

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1340
Committee Substitute Favorable 6/11/92
Third Edition Engrossed 6/12/92
Senate Appropriations Committee Substitute Adopted 6/19/92
Fifth Edition Engrossed 6/20/92

Short Title: Current Operations Appropriations 1992.

(Public)

Sponsors:

Referred to:

May 27, 1992

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE APPROPRIATIONS AND BUDGET REVENUE ACT
OF 1991, AS AMENDED, AND TO MAKE OTHER CHANGES IN THE
BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

INTRODUCTION

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

TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1992."

PART 1. GENERAL FUND APPROPRIATIONS

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1 Department of Labor
 2 of 3,
 3 730,421
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 5 Department of Insurance
 6 of 1,
 7 189,944
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 9 Department of Transportation
 10 01. Aeronautics 2,666,666
 11
 12 Department of Environment, Health, and
 13 Natural Resources
 14 6,
 15 485,637
 16
 17 Administrative Rules Review Commission
 18 4,
 19 500
 20
 21 Department of Human Resources
 22 01. Alcohol Drug Abuse Treatment Center -
 23 Black Mountain (72,569)
 24 02. Alcohol Drug Abuse Treatment Center -
 25 Butner 40,040
 26 03. Alcohol Drug Abuse Treatment Center -
 27 Greenville 2,719
 28 04. N.C. Special Care Center (898,821)
 29 05. Black Mountain Center (1,196,424)
 30 06. DHR - Secretary 225,000
 31 07. Division of Aging
 32 08. Schools for the Deaf
 33 and Hard of Hearing
 34 09. Social Services 13,020,240
 35 10. Medical Assistance 5,641,746
 36 11. Social Services - State Aid to
 37 Non-State Agencies 1,095,960
 38 12. Division of Mental Health,
 39 Developmental Disabilities, and
 40 Substance Abuse Services 14,343,135
 41 13. Dorothea Dix Hospital (1,808,829)
 42 14. Broughton Hospital (1,148,100)
 43 15. Cherry Hospital (1,468,425)
 44 16. John Umstead Hospital (1,525,069)

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|----|-----|--------------------------------------|-------------|------------|
| 1 | 17. | Western Carolina Center | 542,516 | |
| 2 | 18. | O'Berry Center | (973,982) | |
| 3 | 19. | Murdoch Center | (1,058,265) | |
| 4 | 20. | Caswell Center | (409,736) | |
| 5 | 21. | Division of Facility Services | 12,671,793 | |
| 6 | 22. | Division of Vocational | | |
| 7 | | Rehabilitation Services | 380,000 | |
| 8 | 23. | Division of Youth Services | 1,891,170 | |
| 9 | | | | |
| 10 | | Total Department of | | |
| 11 | | Human | | Resources |
| 12 | | | | 39 |
| 13 | | ,294,099 | | |
| 14 | | | | |
| 15 | | Department | of | Correction |
| 16 | | | | 7, |
| 17 | | 800,400 | | |
| 18 | | | | |
| 19 | | Department of Economic and | | |
| 20 | | Community Development | | |
| 21 | 01. | Economic and Community | | |
| 22 | | Development | 3,182,633 | |
| 23 | 02. | Rural Economic Development Center | 2,275,000 | |
| 24 | | | | |
| 25 | | Department | of | Revenue |
| 26 | | | | 61 |
| 27 | | 5,591 | | |
| 28 | | | | |
| 29 | | Department of Crime Control | | |
| 30 | and | | Public | Safety |
| 31 | | | | 87 |
| 32 | | 7,782 | | |
| 33 | | | | |
| 34 | | University of North Carolina - Board | | |
| 35 | | of Governors | | |
| 36 | 01. | General Administration | (1,000,000) | |
| 37 | 02. | University Institutional | | |
| 38 | | Program | (614,869) | |
| 39 | 03. | University of North Carolina | | |
| 40 | | at Chapel Hill | | |
| 41 | a. | Academic Affairs | (855,000) | |
| 42 | b. | Health Affairs | (659,872) | |
| 43 | 04. | North Carolina State University | | |
| 44 | | at Raleigh | | |

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|----|--------------------------------|---------------------------------|-------------|----|------------|
| 1 | a. | Academic Affairs | (1,010,000) | | |
| 2 | 05. | University of North Carolina at | | | |
| 3 | | Greensboro | (344,000) | | |
| 4 | 06. | University of North Carolina at | | | |
| 5 | | Charlotte | (15,000) | | |
| 6 | 07. | University of North Carolina at | | | |
| 7 | | Wilmington | (55,000) | | |
| 8 | 08. | East Carolina University | | | |
| 9 | a. | Academic Affairs | (86,000) | | |
| 10 | b. | Division of Health Affairs | - | | |
| 11 | 09. | Fayetteville State University | (54,000) | | |
| 12 | 10. | North Carolina Central | | | |
| 13 | | University | (75,000) | | |
| 14 | 11. | UNC Hospitals at Chapel Hill | (5,969,239) | | |
| 15 | | | | | |
| 16 | Total University of North | | | | |
| 17 | Carolina | - | Board | of | Governors |
| 18 | | | | | (1 |
| 19 | 0,737,980) | | | | |
| 20 | | | | | |
| 21 | Department | of | Community | | Colleges |
| 22 | | | | | 10 |
| 23 | ,553,712 | | | | |
| 24 | | | | | |
| 25 | State | Board | | of | Elections |
| 26 | | | | | 24 |
| 27 | ,475 | | | | |
| 28 | | | | | |
| 29 | Contingency and Emergency | | | | |
| 30 | | | | | |
| 31 | Reserve for Integrated Tax | | | | |
| 32 | Administration | | | | System |
| 33 | | | | | 1, |
| 34 | 400,000 | | | | |
| 35 | | | | | |
| 36 | Reserve for Salary Reduction - | | | | |
| 37 | Positions | Vacated | | by | Retirement |
| 38 | | | | | (1 |
| 39 | 9,500,000) | | | | |
| 40 | | | | | |
| 41 | Reserve | for | Salary | | Increases |
| 42 | | | | | 11 |
| 43 | 4,550,000 | | | | |
| 44 | | | | | |

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|---|---------------------------------|---------|-----------|
| 1 | Salary | Reserve | Deletions |
| 2 | | | (1, |
| 3 | 926,180) | | |
| 4 | | | |
| 5 | GRAND TOTAL CURRENT OPERATIONS/ | | |
| 6 | GENERAL FUND | | \$ |
| 7 | 161,343,681 | | |
| 8 | | | |

PART 2. HIGHWAY FUND APPROPRIATIONS

CURRENT OPERATIONS/HIGHWAY FUND

Sec. 4. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the fiscal year ending June 30, 1993, according to the schedule that follows. The amounts set out in the schedule are in addition to other appropriations from the Highway Fund for these purposes for the 1992-93 fiscal year. Amounts set out in brackets are reductions from Highway Fund appropriations for the 1992-93 fiscal year.

Current Operations-Highway Fund
1992-93

Department of Transportation

01. Administration \$ 3,594,922

02. Division of Highways

a. Administration and Operations(100,000)

b. State Construction

(01) Secondary Construction446,402

(02) Urban Construction (1,000,000)

(03) Spot Safety

Improvements (2,000,000)

c. State Funds to Match Federal

Highway Aid

(01) Construction -

d. State Maintenance

(01) Secondary -

(02) Contract Resurfacing (15,000,000)

e. Ferry Operations(1,000,000)

03. Division of Motor Vehicles 4,252,600

04. State Aid to Municipalities

446,402

05. Salary Adjustments for Highway

Fund Employees (59,344)

06. Reserve to Continue DOT

1 Merit Salary Increases (86,143)
 2 07. Reserve for Salary Increases 7,045,254
 3 08. Reserve for State Employee
 4 Health Benefit Plan (2,675,722)
 5 09. Transfer to General Fund for
 6 Reimbursement for Sales Tax
 7 Exemption 700,000
 8 10. Reserve for Air Cargo 2,500,000
 9 Appropriations for Other State Agencies
 10 01. Crime Control and Public
 11 Safety (603,913)
 12
 13 GRAND TOTAL CURRENT OPERATIONS/
 14 HIGHWAY FUND \$ (3,539,542)
 15

16 PART 3. HIGHWAY TRUST FUND

17
 18 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal
 19 year ending June 30, 1993, according to the schedule that follows. The amounts set out
 20 in this schedule are in addition to other appropriations from the Highway Trust Fund for
 21 these purposes for the 1992-93 fiscal year. Amounts set out in brackets are reductions
 22 from Highway Trust Fund appropriations for the 1992-93 fiscal year.
 23

24 1992-93

25
 26 01. Intrastate System \$ 2,800,081
 27 02. Secondary Road Construction 1,113,365
 28 03. Urban Loops 1,207,661
 29 04. State Aid-Municipalities 313,365
 30 05. Program Administration (434,472)
 31

32 GRAND TOTAL CURRENT OPERATIONS/
 33 HIGHWAY TRUST FUND \$
 34 5,000,000
 35

36 PART 4. BLOCK GRANT APPROPRIATIONS

37
 38 Requested by: Senator Martin of Pitt

39 BLOCK GRANT PROVISIONS

40 Sec. 6. (a) Appropriations from federal block grant funds are made for the
 41 fiscal year ending June 30, 1993, according to the following schedule:
 42

43 TOTAL JOB TRAINING PARTNERSHIP ACT \$
 44 52,949,580

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COMMUNITY SERVICES BLOCK GRANT

- 01. Community Action Agencies \$ 9,038,133
- 02. Limited Purpose Agencies 501,595
- 03. Department of Human Resources
to administer and monitor
the activities of the
Community Services Block Grant 478,019

TOTAL COMMUNITY SERVICES BLOCK GRANT \$
10,017,747

COMMUNITY DEVELOPMENT BLOCK GRANT

- 01. State Administration \$ 957,840
- 02. Urgent Needs and Contingency 2,096,708
- 03. Housing Development 2,096,708
- 04. Economic Development 8,386,832
- 05. Community Revitalization 29,353,912

TOTAL COMMUNITY DEVELOPMENT
BLOCK GRANT \$
42,892,000

PREVENTIVE HEALTH BLOCK GRANT

- 01. Emergency Medical Services \$ 245,652
- 02. Basic Public Health Services 925,542
- 03. Hypertension Programs 590,230
- 04. Statewide Health Promotion Programs 2,119,576
- 05. Fluoridation of Water Supplies 228,404
- 06. Rape Prevention and Rape

| | | | |
|----|--|---------------|----|
| 1 | Crisis Programs | 91,269 | |
| 2 | | | |
| 3 | 07. AIDS/HIV Education, Counseling, | | |
| 4 | and Testing | 290,577 | |
| 5 | | | |
| 6 | TOTAL PREVENTIVE HEALTH BLOCK GRANT | | \$ |
| 7 | 4,491,250 | | |
| 8 | | | |
| 9 | MATERNAL AND CHILD HEALTH SERVICES | | |
| 10 | | | |
| 11 | 01. Healthy Mother/Healthy Children | | |
| 12 | Block Grants to Local Health | | |
| 13 | Departments | \$ 11,673,617 | |
| 14 | | | |
| 15 | 02. High Risk Maternity Clinic Services, | | |
| 16 | Perinatal Education, and Consultation | | |
| 17 | to Local Health Departments | | |
| 18 | and Other Health Care Providers | 1,412,018 | |
| 19 | | | |
| 20 | 03. Services to Disabled Children | 5,215,987 | |
| 21 | | | |
| 22 | 04. Reimbursements for Local Health | | |
| 23 | Departments for Contracted | | |
| 24 | Nutritional Services | 120,530 | |
| 25 | | | |
| 26 | TOTAL MATERNAL AND CHILD | | |
| 27 | HEALTH SERVICES | | \$ |
| 28 | 18,422,152 | | |
| 29 | | | |
| 30 | SOCIAL SERVICES BLOCK GRANT | | |
| 31 | | | |
| 32 | 01. County Departments of Social Services | \$ 42,313,005 | |
| 33 | | | |
| 34 | 02. Allocation for State In-Home Services | 545,383 | |
| 35 | | | |
| 36 | 03. Division of Mental Health, Developmental | | |
| 37 | Disabilities, and Substance Abuse | 5,514,782 | |
| 38 | | | |
| 39 | 04. Division of Services for the Blind | 3,162,920 | |
| 40 | | | |
| 41 | 05. Division of Youth Services | 1,037,868 | |
| 42 | | | |
| 43 | 06. Division of Facility Services | 330,573 | |
| 44 | | | |

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|----|-----|--|------------|----|
| 1 | 07. | Division of Aging | 333,656 | |
| 2 | | | | |
| 3 | 08. | Day Care Services | 12,158,899 | |
| 4 | | | | |
| 5 | 09. | Volunteer Services | 55,086 | |
| 6 | | | | |
| 7 | 10. | State Administration and State Level | | |
| 8 | | Contracts | 3,392,468 | |
| 9 | | | | |
| 10 | 11. | Voluntary Sterilization Funds | 98,710 | |
| 11 | | | | |
| 12 | 12. | Transfer to Maternal and Child | | |
| 13 | | Health Block Grant | 1,585,833 | |
| 14 | | | | |
| 15 | 13. | Adult Day Care Services | 314,229 | |
| 16 | | | | |
| 17 | 14. | Allocation to the Home and | | |
| 18 | | Community Care Block Grant | | |
| 19 | | Persons Age 60 and Over | 1,511,654 | |
| 20 | | | | |
| 21 | 15. | County Departments of Social Services for | | |
| 22 | | Child Abuse/Prevention and | | |
| 23 | | Permanency Planning | 394,841 | |
| 24 | | | | |
| 25 | 16. | Allocation to Division of Maternal and | | |
| 26 | | Child Health for Grants-in-Aid to Prevention | | |
| 27 | | Programs | 439,261 | |
| 28 | | | | |
| 29 | 17. | Transfer to Preventive Health | | |
| 30 | | Block Grant for Emergency Medical Services | | |
| 31 | | and Basic Public Health Services | 486,258 | |
| 32 | | | | |
| 33 | 18. | Allocation to Preventive Health Block | | |
| 34 | | Grant for AIDS Education | 290,577 | |
| 35 | | | | |
| 36 | 19. | Allocation to Department of Administration | | |
| 37 | | for North Carolina Fund for Children | 45,270 | |
| 38 | | | | |
| 39 | 20. | Allocation to the Division of Economic | | |
| 40 | | Opportunity for Head Start, | | |
| 41 | | Elderly, and Handicapped Services | 197,421 | |
| 42 | | | | |
| 43 | | TOTAL SOCIAL SERVICES BLOCK GRANT | | \$ |
| 44 | | 74,208,694 | | |

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LOW INCOME ENERGY BLOCK GRANT

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|-----|---|--------------|
| 01. | Energy Assistance Programs | \$ 5,926,428 |
| 02. | Crisis Intervention | 1,344,531 |
| 03. | Administration | 599,749 |
| 04. | Indian Affairs | 8,226 |
| 05. | Transfer to Social Services Block Grant for Adult Day Care Services | 126,423 |
| 06. | Reserve due to Delayed Federal Funding | 20,943,028 |

TOTAL LOW INCOME ENERGY BLOCK GRANT
28,948,385

\$

ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH
SERVICES BLOCK GRANT

- | | | |
|-----|---|--------------|
| 01. | Allocate funds to the four regional offices on a per capita basis for mental health services | \$ 2,250,173 |
| 02. | Programs for the Chronically Mentally Ill | 3,323,686 |
| 03. | Continuation and expansion of child mental health services in accordance with the Child Mental Health Plan including group homes, specialized foster care, therapeutic homes, professional parenting programs, and respite care | 1,079,595 |
| 04. | Continuation of community- based alcohol and drug services including prevention, early inter- vention, treatment, rehabilitation, nonhospital medical detoxification, | |

| | | | |
|----|--|-----------|----|
| 1 | training and specialized project for the | | |
| 2 | hearing impaired | 6,119,504 | |
| 3 | | | |
| 4 | 05. Continuation and expansion of services | | |
| 5 | to female substance abusers, | | |
| 6 | including specialized services at | | |
| 7 | the ADATCS | 2,658,736 | |
| 8 | | | |
| 9 | 06. Continuation of services to | | |
| 10 | IV drug abusers, including increased | | |
| 11 | capacity for drug screens and IV | | |
| 12 | services at the ADATCS | 3,853,579 | |
| 13 | | | |
| 14 | 07. Services to adolescents, including | | |
| 15 | continuation of services | | |
| 16 | in accordance with the Youth Substance | | |
| 17 | Abuse Plan | 3,140,864 | |
| 18 | | | |
| 19 | 08. Funding to support the provision of | | |
| 20 | Treatment Alternatives to Street | | |
| 21 | Crimes (TASC) programs for adults | | |
| 22 | and four demonstration projects with | | |
| 23 | local jails | 577,104 | |
| 24 | | | |
| 25 | 09. Continuing of funding for detoxification | | |
| 26 | services in the Eastern Region | 1,048,110 | |
| 27 | | | |
| 28 | 10. Administration | 1,507,527 | |
| 29 | | | |
| 30 | TOTAL ALCOHOL, DRUG ABUSE, AND | | |
| 31 | MENTAL HEALTH SERVICES | | |
| 32 | BLOCK GRANT | | \$ |
| 33 | 25,558,878 | | |
| 34 | | | |
| 35 | COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT | | |
| 36 | | | |
| 37 | 01. Development of a Community-Based Substance | | |
| 38 | Abuse Prevention Program | | |
| 39 | for Youth | \$ 45,288 | |
| 40 | | | |
| 41 | TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM | | |
| 42 | BLOCK GRANT | | \$ |
| 43 | 45,288 | | |
| 44 | | | |

1 CHILD CARE AND DEVELOPMENT BLOCK GRANT

| | | | |
|----|-----|----------------------------------|---------------|
| 2 | | | |
| 3 | 01. | Child Day Care Services | \$ 14,363,594 |
| 4 | | | |
| 5 | 02. | Head Start Wrap-Around | 3,209,984 |
| 6 | | | |
| 7 | 03. | Revolving Loans/Grants | 66,861 |
| 8 | | | |
| 9 | 04. | County Day Care Coordinators | 592,020 |
| 10 | | | |
| 11 | 05. | Staff/Child Ratio Reduction | 212,821 |
| 12 | | | |
| 13 | 06. | Study of Day Care Salaries | 35,286 |
| 14 | | | |
| 15 | 07. | Child Care Worker Credentials | 436,465 |
| 16 | | | |
| 17 | 08. | Resource and Referral Programs | 815,699 |
| 18 | | | |
| 19 | 09. | Facility Services Administration | 648,660 |
| 20 | | | |
| 21 | 10. | Monitoring Improvement | 152,256 |
| 22 | | | |
| 23 | 11. | Child Care Development Funds | 1,222,124 |
| 24 | | | |

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

30
31 TOTAL CHILD CARE AND DEVELOPMENT

32 BLOCK GRANT

33 21,755,770

\$

34
35 (b) Decreases in Federal Fund Availability

36 If federal funds are reduced below the amounts specified above after the
 37 effective date of this act, then every program, in each of the federal block grants listed
 38 above, shall be reduced by the same percentage as the reduction in federal funds.

39 (c) Increases in Federal Fund Availability

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

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

- 1 (2) For the Preventive Health Block Grant – additional funds shall be
2 allocated to support the Statewide Health Promotion Programs.
- 3 (3) For the Maternal and Child Health Services Block Grant – thirty
4 percent (30%) of these additional funds shall be allocated to services
5 for children with special health care needs and seventy percent (70%)
6 shall be allocated to local health departments to assist in the reduction
7 of infant mortality.
- 8 (4) For other block grants – these additional funds may be budgeted by the
9 appropriate department, with the approval of the Office of State
10 Budget and Management, provided the resultant increases are in
11 accordance with federal block grant requirements and are within the
12 scope of the block grant plan approved by the General Assembly. All
13 these budgeted increases shall be reported to the Joint Legislative
14 Commission on Governmental Operations and to the Director of the
15 Fiscal Research Division.

