

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 43\*  
Appropriations  
Committee Substitute Adopted with Amendments 4/10/89  
Third Edition Engrossed 4/11/89

Short Title: Current Operations - Appropriations.

(Public)

Sponsors:

Referred to:

January 23, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT  
3 OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND  
4 AGENCIES, AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6  
7 Requested by: Senator Basnight

8 ---INTRODUCTION

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

15  
16 Requested by: Senator Basnight

17 ---TITLE OF ACT

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

20  
21

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

4 —CONTENTS/INDEX—

5 (This outline is designed for reference only, and the outline and the  
6 corresponding entries throughout the act in no way limit, define, or prescribe the scope  
7 or application of the text of the act.)

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29  
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32       Sec. 3. Appropriations from the General Fund of the State for the  
33 maintenance of the State departments, institutions, and agencies, and for other purposes  
34 as enumerated except for aid to certain governmental and nongovernmental units are  
35 made for the biennium ending June 30, 1991, according to the following schedule:

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

1	02.	Office of State Budget			
2		and Management	3,383,509	3,379,683	
3					
4		Lieutenant Governor's Office		562,854	564,124
5					
6		Department of Secretary of State		3,232,204	3,141,478
7					
8		Department of State Auditor		6,941,243	6,948,332
9					
10		Department of State Treasurer		4,013,938	4,019,717
11					
12		Department of Public Education		2,881,392,825	2,901,765,701
13					
14		Department of Justice		45,081,246	45,284,625
15					
16		Department of Administration			
17	01.	Administration	41,902,619	42,448,982	
18	02.	State Controller	5,054,737	5,059,766	
19					
20		Department of Agriculture		35,618,997	35,740,532
21					
22		Department of Labor		7,103,309	7,119,420
23					
24		Department of Insurance		11,965,552	11,998,199
25					
26		Department of Transportation			
27	01.	Aeronautics	116,571	116,571	
28					
29		Department of Natural Resources and			
30		Community Development		66,605,266	66,034,976
31					
32		Office of Administrative Hearings		1,972,220	1,975,809
33					
34		Administrative Rules Review Commission		258,469	251,545
35					
36		Department of Human Resources			
37	01.	Alcoholic Rehabilitation Center -			
38		Black Mountain	3,245,745	3,267,781	
39	02.	Alcoholic Rehabilitation Center -			
40		Butner	3,024,495	3,037,232	
41	03.	Alcoholic Rehabilitation Center -			
42		Greenville	2,593,285	2,593,461	
43	04.	N.C. Special Care Center	4,218,325	4,309,853	
44	05.	Black Mountain Center	713,850	673,127	

1	06.	DHR - Administration and Support		
2		Program	4,937,168	4,955,214
3	07.	Division of Aging	1,206,607	1,207,689
4	08.	Schools for the Deaf and Blind	22,169,581	22,192,919
5	09.	Division of Health Service	55,325,914	56,438,146
6	10.	Social Services	78,126,671	78,597,201
7	11.	Medical Assistance	384,442,191	448,104,017
8	13.	Division of Services for the		
9		Blind	6,069,502	6,081,927
10	14.	Division of Mental Health,		
11		Mental Retardation and Substance		
12		Abuse Services	11,801,263	11,800,941
13	15.	Dorothea Dix Hospital	34,143,300	34,481,132
14	16.	Broughton Hospital	30,588,579	30,772,868
15	17.	Cherry Hospital	29,918,230	30,208,942
16	18.	John Umstead Hospital	30,006,645	30,085,833
17	19.	Western Carolina Center	3,086,587	3,119,043
18	20.	O'Berry Center	5,221,987	5,212,301
19	21.	Murdoch Center	15,370,639	13,144,771
20	22.	Caswell Center	13,205,350	13,300,069
21	23.	Division of Facility Services	28,209,886	28,149,125
22	24.	Division of Vocational		
23		Rehabilitation Services	22,715,531	22,716,953
24	25.	Division of Youth Services	28,631,667	28,785,501
25				
26		Total Department of		
27		Human Resources	818,972,998	883,236,035
28				
29		Department of Correction	339,098,050	341,948,289
30				
31		Department of Commerce	26,123,605	26,055,750
32				
33		Department of Revenue	44,174,968	44,233,654
34				
35		Department of Cultural Resources	20,618,616	20,894,337
36				
37		Department of Crime Control		
38		and Public Safety	24,270,967	24,477,467
39				
40		University of North Carolina - Board		
41		of Governors		
42				
43	01.	General Administration	16,553,650	18,621,554
44	02.	University Operations -		

1		Lump Sum	5,261,534	5,261,534
2	03.	Related Educational Programs	3,942,771	4,001,586
3	04.	University of North Carolina		
4		at Chapel Hill		
5		a. Academic Affairs	131,513,628	133,584,123
6		b. Division of Health		
7		Affairs	94,302,088	95,830,942
8		c. Area Health Education		
9		Centers	30,386,075	30,373,500
10	05.	North Carolina State University		
11		at Raleigh		
12		a. Academic Affairs	162,199,065	164,022,770
13		b. Agricultural Research		
14		Service	35,233,748	35,123,381
15		c. Agricultural Extension		
16		Service	27,431,979	27,348,964
17	06.	University of North Carolina at		
18		Greensboro	51,580,243	51,944,811
19	07.	University of North Carolina at		
20		Charlotte	49,338,442	49,922,323
21	08.	University of North Carolina at		
22		Asheville	14,799,855	15,431,287
23	09.	University of North Carolina at		
24		Wilmington	28,931,879	29,035,937
25	10.	East Carolina University		
26		a. Academic Affairs	67,532,422	67,991,454
27		b. Division of Health Affairs	47,601,938	48,713,413
28	11.	North Carolina Agricultural and		
29		Technical State University	33,922,465	34,571,701
30	12.	Western Carolina University	33,093,901	34,169,604
31	13.	Appalachian State University	50,841,830	50,925,543
32	14.	Pembroke State University	13,947,649	14,048,265
33	15.	Winston-Salem State University	15,483,965	15,566,048
34	16.	Elizabeth City State		
35		University	12,970,749	13,122,579
36	17.	Fayetteville State University	15,895,836	16,081,858
37	18.	North Carolina Central		
38		University	25,797,251	25,909,056
39	19.	North Carolina School of the		
40		Arts	8,046,738	8,102,191
41	20.	North Carolina Science and		
42		Math High School	6,832,113	6,804,564
43	21.	North Carolina Memorial		
44		Hospital	34,734,222	35,412,940



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

17  
18 PART II.—CURRENT OPERATIONS/HIGHWAY FUND

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

24			
25	<u>Current Operations-Highway Fund</u>		<u>1989-90</u>
26	<u>1990-91</u>		
27			
28	Department of Transportation		
29	01. Administration	\$ 26,487,498	\$ 26,619,836
30	02. Highways		
31	a. Administration and		
32	Operations	31,720,265	31,798,567
33	b. State Construction		
34	(01) Primary Construction	-	-
35	(02) Secondary		
36	Construction		68,672,240 70,732,407
37	(04) Access and Public		
38	Service Roads		2,000,000 2,000,000
39	(05) Special Appropriation		
40	for Highways		60,000,000 60,000,000
41	(06) Spot Safety		
42	Improvements		6,200,000 6,200,000
43	c. State Funds to Match Federal		
44	Highway Aid		

