature of each institution and program of study and the cost of
31 equipment and maintenance; and each institution shall charge and collect from each
32 student, at the beginning of each semester or quarter, tuition, fees, and an amount
33 sufficient to pay other expenses for the ~~term-term~~. Actual receipts in excess of the
34 amounts budgeted may be expended as provided in G.S. 143-23 and G.S. 143-27, and as
35 otherwise provided by law.

36 In the event that said students are unable to pay the cost of tuition and required
37 academic fees as the same may become due, in cash, the said several boards of trustees
38 are hereby authorized and empowered, in their discretion, to accept the obligation of the
39 student or students together with such collateral or security as they may deem necessary
40 and proper, it being the purpose of this Article that all students in State institutions of
41 higher learning shall be required to pay tuition, and that free tuition is hereby abolished.

42 Inasmuch as the giving of tuition and fee waivers, or especially reduced rates,
43 represent in effect a variety of scholarship awards, the said practice is hereby prohibited
44 except when expressly authorized by statute or by the Board of Governors of the

1 University of North Carolina; and, furthermore, it is hereby directed and required that
2 all budgeted funds expended for scholarships of any type must be clearly identified in
3 budget reports.

4 Notwithstanding the above provision relating to the abolition of free tuition, the
5 Board of Governors of the University of North Carolina may, in its discretion, provide
6 regulations under which a full-time faculty member of the rank of full-time instructor or
7 above, and any full-time staff member of the University of North Carolina may during
8 the period of normal employment enroll for not more than one course per semester in
9 the University of North Carolina free of charge for tuition, provided such enrollment
10 does not interfere with normal employment obligations and further provided that such
11 enrollments are not counted for the purpose of receiving general fund appropriations."

12
13 Requested by: Senator Ward

14 ---ALLOCATION OF BASIC EDUCATION PROGRAM ENHANCEMENT
15 TEACHERS

16 Sec. 28. No school unit shall receive from funds appropriated in the
17 continuation budget fewer Basic Education Program Enhancement Teachers in 1989-90
18 than it received in 1988-89.

19
20 Requested by: Senator Royall

21 ---INDUSTRIAL DEVELOPMENT FUND

22 Sec. 29. Part 2 of Article 10 of Chapter 143B of the General Statutes is
23 amended by adding a new section to read:

24 "**§ 143B-437.1. Industrial Development Fund.**

25 There is created in the Department of Commerce the Industrial Development Fund
26 to provide funds to assist the local government units of the most economically
27 depressed counties in the State in creating jobs. The Department of Commerce shall
28 adopt rules providing for the administration of the program. Those rules shall include
29 the following:

30 (1) The funds shall be used for (i) installation of or purchases of
31 manufacturing equipment or process productions equipment, (ii)
32 structural repairs, improvements, or renovations of existing buildings
33 to be used for manufacturing and industrial expansion, and/or (iii)
34 construction of or improvements to new or existing water, sewer, gas,
35 or electrical utility distribution lines or equipment for existing
36 industrial buildings or for buildings to be constructed for
37 manufacturing and industrial operations. To be eligible for funding,
38 the water, sewer, gas, or electrical utility lines or facilities shall be
39 located on the site of the building or, if not located on the site, shall be
40 directly related to the operation of the specific manufacturing activity.

41 (2) The funds shall be used by the city and county governments for
42 projects that will directly result in the creation of new jobs. The funds
43 shall be expended at a rate of one thousand five hundred dollars

1 (\$1,500) per new job created up to a maximum of five hundred
2 thousand dollars (\$500,000) per project.

3 (3) The funds may be used by the city or county governments in
4 accordance with rules to be issued by the Department of Commerce
5 governing the use of funds and eligibility for grants under this
6 program.

7 Each year, on or before December 31, the Secretary of Commerce shall designate
8 the most economically distressed counties in the State; this designation shall remain
9 effective for the following calendar year. The Secretary of Commerce shall determine
10 which counties are the most economically distressed counties in the State based on (i)
11 rate of unemployment, (ii) per capita income, and (iii) relative population and
12 work force growth or lack of growth, as determined by the Secretary of Commerce.

13 The Department of Commerce shall report annually to the General Assembly
14 concerning the applications made to the fund and the payments made from the fund and
15 the impact of the payments on job creation in the State. The Department of Commerce
16 shall also report monthly to the Joint Legislative Commission on Governmental
17 Operations and the Fiscal Research Division on to whom payments were made, in what
18 amounts, and for what purposes."

19
20 Requested by: Senator Plyler

21 —MOTOR FUELS TAX COLLECTION COSTS

22 Sec. 30. Section 17 of Chapter 652 of the General Statutes reads as rewritten:

23 "Sec. 17. All sums collected on kerosene and motor fuel pursuant to G.S. 119-18
24 that are not allotted by the Office of State Budget and Management to administer and
25 enforce the provisions of Chapter 119 and the cost of collection of motor fuels tax under
26 Chapter 105, Article 36 of the General Statutes shall be credited to the Commercial
27 Leaking Petroleum Underground Storage Tank Cleanup Fund and the Noncommercial
28 Leaking Underground Petroleum Storage Tank Cleanup Fund as certified on a monthly
29 basis as follows: one-half (½) shall be credited to the Commercial Fund and one-half
30 (½) shall be credited to the Noncommercial Fund unless the balance in the Commercial
31 Fund exceeds fifteen million dollars (\$15,000,000), and in that event, all such funds
32 shall be credited to the Noncommercial Fund until the balance of the Commercial Fund
33 falls below five million dollars (\$5,000,000), at which time credits to the Commercial
34 Fund shall resume."

35 Requested by: Senator Royall

36 —SALARIES OF INDUSTRIAL COMMISSION CHAIRMAN AND
37 COMMISSIONERS

38 Sec. 30.1. G.S. 97-78(a) reads as rewritten:

39 "~~salaries~~ salary of each commissioner shall be the same as that fixed from
40 time to time for judges of the superior court except that the chairman and each of the
41 ~~other commissioners shall be fixed by the General Assembly in the Current Operations~~
42 ~~Appropriations Act~~ receive one thousand dollars (\$1,000) additional per annum."

43
44 Requested by: Senator Royall

1 —EFFECTIVE DATE

2 Sec. 31. This act is effective upon ratification.