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

17 (d) Education Setaside of JTPA Funds

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

23 (e) Limitations on Community Development Block Grant Funds

24 Of the funds appropriated in this section for the Community Development
25 Block Grant, not more than nine hundred fifty-seven thousand eight hundred forty
26 dollars (\$957,840) may be used for State administration; up to two million ninety-six
27 thousand seven hundred eight dollars (\$2,096,708) may be used for Urgent Needs and
28 Contingency; up to two million ninety-six thousand seven hundred eight dollars
29 (\$2,096,708) may be used for Housing Development; up to eight million three hundred
30 eighty-six thousand eight hundred thirty-two dollars (\$8,386,832) may be used for
31 Economic Development; and not less than twenty-nine million three hundred fifty-three
32 thousand nine hundred twelve dollars (\$29,353,912) shall be used for Community
33 Revitalization. If federal block grant funds are reduced or increased by the United
34 States Congress after the effective date of this act, then these reductions or increases
35 shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

36 (f) Upon the federal government's release of the funds budgeted in the Low
37 Income Energy Block Grant Reserve in this act, these funds shall be used to restore
38 funding to all programs, if needed, other than the Weatherization Program, that were
39 funded with Low Income Energy Assistance Block Grant funds as identified in Section
40 5 of Chapter 689 of the 1991 Session Laws.

41
42 **PART 5. GENERAL PROVISIONS**

43
44 Requested by: Senators Basnight, Plyler

CONTINGENCY AND EMERGENCY FUND CORRECTION

Sec. 7. Section 8 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 8. Of the funds appropriated in this Title to the Contingency and Emergency Fund, ~~\$900,000~~ nine hundred thousand dollars (\$900,000) for the 1991-92 fiscal year and ~~\$900,000~~ nine hundred thousand dollars (\$900,000) for the 1992-93 fiscal year shall be designated for emergency allocations, which are for the purposes outlined in ~~G.S. 143-23(a1)~~ G.S. 143-23(a1)(3), (4), and (5). ~~\$225,000~~ Two hundred twenty-five thousand dollars (\$225,000) for the 1991-92 fiscal year and ~~\$225,000~~ two hundred twenty-five thousand dollars (\$225,000) for the 1992-93 fiscal year shall be designated for other allocations from the Contingency and Emergency Fund."

Requested by: Senator Martin of Pitt

BLOCK GRANT PLANS

Sec. 8. G.S. 143-16.1 reads as rewritten:

"§ 143-16.1. Federal funds.

(a) All federal funds shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by law. Proposed budgets recommended to the General Assembly by the Governor and Advisory Budget Commission shall include information concerning the federal expenditures in State agencies, departments and institutions in the same manner as State funds. The Director of the Budget may adopt rules and regulations establishing uniform planning, budgeting and fiscal procedures, not inconsistent with federal law, that ensure that all federal funds shall be expended in a standardized manner. The function of the Advisory Budget Commission under this section applies only if the Director of the Budget consults with the Commission in preparation of the budget.

(b) The Secretary of each State agency that receives and administers federal Block Grant funds shall prepare and submit the agency's Block Grant plans to the Fiscal Research Division of the General Assembly not later than April 20 of each fiscal year. The agency shall submit a separate Block Grant plan for each Block Grant received and administered by the agency, and each plan shall include, but not be limited to, the following:

(1) A delineation of the proposed dollar amount allocations by activity and by category, including dollar amounts to be used for administrative costs; and

(2) A comparison of the proposed funding with two prior years' program budgets.

The Director of the Budget shall review for accuracy, consistency, and uniformity each State agency's Block Grant plans prior to submission of the plans to the General Assembly."

PART 6. BUDGET CLARIFICATION PROVISIONS

Requested by: Senators Basnight, Plyler

1 BUDGET CLARIFICATIONS

2 Sec. 8.1. (a) The General Assembly finds that it is necessary to clarify the
3 provisions of the State budget for the 1991-93 fiscal biennium, the Executive Budget
4 Act, and other statutes that affect the administration of the budget. The provisions of
5 this section are intended to provide this clarification and are not intended to make
6 substantive changes in the law.

7 (b) G.S. 143-16.3 reads as rewritten:

8 **"§ 143-16.3. No expenditures for purposes for which the General Assembly has**
9 **considered but not enacted an appropriation.**

10 Notwithstanding any other provision of law, no funds from any source, except for
11 gifts, grants, and funds allocated from the Contingency and Emergency Fund by the
12 Council of State, may be expended for any ~~purpose~~purpose, position, or other
13 expenditure for which the General Assembly has considered but not enacted an
14 appropriation of funds for the current fiscal period. For the purpose of this section, the
15 General Assembly has considered a ~~purpose~~purpose, position, or other expenditure
16 when that purpose is included in a bill or petition or when any committee of the Senate
17 or the House of Representatives deliberates on that purpose."

18 (c) G.S. 143-23 reads as rewritten:

19 **"§ 143-23. All maintenance funds for itemized purposes; transfers between objects**
20 **and or line items.**

21 (a) All appropriations now or hereafter made for the maintenance of the various
22 departments, institutions and other spending agencies of the State, are for the (i)
23 purposes or programs ~~and/or~~ and (ii) objects or line items enumerated in the itemized
24 requirements of such departments, institutions and other spending agencies submitted to
25 the General Assembly by the Director of the Budget and the Advisory Budget
26 Commission, ~~and/or~~ as amended by the General Assembly. The function of the
27 Advisory Budget Commission under this subsection applies only if the Director of the
28 Budget consults with the Commission in preparation of the budget.

29 (a1) No transfers may be made between objects or line items in the budget of any
30 department, institution, or other spending agency; however, with the approval of the
31 Director of the Budget, a department, institution, or other spending agency may spend
32 more than was appropriated for ~~a~~an object or line item if the overexpenditure is:

- 33 (1) In a purpose or program for which funds were appropriated for that
34 fiscal period and the total amount spent for the purpose or program is
35 no more than was appropriated for the purpose or program for the
36 fiscal period;
- 37 (2) Required to continue a purpose or program because of unforeseen
38 events, so long as the scope of the purpose or program is not increased;
- 39 (3) Required by a court, Industrial Commission, or administrative hearing
40 officer's order or award or to match unanticipated federal funds;
- 41 (4) Required to respond to an unanticipated disaster such as a fire,
42 hurricane, or tornado; or
- 43 (5) Required to call out the National Guard.

1 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
2 Commission on Governmental Operations and to the Fiscal Research Division of the
3 Legislative Services Office the reason if the amount expended for a purpose or program
4 is more than the amount appropriated for it from all sources.

5 Funds appropriated for salaries and wages are also subject to the limitation that they
6 may only be used for (i) salaries and wages or for premium pay, overtime pay,
7 longevity, unemployment compensation, workers' compensation, temporary wages,
8 contracted personal services, moving expenses, payment of accumulated annual leave,
9 certain awards to employees, tort claims, and employer's social security, retirement, and
10 hospitalization payments; provided, however, funds appropriated for salaries and wages
11 may also be used for payments; or (ii) purposes—uses for which over expenditures are
12 permitted by subdivisions (3), (4), and (5) of this subsection but the Director of the
13 Budget shall include such use and the reason for it in his quarterly report to the Joint
14 Legislative Commission on Governmental Operations and to the Fiscal Research
15 Division of the Legislative Services Office. Lapsed—Office.

16 Lapsed salary funds that become available from vacant positions are also subject to
17 the limitation that they may not be used for new permanent employee positions or to
18 raise the salary of existing employees.

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

23 The requirements in this section that the Director of the Budget report to the Joint
24 Legislative Commission on Governmental Operations shall not apply to expenditures of
25 receipts by entities that are wholly receipt supported, except for entities supported by
26 the Wildlife Resources Fund.

27 (b) Repealed by Session Laws 1985, c. 290, s. 8, effective July 1, 1985.

28 (c) Transfers or changes as between objects and or line items in the budget of the
29 Senate may be made by the President Pro Tempore of the Senate;

30 (d) Transfers or changes as between objects and or line items in the budget of the
31 House of Representatives may be made by the Speaker of the House of Representatives;

32 (e) Transfers or changes as between objects and or line items in the budget of the
33 General Assembly other than of the Senate and House of Representatives may be made
34 jointly by the President Pro Tempore of the Senate and the Speaker of the House of
35 Representatives.

36 (f) As used in this section:

37 (1) 'Object or line item' means a budgeted expenditure or receipt in the
38 budget enacted by the General Assembly that is designated by (i) a
39 thirteen-digit code in the 1000-object code series or (ii) an eleven-digit
40 code in all other object code series, in accordance with the Budget
41 Code Structure and the State Accounting System Uniform Chart of
42 Accounts set out in the Administrative Policies and Procedures Manual
43 of the Office of the State Controller.

1 (2) 'Purpose or program' means a group of objects or line items for support
2 of a specific activity outlined in the budget adopted by the General
3 Assembly that is designated by a nine-digit fund code in accordance
4 with the Budget Code Structure and the State Accounting System
5 Uniform Chart of Accounts set out in the Administrative Policies and
6 Procedures Manual of the Office of the State Controller."

7 (d) Section 351 of Chapter 689 of the 1991 Session Laws reads as rewritten:

8 "Sec. 351. (a) The Joint Appropriations Committee House/Senate Base and
9 Expansion Budget Report and the Joint Appropriations Committee House/Senate Base
10 and Expansion Budget Conference Report dated July 11, 1991, which were distributed
11 in the House and Senate and used to explain this act, shall indicate action by the General
12 Assembly on this act and shall therefore be used to construe this act, as provided in G.S.
13 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of
14 this act.

15 (b) The budget enacted by the General Assembly for the maintenance of the
16 various departments, institutions, and other spending agencies of the State for the 1991-
17 93 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
18 and the State Accounting System Uniform Chart of Accounts set out in the
19 Administrative Policies and Procedures Manual of the Office of the State Controller.
20 This budget includes the appropriations made from all sources including the General
21 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
22 receipts.

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

27 (1) Negative reserves set out in the submitted budget were deleted and the
28 totals were increased accordingly.

29 (2) The base budget was adjusted in accordance with the base budget cuts
30 and additions that were set out in the Joint Appropriations Committee
31 House/Senate Base and Expansion Budget and the Joint
32 Appropriations Committee House/Senate Base and Expansion Budget
33 Conference Report dated July 11, 1991.

34 (3) The expansion budget items were added in accordance with the Joint
35 Appropriations Committee House/Senate Base and Expansion Budget
36 and the Joint Appropriations Committee House/Senate Base and
37 Expansion Budget Conference Report dated July 11, 1991, and the
38 accompanying correction sheets. Some of those expansion budget
39 items were in the budget submitted to the General Assembly by the
40 Director of the Budget and the Advisory Budget Commission.

41 Expansion budget items that were funded from new receipts are
42 included in the budget enacted by the General Assembly with program
43 level detail.

(4) Transfers of funds supporting programs were made in accordance with the Joint Appropriations Committee House/Senate Base and Expansion Budget and the Joint Appropriations Committee House/Senate Base and Expansion Budget Conference Report dated July 11, 1991, and the accompanying correction sheets.

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

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

(e) G.S. 58-6-25(d) reads as rewritten:

"(d) Use of Proceeds. The Department of Insurance Fund is created in the State treasury. The proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited to the Fund. The Fund shall be placed in an interest-bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly. Assembly and in accordance with the line item budget enacted by the General Assembly. The Fund is subject to the provisions of the Executive Budget Act, except that no unexpended surplus of the Fund shall revert to the General Fund. All money credited to the Fund shall be used only to pay the expenses of the Commissioner and the Department that are incurred in regulating the insurance industry and other industries in this State and the general administrative expenses of the State incident thereto."

(f) Of the funds appropriated to the Department of Public Education for the 1991-93 fiscal biennium, the funds for the operation and maintenance of the Department of Public Instruction, for State aid to nonstate agencies, and for the operation of the State Board of Education are as follows:

**DEPARTMENT OF PUBLIC EDUCATION
TOTAL REQUIREMENTS**

1991-92

| FUND | Department of Public Instruction | Aid to Local School Units | State Board Administrative Units | of Education |
|------|----------------------------------|---------------------------|----------------------------------|--------------|
| 1000 | 2,276,885 | — | — | \$ 118,900 |
| 1100 | 11,594,516 | — | — | — |
| 1200 | 2,542,623 | — | — | — |
| 1300 | 4,370,254 | — | — | — |
| 1400 | 12,551,101 | — | — | 16,146 |

GENERAL ASSEMBLY OF NORTH CAROLINA

1991

| | | | | |
|---|-------|------------|---------------|---------|
| 1 | 1500 | 2,927,256 | — | — |
| 2 | 1600 | 11,386,980 | — | 17,668 |
| 3 | 1700 | — | — | — |
| 4 | 1800 | — | 3,199,427,158 | — |
| 5 | 1900 | 491,734 | — | — |
| 6 | | | | |
| 7 | TOTAL | 48,141,349 | 3,199,427,158 | 152,714 |

1992-93

| 12 | FUND | Department of Public Instruction | Aid to Local School Units | State Board Administrative Units | of Education |
|----|-------|-------------------------------------|---------------------------------|--|--------------|
| 16 | 1000 | 2,271,969 | — | — | \$ 93,900 |
| 17 | 1100 | 11,578,464 | — | — | — |
| 18 | 1200 | 2,543,364 | — | — | — |
| 19 | 1300 | 4,326,584 | — | — | — |
| 20 | 1400 | 12,826,595 | — | — | 16,146 |
| 21 | 1500 | 2,923,299 | — | — | — |
| 22 | 1600 | 11,281,018 | — | — | 17,668 |
| 23 | 1700 | — | — | — | — |
| 24 | 1800 | — | 3,267,053,247 | — | — |
| 25 | 1900 | 491,734 | — | — | — |
| 26 | | | | | |
| 27 | TOTAL | 48,243,027 | 3,267,053,247 | — | 127,714. |

(g) G.S. 115C-21(a) is amended by adding a new subdivision to read:
 "(7) To have solely under his direction and control all matters relating to provision of staff services and support to the State Board of Education, except as otherwise provided in the Current Operations Appropriations Act."

(h) This section is effective upon ratification.

Requested by: Senators Basnight, Plyler

ADDITIONAL BUDGET REPORTING REQUIREMENTS

Sec. 8.2. (a) Effective July 1, 1992, G.S. 143-23, as rewritten by Section 8.1(c) of this act, reads as rewritten:

"§ 143-23. All maintenance funds for itemized purposes; transfers between objects or line items.

(a) All appropriations now or hereafter made for the maintenance of the various departments, institutions and other spending agencies of the State, are for the (i) purposes or programs and (ii) objects or line items enumerated in the itemized requirements of such departments, institutions and other spending agencies submitted to

1 the General Assembly by the Director of the Budget and the Advisory Budget
2 Commission, as amended by the General Assembly. The function of the Advisory
3 Budget Commission under this subsection applies only if the Director of the Budget
4 consults with the Commission in preparation of the budget.

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

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

20 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
21 Commission on Governmental Operations and to the Fiscal Research Division of the
22 Legislative Services Office the reason if the amount expended for a purpose or program
23 is more than the amount appropriated for it from all sources. If the overexpenditure was
24 authorized under subdivision (2) of this subsection, the Director of the Budget shall
25 identify in the report the unforeseen event that required the overexpenditure.

26 Funds appropriated for salaries and wages are also subject to the limitation that they
27 may only be used for (i) salaries and wages or for premium pay, overtime pay,
28 longevity, unemployment compensation, workers' compensation, temporary wages,
29 contracted personal services, moving expenses, payment of accumulated annual leave,
30 certain awards to employees, tort claims, and employer's social security, retirement, and
31 hospitalization payments; or (ii) uses for which over expenditures are permitted by
32 subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall
33 include such use and the reason for it in his quarterly report to the Joint Legislative
34 Commission on Governmental Operations and to the Fiscal Research Division of the
35 Legislative Services Office.

36 Lapsed salary funds that become available from vacant positions are also subject to
37 the limitation that they may not be used for new permanent employee positions or to
38 raise the salary of existing employees.

39 The requirements in this section that the Director of the Budget report to the Joint
40 Legislative Commission on Governmental Operations shall not apply to expenditures of
41 receipts by entities that are wholly receipt supported, except for entities supported by
42 the Wildlife Resources Fund.

43 (b) Repealed by Session Laws 1985, c. 290, s. 8, effective July 1, 1985.

1 (c) Transfers or changes as between objects or line items in the budget of the
2 Senate may be made by the President Pro Tempore of the Senate;

3 (d) Transfers or changes as between objects or line items in the budget of the
4 House of Representatives may be made by the Speaker of the House of Representatives;

5 (e) Transfers or changes as between objects or line items in the budget of the
6 General Assembly other than of the Senate and House of Representatives may be made
7 jointly by the President Pro Tempore of the Senate and the Speaker of the House of
8 Representatives.

9 (f) As used in this section:

10 (1) 'Object or line item' means a budgeted expenditure or receipt in the
11 budget enacted by the General Assembly that is designated by (i) a
12 thirteen-digit code in the 1000-object code series or (ii) an eleven-digit
13 code in all other object code series, in accordance with the Budget
14 Code Structure and the State Accounting System Uniform Chart of
15 Accounts set out in the Administrative Policies and Procedures Manual
16 of the Office of the State Controller.

17 (2) 'Purpose or program' means a group of objects or line items for support
18 of a specific activity outlined in the budget adopted by the General
19 Assembly that is designated by a nine-digit fund code in accordance
20 with the Budget Code Structure and the State Accounting System
21 Uniform Chart of Accounts set out in the Administrative Policies and
22 Procedures Manual of the Office of the State Controller."

23 (b) The Director of the Budget shall report on a quarterly basis to the Joint
24 Legislative Commission on Governmental Operations and to the Fiscal Research
25 Division of the Legislative Services Office on:

26 (1) All employee positions that were abolished that resulted or will result
27 in the generation of salary reserves;

28 (2) All promotions, reclassifications, and salary range revisions, of greater
29 than ten percent (10%), that will be funded with salary reserves; and

30 (3) All new positions created that will be funded with salary reserves.

31 This section does not apply to actions taken regarding employees of The University of
32 North Carolina.

34 PART 7. OFFICE OF STATE BUDGET AND MANAGEMENT

36 Requested by: Senator Martin of Guilford

37 **ONSLow MUSEUM FUNDS/NEW PURPOSE**

38 Sec. 9. Funds appropriated in Section 2 of Chapter 830 of the 1987 Session
39 Laws to the Office of State Budget and Management for a grant-in-aid to the Onslow
40 County Commissioners to assist in relocating the Onslow County Museum from
41 Richlands to Jacksonville may be used by the Onslow County Commissioners for
42 construction of new museum facilities in Richlands.

44 Requested by: Senators Basnight, Plyler

SAVINGS RESERVE ACCOUNT TECHNICAL CHANGE

Sec. 9.2. (a) G.S. 143-15.2 reads as rewritten:

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

~~The General Assembly shall appropriate~~ The State Controller shall reserve up to one-fourth of any anticipated credit balance balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year to the Savings Reserve Account as provided in G.S. 143-15.3. The General Assembly may appropriate that part of the anticipated General Fund credit balance not appropriated expected to be reserved to the Savings Reserve Account only for capital improvements or other one-time expenditures. The first purpose for which funds shall be appropriated from the Savings Reserve Account is to reduce and eliminate the State's liability for payroll deferrals for State employees and community college employees and for the deferral of the twelfth month of teacher payroll. This will bring the State into closer conformity with the GAAP."

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

"§ 143-15.3. Savings Reserve Account.

(a) There is established a Savings Reserve Account as a ~~special revenue fund in the State treasury~~ restrictive reserve in the General Fund. The General Assembly shall appropriate The State Controller shall reserve to the Savings Reserve Account one-fourth of any ~~anticipated~~ unreserved credit balance remaining in the General Fund at the end of each fiscal year until the account contains funds equal to five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax reimbursements and local government tax-sharing funds. If the balance in the Savings Reserve Account falls below this level during a fiscal year, the ~~General Assembly shall appropriate~~ State Controller shall reserve to the Savings Reserve Account for the following fiscal years up to one-fourth of any ~~anticipated~~ unreserved credit balance remaining in the General Fund at the end of each fiscal year until the account again equals five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax reimbursements and local government tax-sharing funds. As used in this section, the term 'unreserved credit balance' means that part of the credit balance, as determined on a cash basis, not already reserved to the Savings Reserve Account.