1	(01)	Construction	73,338,469	74,271,803	
2	(02)	Planning Survey and Highway			
3		Planning Research			2,298,590 2,136,210
4	d.	State Maintenance			
5	(01)	Primary	77,903,523	77,903,523	
6	(02)	Secondary	137,924,055	137,924,055	
7	(03)	Urban	21,021,422	21,021,422	
8	(04)	Contract Resurfacing	100,567,150	100,567,150	
9	e.	Ferry Operations	13,791,986	13,791,986	
10	g.	State Aid for Public			
11		Transportation	2,756,250	2,894,063	
12	03.	Division of Motor Vehicles	66,538,445	66,750,587	
13	04.	Governor's Highway Safety Program	258,840	259,249	
14	07.	Salary Adjustments for Highway			
15		Fund Employees	600,000	600,000	
16	08.	Reserve to Correct Occupational			
17		Safety and Health Conditions	350,000	350,000	
18	10.	Debt Service	38,491,163	37,392,600	
19					
20		Appropriations for Other State Agencies			
21	01.	Crime Control and Public			
22		Safety	79,380,983	81,574,887	
23	02.	Other Agencies			
24	a.	Department of Agriculture	2,371,675	2,470,577	
25	b.	Department of Revenue	1,494,890	1,495,746	
26	c.	Department of Human			
27		Resources	344,820	344,988	
28	d.	Department of Correction	1,750,000	1,750,000	
29					
30		Contingency and Emergency Fund			<u>100,000 100,000</u>

31  
 32 GRAND TOTAL CURRENT OPERATIONS—  
 33 HIGHWAY FUND \$ 816,362,264 \$ 820,949,656

34  
 35 PART III.—CURRENT OPERATIONS/GENERAL FUND/ AID TO CERTAIN  
 36 GOVERNMENTAL AND NON-GOVERNMENTAL UNITS

37  
 38 Sec. 5. Appropriations from the General Fund of the State to State  
 39 departments, institutions, and agencies for aid to certain governmental and  
 40 nongovernmental units as enumerated are made for the biennium ending June 30, 1991,  
 41 according to the following schedule:

42				
43	<u>General Fund</u>		<u>1989-90</u>	<u>1990-91</u>
44				

1	Judicial Department	\$ 334,360	\$ 334,360
2			
3	Department of the Governor		
4	Office of State Budget		
5	and Management	35,906	-
6			
7	Department of State Auditor	5,740,780	5,740,780
8			
9	Department of Public Education	17,415,353	17,086,013
10			
11	Department of Administration	2,773,810	2,773,810
12			
13	Department of Agriculture	230,014	230,014
14			
15	Department of Transportation		
16	01.    Aeronautics	5,545,000	5,545,000
17	02.    Aid to Railroads	166,002	166,002
18	Total Department of Transportation	5,711,002	5,711,002
19			
20	Department of Natural Resources		
21	and Community Development	9,523,634	9,523,686
22			
23	Department of Human Resources		
24	01.    DHR - Administration and		
25	Support Program	20,000	20,000
26	02.    Division of Aging	3,602,799	3,602,799
27	03.    Division of Health Services	24,843,548	25,101,189
28	04.    Social Services	16,377,696	16,377,696
29	05.    Social Services - State Aid		
30	to Non-State Agencies	5,133,148	5,133,148
31	06.    Division of Services for the		
32	Blind	12,000	12,000
33	07.    Division of Mental Health,		
34	Mental Retardation and		
35	Substance Abuse Services	150,191,214	150,655,194
36	08.    Division of Facility Services	2,005,678	2,005,678
37	09.    Division of Youth Services	14,586,693	14,586,693
38	10.    State Aid, Local Programs		
39	Inflationary Increases	425,682	1,345,494
40			
41	Total Department of Human Resources	217,198,458	218,839,891
42			
43	Department of Correction	75,000	75,000
44			

1	Department of Commerce			
2	01. Commerce	2,310,000	2,310,000	
3	02. Microelectronics Center	25,301,034	21,433,424	
4	03. Biotechnology Center	6,297,200	6,297,200	
5				
6	Department of Cultural Resources			17,050,360 17,050,360
7				
8	Department of Crime Control and			
9	Public Safety	743,967	743,967	
10				
11	University of North Carolina -			
12	Board of Governors	37,774,019	37,818,969	
13				
14	Department of Community Colleges		281,650	281,650
15				
16	Grand Total State Aid –			
17	General Fund	\$ 348,796,547	\$ 346,250,126	
18				

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

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

26				
27	<u>Highway Fund</u>		<u>1989-90</u>	<u>1990-91</u>
28				
29	State Aid to Municipalities		68,672,240	70,732,407
30				
31	Grand Total State Aid –			
32	Highway Fund	68,672,240	70,732,407	
33				

34 PART V.—GENERAL PROVISIONS

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

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

1 regulations, and systems to ensure that these funds and other State funds subject to the  
2 Executive Budget Act, may not be spent in a manner which would cause a deficit in  
3 expenditures.

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

10  
11 Requested by: Senator Basnight

12 ---INSURANCE AND FIDELITY BONDS

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

17  
18 Requested by: Senator Basnight

19 ---BUDGETING OF PILOT PROGRAMS

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

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

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

28  
29 Requested by: Senator Basnight

30 ---AUTHORIZED TRANSFERS

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

38  
39 Requested by: Senator Basnight

40 ---EXPENDITURES OF FUNDS IN RESERVES LIMITED

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

43  
44 PART VI.—DEPARTMENT OF PUBLIC INSTRUCTION

1

2 Requested by: Senator Ward

3 ~~—ABOLISH OUTSIDE EVALUATOR PROGRAM~~

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

5

6 Requested by: Senator Ward

7 ~~—BEP FUNDING TRANSFER~~

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

15

16 Requested by: Senator Ward

17 ~~—DROPOUT PREVENTION~~

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

25

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

27

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

28

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

31

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

32

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

36

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

37

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

40

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

41

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

43

- 1 (4) Establish a process for waiving State requirements for the expenditure  
2 of funds for dropout prevention for in-school suspension programs  
3 after a local school unit's plan for dropout prevention has been  
4 approved.
- 5 (5) Use up to five hundred thousand dollars (\$500,000) of the funds for  
6 dropout prevention for one-time grants to the 50 schools with the  
7 highest dropout rates.
- 8 (6) Review its requirements for in-school suspension programs with  
9 regard to purpose, use by schools, requirements for staffing by  
10 certified teachers, and the relationship of availability of in-school  
11 suspension programs to the reduction of dropout rates.
- 12 (7) Examine the relationship between in-school suspension programs,  
13 school suspension rates, and other juvenile justice community based  
14 programs, funded by the Department of Human Resources.
- 15 (8) Report to the General Assembly on its progress in implementing its  
16 new standards for dropout prevention programs and the progress made  
17 by local school units in reducing dropout rates.
- 18 (9) Recommend to the General Assembly actions that might be taken  
19 where units consistently fail to meet statewide goals and local goals for  
20 reducing dropout rates.
- 21 (c) The Department of Public Instruction shall:
- 22 (1) Provide technical assistance to local school units in the development of  
23 local dropout prevention plans.
- 24 (2) Provide information to the 100 local schools identified as having the  
25 highest dropout rates as to what types of dropout prevention programs  
26 work.
- 27

28 Requested by: Senator Ward

29 —ABOLISH TEACHING GRANT PROGRAM FOR COLLEGE JUNIORS

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

32

33 PART VII.—DEPARTMENT OF COMMUNITY COLLEGES

34

35 Requested by: Senator Ward

36 —MANAGEMENT SUPPORT SYSTEM

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

44

1 Requested by: Senator Ward

2 ---STABILITY OF FUNDING

3           Sec. 17. To ensure stability in funding and to reduce the impact of short-term  
4 enrollment fluctuations, the General Assembly shall appropriate funds for full-time  
5 equivalent student enrollment for the community college system on a biennial basis.  
6 For fiscal year 1989-90 and in subsequent years, the State Board shall allocate to each  
7 college a budget based on the average of the prior two-years' actual full-time equivalent  
8 student enrollment, or the previous year's actual full-time equivalent student enrollment,  
9 whichever is greater. In no instance shall any college receive less than ninety percent  
10 (90%) of the prior two-years' average curriculum full-time equivalent student  
11 enrollment.

12

13 Requested by: Senator Ward

14 ---COMMUNITY COLLEGE TRUSTEES TRAINING COURSE

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

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

24

25 Requested by: Senator Ward

26 ---LITERACY

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

29           (1) Increase the number of people entering and moving through the  
30 literacy continuum and allow more flexibility in the use of literacy  
31 funds for instruction and administrative purposes to enhance  
32 recruitment efforts;

33           (2) Increase the number of adult high school graduates and GED  
34 diplomas;

35           (3) Encourage progress in the literacy programs through the use of  
36 performance-based incentive funding for colleges, employees, and  
37 employers;

38           (4) Allocate literacy funds on a more equitable basis;

39           (5) Develop statewide and individual college goals for increasing literacy;

40           (6) Increase the number of workplace literacy sites; and

41           (7) Replicate successful programs across the State.

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



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

3  
4 Requested by: Senator Ward

5 ---SATELLITE CENTERS

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

13  
14 Requested by: Senator Ward

15 ---REGIONAL COOPERATION

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

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

25  
26 Requested by: Senator Ward

27 ---STUDENT ACCOUNTING STUDY

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

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

36  
37 Requested by: Senator Ward

38 ---FTE ACCOUNTING

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

42  
43 Requested by: Senator Ward

44 ---MAINTENANCE OF PLANT SUBSIDY

1           Sec. 24. The State Board of Community Colleges shall review the current  
2 allocation method for distributing the maintenance of plant subsidy to regional  
3 institutions. This review shall address the equitable distribution of available funds to  
4 adequately reflect the purpose for which they are provided. The Board shall report its  
5 findings and recommendations to the 1989 General Assembly, 1990 Regular Session.

6  
7 **PART VIII.—COLLEGES AND UNIVERSITIES**

8  
9 Requested by: Senator Ward

10 **—FUNDING LEVELS FOR INSTITUTIONS**

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

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

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

24  
25 Requested by: Senator Ward

26 **—MANAGEMENT INCENTIVES**

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

33  
34 Requested by: Senator Ward

35 **—NURSING**

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

38  
39 Requested by: Senator Ward

40 **—RETENTION AND GRADUATION RATES**

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

1

2 Requested by: Senator Ward

3 —REMEDICATION

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

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

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

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

36

37 Requested by: Senator Ward

38 —AID TO PRIVATE MEDICAL SCHOOLS

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

43

44 Requested by: Senator Ward

1    —AID TO PRIVATE COLLEGES

2            Sec. 31. (a) The Director of the Budget is authorized to approve transfers  
3 among the 1988-89 General Fund appropriations to The University of North Carolina  
4 Board of Governors in order to provide full funding for both the Legislative Tuition  
5 Grant Program and the Contractual Scholarship Grant Program in accordance with the  
6 provisions of G.S. 116-19, 116-21, 116-22 and Sections 93 and 94 of Chapter 830, 1987  
7 Session Laws.

8            (b) This section is effective upon ratification.

9

10 Requested by: Senator Ward

11    —OPERATING APPROPRIATIONS/NOT USED FOR RECREATION  
12 EXTENSION

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

20

21 Requested by: Senator Ward

22    —BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

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

31

32 Requested by: Senator Ward

33    —ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION

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

44

1 Requested by: Senator Ward

2 ---AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT  
3 LIMITATIONS

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

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

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

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

24

25 Requested by: Senator Ward

26 ---AID TO PRIVATE COLLEGES PROCEDURE

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

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

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

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

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

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

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

22  
23 Requested by: Senator Ward

24 ~~---~~WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING  
25 FORMULA

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

39           Disbursement to Duke University shall be made in the amount of five  
40 thousand dollars (\$5,000) for each medical student who is a North Carolina resident,  
41 five hundred dollars (\$500.00) of which shall be placed by the school in a fund to be  
42 used to provide student financial aid to financially needy North Carolina students who  
43 are enrolled in the medical school. No individual student may be awarded assistance  
44 from this fund in excess of two thousand dollars (\$2,000) each year. In addition to this

1 basic disbursement for each year of the biennium, a disbursement of one thousand  
2 dollars (\$1,000) shall be made for each medical student who is a North Carolina  
3 resident in the first-year, second-year, third-year, and fourth-year classes to the extent  
4 that enrollment of each of those classes exceeds 30 North Carolina students.

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

14  
15 PART IX.—DEPARTMENT OF ADMINISTRATION

16  
17 Requested by: Senator William Martin

18 —STATE SURPLUS PROPERTY WAREHOUSE/FUNDS

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

23  
24 Requested by: Senator Martin of Guilford

25 —ABOLISH JUVENILE LAW STUDY COMMISSION

26 Sec. 39. (a) Article 58 of Chapter 7A of the General Statutes, being G.S. 7A-  
27 740 through G.S. 7A-744 is repealed.

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

29  
30 Requested by: Senator Martin of Guilford

31 —MAINTENANCE CONTRACTS COST CONTROL

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

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

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

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

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

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

15  
16 Requested by: Senator Martin of Guilford

17 ---ABOLISH ALCOHOLISM RESEARCH AUTHORITY

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

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

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

22 (d) Any monies in the Alcoholism Research Fund shall revert to the General  
23 Fund.

24  
25 PART X.—DEPARTMENT OF TRANSPORTATION

26  
27 Requested by: Senator Martin of Pitt

28 ---HIGHWAY FUND ALLOCATIONS BY THE CONTROLLER

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

32 02.b. - State Construction

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

34 02.d. - State Maintenance

35 02.e. - Ferry Operations

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

38  
39 Requested by: Senator Martin of Pitt

40 ---HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

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

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

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



1           02.b.(04) -       State Construction Access and Public Service  
2                               Roads

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

4           02.d. - State Maintenance

5           02.e. - Ferry Operations:

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

13       (b) Overexpenditures from Section 4 of this act. Titles:

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

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

16           02.b.(04) -       State Construction Access and Public Service  
17                               Roads

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

19           02.d. - State Maintenance

20           02.e. - Ferry Operations

21 for the purpose of providing additional positions shall be approved by the Director of  
22 the Budget.

23

24 Requested by: Senator Martin of Pitt

25 ~~—CASH FLOW HIGHWAY FUND APPROPRIATIONS~~

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

28           For Fiscal Year 1991-92                   \$ 981,100,000

29           For Fiscal Year 1992-93                   \$1,005,000,000

30

31 Requested by: Senator Martin of Pitt

32 ~~—RESURFACED ROADS MAY BE WIDENED~~

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

37

38 Requested by: Senator Martin of Pitt

39 ~~—USE OF SALES TAX COLLECTED BY THE DIVISION OF MOTOR VEHICLES~~

40       Sec. 46. Notwithstanding the second sentence of the sixth paragraph of G.S.  
41 105-164.4(1), the Department of Transportation may deduct and retain from the sales  
42 tax on motor vehicles collected pursuant to that subdivision an amount equal to the cost  
43 to the Division of Motor Vehicles of collecting the sales tax on motor vehicles, but not  
44 to exceed four hundred seventy-five thousand dollars (\$475,000) per year. The cost of

1 collecting this tax shall be determined by the Secretary of Transportation, subject to the  
2 approval of the State Budget Officer.