(b) The Director may not use funds in the Savings Reserve Account unless the use has been approved by an act of the General Assembly."

(c) Section 357(12) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(12) Part 57 – Budget Reform. G.S. 120-36.7, as enacted by Part 57 of this act, and the amendment to G.S. 143-3.5 in Part 57 of this act, are effective beginning with fiscal estimates addressing the 1992-93 fiscal year. G.S. 143-15.1, as enacted by Part 57 of this act, is effective beginning with the 1992-93 budget. G.S. 143-15.2 and G.S. 143-15.3, as enacted by Part 57 of this act, are effective beginning with the General Fund credit balance at the end of the ~~1992-93~~ 1991-92 fiscal year. G.S. 143-15.4, as enacted by Part 57 of this act, is effective beginning with the 1993-94 General Fund operating budget, and may

1 be used as a guide in preparing the 1992-93 General Fund operating
2 budget. Except as otherwise provided in Part 57 of this act, the
3 remainder of Part 57 of this act is effective upon ratification."

4 (d) This section is effective upon ratification and applies beginning with the
5 General Fund credit balance at the end of the 1991-92 fiscal year.
6

7 Requested by: Senator Basnight

8 **BUDGET REFORM STATEMENTS**

9 Sec. 9.2A. In compliance with G.S. 143-15.1, the additional General Fund
10 appropriations availability for 1992-93 is one hundred sixty-one million nine hundred
11 forty thousand dollars (\$161,940,000). This amount is made up of beginning revenue
12 availability of one hundred fifty-one million five hundred thousand dollars
13 (\$151,500,000) and ten million four hundred forty thousand dollars (\$10,440,000) of
14 additional revenues from fees and transfers.
15

16 Requested by: Senator Perdue

17 **LIMITATION ON THE SALE OR EXCHANGE OF PROPERTY**

18 Sec. 10. (a) Notwithstanding the provisions of Chapter 146 of the General
19 Statutes, no land titled in the name of the State or in any State agency may be
20 exchanged or traded for other land, or an interest therein, before July 1, 1993. This
21 section shall not apply to transfers or exchanges of land owned by or under the
22 supervision and control of the Wildlife Resources Commission, The University of North
23 Carolina or one of its constituent institutions, or located in Burke County and under the
24 control of the Department of Agriculture, or for the purpose of obtaining or granting
25 utility or drainage easements or road right-of-ways and the disposition of lands which
26 have been previously approved by the Governor and the Council of State as set forth in
27 Chapter 146 of the General Statutes. This subsection is effective upon ratification.

28 (b) Notwithstanding the provisions of Parts 10 or 11 of Article 10, Part 10 of
29 Chapter 143B of the General Statutes, or any other provision of law no real property or
30 any estate or interest in real property consisting of railroad right-of-way or used for
31 railroad purposes located in Carteret County may be sold or otherwise disposed of by
32 the State of North Carolina or any State agency, authority, board, or commission before
33 July 1, 1993. This subsection is effective upon ratification.
34

35 **PART 7A. OFFICE OF STATE CONTROLLER**

36

37 Requested by: Senator Royall

38 **STATE INFORMATION MANAGEMENT TECHNOLOGY**

39 Sec. 10A. (a) G.S. 143B-426.21 reads as rewritten:

40 "~~§ 143Bü (a) Creation; Membership. The Information Technology~~
41 ~~Commission is created in the Office of the State Controller. The Commission consists of~~
42 ~~the following members:~~

43 (1) ~~Ex officio members: the Governor, Lieutenant Governor, Secretary of~~
44 ~~the Department of Administration, State Budget Officer, State Auditor,~~

1 State Treasurer, Secretary of State, Superintendent of Public
2 Instruction, Commissioner of Agriculture, Commissioner of Labor,
3 Commissioner of Insurance, State President of the Department of
4 Community Colleges, Chair of the Governor's Committee on Data
5 Processing and Information Systems, Chair of the State Information
6 Processing Services Advisory Board, and the Legislative Services
7 Officer or his designee.

- 8 (2) Other members: one citizen of the State of North Carolina with a
9 background in and familiarity with information systems or
10 telecommunications appointed by the General Assembly upon the
11 recommendation of the President Pro Tempore of the Senate in
12 accordance with G.S. 120-121, and one citizen of the State of North
13 Carolina with a background in and familiarity with information
14 systems or telecommunications appointed by the General Assembly
15 upon the recommendation of the Speaker of the House of
16 Representatives in accordance with G.S. 120-121. The two initial
17 members appointed by the General Assembly shall each serve a term
18 beginning on the 60th day following June 6, 1989, and expiring on
19 June 30, 1993. Thereafter, their successors shall be appointed for four-
20 year terms, commencing July 1. Vacancies in the two legislative
21 appointments shall be filled as provided in G.S. 120-122.

22 Members of the Commission shall not be employed by nor serve on the board of
23 directors or other corporate governing body of any information systems, computer
24 hardware, computer software, or telecommunications vendor of goods and services to
25 the State of North Carolina.

26 The Governor shall chair the Commission and the Secretary of Administration shall
27 be secretary to the Commission. The Commission shall meet at the call of the chairman
28 or at the request of a majority of its members. The Office of the State Controller shall
29 provide staff support and other services required by the Commission.

30 (b) Powers and Duties. The Commission has the following powers and duties:

- 31 (1) To approve or disapprove proposals by the State Information
32 Processing Services under G.S. 143B-426.40;
33 (2) To obtain information relevant to the decisions required of the
34 Commission under G.S. 143B-426.40 from the affected departments;
35 and
36 (3) To develop a comprehensive plan, covering the current and following
37 biennium, for the acquisition and use of information technology
38 resources in the affected departments, which shall be updated annually
39 and shall be submitted to the General Assembly on the first day of
40 each regular session.

41 **§ 143B-426.21. Information Resource Management Commission.**

42 (a) Creation; Membership. – The Information Resource Management
43 Commission is created in the Office of the State Controller. The Commission consists of
44 the following members:

- 1 (1) Four Members of the Council of State, appointed by the Governor.
- 2 (2) The Secretary of Administration.
- 3 (3) The State Budget Officer.
- 4 (4) Two Members of the Governor's cabinet, appointed by the Governor.
- 5 (5) One citizen of the State of North Carolina with a background in and
6 familiarity with information systems or telecommunications, appointed
7 by the General Assembly upon the recommendation of the President
8 Pro Tempore of the Senate in accordance with G.S. 120-121.
- 9 (6) One citizen of the State of North Carolina with a background in and
10 familiarity with information systems or telecommunications, appointed
11 by the General Assembly upon the recommendation of the Speaker of
12 the House of Representatives in accordance with G.S. 120-121.
- 13 (7) The Chair of the Governor's Committee on Data Processing and
14 Information Systems.
- 15 (8) The Chair of the State Information Processing Services Advisory
16 Board.

17 Members of the Commission shall not be employed by or serve on the board of
18 directors or other corporate governing body of any information systems, computer
19 hardware, computer software, or telecommunications vendor of goods and services to
20 the State of North Carolina.

21 The two initial cabinet members appointed by the Governor and the two initial
22 citizen members appointed by the General Assembly shall each serve a term beginning
23 September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be
24 appointed for four-year terms, commencing July 1. Members of the Governor's cabinet
25 shall be disqualified from completing a term of service of the Commission if they are no
26 longer cabinet members.

27 The appointees by the Governor from the Council of State shall each serve a term
28 beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their
29 successors shall be appointed for four-year terms, commencing July 1. Members of the
30 Council of State shall be disqualified from completing a term of service on the
31 Commission if they are no longer members of the Council of State.

32 Vacancies in the two legislative appointments shall be filled as provided in G.S.
33 120-122.

34 The Commission chair shall be elected in the first meeting of each calendar year
35 from among the appointees of the Governor from the Council of State and shall serve a
36 term of one year. The Secretary of Administration shall be secretary to the
37 Commission.

38 No member of the Information Resource Management Commission shall vote on an
39 action affecting solely his or her own State agency.

40 (b) Powers and Duties. – The Commission has the following powers and duties:

- 41 (1) To develop, approve, and publish a statewide information technology
42 strategy covering the current and following biennium that shall be
43 updated annually and shall be submitted to the General Assembly on
44 the first day of each regular session.

- 1 (2) To develop, approve, and sponsor statewide technology initiatives and
2 to report on those initiatives in the annual update of the statewide
3 information technology strategy.
- 4 (3) To review and approve biennially the information technology plans of
5 the executive agencies, including their plans for the procurement and
6 use of personal computers and workstations.
- 7 (4) To recommend to the Governor and the Office of State Budget and
8 Management the relative priorities across executive agency
9 information technology plans.
- 10 (5) To establish a quality assurance policy for all agency information
11 technology projects, information systems training programs, and
12 information systems documentation.
- 13 (6) To establish and enforce a quality review and expenditure review
14 procedure for major agency information technology projects.
- 15 (7) To review and approve expenditures from appropriations made to the
16 Office of State Budget and Management for the purpose of creating a
17 Computer Reserve Fund.
- 18 (8) To develop and promote a policy and procedures for the fair and
19 competitive procurement of information technology consistent with the
20 rules of the Department of Administration and consistent with
21 published industry standards for open systems that provide agencies
22 with a vendor-neutral operating environment where different
23 information technology hardware, software, and networks operate
24 together easily and reliably.

25 (c) Meetings. – The Information Resources Management Commission shall
26 adopt bylaws containing rules governing its meeting procedures. The Information
27 Resources Management Commission shall meet at least monthly."

28 (b) Of the funds appropriated from the General Fund to the Office of State
29 Controller for the 1992-93 fiscal year the sum of two million two hundred thousand
30 dollars (\$2,200,000) shall be used for the purpose of continuing development and
31 implementation of the new State Accounting System. No expenditure shall be made
32 from this fund by the Office of State Controller until the Information Resource
33 Management Commission created in subsection (a) of this section has reviewed and
34 approved the Office of State Controller's design, implementation strategy, and
35 expenditure plan for the State Accounting System. The Information Resource
36 Management Commission shall report the results of its review and the rationale for its
37 approval of the expenditure to the Joint Legislative Commission on Governmental
38 Operations, the Fiscal Research Division, and the State Government Performance Audit
39 Committee. The Information Resource Management Commission shall apply its quality
40 assurance policy and quality review procedures to the Office of State Controller's State
41 Accounting System project.

42 (c) Of the funds appropriated from the Highway Fund to the Department of
43 Transportation for the 1992-93 fiscal year, the sum of two million nine hundred forty-
44 four thousand nine hundred twenty-two dollars (\$2,944,922) shall be used for the

1 purpose of continuing development and implementation of the Department's Financial
2 Accounting and Reporting System. No expenditure shall be made from this fund by the
3 Department of Transportation until the Information Resource Management Commission
4 created in subsection (a) of this section has reviewed and approved the Department of
5 Transportation's design, implementation strategy, and expenditure plan for its portion of
6 the State Accounting System and all other components of the Department's Financial
7 Accounting and Reporting System. The Information Resource Management
8 Commission shall report the results of its review and the rationale for its approval of the
9 expenditure to the Joint Legislative Commission on Governmental Operations, the
10 Fiscal Research Division, and the State Government Performance Audit Committee.
11 The Information Resource Management Commission shall apply its quality assurance
12 policy and quality review procedures to the Department of Transportation's Financial
13 Accounting and Reporting System.

14 In any contract entered into between the Department of Transportation and
15 any vendor or consultant for services involving the design, development, programming,
16 installation, or maintenance of financial management information systems in the
17 Department of Transportation and in any contract entered into between the Office of
18 State Controller and any vendor or consultant for services involving the design,
19 development, programming, installation, or maintenance of financial management
20 information systems in the Department of Transportation, there shall be specific
21 performance, testing, and acceptance criteria that the vendor must meet and a deadline
22 for meeting those criteria. The State's contract administrator shall make no payment for
23 work done on the contract until the contract administrator has completed a testing and
24 acceptance review of the contract's deliverables and certified that the services provided
25 meet the criteria. In the event the service provided does not meet the contract
26 specifications at the time of the due date for the deliverables, the contractor shall be
27 liable for consequential damages and other remedies. The Department shall not issue to
28 the contractor any waiver of consequential damages resulting from the contractor's
29 failure to deliver services and products that meet the contract administrator's
30 performance, testing, and acceptance criteria at the time of the due date for the
31 deliverables.

32 In issuing any contract, whether through competitive bid or through waiver of
33 competitive bid, entered into between the Department of Transportation and any vendor
34 or consultant for services involving the design, development, programming, installation,
35 or maintenance of financial management information systems in the Department of
36 Transportation, the Department of Transportation shall require a performance bond or
37 another performance guarantee up to the full amount of the contract.

38 (d) Of the funds appropriated from the Highway Fund to the Department of
39 Transportation for the 1992-93 fiscal year, the sum of two million nine hundred forty-
40 eight thousand six hundred dollars (\$2,948,600) shall be used for the purpose of
41 designing, developing, testing, and implementing a drivers' license computer system.
42 No expenditure shall be made from this fund by the Department of Transportation until
43 the Information Resource Management Commission created by this section has
44 reviewed and approved the Department of Transportation's design, implementation

1 strategy, and expenditure plan for the drivers' license computer system. The
2 Information Resource Management Commission shall report the results of its review
3 and the rationale for its approval of the expenditure to the Joint Legislative Commission
4 on Governmental Operations, the Fiscal Research Division, and the State Government
5 Performance Audit Committee. The Information Resource Management Commission
6 shall apply its quality assurance policy and quality review procedures to the Department
7 of Transportation's drivers' license computer system.

8 (e) Of the funds appropriated from the General Fund to the Reserve for
9 Integrated Tax Administration System for the 1992-93 fiscal year, the sum of one
10 million four hundred thousand dollars (\$1,400,000) shall be used for the purpose of
11 designing, developing, testing, and implementing an integrated tax administration
12 system. No expenditure shall be made from this fund by the Department of Revenue
13 until the Information Resource Management Commission created by this section has
14 reviewed and approved the Department of Revenue's design, implementation strategy,
15 and expenditure plan for the integrated tax administration system. The Information
16 Resource Management Commission shall report the results of its review and the
17 rationale for its approval of the expenditure to the Joint Legislative Commission on
18 Governmental Operations, the Fiscal Research Division, and the State Government
19 Performance Audit Committee. The Information Resource Management Commission
20 shall apply its quality assurance policy and quality review procedures to the Department
21 of Revenue's integrated tax administration system.

22 (f) Executive agencies shall not, before October 1, 1992, spend funds to
23 design, develop, or implement mainframe agency computing systems separate from the
24 mainframe computer system operated by the State Information Processing Services
25 without prior approval of the Information Resource Management Commission. The
26 Commission shall submit a report of the action to a meeting of the Joint Legislative
27 Commission on Governmental Operations.

28 (g) G.S. 120-123(57) reads as rewritten:

29 "(57) The ~~Information Technology Commission~~, Information Resource
30 Management Commission, as established by G.S. 143B-426.21."

31 (h) G.S. 143B-426.40 reads as rewritten:

32 **"§ 143B-426.40. State Information Processing Services.**

33 With respect to all executive departments and agencies of State government, except
34 the Department of Justice and The University of North Carolina, the Office of State
35 Controller shall have the following powers and duties:

36 (1) To establish and operate information resource centers and services to
37 serve two or more departments on a cost-sharing basis, if the
38 ~~Information Technology Commission~~ Information Resources
39 Management Commission decides it is advisable from the standpoint
40 of efficiency and economy to establish these centers and services;

41 (2) With the approval of the ~~Information Technology Commission~~,
42 Information Resources Management Commission, to charge each
43 department for which services are performed its proportionate part of
44 the cost of maintaining and operating the shared centers and services;

- 1 (3) With the approval of the ~~Information Technology Commission,~~
2 Information Resources Management Commission, to require any
3 department served to transfer to the Office of the State Controller
4 ownership, custody, or control of information processing equipment,
5 supplies, and positions required by the shared centers and services;
6 (4) With the approval of the ~~Information Technology Commission,~~
7 Information Resources Management Commission, to adopt reasonable
8 rules for the efficient and economical management and operation of
9 the shared centers, services, and the integrated State
10 telecommunications network;
11 (5) With the approval of the ~~Information Technology Commission,~~
12 Information Resources Management Commission, to adopt plans,
13 policies, procedures, and rules for the acquisition, management, and
14 use of information technology resources in the departments affected by
15 this subdivision to facilitate more efficient and economic use of
16 information technology in these departments; and
17 (6) To develop and promote training programs to efficiently implement,
18 use, and manage information technology resources.

19 The Department of Revenue is authorized to deviate from this subsection's
20 requirements that departments or agencies consolidate information processing functions
21 on equipment owned, controlled or under custody of the State Information Processing
22 Services. All deviations from this subsection's requirements shall be reported in writing
23 within 15 days by the Department of Revenue to the ~~Information Technology~~
24 ~~Commission-Information Resources Management Commission~~ and shall be consistent
25 with available funding. The Department of Revenue is authorized to adopt and shall
26 adopt plans, policies, procedures, requirements and rules for the acquisition,
27 management, and use of information processing equipment, information processing
28 programs, data communications capabilities, and information systems personnel in the
29 Department of Revenue. If the plans, policies, procedures, requirements, rules, or
30 standards adopted by the Department of Revenue deviate from the policies, procedures,
31 or guidelines adopted by the State Information Processing Services or the ~~Information~~
32 ~~Technology Commission-Information Resources Management Commission,~~ those
33 deviations shall be allowed and shall be reported in writing within 15 days by the
34 Department of Revenue to the ~~Information Technology Commission-Information~~
35 Resources Management Commission. The Department of Revenue and the State
36 Information Processing Services shall develop data communications capabilities
37 between the two computer centers utilizing the North Carolina Integrated Network,
38 subject to a security review by the Secretary of Revenue.

39 The Department of Revenue shall prepare a plan to allow for substantial recovery
40 and operation of major, critical computer applications. The plan shall include the names
41 of the computer programs, databases, and data communications capabilities, identify the
42 maximum amount of outage that can occur prior to the initiation of the plan and
43 resumption of operation. The plan shall be consistent with commonly accepted
44 practices for disaster recovery in the information processing industry. The plan shall be

1 tested as soon as practical, but not later than six months, after the establishment of the
2 Department of Revenue information processing capability.

3 No data of a confidential nature, as defined in the General Statutes or federal law,
4 may be entered into or processed through any cost-sharing information resource center
5 or network established under this subdivision until safeguards for the data's security
6 satisfactory to the department head and the State Controller have been designed and
7 installed and are fully operational. Nothing in this subsection may be construed to
8 prescribe what programs to satisfy a department's objectives are to be undertaken, nor to
9 remove from the control and administration of the departments the responsibility for
10 program efforts, regardless whether these efforts are specifically required by statute or
11 are administered under the general program authority and responsibility of the
12 department. This subdivision does not affect the provisions of G.S. 147-64.6, G.S. 147-
13 64.7, or G.S. 143B-426.39(14). Notwithstanding any other provision of law, the Office
14 of the State Controller shall provide information technology services on a cost-sharing
15 basis to the General Assembly and its agencies as requested by the Legislative Services
16 Commission."

17 (i) Subsections (a) and (h) of this section become effective on September 1,
18 1992, except that appointments to the Information Resources Management Commission
19 may be made by the General Assembly at any time after ratification of this act.
20 Subsections (b), (c), (d), and (e) of this act become effective July 1, 1992. Subsections
21 (g) and (h) of this act are effective upon ratification.

22 23 **PART 8. GENERAL ASSEMBLY**

24
25 Requested by: Senator Martin of Guilford

26 **LEGISLATIVE RESEARCH COMMISSION MEMBERS' TERMS**

27 Sec. 10.1. G.S. 120-30.11 reads as rewritten:

28 **"§ 120-30.11. Time of appointments; terms of office.**

29 Appointments to the Legislative Research Commission shall be made not earlier
30 than the close of each regular session of the General Assembly held in the odd-
31 numbered year nor later than 15 days subsequent to the close. The term of office shall
32 begin on the day of appointment, and shall end on ~~December 15 of the next even-~~
33 ~~numbered year. Except for the work of the Administrative Rules Review Committee,~~
34 ~~no~~ January 15 of the next odd-numbered year. No moneys appropriated to the
35 Legislative Research Commission may be expended for meetings of the Commission,
36 its committees or subcommittees held after ~~December 15 of the next odd-numbered year~~
37 January 15 of the next odd-numbered year and before the appointment of the next
38 Legislative Research Commission."