3  
4 Requested by: Senator Martin of Pitt

5 —HIGHWAY FUNDS/ADJUSTMENT TO REFLECT ACTUAL REVENUE

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

23  
24 Requested by: Senator Martin of Pitt

25 —CONTINUING AVIATION, RAIL, AND PUBLIC TRANSPORTATION  
26 APPROPRIATIONS

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

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

31  
32 Requested by: Senator Barker

33 —FERRY CAPTAIN III, SHIFT PREMIUM PAY

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

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

43 The State Personnel Commission may not adopt a shift premium pay schedule higher  
44 than those stated in this section unless the higher schedule is first approved by the

1 General Assembly and funds are appropriated to implement the higher pay. The  
2 Commission may, however, request authorization to pay shift premium pay to  
3 employees in grades above those stated in this section when the Commission determines  
4 that there is a critical shortage of employees in a position because of competition from  
5 private employers who pay shift premium pay for that type work. Such a request shall  
6 be made to the General Assembly if it is in session; otherwise, the request shall be  
7 approved by the Director of the Budget with the advice of the Advisory Budget  
8 Commission.

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

14  
15 PART XI.—DEPARTMENT OF JUSTICE

16  
17 Requested by: Senator Marvin

18 —SBI USE OF COURT-ORDERED RESTITUTION FUNDS

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

21  
22 Requested by: Senator Sands

23 —ACCESS TO THE PUBLIC INFORMATION NETWORK (PIN)

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

27  
28 Requested by: Senator Marvin

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

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

40 The General Assembly finds that the use of these assets for new projects, the  
41 acquisition of real property, repair of buildings where such repair includes structural  
42 change, and construction of or additions to buildings may result in additional expense  
43 for the State in future fiscal periods; therefore, the Department of Justice and the

1 Department of Crime Control and Public Safety are prohibited from using these assets  
2 for such purposes without the prior approval of the General Assembly.

3 (b) This section does not apply to the extent that it prevents North Carolina law  
4 enforcement agencies from receiving funds from the U.S. Department of Justice  
5 pursuant to 19 U.S.C. § 1616a.  
6

7 Requested by: Senator Marvin

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

10 Sec. 54. The Private Protective Services and Alarm Systems Licensing  
11 Boards are responsible for adjusting fees as necessary to ensure that both boards are  
12 operated on a self-supporting fee-funded basis. The Private Protective Services Board  
13 and the Alarm Systems Licensing Board are directed to raise the fees as necessary  
14 within the statutory limits to maintain a self-supporting fee-funded basis.  
15

16 Requested by: Senator Marvin

17 ~~—CHARGES FOR LEGAL SERVICES RENDERED BY THE ATTORNEY~~  
18 ~~GENERAL~~

19 Sec. 55. The Department of Justice shall charge for legal services any State  
20 board, commission, or agency that is totally supported by receipts from fees or  
21 surcharges.  
22

23 ~~PART XII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY~~  
24

25 Requested by: Senator Marvin

26 ~~—REPORT ON COMMUNITY SERVICE WORKERS~~

27 Sec. 56. The Department of Crime Control and Public Safety shall report  
28 quarterly to the Joint Legislative Commission on Governmental Operations and the  
29 Fiscal Research Division on the number of community service workers who were  
30 available during each month of the prior three-month period to perform repairs and  
31 maintenance of the parks and when and where they were available.  
32

33 Requested by: Senator Marvin

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

36 Sec. 57. The Department of Crime Control and Public Safety shall report  
37 annually to the Senate and House Appropriations Base Budget Committees on Justice  
38 and Public Safety and the Fiscal Research Division on the administrative expenditures  
39 of the Community Penalties Program and the North Carolina Crime Victims  
40 Compensation Fund.  
41

42 Requested by: Senator Marvin

43 ~~—LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER~~  
44 ~~GRANTS~~

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

4       (b)       The North Carolina General Assembly provides that State applications for  
5 grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of  
6 the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of  
7 P.L. 99-570, the Anti-Drug Abuse Act of 1986 are subject to review by the Joint  
8 Legislative Commission on Governmental Operations if, at the time of review, the  
9 General Assembly is not in session.

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

15  
16 PART XIII.—DEPARTMENT OF CORRECTION

17  
18 Requested by: Senator Marvin

19 —NEGOTIATED RATES FOR MEDICAL SERVICES

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

29  
30 Requested by: Senator Marvin

31 —LIMIT USE OF PRISON PERSONNEL FUNDS

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

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

39  
40 Requested by: Senator Marvin

41 —GOLDSBORO CORRECTIONAL CENTER REALLOCATION

42       Sec. 61. Effective July 1, 1989, the land, together with all buildings and  
43 equipment, currently referred to as the Goldsboro Correctional Center shall be

1 reallocated from the Department of Human Resources, Cherry Hospital, to the  
2 Department of Correction.

3

4 Requested by: Senator Marvin

5 —INDIGENT PERSONS' ATTORNEY FEE FUND

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

12 (b) Effective July 1, 1989, the Administrative Office of the Courts shall, for  
13 each year of the biennium, allot the sum of eleven million one hundred thousand dollars  
14 (\$11,100,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and  
15 guardian **ad litem** cases for the 1989-90 and 1990-91 fiscal years to each judicial  
16 district where the superior and district court districts are coterminous, and otherwise by  
17 county, according to case load of indigent persons who were not represented by the  
18 public defender in the districts or counties during 1988-89 and 1989-90, respectively.

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

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

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

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

42

43 PART XIV.—DEPARTMENT OF HUMAN RESOURCES

44

1 Requested by: Senator Walker.

2 ---MEDICAID

3 Sec. 63. (a) Appropriations in Sec. 3 of this act for services provided in  
4 accordance with Title XIX of the Social Security Act (Medicaid) are for both the  
5 categorically needy and the medically needy. Funds appropriated for these services  
6 shall be expended in accordance with the following schedule of services and payment  
7 bases. All services and payments are subject to the language at the end of this  
8 subsection.

9 Services and payment bases:

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

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

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

39 Any changes in services or bases of payment in the Medicaid program must  
40 be approved by the Director of the Budget with the advice of the Advisory Budget  
41 Commission.

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



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

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. Effective until January 1, 1988, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children and the Standard of Need for Aid to Families with Dependent Children shall continue as set by Section 118 of Chapter 1014 of the 1985 Session Laws. Regular Session, 1986. Effective January 1, 1988, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

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

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

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

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

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

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

1 (g) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through  
2 G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security  
3 Act) a prescription order for a drug designated by a trade or brand name shall be  
4 considered to be an order for the drug by its established or generic name, except when  
5 the prescriber personally indicates, either orally or in his own handwriting on the  
6 prescription order, "dispense as written" or words of similar meaning. Generic drugs,  
7 when available in the pharmacy, shall be dispensed at a lower cost to the Medical  
8 Assistance Program rather than trade or brand name drugs, subject to the prescriber's  
9 "dispense as written" order as noted above.

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

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

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

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

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

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

38 (m) The Department of Human Resources shall provide Medicaid coverage  
39 for pregnant women; for children under age 3; for children under age 4 beginning  
40 October 1, 1989; and for children under age 5 beginning October 1, 1990, whose family  
41 income is equal to or less than the federal poverty guidelines as revised annually.  
42 Services to pregnant women eligible under this provision continue throughout the  
43 pregnancy but include only those services related to pregnancy and to those other  
44 conditions determined by the Department as conditions that may complicate pregnancy.

1 In order to reduce county administrative costs and to expedite the provision of medical  
2 service to pregnant women and to children eligible under this section, no resource test  
3 shall be applied.

4  
5 Requested by: Senator Walker.

6 —FAMILY SUPPORT ACT

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

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

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

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

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

32  
33 Requested by: Senator Walker

34 —LIMITATIONS ON THE STATE ABORTION FUND

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

43  
44 Requested by: Senator Walker.