39
40 Requested by: Senator Martin of Guilford

41 **PERFORMANCE AUDIT STUDY CONTINUED**

42 Sec. 10.2. Notwithstanding the provisions of Article 6B of Chapter 120 of
43 the General Statutes and for the sole purpose of its advising the Legislative Services

1 Commission on the conduct of the State government performance audit study directed
2 by Section 347 of Chapter 689 of the 1991 Session Laws:

- 3 (1) The existence of the Legislative Research Commission's Committee on
4 the State Government Performance Audit shall continue until March
5 31, 1993, when it shall terminate;
- 6 (2) Monies may be expended for the work and meetings of the Committee
7 in reviewing and advising on the implementation and review of the
8 State government performance audit until March 31, 1993;
- 9 (3) The present membership of the Committee shall continue in existence
10 until that date; provided, further, the President Pro Tempore of the
11 Senate and the Speaker of the House of Representatives shall each
12 appoint one member of the Finance Committee of the respective body
13 as additional members of the Committee;
- 14 (4) Vacancies in the membership of the Committee shall be filled by the
15 original appointing authority.
16

17 Requested by: Senator Basnight

18 **SEAFOOD AND AQUACULTURE FUNDS**

19 Sec. 11. Of the funds appropriated in this act to the General Assembly for the
20 1992-93 fiscal year, the sum of ten thousand dollars (\$10,000) shall be allocated for the
21 Joint Legislative Commission on Seafood and Aquaculture.
22

23 Requested by: Senator Perdue

24 **STATE REAL PROPERTY TRANSFERS STUDY COMMISSION**

25 Sec. 12. There is created a State Real Property Transfers Study Commission
26 to be composed of nine members: three Senators to be appointed by the President Pro
27 Tempore of the Senate, three Representatives to be appointed by the Speaker of the
28 House of Representatives, and three members to be appointed by the Governor. The
29 appointees shall serve until the termination of the Commission. The President Pro
30 Tempore of the Senate and the Speaker of the House of Representatives shall each
31 designate a cochairman from their appointees. Either cochairman may call the first
32 meeting of the Study Commission. Vacancies shall be filled in the same manner as the
33 original appointments were made.

34 Sec. 13. The Study Commission is authorized to study all aspects of the
35 present system of, by any means, transferring, allocating, or disposing of real property
36 owned by the State or any of its agencies. The study shall include, but is not limited to,
37 an examination of:

- 38 (1) The procedures involved in the transfer of any interest in state real
39 property,
- 40 (2) The number and size of the transfers,
- 41 (3) The adequacy of safeguards to protect the State's interests, and
- 42 (4) The statutes and experience of other states in this regard.

43 Sec. 14. With the prior approval of the Legislative Services Commission, the
44 Legislative Administrative Officer shall assign professional and clerical staff to assist in

1 the work of the Commission. Clerical staff shall be furnished to the Commission
2 through the Offices of the House and Senate Supervisors of Clerks. The expenses of
3 employment of the clerical staff shall be borne by the Commission. With the prior
4 approval of the Legislative Services Commission, the Study Commission may hold its
5 meetings in the State Legislative Building or the Legislative Office Building.

6 Sec. 15. The Study Commission shall submit a final written report of its
7 findings and recommendations, including legislation, on or before the convening of the
8 1993 Session of the General Assembly. All reports shall be filed with the President Pro
9 Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its
10 final report, the Commission shall terminate.

11 Sec. 16. Members of the Commission shall be paid per diem, subsistence,
12 and travel allowances as follows:

13 (1) Commission members who are also members of the General
14 Assembly, at the rate established in G.S. 120-3.1;

15 (2) Commission members who are officials or employees of the State or
16 local government agencies, at the rate established in G.S. 138-6;

17 (3) All other Commission members, at the rate established in G.S. 138-5.

18 Sec. 17. There is allocated from the funds appropriated to the General
19 Assembly's Legislative Services Commission's studies reserve to the State Real property
20 Transfers Study Commission for its work the sum of fifteen thousand dollars (\$15,000)
21 for the 1992-93 fiscal year.

22 23 **PART 9. DEPARTMENT OF REVENUE**

24
25 Requested by: Senators Conder, Shaw, Martin of Guilford

26 **CONTROLLED SUBSTANCE TAX PROCEEDS**

27 Sec. 18. (a) Of the funds in the State Controlled Substance Tax Fund created in
28 Section 6 of Chapter 772 of the 1989 Session Laws, the sum of five hundred ninety-four
29 thousand one hundred fifty-eight dollars (\$594,158) is transferred to the General Fund
30 for the 1992-93 fiscal year to support the cost of administering the controlled substance
31 tax levied by Article 2D of Chapter 105 of the General Statutes. Of the remaining funds
32 in the State Controlled Substance Tax Fund, all the funds that on July 1, 1992, are
33 unencumbered and are not required to be remitted to law enforcement agencies pursuant
34 to G.S. 105-113.111(b) are transferred to the General Fund. Thereafter, any funds that
35 become unencumbered and are not required to be remitted to law enforcement agencies
36 pursuant to G.S. 105-113.111(b) shall be transferred to the General Fund.

37 (b) Section 6 of Chapter 772 of the 1989 Session Laws is repealed.

38 (c) Article 2D of Chapter 105 of the General Statutes is amended by adding a
39 new section to read:

40 **"§ 105-113.113. Use of tax proceeds.**

41 The Secretary shall credit the proceeds of the tax levied by this Article to a special
42 nonreverting account, to be called the State Controlled Substances Tax Account, until
43 the tax proceeds are unencumbered. Tax proceeds are unencumbered when the taxpayer
44 no longer has a current right to challenge the assessment of the tax.

1 The Secretary shall, on a quarterly basis, remit the unencumbered tax proceeds as
2 follows: seventy-five percent (75%) of the amount collected by assessment shall be
3 remitted to the State or local law enforcement agency that conducted the investigation
4 of a dealer that led to the assessment; and the remainder of the unencumbered tax
5 proceeds shall be credited to the General Fund. If more than one State or local law
6 enforcement agency conducted the investigation, the Secretary shall determine the
7 equitable pro rata share for each agency based on the contribution each agency made to
8 the investigation."

9 (d) G.S. 105-113.111 reads as rewritten:

10 **"§ 105-113.111. Assessments.**

11 (a) Notwithstanding any other provision of law, an assessment against a dealer
12 who possesses a controlled substance to which a stamp has not been affixed as required
13 by this Article shall be made as provided in this section. The Secretary shall assess a
14 tax, applicable penalties, and interest based on personal knowledge or information
15 available to the Secretary. The Secretary shall notify the dealer in writing of the amount
16 of the tax, penalty, and interest due, and demand its immediate payment. The notice
17 and demand shall be either mailed to the dealer at the dealer's last known address or
18 served on the dealer in person. If the dealer does not pay the tax, penalty, and interest
19 immediately upon receipt of the notice and demand, the Secretary shall collect the tax,
20 penalty, and interest pursuant to the procedure set forth in G.S. 105-241.1(g) for
21 jeopardy assessments or the procedure set forth in G.S. 105-242, including causing
22 execution to be issued immediately against the personal property of the dealer unless the
23 dealer files with the Secretary a bond in the amount of the asserted liability for the tax,
24 penalty, and interest. The Secretary shall use all means available to collect the tax,
25 penalty, and interest from any property in which the dealer has a legal, equitable, or
26 beneficial interest. The dealer may seek review of the assessment as provided in Article
27 9 of this Chapter.

28 ~~(b) Of the monies collected pursuant to subsection (a), seventy five percent~~
29 ~~(75%) shall be remitted to the State or local law enforcement agency that conducted the~~
30 ~~investigation of the dealer that led to the assessment under subsection (a). If more than~~
31 ~~one State or local law enforcement agency conducted the investigation, the Secretary of~~
32 ~~the Department of Revenue shall determine the equitable pro rata share for each agency~~
33 ~~based on the contribution each agency made to the investigation."~~

34 (e) This section becomes effective July 1, 1992. Subsections (b) through (d)
35 apply to taxes collected on or after that date.

36
37 Requested by: Senators Basnight, Plyler

38 **LOCAL TAX REIMBURSEMENT TECHNICAL CHANGE**

39 Sec. 19. (a) Article 9 of Chapter 105 of the General Statutes is amended by
40 adding a new section to read:

41 **"§ 105-248.1. Reimbursement and tax-sharing distributions.**

42 If the amount appropriated to the Reserve for Reimbursements to Local
43 Governments and Shared Tax Revenues for a fiscal year is less than the amount of the
44 distributions required by law to be made from that reserve for the fiscal year, the

1 deficiency shall be credited to the reserve from the General Fund. If the amount
2 appropriated to the Reserve for Reimbursements to Local Governments and Shared Tax
3 Revenues for a fiscal year is greater than the amount of the distributions required by law
4 to be made from that reserve for the fiscal year, the excess reverts to the General Fund."

5 (b) This section is effective on and after July 1, 1991.

6
7 Requested by: Senator Shaw

8 **ADD CONTROLLED SUBSTANCE TAX POSITIONS**

9 Sec. 19.1. Of the funds appropriated to the Department of Revenue in this
10 act, the sum of sixty-four thousand seven hundred dollars (\$64,700) for the 1992-93
11 fiscal year shall be used to support three additional positions in the Controlled
12 Substance Tax Section of the Department of Revenue.

13 14 **PART 10. DEPARTMENT OF ADMINISTRATION**

15
16 Requested by: Senator Martin of Guilford

17 **INDIAN CULTURAL CENTER**

18 Sec. 20. (a) Of the funds appropriated to the Department of Administration in
19 Section 3 of Chapter 689 of the 1991 Session Laws, the sum of one thousand five
20 hundred dollars (\$1,500) shall be expended for maintenance of the following State lands
21 located in Robeson County:

- 22 (1) 386.69 acres contained in the deed dated April 14, 1983, and recorded
23 in Deed Book 533, page 164, Robeson County Registry;
- 24 (2) 386.69 acres contained in the deed dated August 24, 1984, and
25 recorded in Deed Book 563, page 254, Robeson County Registry;
- 26 (3) 99.62 acres contained in the deed dated March 20, 1985, and recorded
27 in Deed Book 575, page 523, Robeson County Registry; and
- 28 (4) 10.00 acres contained in the deed dated September 11, 1985, and
29 recorded in Deed Book 586, page 142, Robeson County Registry.

30 The public golf course known as the Riverside Golf Course and any Indian
31 Cultural Center developed or constructed on the above referenced lands shall be
32 included in lands for which funds may be expended for maintenance under this section.
33 Nothing in this section shall be construed to prohibit the continued operation of the
34 Riverside Golf Course pending a final disposition by the North Carolina General
35 Assembly as to the use of the above referenced lands.

36 (b) The General Assembly's Legislative Research Commission Study Committee
37 on the North Carolina Indian Cultural Center, Inc., authorized by Section 2.4 of Chapter
38 754 of the 1991 Session Laws, shall study provisions of the Charter of the North
39 Carolina Indian Cultural Center, Inc., relating to membership on the organization's
40 Board of Directors, and shall report its findings and recommendations to the 1993
41 General Assembly.

42 (c) The Office of State Auditor shall conduct a financial audit of the North
43 Carolina Indian Cultural Center, Inc., and shall report the results of the audit to the 1993
44 General Assembly.

1 (d) The Department of Administration shall complete the environmental impact
2 assessment for which funds were appropriated under Section 18 of Chapter 1074 of the
3 1989 Session Laws not later than October 1, 1992.

4
5 Requested by: Senator Martin of Guilford

6 **MOTOR FLEET MANAGEMENT/RETURN OF GENERAL FUND**
7 **INVESTMENT**

8 Sec. 21. On April 1, 1993, the Department of Administration shall credit to
9 the Office of State Treasurer, Nontax Revenues, the sum of one million six hundred
10 thousand dollars (\$1,600,000). These funds represent a partial return to the General
11 Fund of its investment of five million one hundred thousand dollars (\$5,100,000) for the
12 upgrading of the State motor fleet appropriated in Section 57 of Chapter 757 of the 1985
13 Session Laws.

14
15 Requested by: Senator Martin of Guilford

16 **SURPLUS PROPERTY WAREHOUSING FEES/GENERAL FUND**

17 Sec. 22. G.S. 143-64.05 reads as rewritten:

18 **"§ 143-64.05. Warehousing, transfer, etc., charges.**

19 The State agency for surplus property may assess and collect service charges or fees
20 for the acquisition, receipt, warehousing, distribution or transfer of any State surplus
21 property. All receipts from the transfer or sale of surplus, obsolete, or unused
22 equipment of State departments, institutions, and agencies, that are supported by
23 appropriations from the General Fund, except where the receipts have been anticipated
24 for, or budgeted against the cost of replacements, ~~shall be placed by the Secretary in an~~
25 ~~equipment reserve fund from which expenditures may be made only with prior approval~~
26 ~~of the Director of the Budget. Prior to taking any action under this section concerning~~
27 ~~expenditures from the equipment reserve fund, the Secretary shall consult with the~~
28 ~~Advisory Budget Commission and the Joint Legislative Commission on Governmental~~
29 ~~Operations. shall be credited by the Secretary to the Office of State Treasurer, Nontax~~
30 Revenues."

31
32 Requested by: Senator Martin of Guilford

33 **AGENCY FOR PUBLIC TELECOMMUNICATIONS BUDGET CODE**

34 Sec. 23. Effective July 1, 1992, the program-generated receipts of and
35 appropriations to the Agency for Public Telecommunications shall be accounted for
36 within a single General Fund purpose code.

37
38 Requested by: Senators Basnight, Plyler

39 **NAMING THE NEW REVENUE BUILDING**

40 Sec. 24. (a) Effective January 1, 1993, notwithstanding G.S. 100-8, 143B-373,
41 and 147-12, the building known as the new Revenue Building on Wilmington Street in
42 Raleigh shall be named the Kenneth C. Royall, Junior, Revenue Building.

1 (b) Of the funds appropriated for the 1992-93 fiscal year to the Department of
2 Administration, the sum of ten thousand dollars (\$10,000) shall be used for exterior
3 signage for the Kenneth C. Royall, Junior, Revenue Building.

4
5 Requested by: Senator Martin of Guilford

6 **AQUARIUM SOCIETY LEASE EXEMPTION**

7 Sec. 25. The Department of Administration may enter into leases with the
8 North Carolina Aquarium Society, a non-profit corporation whose sole purpose os to
9 assist financially the three State supported aquariums. Any leases entered into pursuant
10 to this section are exempt from the provisions of G.S. 146-29.1.

11 12 **PART 11. DEPARTMENT OF INSURANCE**

13
14 Requested by: Senator Martin of Guilford

15 **DATA FROM HEALTH CARE PROVIDERS**

16 Sec. 26. G.S. 131E-212(b)(9) reads as rewritten:

17 "(9) The Commission shall implement plans for the submission of data
18 from all health care providers beginning with the free-standing
19 ambulatory surgery ~~centers.~~ centers, subject to the availability of funds
20 appropriated for this purpose by the General Assembly."

21 22 **PART 12. DEPARTMENT OF SECRETARY OF STATE**

23
24 Requested by: Senator Martin of Guilford

25 **SECRETARY OF STATE COMPUTER SYSTEM RENOVATION**

26 Sec. 27. Effective July 1, 1992, through June 30, 1993, the provisions of G.S.
27 143-16.3 do not apply to the expenditures of funds to implement and support the
28 renovation of the computer system of the Corporations Division of the Department of
29 the Secretary of State.

30 31 **PART 13. SALARIES AND BENEFITS**

32
33 Requested by: Senator Richardson

34 **SALARY INCREASE FOR STATE-FUNDED LOCAL PROGRAMS**

35 Sec. 28. Funds shall be made available for employees in locally operated
36 State-funded programs in an amount not to exceed the State's allowable portion of a
37 forty-three dollars and fifty cents (\$43.50) per month salary increase.

38
39 Requested by: Senators Basnight, Plyler

40 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

41 Sec. 29. Section 188(c) of Chapter 689 of the 1991 Session Laws reads as
42 rewritten:

43 "(c) Effective July 1, 1992, the State's employer contribution rates budgeted for
44 retirement and related benefits as a percentage of covered salaries for the 1992-93 fiscal

1 year are (i) ten and ninety-three hundredths percent (10.93%) - Teachers and State
2 Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State Law
3 Enforcement Officers; (iii) eight and ~~sixty-six eighty-eight~~ hundredths percent (~~8.66%~~)
4 (8.88%) - University Employees' Optional Retirement Program; (iv) ~~twenty-nine and~~
5 ~~forty-six hundredths percent (29.46%)~~ twenty-six and three hundredths percent
6 (26.03%) - Consolidated Judicial Retirement System; and (v) thirty-two and thirty
7 hundredths percent (32.30%) - Legislative Retirement System. Each of the foregoing
8 contribution rates includes two percent (2%) for hospital and medical benefits. The rate
9 for State Law Enforcement Officers includes five percent (5%) for the Supplemental
10 Retirement Income Plan. The rates for Teachers and State Employees, State Law
11 Enforcement Officers, and for the University Employees' Optional Retirement Program
12 includes forty-two hundredths percent (0.42%) for the Disability Income Plan."

13
14 Requested by: Senators Basnight, Plyler

15 **IMPLEMENTATION OF THE TEACHER SALARY SCHEDULE AND**
16 **PROVIDE A RAISE TO ALL OTHER STATE EMPLOYEES.**

17
18 **INTRODUCTION**

19 Sec. 30. In 1989, the General Assembly began the process of implementing a
20 rational and equitable pay schedule for public school teachers. The General Assembly
21 anticipated completing the implementation of the salary schedule during the 1991-92
22 fiscal year but was unable to do so because of severe budgetary constraints.

23 Sound personnel policy makes it imperative that the General Assembly
24 complete the implementation of the teacher salary schedule during the 1992-93 fiscal
25 year. When the teacher salary schedule is fully implemented, each teacher will be paid
26 based on teaching experience.

27 Since the 1965-66 fiscal year, only two of the pay raises granted by the
28 General Assembly to State employees have included a lump-sum amount for each State
29 employee. By consistently giving State employees percentage pay increases instead of
30 lump-sum increases, the General Assembly has created an enormous discrepancy
31 between the upper and lower end of the State employee salary schedule. State
32 employees at the lower end of the salary schedule are experiencing great financial
33 difficulties because of the condition of the economy and the cost of living. A lump-sum
34 salary increase will, on a percentage basis, benefit most the employees at the lower end
35 of the salary schedule and will slightly reduce the percentage gap between the upper and
36 lower ends of the salary schedule.

37
38 **APPROPRIATIONS**

39 Sec. 31. (a) Of the funds appropriated from the General Fund to the Reserve for
40 Salary Increases, the sum of sixty-two million three hundred sixty thousand dollars
41 (\$62,360,000) for the 1992-93 fiscal year shall be used to provide raises for State
42 employees and school personnel other than teachers.

43 (b) Of the funds appropriated from the Highway Fund to the Reserve for Salary
44 Increases, the sum of six million seven hundred twenty-five thousand dollars

1 (\$6,725,000) for the 1992-93 fiscal year shall be used to provide raises for State
2 employees.

3 (c) Of the funds appropriated from the General Fund to the Reserve for Salary
4 Increases, the sum of forty-eight million seventy thousand dollars (\$48,070,000) for the
5 1992-93 fiscal year shall be used to implement the teacher salary schedule provided in
6 Section 66 of this act. This is the equivalent of two percent (2%) of teacher payroll.

7 (d) Of the funds appropriated from the Highway Fund to the Reserve for Salary
8 Increases, the sum of three hundred twenty thousand dollars (\$320,000) for the 1992-93
9 fiscal year shall be used to implement the teacher salary schedule provided in Section 66
10 of this act. This is the equivalent of two percent (2%) of teacher payroll.

11 (e) Of the funds appropriated from the General Fund to the Reserve for Salary
12 Increases, the sum of four million one hundred twenty thousand dollars (\$4,120,000)
13 shall be used to implement salary increases for employees in locally operated State-
14 funded programs as provided in Section 28 of this act.

15

16 Requested by: Senator Winner

17 **GOVERNOR'S SALARY INCREASE**

18 Sec. 32. (a) G.S. 147-11(a) reads as rewritten:

19 "(a) The salary of the Governor shall be ~~one hundred twenty-three thousand three~~
20 ~~hundred dollars (\$123,300)~~ one hundred twenty-three thousand eight hundred twenty-
21 two dollars (\$123,822) annually, payable monthly."

22 (b) Effective January 1, 1993, G.S. 147-11(a), as rewritten by subsection (a) of
23 this section, reads as rewritten:

24 "(a) The salary of the Governor shall be ~~one hundred twenty-three thousand eight~~
25 ~~hundred twenty-two dollars (\$123,822)~~ ninety-one thousand nine hundred thirty-eight
26 dollars (\$91,938) annually, payable monthly."

27

28 Requested by: Senator Basnight

29 **COUNCIL OF STATE/SALARY INCREASE**

30 Sec. 33. The annual salaries for members of the Council of State, payable
31 monthly, for the 1992-93 fiscal year are:

| 32 <u>Council of State</u> | <u>1992-93</u> |
|---|----------------|
| 33 | |
| 34 Lieutenant Governor | \$75,774 |
| 35 Attorney General | 75,774 |
| 36 Secretary of State | 75,774 |
| 37 State Treasurer | 75,774 |
| 38 State Auditor | 75,774 |
| 39 Superintendent of Public Instruction | 75,774 |
| 40 Agriculture Commissioner | 75,774 |
| 41 Insurance Commissioner | 75,774 |
| 42 Labor Commissioner | 75,774. |

43

44 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

1 Sec. 34. In accordance with G.S. 143B-9, the maximum annual salaries,
2 payable monthly, for the nonelected heads of the principal State departments for the
3 1992-93 fiscal year are:

| 4 Nonelected Department Heads | 1992-93 |
|--------------------------------------|----------|
| 5 Secretary of Administration | \$75,774 |
| 6 Secretary of Correction | 75,774 |
| 7 Secretary of Crime Control and | |
| 8 Public Safety | 75,774 |
| 9 Secretary of Cultural Resources | 75,774 |
| 10 Secretary of Economic and | |
| 11 Community Development | 75,774 |
| 12 Secretary of Environment, Health, | |
| 13 and Natural Resources | 75,774 |
| 14 Secretary of Human Resources | 75,774 |
| 15 Secretary of Revenue | 75,774 |
| 16 Secretary of Transportation | 75,774. |

17 18 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

19 Sec. 35. Effective upon convening of the 1993 Regular Session of the
20 General Assembly, G.S. 120-3 reads as rewritten:

21 **"§ 120-3. Pay of members and officers of the General Assembly.**

22 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-five~~
23 ~~thousand one hundred dollars (\$35,100),~~ thirty-five thousand six hundred twenty-two
24 dollars (\$35,622), payable monthly, and an expense allowance of one thousand three
25 hundred twenty dollars (\$1,320) per month. The President Pro Tempore of the Senate
26 shall be paid an annual salary of ~~thirty-five thousand one hundred dollars (\$35,100),~~
27 thirty-five thousand six hundred twenty-two dollars (\$35,622), payable monthly, and an
28 expense allowance of one thousand three hundred twenty dollars (\$1,320) per month.
29 The Speaker Pro Tempore of the House shall be paid an annual salary of ~~nineteen~~
30 ~~thousand seven hundred seventy-six dollars (\$19,776),~~ twenty thousand two hundred
31 ninety-eight dollars (\$20,298), payable monthly, and an expense allowance of seven
32 hundred eighty dollars (\$780.00) per month. the Deputy President Pro Tempore of the
33 Senate shall be paid an annual salary of ~~nineteen thousand seven hundred seventy-six~~
34 ~~dollars (\$19,776),~~ twenty thousand two hundred ninety-eight dollars (\$20,298), payable
35 monthly, and an expense allowance of seven hundred eighty dollars (\$780.00) per
36 month. The majority and minority leaders in the House and the majority and minority
37 leaders in the Senate shall be paid an annual salary of ~~fifteen thousand three hundred~~
38 ~~ninety-six dollars (\$15,396),~~ fifteen thousand nine hundred eighteen dollars (\$15,918),
39 payable monthly, and an expense allowance of six hundred twenty-two dollars
40 (\$622.00) per month.

41 (b) Every other member of the General Assembly shall receive increases in
42 annual salary only to the extent of and in the amounts equal to the average increases
43 received by employees of the State, effective upon convening of the next Regular
44 Session of the General Assembly after enactment of these increased amounts.

1 Accordingly, upon convening of the 1991–1993 Regular Session of the General
2 Assembly, every other member of the General Assembly shall be paid an annual salary
3 of ~~twelve thousand five hundred four dollars (\$12,504)~~, thirteen thousand twenty-six
4 dollars (\$13,026), payable monthly, and an expense allowance of five hundred twenty-
5 two dollars (\$522.00) per month.

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

11 12 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

13 Sec. 36. G.S. 120-37(c) reads as rewritten:

14 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
15 entitled to other benefits available to permanent legislative employees and shall be paid
16 an annual salary of ~~forty three thousand five hundred forty eight dollars (\$43,548)~~ from
17 ~~July 1, 1989 through June 30, 1990~~, and an annual salary of ~~forty six thousand one~~
18 ~~hundred sixty four dollars (\$46,164)~~ on and after July 1, 1990, forty-six thousand six
19 hundred eighty-six dollars (\$46,686), payable monthly. The Legislative Services
20 Commission shall review the salary of the principal clerks prior to submission of the
21 proposed operating budget of the General Assembly to the Governor and Advisory
22 Budget Commission and shall make appropriate recommendations for changes in those
23 salaries. Any changes enacted by the General Assembly shall be by amendment to this
24 paragraph."

25 26 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

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

28 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
29 salary of ~~one hundred ninety seven dollars (\$197.00) per week from July 1, 1989~~
30 ~~through June 30, 1990~~, and ~~two hundred nine dollars (\$209.00) per week on and after~~
31 ~~July 1, 1990~~, two hundred nineteen dollars (\$219.00) per week, plus subsistence at the
32 same daily rate provided for members of the General Assembly, plus mileage at the rate
33 provided for members of the General Assembly for one round trip only from their
34 homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the
35 General Assembly and at such time prior to the convening of, and subsequent to
36 adjournment or recess of, sessions as may be authorized by the Legislative Services
37 Commission. The reading clerks shall serve during sessions only."

38 39 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

40 Sec. 38. The Legislative Administrative Officer may increase the salaries of
41 nonelected employees of the General Assembly in effect for fiscal year 1991-92 by
42 forty-three dollars and fifty cents (\$43.50) per month. Nothing in this act limits any of
43 the provisions of G.S. 120-32.

1 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

2 Sec. 39. (a) The annual salaries, payable monthly, for specified judicial branch
3 officials for fiscal year 1992-93 are:

| 4 <u>Judicial Branch Officials</u> | <u>1992-93</u> |
|---|----------------|
| 5 | |
| 6 Chief Justice, Supreme Court | \$91,938 |
| 7 Associate Justice, Supreme Court | 90,054 |
| 8 Chief Judge, Court of Appeals | 87,186 |
| 9 Judge, Court of Appeals | 85,290 |
| 10 Judge, Senior Regular Resident | |
| 11 Superior Court | 78,258 |
| 12 Judge, Superior Court | 75,774 |
| 13 Chief Judge, District Court | 66,918 |
| 14 Judge, District Court | 64,386 |
| 15 District Attorney | 70,554 |
| 16 Assistant District Attorney - an | |
| 17 average of | 45,822 |
| 18 Administrative Officer of the Courts | 78,258 |
| 19 Assistant Administrative Officer | |
| 20 of the Courts | 63,882 |
| 21 Public Defender | 70,554 |
| 22 Assistant Public Defender - an | |
| 23 average of | 45,822. |

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

28 The district attorney or public defender of a judicial district, with the approval
29 of the Administrative Officer of the Courts, shall set the salaries of assistant district
30 attorneys or assistant public defenders, respectively, in that district such that the average
31 salaries of assistant district attorneys or assistant public defenders in that district do not
32 exceed forty-five thousand eight hundred twenty-two dollars (\$45,822), and the
33 minimum salary of any assistant district attorney or assistant public defender is at least
34 twenty-three thousand three hundred ninety-four dollars (\$23,394) effective July 1,
35 1992.

36 (b) The salaries in effect for fiscal year 1991-92 for permanent, full-time
37 employees of the Judicial Department, except for those whose salaries are itemized in
38 this act, shall be increased by forty-three dollars and fifty cents (\$43.50) per month,
39 commencing July 1, 1992.

40 (c) The salaries in effect for fiscal year 1991-92 for all permanent, part-time
41 employees of the Judicial Department shall be increased on and after July 1, 1992, by
42 pro rata amounts of the forty-three dollars and fifty cents (\$43.50) per month.

43
44 Requested by: Senators Marvin, Parnell

1 **CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE**

2 Sec. 40. G.S. 7A-101 reads as rewritten:

3 **"§ 7A-101. Compensation.**

4 (a) The clerk of superior court is a full-time employee of the State and shall
5 receive an annual salary, payable in equal monthly installments, ~~based on the population~~
6 ~~of the county, as determined by the population projections of the Office of State Budget~~
7 ~~and Management for the year preceding the first year of each biennial budget, based on~~
8 the population of the county as determined in subsection (a1) of this section, according
9 to the following schedule:

| 10 Population | 11 Annual Salary | | |
|---|----------------------|-------------------|-----------------|
| 12 Less than 99,999 <u>100,000</u> | \$ 44,256 | 46,920 | <u>\$47,442</u> |
| 13 100,000 to 199,999 | 50,016 | 53,028 | <u>53,550</u> |
| 14 200,000 and above | 57,072 | 60,504 | <u>61,026.</u> |

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

20 (a1) For purposes of subsection (a) of this section, the population of a county for
21 any fiscal year shall be the population for the beginning of that fiscal year as reported by
22 the Office of State Planning to the Administrative Office of the Courts prior to the
23 beginning of that fiscal year.

24 (b) The clerk shall receive no fees or commission by virtue of his office. The
25 salary set forth in this section is the clerk's sole official compensation, but if, on June
26 30, 1975, the salary of a particular clerk, by reason of previous but no longer authorized
27 merit increments, is higher than that set forth in the table, that higher salary shall not be
28 reduced during his continuance in office.

29 (c) In lieu of merit and other increment raises paid to regular State employees, a
30 clerk of superior court shall receive as longevity pay an amount equal to four and eight-
31 tenths percent (4.8%) of the annual salary set forth in the Budget Appropriation Act
32 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
33 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
34 nineteen and two-tenths percent (19.2%) after 20 years of service. Service shall mean
35 service in the elective position of clerk of superior court, as an assistant clerk of court
36 and as a supervisor of clerks of superior court with the Administrative Office of the
37 Courts and shall not include service as a deputy or acting clerk. Service shall also mean
38 service as a justice or judge of the General Court of Justice or as a district attorney."
39

40 Requested by: Senator Cochrane

41 **MAGISTRATES' SERVICE PAY**

42 Sec. 40.1. G.S. 7A-171.1(4) reads as rewritten:

43 "(4) Notwithstanding any other provision of this section, a magistrate with
44 10 years' experience within the last 12 years as a sheriff or deputy

1 sheriff, administrative officer for a district attorney, city or county
 2 police officer, campus police officer, wildlife officer, or highway
 3 patrolman in the State of North Carolina, or with 20 years' experience
 4 as a sheriff or deputy sheriff, city or county police officer, campus
 5 police officer, wildlife officer, or highway patrolman in the State of
 6 North Carolina, or with 10 years' experience within the last 12 years as
 7 clerk of superior court or an assistant or deputy clerk of court in the
 8 State of North Carolina shall receive the annual salary provided in the
 9 table in subdivision (1) for a magistrate with five years of service in
 10 addition to those the magistrate has served. A magistrate who
 11 qualifies for the increased salary under both subdivisions (3) and (4) of
 12 this subsection shall receive either the salary determined under
 13 subdivision (3) or that determined under subdivision (4), whichever is
 14 higher, but no more."

15
 16 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY**
 17 **INCREASE/REPEAL INCREMENTAL SALARY PLAN**

18 Sec. 41. (a) G.S. 7A-102(c) reads as rewritten:

19 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
 20 of the Courts shall establish an incremental salary plan for assistant clerks and for
 21 deputy clerks based on a series of salary steps corresponding to the steps contained in
 22 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to
 23 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,
 24 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
 25 his salary plan based on satisfactory job performance as determined by each clerk.
 26 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
 27 office of superior court clerk would warrant an annual salary greater than the salary first
 28 established under this section, that assistant or deputy clerk shall be eligible on and after
 29 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
 30 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
 31 in his salary plan, and shall remain eligible for a two-step increase each year as
 32 recommended by each clerk until that assistant or deputy clerk's annual salary
 33 corresponds to his number of years of service. Any person covered by this subsection
 34 who would not receive a step increase in fiscal year 1992-93 because that person is at
 35 the top of the salary range as it existed for fiscal year 1990-91 shall receive a salary
 36 increase to the maximum annual salary provided for fiscal year 1992-93 by subsection
 37 (c1) of this section.

38 (c1) A full-time assistant clerk or a full-time deputy clerk shall be paid an annual
 39 salary subject to the following minimum and maximum rates:

| | | | |
|---------------------|---------------------|--------------------|-----------------|
| 40 Assistant Clerks | Annual Salary | | |
| 41 Minimum | \$19,536 | 20,712- | <u>\$20,712</u> |
| 42 Maximum | 32,772 | 34,740- | <u>35,262</u> |

43
 44 Deputy Clerks Annual Salary

1 Minimum ~~\$15,312~~ ~~16,236~~ \$16,236
 2 Maximum ~~-25,128~~ ~~26,640~~ 27,162."
 3 (b) Effective June 30, 1993, G.S. 7A-102(c) is repealed.

5 **MAGISTRATES/SALARY INCREASE**

6 Sec. 42. G.S. 7A-171.1(a)(1) reads as rewritten:

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

13 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

| 14 | Number of Prior Years of Service | | Annual Salary | |
|----|----------------------------------|---------------------|---------------------|-----------------|
| 15 | 93 | | | |
| 16 | Less than 1 | \$15,600 | \$16,536 | <u>\$17,058</u> |
| 17 | 1 or more but less than 3 | 16,416 | 17,412 | <u>17,934</u> |
| 18 | 3 or more but less than 5 | 18,084 | 19,176 | <u>19,698</u> |
| 19 | 5 or more but less than 7 | 19,920 | 21,120 | <u>21,642</u> |
| 20 | 7 or more but less than 9 | 21,972 | 23,292 | <u>23,814</u> |
| 21 | 9 or more but less than 11 | 24,204 | 25,656 | <u>26,178</u> |
| 22 | 11 or more | 26,628 | 28,236 | <u>28,758.</u> |

23
 24
 25 A 'Full-time magistrate' is a magistrate who is assigned to work an
 26 average of not less than 40 hours a week during his term of office.

27 Notwithstanding any other provision of this subdivision, a full-time
 28 magistrate, who was serving as a magistrate on December 31, 1978,
 29 and who was receiving an annual salary in excess of that which would
 30 ordinarily be allowed under the provisions of this subdivision, shall
 31 not have the salary, which he was receiving reduced during any
 32 subsequent term as a full-time magistrate. That magistrate's salary
 33 shall be fixed at the salary level from the table above which is nearest
 34 and higher than the latest annual salary he was receiving on December
 35 31, 1978, and, thereafter, shall advance in accordance with the
 36 schedule in the table above."
 37

38 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

39 Sec. 43. The Director of the Budget may transfer from the Reserve for Salary
 40 Increases created in this act for fiscal year 1992-93 funds necessary to provide a salary
 41 increase of forty-three dollars and fifty cents (\$43.50) per month, including funds for
 42 the employer's retirement and social security contributions, commencing July 1, 1992,
 43 for all permanent full-time community college institutional personnel supported by State
 44 funds. All permanent part-time community college institutional personnel supported by

1 State funds shall receive pro rata amounts of the forty-three dollars and fifty cents
2 (\$43.50) per month. These funds may not be used for any purpose other than for the
3 salary increases and necessary employer contributions provided by this section.

4 5 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

6 Sec. 44. The Director of the Budget may transfer from the Reserve for Salary
7 Increases created in this act for fiscal year 1992-93 funds necessary to provide a salary
8 increase of forty-three dollars and fifty cents (\$43.50) per month, including funds for
9 the employer's retirement and social security contributions commencing July 1, 1992,
10 for each full-time employee of The University of North Carolina, as well as each full-
11 time employee of the North Carolina School of Science and Mathematics, supported by
12 State funds and whose salaries are exempt from the State Personnel Act; provided that
13 the Board of Governors of The University of North Carolina may allocate the funds it
14 receives for the salary increment for its employees in positions exempt from the State
15 Personnel Act according to rules adopted by the Board of Governors. An additional one
16 hundred thousand dollars (\$100,000) shall be transferred from the Reserve for Salary
17 Increases for salaries of teaching positions whose salaries are exempt from the State
18 Personnel Act at the North Carolina School of Science and Mathematics. The Board of
19 Trustees of the North Carolina School of Science and Mathematics may allocate the
20 funds it receives for the salary increment for its employees in positions exempt from the
21 State Personnel Act according to rules adopted by the Board of Trustees of the School
22 of Science and Mathematics. All part-time employees of The University of North
23 Carolina, as well as all part-time employees of the North Carolina School of Science
24 and Mathematics, supported by State funds and whose salaries are exempt from the
25 State Personnel Act shall receive a pro rata amount of the forty-three dollars and fifty
26 cents (\$43.50) per month provided that the Board of Governors of The University of
27 North Carolina may allocate the funds it receives for the salary increment for its
28 employees in positions exempt from the State Personnel Act according to rules adopted
29 by the Board of Governors, provided that for the North Carolina School of Science and
30 Mathematics, according to rules adopted by the Board of Trustees of the school.

31 32 **MOST STATE EMPLOYEES/SALARY INCREASES/1992-93**

33 Sec. 45. (a) The salaries in effect for fiscal year 1991-92 for all permanent full-
34 time State employees whose salaries are set in accordance with the State Personnel Act
35 and who are paid from the General Fund or the Highway Fund shall be increased, on
36 and after July 1, 1992, unless otherwise provided by this act, by forty-three dollars and
37 fifty cents (\$43.50) per month.

38 (b) Except as otherwise provided in this act, the fiscal year 1991-92 salaries for
39 permanent full-time State officials and persons in exempt positions that are
40 recommended by the Governor or the Governor and the Advisory Budget Commission
41 and set by the General Assembly shall be increased by forty-three dollars and fifty cents
42 (\$43.50) per month, commencing July 1, 1992.

43 (c) The salaries in effect for fiscal year 1991-92 for all permanent part-time State
44 employees shall be increased on and after July 1, 1992, by pro rata amounts of the forty-

1 three dollars and fifty cents (\$43.50) per month salary increase provided for permanent
2 full-time employees covered under subsection (a) of this section.

3 (d) The Director of the Budget may allocate out of special operating funds or
4 from other sources of the employing agency, except tax revenues, sufficient funds to
5 allow a salary increase, on and after July 1, 1992, in accordance with subsections (a),
6 (b), or (c) of this section including funds for the employer's retirement and social
7 security contributions, for the permanent full-time and part-time employees of the
8 agency, provided the employing agency elects to make available the necessary funds.

9 (e) Within regular Executive Budget Act procedures as limited by this act, all
10 State agencies and departments may increase on an equitable basis the rate of pay of
11 temporary and permanent hourly State employees, subject to availability of funds in the
12 particular agency or department, by pro rata amounts of the forty-three dollars and fifty
13 cents (\$43.50) per month salary increase provided for permanent full-time employees
14 covered by the provisions of subsection (a) of this section, commencing July 1, 1992.

15 (f) The provisions of this section do not apply to employees whose salaries
16 are determined in accordance with G.S. 20-187.3(a), except for those employees who
17 would not receive a salary increment for the 1992-93 fiscal year under G.S. 20-187.3(a)
18 because they are at the top of their salary range.