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

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

5

6 Requested by: Senator Walker.

7 ---RETROSPECTIVE ACCOUNTING ADJUSTMENT/AFDC

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

15

16 Requested by: Senator Walker.

17 ---FOSTER CARE BOARD RATE

18           Sec. 68. Funds appropriated to the Department of Human Resources by Sec.  
19 3 of this act for foster care board rates shall be used to set the rates at two hundred  
20 dollars (\$200.00) per child per month.

21

22 Requested by: Senator Walker.

23 ---ADOPTION SUBSIDY

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

27

28 Requested by: Senator Walker.

29 ---AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY

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

34

35 Requested by: Senator Walker.

36 ---EMERGENCY ASSISTANCE

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

1 It is the intent of the General Assembly that these Emergency Assistance  
2 funds shall only be used to provide assistance to persons to alleviate an emergency. In  
3 evaluating whether an emergency exists, the county departments of social services shall  
4 apply prudent judgment to evaluate each emergency on its own merits. Prudent  
5 judgment will permit departments of social services to consider whether the client  
6 created the emergency and whether the assistance will resolve the emergency. The  
7 Social Services Commission shall adopt rules to be effective no later than November 1,  
8 1989, to incorporate these considerations into the Department's evaluation of an  
9 emergency.

10  
11 Requested by: Senator Walker.

12 ---FEDERAL WELFARE REFORM REPORT

13 Sec. 72. The Department of Human Resources shall report to the General  
14 Assembly on the status of the implementation of the Family Support Act of 1988. This  
15 report shall contain the Department's plan for the implementation of the law, including  
16 an analysis of the policy changes in each program affected by the law and an analysis of  
17 the costs and revenues associated with those policy changes. The report shall be  
18 submitted to the Fiscal Research Division of the Legislative Services Office by March  
19 1, 1990.

20  
21 Requested by: Senator Walker.

22 ---DOMICILIARY HOME RATE

23 Sec. 73. Effective January 1, 1990, the maximum monthly rate for  
24 ambulatory residents in domiciliary care facilities shall be six hundred ninety-six dollars  
25 (\$696.00) and the maximum monthly rate for semi-ambulatory residents shall be seven  
26 hundred thirty dollars (\$730.00). Effective January 1, 1991, the maximum monthly  
27 rates for ambulatory residents shall be increased to seven hundred six dollars (\$706.00)  
28 and for semi-ambulatory residents seven hundred forty dollars (\$740.00).

29  
30 Requested by: Senator Walker.

31 ---WILLIE M.

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

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

43 (b) Funds for Department of Human Resources. It is the intent of the General  
44 Assembly that funds appropriated in Sec. 5 of this act to the Department of Human

1 Resources for serving members of the Willie M. Class be expended only for programs  
2 serving members of the Willie M. Class identified in Willie M., et al. vs. Martin, et al.,  
3 formerly Willie M., et al. vs. Hunt, et al., including evaluations of potential class  
4 members. It is recognized that therapeutic or economic reasons may, at times, require  
5 certain of these services to serve a mixed clientele of Willie M. Class members and  
6 other clients. To the maximum extent possible, however, these funds shall be expended  
7 solely for the benefit of Willie M. Class members. The Department shall reallocate  
8 these funds among services to Willie M. Class members during the year as it deems  
9 advisable in order to use the funds efficiently in providing appropriate services to Willie  
10 M. Class children.

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

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

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

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

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

41 (1) That the responsible State agencies have made a bona fide good faith  
42 effort to comply fully with the requirements of the Court Orders in the  
43 case of Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs.

1 Hunt, et al., and that services and placements for Willie M. Class  
2 members are very greatly improved.

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

6 (3) That the funds appropriated will enable the development and  
7 implementation of placement and services for the class members in  
8 Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt,  
9 et al., within a reasonable period of time considered within the context  
10 of the needs of the class members, the other needs of the State and the  
11 resources available to the State.

12 (4) That additional expenditures of funds for these purposes at this time  
13 would result in an accelerated expenditure of and an unreasonable  
14 waste of State funds inasmuch as such expenditures could not  
15 reasonably be expected to actually secure a higher degree of treatment  
16 or education for the class members than can be accomplished with the  
17 funds appropriated.

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

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

39  
40 Requested by: Senator Walker.

41 ---MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

42 Sec. 75. Funds received by the Department of Human Resources from the tax  
43 levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the  
44 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall

1 be matched by local funds in accordance with the State/local ratio established by the  
2 current area mental health matching formula. These funds shall be allocated to the area  
3 mental health programs on a per capita basis as determined by the Office of State  
4 Budget and Management's most recent estimates of county populations.

5  
6 Requested by: Senator Walker

7 —ALCOHOL REHABILITATION CENTER PLAN DEVELOPMENT

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

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

15 (b) The Department shall also develop and implement a plan during the 1989-  
16 90 fiscal year to improve the efficiency and effectiveness of the three Alcohol  
17 Rehabilitation Centers that is in accordance with the findings and recommendations of  
18 its Report on the Alcohol Rehabilitation Centers, presented to the Joint Appropriations  
19 Committee, in March, 1989. The plan shall address, among other issues the Department  
20 considers appropriate:

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

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

38  
39 Requested by: Senator Walker

40 —McLEOD WEST RESIDENTIAL PROGRAM REPORT

41 Sec. 77. The Department of Human Resources shall conduct a comparative  
42 study of the McLeod West Residential Drug Program and the Alcohol Rehabilitation  
43 Center at Black Mountain to determine if there is a duplication of services between the  
44 two programs. The study shall address, among other issues the Department considers



1 appropriate, the demographic characteristics of the clients served, their treatment needs,  
2 the types of services provided, costs of services, sources of funding, occupancy rates,  
3 and success rates.

4 The Department shall report its findings to the General Assembly by May 1,  
5 1990.

6  
7 Requested by: Senator Walker.

8 ---ADOLESCENT SUBSTANCE ABUSE SERVICES

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

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

16  
17 Requested by: Senator Walker.

18 ---ADAP TRANSPORTATION REIMBURSEMENT

19 Sec. 79. (a) Reimbursement of Adult Developmental Activity Programs for  
20 transportation of clients shall be based on a cost per client basis. The minimum amount  
21 that a program may be reimbursed for transportation cost shall be eleven dollars  
22 (\$11.00) per client per month. The maximum amount that a program may be  
23 reimbursed for transportation cost shall be twenty-seven dollars (\$27.00) per client per  
24 month.

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

29  
30 Requested by: Senator Walker.

31 ---PIONEER PROJECT REIMBURSEMENT AUTHORIZATION

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

37  
38 Requested by: Senator Walker.

39 ---MATERNAL AND CHILD HEALTH CARE

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

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

7 (c) All income earned by local health departments for Maternal and Child  
8 Health programs supported in whole or in part from State or federal funds, received  
9 from the Division of Health Services, Department of Human Resources, shall be  
10 budgeted and expended by local health departments to further the objectives of the  
11 program that generated the income.

12  
13 Requested by: Senator Walker.

14 ---HEALTH PROMOTION FUNDS

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

19  
20 Requested by: Senator Walker.

21 ---ADOLESCENT PREGNANCY PREVENTION PROJECTS

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

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

32  
33 Requested by: Senator Walker

34 ---CHILDREN'S SPECIAL HEALTH SERVICES PROGRAM

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

40  
41 Requested by: Senator Walker.

42 ---TRANSFERS OF CERTAIN FUNDS AUTHORIZED

43 Sec. 85. In order to assure maximum utilization of funds in county  
44 departments of social services, county or district health agencies, and area mental

1 health, mental retardation, and substance abuse authorities, the Director of the Budget is  
2 authorized to transfer excess funds appropriated to a specific service or program or  
3 fund, whether specified in a block grant plan or General Fund appropriation, into  
4 another service or program or fund for local services within the budget of the respective  
5 State agency.

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

9  
10 Requested by: Senator Walker

11 —CAREGIVER SUPPORT

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

21 (1) Respite Care;

22 (2) Adult Day Care;

23 (3) Stipends and other related costs for senior companions, modeled after  
24 the federal Senior Companion Program; and

25 (4) Other related services that meet needs not now adequately addressed  
26 by the services described in subsections (1) through (3) of this  
27 subsection.

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

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

40  
41 Requested by: Senator Walker.

42 —AGING FEDERAL MATCHING FUNDS

43 Sec. 87. Effective July 1, 1989, the Division of Aging, Department of Human  
44 Resources, may use funds appropriated in Sec. 3 of this act to the Department of Human

1 Resources, Secretary's Office, to provide the State matching requirement necessary to  
2 draw down federal money available through the new Title III-D of the Older Americans  
3 Act for in-home services for the frail elderly, including those with Alzheimer's Disease.

4  
5 Requested by: Senator Walker

6 —RESPITE CARE PROGRAM

7 Sec. 88. (a) A respite care program is established to provide needed relief to  
8 caregivers of impaired adults who cannot be left alone because of mental or physical  
9 problems and who are not eligible for respite care services through the North Carolina  
10 Medicaid Program.

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

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

17 (1) Attendance and companion services for the patient in order to provide  
18 release time to the caregiver.

19 (2) Personal care services, and meal preparation for the patient of the  
20 caregiver.

21 (3) Temporarily placing the person out of his home to provide the  
22 caregiver total respite when the mental or physical stress on the  
23 caregiver necessitates this type of respite.

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

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

40 (e) The respite care program established by this section shall be administered  
41 by the Division of Aging in consultation with the Council of Government in each  
42 region. The program will be coordinated with other appropriate Divisions in the  
43 Department of Human Resources, the North Carolina Chapter of Alzheimers Disease

1 and Related Disorders Association, the North Carolina Home Care Association, and  
2 other appropriate organizations.

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

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

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

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

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

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

41 Requested by: Senator Walker.

42 —IN-HOME AGING SERVICES

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

7           The Division shall administer the in-home aide services and activities funded  
8 by this section. The Division of Aging shall choose in-home service providers in  
9 accordance with procedures under the Older Americans Act and shall include the  
10 following criteria: documented capacity to provide care, adequacy of quality assurance,  
11 training, supervision, abuse prevention complaint mechanisms, and costs. All funds  
12 allocated by the Division pursuant to this section shall be allocated by October 1, 1989,  
13 on the same basis as funding under the Older Americans Act.

14  
15 —SEPTAGE MANAGEMENT FEES

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

19  
20 Requested by: Senator Walker.

21 —DAY CARE FUNDS MATCH REQUIREMENT

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

25  
26 Requested by: Senator Walker.

27 —DAY CARE

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

31  
32 Requested by: Senator Walker.

33 —DAY CARE RATES

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

- 38           (1) For facilities in which fewer than fifty percent (50%) of the enrollees  
39 are subsidized by State or federal funds, the State shall continue to pay  
40 the same fee paid by private paying parents for a child in the same age  
41 group in the same facility.
- 42           (2) Facilities in which fifty percent (50%) or more of the enrollees are  
43 subsidized by State or federal funds may choose annually one of the  
44 following payment options:

- 1 a. The facility's payment rate for fiscal year 1985-86; or  
2 b. The county market rate, as calculated annually by the  
3 Department of Human Resources' Office of Child Day Care  
4 Services. A market rate shall be calculated for each county and  
5 for each age group of enrollees, and shall be the county average  
6 of all fees charged to unsubsidized private paying parents for  
7 each age group of enrollees. Effective July 1, 1987, and  
8 thereafter, the county market rates shall be calculated from  
9 facility fee schedules collected by the Office of Child Day Care  
10 Services during its annual inspection visits.

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

15 Day care plans from which the State purchases day care services shall meet  
16 the standards established by the Child Day Care Commission pursuant to G.S. 110-101  
17 and G.S. 110-105.1. Until it can demonstrate that it meets the standards adopted by the  
18 Child Day Care Commission, a day care plan from which the State purchases day care  
19 services for minor children of needy families shall meet all certification standards  
20 adopted by the Department of Human Resources' Office of Child Day Care Services.  
21 The fee for the purchase of care from a day care plan is one hundred fifty dollars  
22 (\$150.00) per month. The fee for the purchase of care from individual Child Caring  
23 Providers is one hundred dollars (\$100.00) per month.

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

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

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

33  
34 Requested by: Senator Walker.

35 —DAY CARE ALLOCATION FORMULA

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

- 40 (1) Fifty percent (50%) of budgeted funds shall be distributed according to  
41 the county's population; and  
42 (2) Fifty percent (50%) of budgeted funds shall be distributed based upon  
43 the county's poverty rate as a percentage of the sum total of all North  
44 Carolina's county poverty rates.

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

Requested by: Senator Walker.

—NO EYE CLINICS IN CERTAIN COUNTIES

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

Requested by: Senator Walker.

—DHR EMPLOYEES AS IN-KIND MATCH

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

Requested by: Senator Walker.

—NON-MEDICAID REIMBURSEMENT

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

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

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

	Family	Medical Eye	All		
		Size	Kidney	Care Adults	Rehabilitation
			Other		
1	6,400	4,860	8,364	4,200	
2	8,000	5,940	10,944	5,300	
3	9,600	6,204	13,500	6,400	
4	11,000	7,284	16,092	7,500	



1       5       12,000   7,824 18,6487,900  
 2       6       12,800   8,220 21,2288,300  
 3       7       13,600   8,772 21,7088,800  
 4       8       14,400   9,312 22,2209,300

5           The eligibility level each fiscal year for outpatient services for all clients and  
 6 for inpatient services for children under the age of five in the Children's Special Health  
 7 Services Program shall be one hundred percent(100%) of the federal poverty guidelines  
 8 as revised annually by the United States Department of Health and Human Services, in  
 9 effect on July 1, of each fiscal year. The eligibility level for children in the Medical Eye  
 10 Care Program in the Division of Services for the Blind shall be the same as that for  
 11 children in the Children's Special Health Services Program.

12  
 13 PART XV.—DEPARTMENT OF AGRICULTURE

14  
 15 Requested by: Senator R.L. Martin

16 —STATE FARM OPERATIONS CHANGES

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

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

20 **"§ 106-22.1. State farms.**

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

26  
 27 Requested by: Senator R.L. Martin

28 —DROUGHT EMERGENCY RESERVE REALLOCATION

29       Sec. 99. (a)     Of the funds appropriated to the Department of Agriculture and  
 30 allocated to the Drought Emergency Reserve in Section 155.1 of Chapter 1086 of the  
 31 1987 Session Laws, nine hundred fifty thousand eight hundred dollars (\$950,800) shall  
 32 be reallocated to the Department of Agriculture to be used to complete construction of  
 33 the new Raleigh Farmers Market.

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

35  
 36 Requested by: Senator Daughtry

37 —ABOLISH AGRICULTURAL FINANCE AUTHORITY

38       Sec. 100. (a) The funds in the Reserve for Farm Loans of the North Carolina  
 39 Agricultural Finance Authority in excess of three hundred five thousand dollars  
 40 (\$305,000) to meet its present obligations and written commitments shall be deposited  
 41 in the General Fund, and these funds shall revert to the General Fund on June 30, 1989.