19

20 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

21 Sec. 46. (a) The annual salaries, payable monthly, for the 1992-93 fiscal year
22 for the following executive branch officials are:

| 23 <u>Executive Branch Officials</u> | <u>Annual Salary</u> |
|---|----------------------|
| | <u>1992-93</u> |
| 25 Chairman, Alcoholic Beverage Control | |
| 26 Commission | \$72,930 |
| 27 State Controller | 117,942 |
| 28 Commissioner of Motor Vehicles | 72,930 |
| 29 Commissioner of Banks | 72,930 |
| 30 Chairman, Employment Security | |
| 31 Commission | 72,930 |
| 32 State Personnel Director | 75,774 |
| 33 Chairman, Parole Commission | 66,594 |
| 34 Members of the Parole Commission | 61,482 |
| 35 Chairman, Industrial Commission | 65,526 |
| 36 Members of the Industrial Commission | 63,930 |
| 37 Executive Director, Agency for Public | |
| 38 Telecommunications | 61,482 |
| 39 General Manager, Ports Railway | |
| 40 Commission | 55,518 |
| 41 Director, Museum of Art | 74,730 |
| 42 Executive Director, Wildlife Resources | |
| 43 Commission | 62,946 |
| 44 Executive Director, North Carolina | |

| | | |
|---|------------------------------------|--------|
| 1 | Housing Finance Agency | 90,258 |
| 2 | Executive Director, North Carolina | |
| 3 | Agricultural Finance Authority | 70,986 |
| 4 | Director, Office of Administrative | |
| 5 | Hearings 64,386. | |

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

11 PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

12 Sec. 47. (a) Superintendents, Assistant Superintendents, Associate
13 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
14 Administrators, Principals, and Assistant Principals.—The Director of the Budget may
15 transfer from the Reserve for Salary Increases created in this act for fiscal year 1992-93
16 funds necessary to provide a salary increase of forty-three dollars and fifty cents
17 (\$43.50) per month, including funds for the employer's retirement and social security
18 contributions, commencing July 1, 1992, for all superintendents, assistant
19 superintendents, associate superintendents, supervisors, directors, coordinators,
20 evaluators, program administrators, principals, and assistant principals whose salaries
21 are supported from the State's General Fund. These funds may not be used for any
22 purpose other than for the salary increase and necessary employer contributions
23 provided by this subsection.

24 (b) Noncertified Employees. The Director of the Budget may transfer from the
25 Reserve for Salary Increases created in this act for fiscal year 1992-93 funds necessary
26 to provide a salary increase of forty-three dollars and fifty cents (\$43.50) per month,
27 including funds for the employer's retirement and social security contributions,
28 commencing July 1, 1992, for all noncertified public school employees, except school
29 bus drivers, whose salaries are supported from the State's General Fund. These funds
30 may not be used for any purpose other than for the salary increases and necessary
31 employer contributions provided by this subsection.

32 (c) The fiscal year 1991-92 pay rates adopted by local boards of education for
33 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
34 1992, to the extent that such rates of pay are supported by the allocation of State funds
35 from the State Board of Education. Local boards of education shall increase the rates of
36 pay for all school bus drivers who were employed during fiscal year 1991-92 and who
37 continue their employment for fiscal year 1992-93 by at least two percent (2%) on and
38 after July 1, 1992. The Director of the Budget may transfer from the salary increase
39 reserve fund created in Section 3 of this act for fiscal year 1992-93 funds necessary to
40 provide the salary increases for school bus drivers whose salaries are supported from the
41 State's General Fund in accordance with the provisions of this subsection.

43 ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

1 Sec. 48. (a) Salaries for positions that are funded partially from the General
2 Fund or Highway Fund and partially from sources other than the General Fund or
3 Highway Fund shall be increased from the General Fund or Highway Fund
4 appropriation only to the extent of the proportionate part of the salaries paid from the
5 General Fund or Highway Fund.

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

9 (c) The salary increases provided in this Part are to be effective July 1, 1992, do
10 not apply to persons separated from State service due to resignation, dismissal,
11 reduction in force, death, or retirement, whose last workday is prior to July 1, 1992, or
12 to employees involved in written disciplinary procedures.

13 Payroll checks issued to employees after July 1, 1992, which represent
14 payment for services provided prior to July 1, 1992, shall not be eligible for salary
15 increases provided for in this act. This subsection shall apply to all employees, subject
16 to or exempt from the State Personnel Act, paid from State funds, including public
17 schools, community colleges, and The University of North Carolina.

18 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
19 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
20 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
21 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
22 automatic increment, and no State employee or officer shall receive a merit increment
23 during the 1992-93 fiscal year, except as otherwise permitted by this act.

24 (e) The Director of the Budget shall transfer from the Reserve for Salary
25 Increases created in this act for fiscal year 1992-93 all funds necessary for the salary
26 increases provided by this act, including funds for the employer's retirement and social
27 security contributions.

28 (f) Nothing in this act authorizes the transfer of funds from the General Fund
29 to the Highway Fund for salary increases.

30 31 **HIGHWAY PATROL SALARIES**

32 Sec. 49. Effective June 30, 1993, G.S. 20-187.3(a) reads as rewritten:

33 "(a) The Secretary of Crime Control and Public Safety shall not make or permit to
34 be made any order, rule, or regulation requiring the issuance of any minimum number of
35 traffic citations, or ticket quotas, by any member or members of the State Highway
36 Patrol. Pay and promotions of members of the Highway Patrol shall be based on their
37 overall job performance and not on the basis of the volume of citations issued or arrests
38 made. The provisions of G.S. 126-7 shall not apply to members of the State Highway
39 Patrol. Members of the Highway Patrol shall, however, be subject to salary classes,
40 ranges and longevity pay for service as are applicable to other State employees
41 generally. ~~Beginning July 1, 1985, and annually thereafter, each member of the~~
42 ~~Highway Patrol shall be granted a salary increase in an amount corresponding to the~~
43 ~~increments between steps within the salary range established for the class to which the~~

1 member's position is assigned by the State Personnel Commission, not to exceed the
2 maximum of each applicable salary range."

4 **SBI SALARIES**

5 Sec. 50. Of the funds appropriated in this act to the Department of Justice,
6 State Bureau of Investigation, for the 1992-93 fiscal year for overtime pay to
7 supervisors in the State Bureau of Investigation, a maximum of five thousand two
8 hundred dollars (\$5,200) shall be added to the salary of each supervisor who received
9 overtime payments as of June 30, 1992, in lieu of payment for overtime.

11 **RESERVE FOR LOWEST PAID EMPLOYEES**

12 Sec. 51. Notwithstanding any other provisions of the current law, the Office
13 of State Budget and Management is authorized to transfer funds that are certified as
14 performance pay reserves in the 1992-93 budget and are not required to continue
15 support of performance pay allocations authorized in fiscal year 1990-91 to a Reserve
16 for Lowest Paid Employees for the purpose of providing salary increases to the lowest
17 paid State employees pursuant to Section 37 of Chapter 1066 of the 1989 Session Laws.
18 When all agencies except Special Responsibility Constituent Institutions in The
19 University of North Carolina System have received sufficient funds from the Reserve
20 for Lowest Paid Employees in order to fully implement Section 37 of Chapter 1066 of
21 the 1989 Session Laws, the remaining funds in that Reserve shall be available to Special
22 Responsibility Constituent Institutions in The University of North Carolina System to
23 implement that section. If such funds are insufficient for Special Responsibility
24 Constituent Institutions in The University of North Carolina System to fully implement
25 that section, they shall use funds otherwise available to fully implement that section.

26
27 Requested by: Senator Basnight

28 **CONFORM LEGISLATIVE PER DIEM TO FEDERAL REGULATIONS**

29 Sec. 52. Effective upon the convening of the 1993 Regular Session of the
30 General Assembly, G.S. 120-3.1(a)(3) reads as rewritten:

31 "(3) A subsistence allowance for meals and lodging at a daily rate equal to
32 the maximum per diem rate for federal employees traveling to Raleigh,
33 North Carolina, as set out at ~~52 Federal Register 26644 (July 15,~~
34 ~~1987),~~ 57 Federal Register 6684 (February 27, 1992), while the
35 General Assembly is in session and, except as otherwise provided in
36 this subdivision, while the General Assembly is not in session when,
37 with the approval of the Speaker of the House in the case of
38 Representatives or the President Pro Tempore of the Senate in case of
39 Senators, the member is:

- 40 a. Traveling as a representative of the General Assembly or of its
41 committees or commissions, or
- 42 b. Otherwise in the service of the State.

43 A member who is authorized to travel, whether in or out of session,
44 within the United States outside North Carolina, may elect to receive,

1 in lieu of the amount provided in the preceding paragraph, a
 2 subsistence allowance of ~~twenty dollars (\$20.00)~~ twenty-six dollars
 3 (\$26.00) a day for meals, plus actual expenses for lodging when
 4 evidenced by a receipt satisfactory to the Legislative Administrative
 5 Officer, the latter not to exceed the maximum per diem rate for federal
 6 employees traveling to the same place, as set out at ~~52 Federal Register~~
 7 ~~26630-26648 (July 15, 1987)~~ 57 Federal Register 6678-6687 (February
 8 27, 1992) and at ~~52 Federal Register 33616-33617 (September 4,~~
 9 ~~1987)~~ 57 Federal Register 24474-24477 (June 9, 1992)."

10
 11 Requested by: Senator Block

12 **INCREASE THE RETIREMENT FORMULAS AND TO PROVIDE**
 13 **ADJUSTING INCREASES TO RETIREES OF THE TEACHERS' AND STATE**
 14 **EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL**
 15 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

16 Sec. 53. (a) G.S. 135-5(b12) reads as rewritten:

17 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
 18 ~~1990.~~ 1990, but before July 1, 1992. – Upon retirement from service in accordance with
 19 subsection (a) above, on or after July 1, 1990, but before July 1, 1992, a member shall
 20 receive the following service retirement allowance:

21 (1) A member who is a law enforcement officer or an eligible former law
 22 enforcement officer shall receive a service retirement allowance
 23 computed as follows:

24 a. If the member's service retirement date occurs on or after his
 25 55th birthday, and completion of five years of creditable service
 26 as a law enforcement officer, or after the completion of 30 years
 27 of creditable service, the allowance shall be equal to one and
 28 sixty-four hundredths percent (1.64%) of his average final
 29 compensation, multiplied by the number of years of his
 30 creditable service.

31 b. This allowance shall also be governed by the provisions of G.S.
 32 135-5(b9)(1)b.

33 (2) A member who is not a law enforcement officer or an eligible former
 34 law enforcement officer shall receive a service retirement allowance
 35 computed as follows:

36 a. If the member's service retirement date occurs on or after his
 37 65th birthday upon the completion of five years of creditable
 38 service or after the completion of 30 years of creditable service
 39 or on or after his 60th birthday upon the completion of 25 years
 40 of creditable service, the allowance shall be equal to one and
 41 sixty-four hundredths percent (1.64%) of his average final
 42 compensation, multiplied by the number of years of creditable
 43 service.

1 b. This allowance shall also be governed by the provisions of G.S.
2 135-5(b9)(2)b. c. and d."

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

4 "(b13) Service Retirement Allowance of Members Retiring on or after July 1,
5 1992. – Upon retirement from service in accordance with subsection (a) above, on or
6 after July 1, 1992, a member shall receive the following service retirement allowance:

7 (1) A member who is a law enforcement officer or an eligible former law
8 enforcement officer shall receive a service retirement allowance
9 computed as follows:

10 a. If the member's service retirement date occurs on or after his
11 55th birthday, and completion of five years of creditable service
12 as a law enforcement officer, or after the completion of 30 years
13 of creditable service, the allowance shall be equal to one and
14 seventy hundredths percent (1.70%) of his average final
15 compensation, multiplied by the number of years of his
16 creditable service.

17 b. This allowance shall also be governed by the provisions of G.S.
18 135-5(b9)(1)b.

19 (2) A member who is not a law enforcement officer or an eligible former
20 law enforcement officer shall receive a service retirement allowance
21 computed as follows:

22 a. If the member's service retirement date occurs on or after his
23 65th birthday upon the completion of five years of creditable
24 service or after the completion of 30 years of creditable service
25 or on or after his 60th birthday upon the completion of 25 years
26 of creditable service, the allowance shall be equal to one and
27 seventy hundredths percent (1.70%) of his average final
28 compensation, multiplied by the number of years of creditable
29 service.

30 b. This allowance shall also be governed by the provisions of G.S.
31 135-5(b9)(2)b. c. and d."

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

33 "(tt) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1992. –
34 From and after July 1, 1992, the retirement allowance to or on account of beneficiaries
35 on the retirement rolls as of June 1, 1992, shall be increased by three and six-tenths of
36 one percent (3.6%) of the allowance payable on June 1, 1992. This allowance shall be
37 calculated on the allowance payable and in effect on June 30, 1992, so as not to be
38 compounded on any other increase granted by act of the 1991 Session of the General
39 Assembly, 1992 Regular Session."

40 (d) In order to fund the provisions of subsections (a) through (c) of this section,
41 the Board of Trustees of the Teachers' and State Employees' Retirement System, with
42 the advice of its consulting actuary, shall apply the unencumbered actuarial gain in the
43 System by allocating the percentage of payroll contribution rates for employers between

1 the normal and accrued liability contributions to the Retirement System without an
2 increase in the total employer contribution rate.

3 (e) G.S. 128-27(b12) reads as rewritten:

4 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
5 1990-1990, but before July 1, 1992. – Upon retirement from service in accordance with
6 subsection (a) above, on or after July 1, 1990, but before July 1, 1992, a member shall
7 receive the following service retirement allowance:

8 (1) A member who is a law enforcement officer or an eligible former law
9 enforcement officer shall receive a service retirement allowance
10 computed as follows:

11 a. If the member's service retirement date occurs on or after his
12 55th birthday, and completion of five years of creditable service
13 as a law enforcement officer, or after the completion of 30 years
14 of creditable service, the allowance shall be equal to one and
15 sixty-four hundredths percent (1.64%) of his average final
16 compensation, multiplied by the number of years of his
17 creditable service.

18 b. This allowance shall also be governed by the provisions of G.S.
19 128-27(b8)(2).

20 (2) A member who is not a law enforcement officer or an eligible former
21 law enforcement officer shall receive a service retirement allowance
22 computed as follows:

23 a. If the member's service retirement date occurs on or after his
24 65th birthday upon the completion of five years of creditable
25 service or after the completion of 30 years of creditable service
26 or on or after his 60th birthday upon the completion of 25 years
27 of creditable service, the allowance shall be equal to one and
28 sixty-four hundredths percent (1.64%) of his average final
29 compensation, multiplied by the number of years of creditable
30 service.

31 b. This allowance shall also be governed by the provisions of G.S.
32 128-27(b7)(2a) and (3)."

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

34 "(b13) Service Retirement Allowance of Members Retiring on or after July 1,
35 1992. – Upon retirement from service in accordance with subsection (a) above, on or
36 after July 1, 1992, a member shall receive the following service retirement allowance:

37 (1) A member who is a law enforcement officer or an eligible former law
38 enforcement officer shall receive a service retirement allowance
39 computed as follows:

40 a. If the member's service retirement date occurs on or after his
41 55th birthday, and completion of five years of creditable service
42 as a law enforcement officer, or after the completion of 30 years
43 of creditable service, the allowance shall be equal to one and
44 seventy hundredths percent (1.70%) of his average final

1 compensation, multiplied by the number of years of his
2 creditable service.

3 b. This allowance shall also be governed by the provisions of G.S.
4 128-27(b8)(2).

5 (2) A member who is not a law enforcement officer or an eligible former
6 law enforcement officer shall receive a service retirement allowance
7 computed as follows:

8 a. If the member's service retirement date occurs on or after his
9 65th birthday upon the completion of five years of creditable
10 service or after the completion of 30 years of creditable service
11 or on or after his 60th birthday upon the completion of 25 years
12 of creditable service, the allowance shall be equal to one and
13 seventy hundredths percent (1.70%) of his average final
14 compensation, multiplied by the number of years of creditable
15 service.

16 b. This allowance shall also be governed by the provisions of G.S.
17 128-27(b7)(2a), (2b), and (3)."

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

19 "(jj) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1992. –
20 From and after July 1, 1992, the retirement allowance to or on account of beneficiaries
21 on the retirement rolls as of June 1, 1992, shall be increased by three and six-tenths of
22 one percent (3.6%) of the allowance payable on June 1, 1992. This allowance shall be
23 calculated on the allowance payable and in effect on June 30, 1992, so as not to be
24 compounded on any other increase payable under subsection (k) of this section or
25 otherwise granted by act of the 1991 Session of the General Assembly, 1992 Regular
26 Session."

27 (h) In order to fund the provisions of subsections (e) through (g) of this
28 section, the Board of Trustees of the Local Governmental Employees' Retirement
29 System, with the advice of its consulting actuary, shall apply the unencumbered
30 actuarial gain in the System to the normal percentage contribution of payroll for
31 employers to the Retirement System without an increase in the total employer's
32 contribution rate.

33 (i) This section becomes effective July 1, 1992.

34

35 Requested by: Senator Basnight

36 **INCREASE RETIREMENT ALLOWANCES**

37 Section 53.1. (a) G.S. 128-27 is amended by adding a new subsection to
38 read:

39 "(kk) From and after July 1, 1992, the retirement allowance to or on account of
40 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
41 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1991, in
42 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1992, the
43 retirement allowance to or on account of beneficiaries whose retirement commenced
44 after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of

1 one and six-tenths percent (1.6%) of the allowance payable as determined by the Board
2 of Trustees based upon the number of months that a retirement allowance was paid
3 between July 1, 1991 and June 30, 1992."

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

5 "(uu) From and after July 1, 1992, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
7 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1991, in
8 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1992, the
9 retirement allowance to or on account of beneficiaries whose retirement commenced
10 after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of
11 one and six-tenths percent (1.6%) of the allowance payable as determined by the Board
12 of Trustees based upon the number of months that a retirement allowance was paid
13 between July 1, 1991 and June 30, 1992."

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

15 "(m) From and after July 1, 1992, the retirement allowance to or on account of
16 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
17 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1991.
18 Furthermore, from and after July 1, 1992, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced after July 1, 1991, but before June 30, 1992,
20 shall be increased by a prorated amount of one and six-tenths percent (1.6%) of the
21 allowance payable as determined by the Board of Trustees based upon the number of
22 months that a retirement allowance was paid between July 1, 1991 and June 30, 1992."

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

24 "(g) In accordance with subsection (a) of this section, from and after July 1, 1992,
25 the retirement allowance to or on account of beneficiaries whose retirement commenced
26 on or before January 1, 1992, shall be increased by one and six-tenths percent (1.6%) of
27 the allowance payable on July 1, 1992. Furthermore, from and after July 1, 1992, the
28 retirement allowance to or on account of beneficiaries whose retirement commenced
29 after January 1, 1992, but before June 30, 1992, shall be increased by a prorated amount
30 of one and six-tenths percent (1.6%) of the allowance payable as determined by the
31 Board of Trustees based upon the number of months that a retirement allowance was
32 paid between January 1, 1992 and June 30, 1992."

33
34 Requested by: Senator Daniel

35 SHERIFFS' PENSION FUND CHANGES

36 Sec. 54. (a) G.S. 143-166.83 reads as rewritten:

37 "§ 143-166.83. Disbursements.

38 (a) ~~Immediately following July 1, 1986, the Department of Justice shall divide an~~
39 ~~amount equal to forty five percent (45%) of the assets of the Fund at the end of the~~
40 ~~preceding fiscal year into equal share and disburse the same as monthly pension~~
41 ~~payments to all eligible retired sheriffs as of July 1, 1986, payable in accordance with~~
42 ~~the method described in G.S. 143-166.85(a), except that such pension benefit shall be~~
43 ~~computed for a six months basis beginning with the month of July, 1986.~~

1 (b) Immediately following January 1, ~~1987, 1993,~~ and the first of January of each
2 succeeding calendar year thereafter, the Department of Justice shall divide an amount
3 equal to ninety percent (90%) of the assets of the Fund at the end of the preceding
4 calendar year ~~into equal shares and shall add to that amount any assets remaining~~
5 pursuant to subsection (f) of this section and disburse the same as monthly payments in
6 accordance with the provisions of this Article.

7 (c) ~~The remaining ten Ten~~ percent (10%) of the Fund's assets as of ~~December 31,~~
8 ~~1986, January 1, 1993,~~ and at the ~~end beginning~~ of each calendar year thereafter, may
9 be used by the Department of Justice in administering the provisions of this Article. ~~For~~
10 ~~the six-month period commencing July 1, 1986, five percent (5%) of the Fund's assets at~~
11 ~~the end of the preceding fiscal year may be used for this purpose. This ten percent~~
12 (10%) is to be derived from the Fund's assets prior to the addition of assets remaining
13 pursuant to subsection (f) of this section.

14 (d) All the Fund's disbursements shall be conducted in the same manner as
15 disbursements are conducted for other special funds of the State.

16 (e) If, for any reason, the Fund shall be insufficient to pay any pension benefits
17 or other charges, then all benefits or payments shall be reduced pro rata for as long as
18 the deficiency in amount exists. No claim shall accrue with respect to any amount by
19 which a pension payment shall have been reduced.

20 (f) ~~As of January 1, 1987, and the beginning of each calendar year thereafter,~~
21 ~~any Any~~ assets remaining after reserving an amount equal to the disbursements required
22 under subsections (b) and (c) of this section shall be ~~transferred to the Supplemental~~
23 ~~Retirement Income Plan for Local Governmental Law Enforcement Officers, except~~
24 ~~elected Sheriffs, to be disbursed in accordance with the provisions of G.S. 143-~~
25 ~~166.50(e) as additional contributions made in the same manner as receipts from the cost~~
26 ~~of court collections. accrued and included in disbursements for pensioners in succeeding~~
27 years."

28 (b) G.S. 143-166.84 reads as rewritten:

29 **"§ 143-166.84. Eligibility.**

30 (a) Each county sheriff who has retired from the Local Governmental Employees'
31 Retirement System ~~or an equivalent locally sponsored plan on and before June 30, 1986,~~
32 System, and who has attained the age of 55 years or attained 30 years of creditable
33 service regardless of age, and who has completed at least 10 years of eligible service as
34 ~~sheriff-sheriff,~~ is entitled to receive a monthly pension under this Article, ~~beginning July~~
35 ~~1, 1986. Article.~~

36 (a1) Each county sheriff who withdrew any service standing to his credit in the
37 Local Governmental Employees' Retirement System prior to July 1, 1986, and who has
38 attained the age of 55 or attained 30 creditable years of service regardless of age, and
39 who has completed at least 10 years of eligible service as ~~sheriff-sheriff,~~ is entitled to
40 receive a monthly pension under this Article provided the sheriff is not eligible to
41 receive any retirement benefit from any State or locally sponsored plan.

42 (a2) Each county sheriff who has been approved for disability benefits from the
43 Local Governmental Employees' Retirement System is eligible to receive benefits from

1 the Fund regardless of age provided the retiree has at least 10 years of eligible service as
2 sheriff.

3 (b) Each eligible retired Sheriff ~~sheriff~~ as defined in subsection (a) ~~subsections~~
4 ~~(a), (a1), and (a2)~~ of this section relating to age, service, and retirement status on
5 January 1 of each calendar year age and service shall be entitled to receive a monthly
6 pension under this Article beginning with the month of January of the same calendar
7 year, immediately following the effective date of retirement."

8 (c) G.S. 143-166.85 reads as rewritten:

9 **"§ 143-166.85. Benefits.**

10 (a) An eligible retired sheriff shall be entitled to and receive an annual
11 pension benefit, payable in equal monthly installments, ~~equal to one share for each full~~
12 ~~year of eligible service as sheriff multiplied by his total number of years of eligible~~
13 ~~service. The amount of each share shall be determined by dividing the total number of~~
14 ~~years of eligible service for all eligible retired sheriffs on December 31 of each calendar~~
15 ~~year into the amount to be disbursed as monthly pension payments in accordance with~~
16 ~~the provisions of G.S., 143-166.83(b). In no event however shall a monthly pension~~
17 ~~under this Article exceed an amount, which when added to a retired allowance at~~
18 ~~retirement from the Local Governmental Employees' Retirement System or an~~
19 ~~equivalent locally sponsored plan or to the amount he would have been eligible to~~
20 ~~receive if service had not been forfeited by the withdrawal of accumulated~~
21 ~~contributions, is greater than equal to seventy-five percent (75%) of a sheriff's~~
22 ~~equivalent annual salary immediately preceding retirement computed on the latest~~
23 ~~monthly base rate, to a maximum amount of one thousand dollars (\$1,000), rate.~~

24 (b) All monthly pensions payable under this Article shall be paid on the last
25 business day of each month.

26 (c) ~~Monthly pensions payable under this Article will cease at~~ At the death of the
27 ~~pensioner and no payment will be made to any beneficiaries or to the decedent's estate.~~
28 pensioner, benefits for the current calendar year will continue and be paid in monthly
29 installments to the decedent's spouse or estate, in accordance with the provisions of
30 Chapter 28 of the General Statutes. Benefits will cease upon the last payment being
31 made in December of the current year.

32 (d) Monthly pensions payable under this Article will cease upon the full-time
33 reemployment of a pensioner with an employer participating in the Local Governmental
34 Employees' Retirement System for as long as the pensioner is so reemployed.

35 (e) Repealed by Session Laws 1989, c. 792, s. 2.9.

36 (f) Nothing contained in this Article shall preclude or in any way affect the
37 benefits that a pensioner may be entitled to from any state, federal or private pension,
38 retirement or other deferred compensation plan."

39
40 Requested by: Senator Basnight

41 **REDUCE AGENCY SALARIES/RETIRED POSITIONS**

42 Sec. 54.1. For the 1992-93 fiscal year, the Office of State Budget and
43 Management shall establish rules and procedures which require agencies to transfer
44 salary and benefit funds equivalent to thirty percent (30%) of the State supported salary

1 and fringe benefits of positions from which a retirement occurs to the Reserve for Salary
2 Reduction-Positions Vacated by Retirees as created in this act. This provision does not
3 apply to positions paid from the Public School Fund, community college State aid
4 funds, positions of employees whose salaries are specified by statute, or exceptions
5 granted by the Director of the Budget due to agency hardships. Employees eligible for
6 retirement shall not be transferred to non-State supported positions prior to retirement
7 for the purpose of circumventing this provision. No position impacted by this provision
8 shall be reduced below the minimum salary level established by law unless the position
9 is abolished.

10 The Office of State Budget and Management shall provide to the 1993
11 General Assembly a report by May 15, 1993, detailing, by agency and position, the
12 savings implemented under this provision in order that these amounts may be deleted
13 from the 1993-95 authorized budget.

14 15 **PART 14. PUBLIC SCHOOLS**

16
17 Requested by: Senator Ward

18 **CONTINUE MODEL TEACHER EDUCATION CONSORTIUM**

19 Sec. 55. (a) Section 36.1 of Chapter 689 of the 1991 Session Laws reads as
20 rewritten:

21 "Sec. 36.1. Of the funds appropriated to the Department of Public Education for the
22 1991-92 fiscal year and for the 1992-93 fiscal year for aid to local school administrative
23 units, the State Board of Education shall use \$150,000—one hundred fifty thousand
24 dollars (\$150,000) for the 1991-92 fiscal year and one hundred seventy thousand dollars
25 (\$170,000) for the 1992-93 fiscal year for the model teacher education consortium
26 established in Section 72 of Chapter 752 of the 1989 Session Laws. Of these funds, up
27 to \$30,000—thirty thousand dollars (\$30,000) for the 1991-92 fiscal year and up to fifty
28 thousand dollars (\$50,000) for the 1992-93 fiscal year may be used for administrative
29 purposes."

30 (b) It is the intent of the General Assembly to put funds for the model teacher
31 education consortium in the continuation budget for the 1993-95 fiscal biennium.

32 (c) Section 72(a) of Chapter 752 of the 1989 Session Laws reads as rewritten:

33 "(a) There is established a model teacher education consortium for the following
34 local school administrative units: Gates County, Granville County, Halifax County,
35 Hertford County, Northampton County, Vance County, Warren County, Roanoke
36 Rapids City and Weldon City, with the collaboration of East Carolina University,
37 Elizabeth City State University, ~~Atlantic Christian Barton~~ College, North Carolina
38 Wesleyan College, Halifax Community College, and Vance-Granville Community
39 College."

40
41 Requested by: Senator Ward

42 **REALLOCATION OF CERTAIN FUNDS FOR EXCEPTIONAL CHILDREN**

43 Sec. 56. The State Board of Education may reallocate (i) funds that are
44 repayments from local school administrative units as a result of audit exceptions of

1 exceptional children headcounts and student records, (ii) any prior year's refunds of
2 exceptional children funds to the public school fund, and (iii) any penalties assessed on
3 those funds. The funds shall be available for reallocation by the State Board and for
4 expenditure by the local school administrative units for the remainder of the fiscal year
5 in which they are collected and for the subsequent fiscal year. The funds shall be
6 allocated by the State Board in accordance with policies adopted by the State Board for
7 the exceptional children's program.

8

9 Requested by: Senator Ward

10 **OUTCOME-BASED EDUCATION FUNDS**

11 Sec. 57. (a) Section 199(b) of Chapter 689 of the 1991 Session Laws reads as
12 rewritten:

13 "(b) Of the funds appropriated to the Department of Public Education, the sum of
14 ~~\$100,000~~ one hundred thousand dollars (\$100,000) for the 1991-92 fiscal year shall be
15 used for advance planning for the outcome-based education program at ~~four~~ pilot sites
16 pursuant to subsection (a) of this section and the sum of ~~\$3,000,000~~ three million dollars
17 (\$3,000,000) for the 1992-93 fiscal year shall be used to implement the program at the
18 ~~four~~ pilot sites. These Of the funds appropriated for the 1992-93 fiscal year, the sum of
19 one hundred thousand dollars (\$100,000) shall be used by the Department of Public
20 Instruction to provide technical assistance, evaluate programs, refine proficiencies and
21 outcomes, and otherwise implement the program; the remainder of these funds shall be
22 allocated first on the basis of \$500.00 ~~five hundred dollars (\$500.00)~~ for each State-
23 funded certificated employee participating in the program ~~program~~ and then on a pro
24 rata basis based on the number of State-funded certificated employees. These funds
25 shall be used (i) for staff development activities, including planning activities, for
26 teachers, administrators, and school board members, (ii) to pay substitute teachers while
27 teachers are engaged in staff development activities, and ~~(iii) to pay 10-month~~
28 employees for participating in staff development activities, including planning activities
29 during the summer ~~summer~~ , and (iv) to allow the pilots to use funds for specific other
30 purposes such as evaluation, dissemination of information, and implementation of
31 proficiencies.

32 It is the intent of the General Assembly to appropriate an additional ~~\$3,000,000~~ three
33 million dollars (\$3,000,000) each year for the 1993-94 through 1996-97 fiscal years to
34 complete the implementation of the outcome-based education program at the ~~four~~ six
35 sites."

36 (b) G.S. 115C-238.13(a) reads as rewritten:

37 "(a) The State Board of Education shall develop and implement an outcome-based
38 education program. The State Board of Education shall select ~~four sites~~ six sites, at least
39 one of which shall be a consortium, to participate in the program for five fiscal years
40 beginning with the 1992-93 fiscal year. The first year of the project shall be a year for
41 the sites to plan their projects. The remaining four years shall be to implement the
42 projects and to demonstrate their effectiveness."

43

44 Requested by: Senator Ward

1 LOW PERFORMING UNITS

2 Sec. 58. (a) If a local school administrative unit is identified as a low
3 performing school system or placed on warning status by the State Board of Education
4 in accordance with G.S. 115C-64.1, the Department of Public Instruction may use up to
5 one million two hundred thousand dollars (\$1,200,000) of the funds appropriated for aid
6 to local school administrative units to provide the local school administrative unit with
7 staff development activities and technical assistance to enable the unit to improve
8 student performance and decrease dropout rates.

9 The Department of Public Instruction shall not use these funds for new
10 employee positions.

11 (b) If a local school administrative unit is identified as a low performing
12 school system by the State Board of Education in accordance with G.S. 115C-64.1, and
13 that local school administrative unit receives small school system supplemental funding,
14 low-wealth counties supplemental funding, or both, the local school administrative unit
15 shall use those funds to implement the plan for improving student performance and
16 decreasing dropout rates that it submitted to the State Board of Education in accordance
17 with G.S. 115C-64.2(a).

18 If a local school administrative unit is placed on warning status by the State
19 Board of Education, and that local school administrative unit receives small school
20 system supplemental funding, low-wealth counties supplemental funding, or both, the
21 local school administrative unit shall use those funds to implement a locally developed
22 plan for improving student performance and decreasing dropout rates.

23 (c) The Board of Governors of The University of North Carolina shall require the
24 Offices of School Services at the constituent institutions to provide in-kind technical
25 assistance worth at least six hundred thousand dollars (\$600,000) through the
26 Department of Public Instruction to local school administrative units that are identified
27 as low performing school systems or placed on warning status by the State Board of
28 Education in accordance with G.S. 115C-64.1.

29
30 Requested by: Senator Ward

31 PROSPECTIVE TEACHER SCHOLARSHIP LOAN FUNDS

32 Sec. 59. Of the funds appropriated to the Department of Public Education for
33 the 1992-93 fiscal year for prospective teacher scholarship loans, the Superintendent of
34 Public Instruction may designate up to two hundred thousand dollars (\$200,000) for the
35 1992-93 fiscal year scholarship loans to teacher assistants enrolled in accredited teacher
36 education programs.

37
38 Requested by: Senator Ward

39 PUPIL TRANSPORTATION FUNDS

40 Sec. 60. The Department of Public Instruction shall implement the Pupil
41 Transportation Program Improvements Implementation Projects authorized by Section
42 55 of Chapter 752 of the 1989 Session Laws. The Department of Public Instruction
43 may use up to five hundred thousand dollars (\$500,000) of the funds appropriated for
44 the 1992-93 fiscal year for aid to local school administrative units for pupil

1 transportation to assist local school administrative units with (i) unique difficulties
2 implementing the new funding formula or (ii) efforts to improve efficiency of pupil
3 transportation operations.

4 The Department shall report to the appropriations committees of the Senate
5 and the House of Representatives and to the Fiscal Research Division in December of
6 1992 on the implementation of the projects specified in this section.

7
8 Requested by: Senator Ward

9 **STAFF DEVELOPMENT FUND AVAILABILITY**

10 Sec. 61. (a) Funds allocated by the State Board of Education for staff
11 development at the local level for the 1991-92 fiscal year shall remain available for
12 expenditure until August 31, 1992.

13 (b) Funds allocated by the State Board of Education for staff development at the
14 local level for the 1992-93 fiscal year shall become available for expenditure July 1,
15 1992, and shall remain available for expenditure until August 31, 1993.

16 (c) Effective July 1, 1993, Chapter 115C of the General Statutes is amended
17 by adding a new section to read:

18 **"§ 115C-417. Availability of funds allocated for staff development.**

19 Funds allocated by the State Board of Education for staff development at the local
20 level shall become available for expenditure on September 1 of each fiscal year and
21 shall remain available for expenditure until August 31 of the subsequent fiscal year."

22
23 Requested by: Senator Ward

24 **NORTH CAROLINA CLOSE UP FUNDS**

25 Sec. 62. The Department of Public Instruction may use up to fifteen thousand
26 dollars (\$15,000) of the funds within its budget for the 1992-93 fiscal year for the North
27 Carolina Close Up Program to enable the program to promote citizenship education.

28
29 Requested by: Senator Ward

30 **APPROPRIATION OF FUNDS FROM STATE LITERARY FUND**

31 Sec. 63. There is appropriated from the State Literary Fund to the
32 Department of Public Education the sum of one million dollars (\$1,000,000) for the
33 1992-93 fiscal year for aid to local school administrative units.

34
35 Requested by: Senator Ward

36 **LOW-WEALTH SCHOOL SUPPLEMENTAL FUNDING**

37 Sec. 64. Section 201.2(b) of Chapter 689 of the 1991 Session Laws reads as
38 rewritten:

39 "(b) Funds received pursuant to this section shall be used only to provide
40 instructional positions, instructional support positions, teacher assistant positions,
41 clerical positions, ~~and~~ instructional supplies and ~~equipment.~~ equipment, staff
42 development, and textbooks."

43
44 Requested by: Senator Ward

1 DIFFERENTIATED PAY

2 Sec. 65. (a) Of the funds appropriated to the Department of Public Education,
3 Aid to Local School Administrative Units, for the 1992-93 fiscal year, the sum of
4 twenty-nine million five hundred thousand dollars (\$29,500,000) shall be used for
5 differentiated pay for public school employees.

6 (b) Each local school administrative unit that voted in accordance with Section
7 194 of Chapter 689 of the 1991 Session Laws to continue or modify, in accordance with
8 the School Improvement and Accountability Act of 1989, its existing differentiated pay
9 plan shall receive two percent (2%) of its State-paid teachers' and administrators'
10 salaries, and the employer's contribution for social security and retirement. These funds
11 shall be spent in accordance with the differentiated pay plan in effect for the unit.

12 (c) Each local school administrative unit that voted in accordance with Section
13 194 of Chapter 689 of the 1991 Session Laws for across-the-board bonuses for all
14 affected employees shall receive one and one-half percent (1.5%) of its State-paid
15 teachers' and administrators' salaries, and the employer's contribution for social security
16 and retirement.

17 Within 30 days of the first teacher workday of the 1992-93 school calendar,
18 each local board of education shall review and reassess the differentiated pay plan that
19 was in effect for the unit for the 1990-91 school year and shall determine whether the
20 plan should be reinstated, reinstated with modifications, or replaced with a different
21 plan. Within 60 days of the first teacher workday of the 1992-93 school year, the local
22 board shall present to affected employees for their review and vote a differentiated pay
23 plan for the 1992-93 school year only. The proposed differentiated pay plan shall take
24 effect on or after November 1, 1992. The proposed differentiated pay plan may be a
25 continuation or modification of the plan for the 1990-91 school year that was adopted in
26 accordance with the School Improvement and Accountability Act of 1989 or it may be a
27 new differentiated pay plan developed in accordance with the School Improvement and
28 Accountability Act of 1989. The proposed differentiated pay plan shall not be a
29 proposal for across-the-board bonuses for all affected employees.

30 The vote shall be by secret ballot. All of the certificated instructional staff
31 members, instructional support staff members, and certificated administrators who are
32 eligible to receive funds for differentiated pay under the School Improvement and
33 Accountability Act of 1989 may vote. The local board shall immediately submit the
34 option that receives a majority of all the votes cast to the Superintendent of Public
35 Instruction for his approval. A differentiated pay plan shall become effective upon the
36 approval of the Superintendent.

37 (d) All local school administrative units, including career ladder pilot units, shall
38 adopt new differentiated pay plans for the 1993-94 school year, in accordance with the
39 School Improvement and Accountability Act of 1989.

40 (e) Subsections (a) through (c) of this section do not apply to any funds
41 appropriated for the career ladder pilot units.

42 With regard to a local school administrative unit that resulted from the merger
43 of a career ladder pilot unit and another unit, subsections (a) through (c) of this section

1 shall apply only to funds received under this section to administer the School
2 Improvement and Accountability Act of 1989.

3
4 Requested by: Senator Ward

5 **TEACHER SALARY SCHEDULE**

6 Sec. 66. (a) The Director of the Budget may transfer from the Reserve for
7 Teacher Salary Increases for the 1992-93 fiscal year funds necessary to implement the
8 teacher salary schedule set out in subsection (b) of this section, including funds for the
9 employer's retirement and social security contributions and funds for annual longevity
10 payments at one percent (1%) of base salary for 10 to 14 years of State service, one and
11 one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent
12 (2%) of base salary for 20 to 24 years of State service, and two and one-half percent
13 (2.5%) of base salary for 25 years of State service, commencing July 1, 1992, for all
14 teachers whose salaries are supported from the State's General Fund. These funds shall
15 be allocated to individuals according to rules adopted by the State Board of Education
16 and the Superintendent of Public Instruction. The longevity payment shall be paid in a
17 lump sum once a year.