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

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

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

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

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

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

9 (a) Any lender authorized to engage in business as a bank, a farm  
10 credit system, life insurance company, savings institution, or  
11 credit union, under the laws of the United States or the State of  
12 North Carolina and subsidiaries and affiliates of such lenders,  
13 which subsidiaries and affiliates are subject to the general  
14 supervision or regulation of the lender or subject to audit or  
15 examination by a regulatory body or agency of the United  
16 States or the State of North Carolina; the entities listed in this  
17 sub-subdivision, and their officers and employees, are not  
18 subject to any of the provisions of this Article; or

19 (b) Any licensed real estate agent or broker, who is performing  
20 those activities subject to the regulation of the North Carolina  
21 Real Estate Commission. Notwithstanding the above, an  
22 exempt person does not include a real estate agent or broker  
23 who receives direct compensation or income in connection with  
24 the placement of a mortgage loan; or

25 (c) Any person who, as seller, receives in one calendar year no  
26 more than ten mortgages, deeds of trust, or other security  
27 instruments on real estate as security for a purchase money  
28 obligation; or

29 (d) The North Carolina Housing Finance Agency as established by  
30 Chapter 122A of the General Statutes ~~and the North Carolina~~  
31 ~~Agricultural Finance Authority as established by Chapter 122D~~  
32 ~~of the General Statutes; Statutes; or~~

33 (e) Any agency of the federal government or any state or municipal  
34 government granting first mortgage loans under specific  
35 authority of the laws of any state or the United States."

36 (g) G.S. 120-123(47) is repealed.

37 (h) Subsections (a) and (b) of this section are effective upon ratification.

38  
39 PART XVI.—DEPARTMENT OF COMMERCE

40  
41 Requested by: Senator R.L. Martin

42 —RURAL ECONOMIC DEVELOPMENT CENTER

43 Sec. 101. (a) Of the funds appropriated to the Department of Commerce in Sec.  
44 5 of this act, the sum of two million dollars (\$2,000,000) for fiscal year 1989-90 and the

1 sum of two million dollars (\$2,000,000) for fiscal year 1990-91, shall be used for a  
2 grant-in-aid to the Rural Economic Development Center, Inc., for the administrative  
3 costs of the Center and for its pilot projects and research. No more than five hundred  
4 thousand dollars (\$500,000) of the funds appropriated for each fiscal year may be used  
5 for the administrative costs of the Rural Economic Development Center, Inc.

6 (b) Beginning October 1, 1989, the Rural Economic Development Center, Inc.,  
7 shall provide quarterly reports on the Center's pilot projects and research program to the  
8 Joint Legislative Commission on Governmental Operations and to the Director of the  
9 Fiscal Research Division not less than 48 hours prior to the beginning of the  
10 Commission's full meeting. These reports shall include information of the activities and  
11 accomplishments during the past fiscal year, itemized expenditures during the past fiscal  
12 year, sources of funding for the past and prospective fiscal years, and planned activities  
13 and planned expenditures for at least the next fiscal year.

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

18  
19 Requested by: Senator R.L. Martin

20 —FUNDS FOR THE EMPLOYMENT SECURITY COMMISSION

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

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

33 (c) Beginning October 1, 1989, the Employment Security Commission shall  
34 report to the Appropriations Committee on Natural and Economic Resources and the  
35 Joint Legislative Commission on Governmental Operations by the first of each month,  
36 prior to the expenditure of any funds appropriated by this section. Supplemental federal  
37 funds or other additional funds received by the Employment Security Commission for  
38 similar purposes shall be expended prior to the expenditure of funds appropriated by  
39 this section.

40  
41 Requested by: Senator Barker

42 —TOURISM PROMOTION GRANTS

43 Sec. 103. Funds appropriated in Sec. 5 of this act to the Department of  
44 Commerce for the 1989-90 fiscal year and the 1990-91 fiscal year for tourism

1 promotion grants shall be allocated according to per capita income, unemployment, and  
2 population growth in an effort to direct funds to counties most in need in the following  
3 manner:

- 4 (1) Counties 1 through 20, according to per capita income, unemployment,  
5 and population growth, are each eligible to receive a maximum grant  
6 of ten thousand dollars (\$10,000) for each fiscal year, provided these  
7 funds are matched on the basis of one non-State dollar for every four  
8 State dollars.
- 9 (2) Counties 21 through 50, according to per capita income,  
10 unemployment, and population growth, are each eligible to receive a  
11 maximum grant of five thousand dollars (\$5,000) for two of the next  
12 three fiscal years, provided these funds are matched on the basis of one  
13 non-State dollar for every three State dollars.
- 14 (3) Counties 51 through 100, according to per capita income,  
15 unemployment, and population growth, are each eligible to receive a  
16 maximum grant of five thousand dollars (\$5,000) for alternating fiscal  
17 years, beginning with the 1989-90 fiscal year, provided these funds are  
18 matched on the basis of four non-State dollars for every State dollar.

19  
20 Requested by: Senator R.L. Martin

21 —MICROELECTRONICS CENTER

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

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

26 '(a) Of the funds appropriated to the Office of State Budget and Management in  
27 Section 5 of this act as amended, the sum of twelve million dollars (\$12,000,000) for the  
28 1987-88 fiscal year and the sum of six million dollars (\$6,000,000) for the 1988-89  
29 fiscal year shall be used for a supercomputer that is needed both to keep North  
30 Carolina's universities in the forefront of scholarly research and training and to maintain  
31 the momentum of the State's science-based economic development. The funds shall be  
32 used for capital equipment, construction of a building and operating expenses, and shall  
33 be placed in a non-revert reserve.'

34 (b) The State Computer Commission and the agency, institution, or organization  
35 it designates as the manager for the supercomputer project shall present a written report  
36 on the progress of the supercomputer project ~~to each regular monthly meeting of~~ on a  
37 quarterly basis to the Joint Legislative Commission on Governmental Operations  
38 through the years 1988, 1989, and 1990. fiscal years 1988, 1989, 1990, and 1991. The  
39 written reports shall be delivered to the Director of the Fiscal Research Division not less  
40 than 48 hours prior to the beginning of the Commission's full meeting. The written  
41 reports shall contain at least the following information: the major tasks accomplished  
42 since the last report; the major tasks expected for the project over the two calendar years  
43 after the date of the report; the projected budgets and expenditures of the project over  
44 the next two calendar years after the date of the report; the major applications and uses

1 on the supercomputer in the time since the last report; and the major projected  
2 applications and uses on the supercomputer in the next several months that will follow  
3 the report. The report shall constitute a full management and status report on the  
4 supercomputer project. If so requested by the Cochairmen of the Joint Legislative  
5 Commission on Governmental Operations, the Chairman of the State Computer  
6 Commission, or his designee, shall present the report verbally to the meeting of Joint  
7 Legislative Commission on Governmental Operations.

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

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

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

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

36 Appointments by the General Assembly shall be made in accordance with G.S. 120-  
37 121, and vacancies in those appointments shall be filled in accordance with G.S. 120-  
38 122.

39 (f) Among other duties, the Policy Board shall: (i) approve the appointment of a  
40 Director and set his or her employment conditions; (ii) approve the specifications of the  
41 supercomputer and the recommendation of a successful bidder that will be chosen  
42 according to the procurement procedures of the Division of Purchase and Contract in  
43 the Department of Administration; (iii) formulate and approve the budget and operating

1 policies of the supercomputer center; (iv) approve the purposes of the supercomputer  
2 center; and (v) serve generally as the governing board of the supercomputer center.

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

7 (1) Technical policy and operating procedure advice,

8 (2) Advice concerning use of the supercomputing facilities by educational  
9 institutions and other groups and individuals,

10 (3) Advice and policy suggestions concerning the structures and  
11 operations of the supercomputing center and any adjunct institutes,  
12 conferences, or consultative committees, and

13 (4) Advice and council to the Microelectronics Center of North Carolina  
14 or anyone it employs or enters into contract with related to the  
15 operation of the supercomputer project,

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

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

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

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

44

1 Requested by: Senator R.L. Martin

2 ---BIOTECHNOLOGY PRIVATE SECTOR RESEARCH

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

5 (b) Beginning October 1, 1989, the North Carolina Biotechnology Center shall  
6 provide quarterly reports on the Center's nonacademic private sector research and  
7 development projects to the Joint Legislative Commission on Governmental Operations  
8 and to the Director of the Fiscal Research Division not less than 48 hours prior to the  
9 beginning of the Commission's full meeting. These reports shall include information of  
10 the activities and accomplishments during the past fiscal year, the annual audit, sources  
11 of funding for the past and prospective fiscal years, and planned activities and planned  
12 expenditures for at least the next fiscal year.

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

17

18 PART XVII.—DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES  
19 AND COMMUNITY DEVELOPMENT

20

21 Requested by: Senator Hunt of Moore

22 ---ZOO RECEIPTS

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

25 **"§ 143B-337. Special Zoo Fund.**

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

35

36 Requested by: Senator Barker

37 ---REVIEW COMMITTEE FOR AGRICULTURE COST SHARE PROGRAM

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

39 **"§ 143-215.74B. Committee established.**

40 Detailed plans for implementing the program shall be reviewed and suggested  
41 changes and reasons therefor shall be given by a committee consisting of the Master of  
42 the North Carolina State Grange, President of the North Carolina Farm Bureau  
43 Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of  
44 Agriculture and Life Sciences at North Carolina State University, the Chairman of the

1 State Soil and Water Conservation Commission, ~~and the President of the North Carolina~~  
2 ~~Association of Soil and Water Conservation Districts--Districts,~~ the Executive Director  
3 of the Wildlife Resources Commission, and the Director of the Division of Marine  
4 Fisheries. The committee shall review the program prior to expenditure of any funds  
5 for the program. Certification documenting the committee's review of the program shall  
6 be made in writing to the Speaker of the House of Representatives, the President of the  
7 Senate, and Chairmen of the Appropriations Committees of the Senate and the House of  
8 Representatives."

9

10 Requested by: Senator Barker

11 ---TECHNICAL REVIEW COMMITTEE APPOINTMENTS

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

19

20 Requested by: Senator R.L. Martin

21 ---COMMUNITY ACTION PROGRAM FUNDS

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

- 33 (1) The total budget for each community action agency or limited purpose  
34 agency by program funding source;  
35 (2) The amount of funds for administration provided by each program;  
36 (3) The criteria for determining the amount of funds used for  
37 administrative expenses; and  
38 (4) The number of persons served by each program.

39

40 Requested by: Senator R.L. Martin

41 ---FORESTRY EQUIPMENT REPLACEMENT PLAN

42 Sec. 109. The Department of Natural Resources and Community  
43 Development shall prepare a plan for the replacement of fire-fighting equipment and the  
44 construction of equipment sheds and office complexes to be used to protect forestry



1 equipment. This plan shall be submitted biennially to the General Assembly for  
2 approval with the biennial budget request for the next biennium and in the same manner  
3 as the biennial budget request.

4  
5 Requested by: Senator R.L. Martin

6 —ENVIRONMENTAL MANAGEMENT PERMIT FEES

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

8 "**§ 143-215.3A. Use of application and permit fees.**

9 There is established a separate nonreverting account within the Office of State  
10 Budget within the Department of Natural Resources and Community Development.

11 The account will be used, to the extent appropriated by the General Assembly, for  
12 ~~allocations to the Department of Natural Resources and Community Development~~ to (a)

13 defray the expenses of any project or program supporting the permitting and  
14 compliance activities needed to protect the State's surface water, groundwater, and air

15 quality, and (b) establish additional permanent positions, under the Personnel Act,  
16 for water, groundwater, and air quality permitting and compliance activities. All

17 application fees and permit administration fees collected by the State for permits issued  
18 under Articles 21, 21A, 21B, and 38, except those collected under Part 2 of Article 21A

19 and deposited in the Oil or Other Hazardous Substances Pollution Protection Fund, and  
20 except as provided in G.S. 143-215.3B shall be deposited in the account. The total

21 monies collected per year from fees for permits under G.S. 143-215.3(a)(1a) shall not  
22 exceed thirty percent (30%) of the total budgets from all sources of environmental

23 permitting and compliance programs within the Department of Natural Resources and  
24 Community Development. The Department shall make an annual report to the General

25 Assembly and its Fiscal Research Division on the cost of the State's environmental  
26 permitting programs contained within such Department. The report shall include, but is

27 not limited to, fees set and established under this Article, fees collected under this  
28 Article, revenues received from other sources for environmental permitting and

29 compliance programs, changes made in the fee schedule since the last report, anticipated  
30 revenues from all other sources, interest earned and any other information requested by

31 the General Assembly."  
32

33 Requested by: Senator R.L. Martin

34 —LAB CERTIFICATION FEES

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

36 "(10) To require a laboratory facility to be certified by the  
37 Department before performing any tests, analyses,  
38 measurements, or monitoring required under this Article and to  
39 establish fees therefor. These fees collected by the Department  
40 shall remain available to the Department to be used to offset the  
41 cost of certifying commercial, industrial, and municipal  
42 laboratory facilities."  
43

44 Requested by: Senator R.L. Martin

1 —CLEAN WATER REVOLVING LOAN AND GRANT FUND

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

3 "(b) Of the appropriations made from the General Fund to the Clean Water  
4 Revolving Loan and Grant Fund for use of the Office of State Budget and Management  
5 as provided in this Chapter, allocations are made as follows after first subtracting the  
6 amounts allocated under subsection (a) of this section, to the extent that there are any  
7 excess funds available:

8 Wastewater Accounts

9 General Wastewater Revolving

10 Loan Account ~~45.00%~~ 45.00%

11 Emergency Wastewater Revolving

12 Loan Account ~~13.00%~~ ~~13.00%~~ 14.00%

13 High-Unit Cost Wastewater

14 Account ~~10.00%~~ 10.00%

15 Water Supply Accounts

16 General Water Supply

17 Revolving Loan Account ~~23.00%~~ 23.00%

18 High-Unit Cost Water Supply

19 Account ~~3.00%~~ 3.00%

20 Emergency Water Supply Revolving

21 Loan Account ~~5.00%~~ 5.00%

22 ~~Administrative Account~~ ~~-1.00%~~ ~~-1.00%"~~

23

24 PART XVIII.—MISCELLANEOUS PROVISIONS

25

26 Requested by: Senator Basnight

27 —EFFECT OF HEADINGS

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

31

32 Requested by: Senator Basnight

33 —EXECUTIVE BUDGET ACT REFERENCE

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

37

38 Requested by: Senator Basnight

39 —COMMITTEE REPORT

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

1

2 Requested by: Senator Basnight

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

4 91

5           Sec. 116. Except for statutory changes or other provisions that clearly  
6 indicate an intention to have effects beyond the 1989-91 biennium, the textual  
7 provisions of this act shall apply only to funds appropriated for and activities occurring  
8 during the 1989-91 biennium.

9

10 Requested by: Senator Basnight

11 —SEVERABILITY CLAUSE

12           Sec. 117. If any section or provision of this act is declared unconstitutional or  
13 invalid by the courts, it does not affect the validity of the act as a whole or any part  
14 other than the part so declared to be unconstitutional or invalid.

15

16 Requested by: Senator Basnight

17 —EFFECTIVE DATE

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