18 (b)(1) Beginning July 1, 1992, the following monthly salary schedule shall
19 apply to certified personnel of the public schools who are classified as
20 "A"teachers. The schedule contains 30 steps with each step
21 corresponding to one year of teaching experience.

| 22 | Years of | 1992-93 |
|----|-------------------|---------------|
| 23 | <u>Experience</u> | <u>Salary</u> |

| | | |
|----|----|---------|
| 24 | | |
| 25 | 00 | \$1,982 |
| 26 | 01 | 2,022 |
| 27 | 02 | 2,062 |
| 28 | 03 | 2,103 |
| 29 | 04 | 2,145 |
| 30 | 05 | 2,188 |
| 31 | 06 | 2,232 |
| 32 | 07 | 2,277 |
| 33 | 08 | 2,323 |
| 34 | 09 | 2,369 |
| 35 | 10 | 2,416 |
| 36 | 11 | 2,464 |
| 37 | 12 | 2,513 |
| 38 | 13 | 2,563 |
| 39 | 14 | 2,614 |
| 40 | 15 | 2,666 |
| 41 | 16 | 2,719 |
| 42 | 17 | 2,773 |
| 43 | 18 | 2,828 |
| 44 | 19 | 2,885 |

| | | |
|----|-----|-------|
| 1 | 20 | 2,943 |
| 2 | 21 | 3,002 |
| 3 | 22 | 3,062 |
| 4 | 23 | 3,123 |
| 5 | 24 | 3,185 |
| 6 | 25 | 3,249 |
| 7 | 26 | 3,314 |
| 8 | 27 | 3,380 |
| 9 | 28 | 3,448 |
| 10 | 29+ | 3,517 |

(2) Beginning July 1, 1992, the following monthly salary schedule shall apply to certified personnel of the public schools who are classified as "G"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

| | <u>Years of</u> | <u>1992-93</u> |
|----|-------------------|----------------|
| | <u>Experience</u> | <u>Salary</u> |
| 18 | 00 | \$2,106 |
| 19 | 01 | 2,148 |
| 20 | 02 | 2,191 |
| 21 | 03 | 2,235 |
| 22 | 04 | 2,280 |
| 23 | 05 | 2,326 |
| 24 | 06 | 2,373 |
| 25 | 07 | 2,420 |
| 26 | 08 | 2,468 |
| 27 | 09 | 2,517 |
| 28 | 10 | 2,567 |
| 29 | 11 | 2,618 |
| 30 | 12 | 2,670 |
| 31 | 13 | 2,723 |
| 32 | 14 | 2,777 |
| 33 | 15 | 2,833 |
| 34 | 16 | 2,890 |
| 35 | 17 | 2,948 |
| 36 | 18 | 3,007 |
| 37 | 19 | 3,067 |
| 38 | 20 | 3,128 |
| 39 | 21 | 3,191 |
| 40 | 22 | 3,255 |
| 41 | 23 | 3,320 |
| 42 | 24 | 3,386 |
| 43 | 25 | 3,454 |
| 44 | 26 | 3,523 |

| | | |
|---|-----|-------|
| 1 | 27 | 3,593 |
| 2 | 28 | 3,665 |
| 3 | 29+ | 3,738 |

(3) The rules adopted by the State Board for allocating funds to individuals shall provide for (i) a seven and one-half percent (7.5%) salary increase for teachers with certification based on academic preparation at the six-year degree level; (ii) a ten percent (10%) salary increase for teachers with certification based on academic preparation at the doctoral degree level; and (iii) annual longevity payments at one percent (1%) of base salary for 10 to 14 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base salary for 25 years of State service. The longevity payment shall be paid in a lump sum once a year.

(c) The General Assembly finds that it is necessary to have a teacher salary schedule based on years of teaching experience that applies consistently to all teachers throughout the State; therefore, notwithstanding any other provision of law, the salary schedule set out in this section shall apply to all public school teachers within the State and no teacher in any local school administrative unit shall be entitled to a State salary or a State salary and bonus, except as provided in a local differentiated pay plan, in excess of the amount set out in this section.

Requested by: Senator Ward

PRELIMINARY SCHOLASTIC APTITUDE TEST OPPORTUNITIES

Sec. 67. The State Board of Education may allocate up to five hundred twenty-five thousand dollars (\$525,000) of the funds available for aid to local school administrative units for the 1992-93 fiscal year to give students the opportunity to take the Preliminary Scholastic Aptitude Test, as authorized in G.S. 115C-174.18.

It is the intent of the General Assembly to put funds for this purpose in the continuation budget for the 1993-95 fiscal biennium.

Requested by: Senator Ward

PUBLIC SCHOOL TUITION/OUT-OF-STATE STUDENTS

Sec. 68. (a) G.S. 115C-366.1 reads as rewritten:

"§ 115C-366.1. Local boards of education; tuition charges.

(a) Local boards of education may charge tuition to the following persons:

- (1) Persons of school age who are not domiciliaries of the State.
- (2) Persons of school age who are domiciliaries of the State but who do not reside within the school administrative unit or district.
- (3) Persons of school age who reside on a military or naval reservation located within the State and who are not domiciliaries of the State. Provided, however, that no person of school age residing on a military or naval reservation located within the State and who attends the

1 public schools within the State may be charged tuition if federal funds
2 designed to compensate for the impact on public schools of military
3 dependent persons of school age are funded by the federal government
4 at not less than fifty percent (50%) of the total per capita cost of
5 education in the State, exclusive of capital outlay and debt service, for
6 elementary or secondary pupils, as the case may be, of such school
7 administrative unit.

8 (4) Persons who are 21 years of age or older before the beginning of the
9 school year in which they wish to enroll.

10 (b) For all persons of school age who are not domiciliaries of the State and who
11 neither reside on a military or naval reservation located within the State nor are
12 dependents of military or naval personnel assigned to a military or naval reservation
13 located with the State, the tuition charge for a student shall not exceed the amount of per
14 pupil State and local funding. These students shall not be included in the average daily
15 membership of the local school administrative unit for the purpose of allocating State
16 funds.

17 ~~The~~ For all other persons of school age, the tuition charge for a student shall not
18 exceed the amount of per pupil local funding.

19 (c) The tuition required in this section shall be determined by local boards of
20 education each August 1 prior to the beginning of a new school year."

21 (b) G.S. 115C-366.2 reads as rewritten:

22 "**§ 115C-366.2. Applicability to certain persons.**

23 For the purposes of G.S. 115C-366 and 115C-366.1 for any person who is a resident
24 of a place which is not the person's place of domicile, because: (i) of the residence of
25 a parent, guardian, or legal custodian who is a student, employee or faculty member, of
26 a college or university, or a visiting scholar at the National Humanities Center; or (ii)
27 the child is placed in or assigned to a group home, foster home, or other similar facility
28 or institution, other than a child covered by G.S. 115C-140.1(a); or (iii) the child resides
29 with a legal custodian who is not the child's parent or ~~guardian, guardian;~~ or (iv) the
30 residence of a parent, guardian, or legal custodian is not within the State and the child
31 resides with a custodian who is domiciled within the State and who is not the child's
32 parent or guardian; or (v) of the residence of a parent, guardian, or legal custodian who
33 is a migrant agricultural worker, as defined in G.S. 130A-417(2), those sections shall be
34 applied by substituting the word 'residing' for the word 'domiciled,' by substituting the
35 word 'residence' for the word 'domicile,' and by substituting the word 'residents' for the
36 word 'domiciliaries.' For purposes of this section, 'legal custodian' means the person or
37 agency that has been awarded legal custody of the child by a ~~court.~~ court; for purposes
38 of subpart (iv) of this section, 'custodian' means the adult person or agency that has
39 custody of the child pursuant to a court order or pursuant to a power of attorney
40 executed by the child's parent or legal guardian attesting to the transfer of custody and
41 avowing that the transfer of custody is not for the purpose of enrolling the child in
42 school in this State.

43 This section shall not be construed to affect the ability of any person to acquire a
44 new domicile."

1

2 Requested by: Senator Ward

3 **MANAGEMENT FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION AND**
4 **INDIVIDUAL SCHOOLS**5 Sec. 69. (a) The General Assembly finds that it is appropriate to consolidate
6 certain funding categories in the Public School Fund; therefore, 35 of the existing
7 funding categories in the Public School Fund are combined into 15 categories as
8 follows:

- 9 (1) 6602 - Asst Superintendent
10 6612 - Supervisors
11 (2) 6603 - Clerical Asst
12 6627 - Clerical School Based
13 (3) 6614 - Substitute Pay
14 6303 - Substitute Pay-Voc Ed
15 (4) 6642 - Summer School
16 6672 - Remediation
17 (5) 6684 - Instruction Equipment
18 6623 - Instruction Supplies
19 6644 - Testing Support
20 8124 - Textbooks
21 (6) 5400 - Driver Education Cars
22 6657 - Driver Education
23 (7) 6636 - Alcohol/Drug Abuse Prev
24 6635 - Alcohol/Drug Defense
25 6630 - Substance Abuse Counselor
26 (8) 6659 - Staff Development
27 6691 - Staff Dev-Finance Officer
28 6617 - Staff Dev-Child Nutr Supr
29 (9) 6670 - Exceptional Children
30 6696 - Except Child Related Ser
31 (10) 6610 - Bus Driver
32 6611 - Transportation Personnel
33 (11) 6624 - Tires, Repair Parts
34 6625 - Fuel-Buses
35 6626 - Transportation-Other Exp
36 (12) 6619 - Social Security
37 6304 - Soc Security-Voc Ed
38 (13) 6618 - State Retirement
39 6305 - State Retirement-Voc Ed
40 (14) 6615 - Medical Insurance
41 6306 - Medical Insurance-Voc Ed
42 (15) 6669 - Longevity
43 6347 - Longevity-Voc Ed

1 (b) The following four funding categories are transferred from the Public
2 School Fund to Fund 1900 - Reserves and Transfers:

3 (1) 6991 - Health Adventure

4 (2) 6992 - Cued Speech Center

5 (3) 6993 - Public School Forum

6 (4) 8180 - Children's Trust Fund.

7 (c) The Office of State Budget and Management shall retain the funding
8 categories for the Public School Fund not combined or transferred by subsections (a)
9 and (b) of this section and shall reorganize them in a more rational and orderly manner.

10 Sec. 70. (a) G.S. 115C-238.3 reads as rewritten:

11 **"§ 115C-238.3. Elements-Development of local plans; elements of local plans.**

12 (a) Development of systemwide plan by the local board of education. – The
13 board of education of a local school administrative unit that elects to participate in the
14 Program shall develop and submit a local school improvement plan for the entire local
15 school administrative unit to the State Superintendent of Public Instruction before April
16 15 of the fiscal year preceding the fiscal year in which participation is sought. ~~The local~~
17 ~~board of education shall actively involve a substantial number of teachers, school~~
18 ~~administrators, and other school staff in developing the local school improvement plan.~~

19 (b) Establishment of student performance goals by the local board of education
20 for the systemwide plan. – ~~The local school improvement plan shall set forth (i) the~~ The
21 local board of education shall establish student performance goals established by the
22 ~~local board of education for the local school administrative unit and (ii) the unit's~~
23 ~~strategies and plans for attaining them.~~ unit. The local board of education shall actively
24 involve an advisory panel composed of a substantial number of teachers, school
25 administrators, other school staff, and parents of children enrolled in the local school
26 administrative unit, in developing the student performance goals for the local school
27 improvement plan. It is the intent of the General Assembly that teachers have a major
28 role in developing the student performance goals for the local school improvement plan;
29 therefore, at least half of the staff members participating in this advisory panel shall be
30 teachers. The teachers in the local school administrative unit shall select the teachers
31 who are involved in the advisory panel.

32 The performance goals for the local school administrative unit shall address specific,
33 measurable goals for all student performance indicators adopted by the State Board.
34 Factors that determine gains in achievement vary from school to school; therefore,
35 socioeconomic factors and previous student performance indicators shall be used as the
36 basis of the local school improvement plan.

37 (b1) Development by each school of strategies for attaining local student
38 performance goals. – ~~The strategies for attaining the local student performance goals~~
39 ~~shall be based on plans for each individual school in the local school administrative~~
40 ~~unit.~~ The principal of each school and his staff school, representatives of the building-
41 level staff, and parents of children enrolled in the school shall develop a building-level
42 plan to address student performance goals appropriate to the that school from those
43 established by the local board of education. These strategies may include requests for
44 waivers of State laws, regulations, or policies for that school. A request for a waiver

1 shall (i) identify the State laws, regulations, or policies that inhibit the local unit's ability
2 to reach its local accountability goals, (ii) set out with specificity the circumstances
3 under which the waiver may be used, and (iii) explain how a waiver of those laws,
4 regulations, or policies will permit the local unit to reach its local goals.

5 Support among affected staff members is essential to successful implementation of a
6 building-level plan to address student performance goals appropriate to a school;
7 therefore, the principal of the school shall present the proposed building-level plan to all
8 of the staff assigned to the school building for their review and vote. The vote shall be
9 by secret ballot. The principal may submit the building-level plan to the local board of
10 education for inclusion in the systemwide plan only if the proposed building-level plan
11 has the approval of a majority of the staff who voted on the plan.

12 The local board of education shall accept or reject the building-level plan. The local
13 board shall not make any substantive changes in any building-level plan that it accepts;
14 the local board shall set out any building-level plan that it accepts in the systemwide
15 plan. If the local board rejects a building-level plan, the local board shall state with
16 specificity its reasons for rejecting the plan; the principal of the school for which the
17 plan was rejected, representatives of the building-level staff, and parents of children
18 enrolled in the school may then prepare another plan, present it to the building-level
19 staff for a vote, and submit it to the local board for inclusion in the systemwide plan. If
20 no building-level plan is accepted for a school before March 15 of the fiscal year
21 preceding the fiscal year in which participation is sought, the local board may develop a
22 plan for the school for inclusion in the systemwide plan; the General Assembly urges
23 the local board to utilize the proposed building-level plan to the maximum extent
24 possible when developing such a plan.

25 (c) Development by each school of a differentiated pay plan for that school;
26 development by the local board of education of a differentiated pay plan for central
27 office personnel. –

28 (1) The local school administrative unit shall consider a plan for
29 differentiated pay. The local plan shall include a plan for
30 differentiated pay, in accordance with G.S. 115C-238.4, unless the
31 local school administrative unit elects not to participate in any
32 differentiated pay plan.

33 (2) The principal of each school, representatives of the building-level
34 staff, and parents of children enrolled in the school shall develop a
35 building-level differentiated pay plan for the school when they develop
36 their building-level plan to address student performance goals
37 appropriate to the school.

38 Support among affected staff members is essential to successful
39 implementation of a building-level differentiated pay plan; therefore,
40 the principal of the school shall present the proposed building-level
41 plan to all of the staff eligible to receive differentiated pay, in
42 accordance with G.S. 115C-238.4(a), for their review and vote. The
43 vote shall be by secret ballot. The principal may submit the building-
44 level differentiated pay plan to the local board of education only if the

1 proposed building-level differentiated pay plan has the approval of a
2 majority of the staff who voted on the plan.

3 The local board of education shall accept or reject the building-
4 level differentiated pay plan. The local board shall not make any
5 substantive changes in any building-level plan that it accepts; the local
6 board shall set out any building-level plan that it accepts in the
7 systemwide differentiated pay plan. If the local board rejects a
8 building-level plan, the local board shall state with specificity its
9 reasons for rejecting the plan; the principal of the school for which the
10 plan was rejected, representatives of the building-level staff, and
11 parents of children enrolled in the school may then prepare another
12 plan, present it to all of the staff eligible to receive differentiated pay,
13 in accordance with G.S. 115C-238.4(a), for a vote, and submit it to the
14 local board for inclusion in the systemwide plan. If no building-level
15 plan is accepted for a school before March 15 of the fiscal year
16 preceding the fiscal year in which participation is sought, the local
17 board may develop a plan for the school building for inclusion in the
18 systemwide plan; the General Assembly urges the local board to utilize
19 the proposed building-level plan to the maximum extent possible when
20 developing such a plan.

21 (3) The local board of education shall develop a plan for differentiated pay
22 for all central office personnel eligible to receive differentiated pay, in
23 accordance with G.S. 115C-238.4(a), and shall include the plan in the
24 systemwide differentiated pay plan.

25 (4) A systemwide differentiated pay plan shall remain in effect for no
26 more than three years. At the end of three years, a plan to continue,
27 discontinue, or modify that differentiated pay plan shall be developed
28 in accordance with subdivisions (2) and (3) of this subsection.

29 ~~(d) The local plan may include a request for a waiver of State laws, regulations,~~
30 ~~or policies. The request for a waiver shall identify the State laws, regulations, or~~
31 ~~policies that inhibit the local unit's ability to reach its local accountability goals and~~
32 ~~shall explain how a waiver of those laws, regulations, or policies will permit the local~~
33 ~~unit to reach its local goals."~~

34 (b) G.S. 115C-238.4 reads as rewritten:
35 **"§ 115C-238.4. Differentiated pay.**

36 (a) Local school administrative units may include, but are not required to
37 include, a systemwide differentiated pay plan for certified instructional staff, certified
38 instructional support staff, and certified administrative staff as a part of their local
39 school improvement plans. Units electing to include differentiated pay plans in their
40 school improvement plans shall base their differentiated pay plans on:

41 (1) ~~The Career Development Pilot Program, G.S. 115C-363 et seq.;~~
42 Program;

43 (2) ~~The Lead Teacher Pilot Program, G.S. 115C-363.28 et seq.;~~ Program;

- 1 (3) A locally designed school-based performance program, subject to
- 2 limitations and guidelines adopted by the State Board of Education;
- 3 (4) A differentiated pay plan that the State Board of Education finds has
- 4 been successfully implemented in another state; or
- 5 (5) A locally designed plan including any combination or modification of
- 6 the foregoing plans.

7 A differentiated pay plan may also authorize the use of State differentiated pay funds for
8 staff development and planning activities and for paying substitute teachers as is
9 necessary to provide time for staff development and planning activities.

10 ~~(b) Support among affected staff members is essential to successful~~
11 ~~implementation of a differentiated pay plan; therefore, a local board of education that~~
12 ~~decides that a differentiated pay plan should be included in its local school improvement~~
13 ~~plan shall present a proposed differentiated pay plan to affected staff members for their~~
14 ~~review and vote. The vote shall be by secret ballot. The local board of education shall~~
15 ~~include the proposed differentiated pay plan in its local school improvement plan only if~~
16 ~~the proposed plan has the approval of a majority of the affected paid certificated~~
17 ~~instructional and instructional support staff and a majority of the affected certificated~~
18 ~~administrators.~~

19 ~~Every three years after a differentiated pay plan receives such approval, the local~~
20 ~~board of education shall present a proposed plan to continue, discontinue, or modify that~~
21 ~~differentiated pay plan to affected staff members for their review and vote. The vote~~
22 ~~shall be by secret ballot. The local board of education shall include the proposed plan in~~
23 ~~its local school improvement plan only if the proposed plan has the approval of a~~
24 ~~majority of the affected paid certificated instructional and instructional support staff and~~
25 ~~a majority of the affected certificated administrators.~~

26 (c) Local school administrative units electing to participate in a differentiated pay
27 plan shall receive State funds according to the terms of the plan but not to exceed:

- 28 (1) ~~1990-91: two percent (2%) of teacher and administrator salaries, and~~
29 ~~the employer's contributions for social security and retirement;~~
- 30 (2) ~~1991-92: three percent (3%) of teacher and administrator salaries, and~~
31 ~~the employer's contributions for social security and retirement;~~
- 32 (3) ~~1992-93: four percent (4%) of teacher and administrator salaries, and~~
33 ~~the employer's contributions for social security and retirement;~~
- 34 (4) ~~1993-94: five and one-half percent (5 1/2%) of teacher and~~
35 ~~administrator salaries, and the employer's contributions for social~~
36 ~~security and retirement; and~~
- 37 (5) ~~1994-95 and thereafter: seven percent (7%) of teacher and~~
38 ~~administrator salaries, and the employer's contributions for social~~
39 ~~security and retirement.~~

40 exceed the amount appropriated by the General Assembly for differentiated pay. It is
41 the intent of the General Assembly that this amount never be less than the percentage
42 for filled positions of teacher and administrator salaries and employers' contributions for
43 social security and retirement appropriated by the General Assembly for the prior fiscal
44 year. It is further the intent of the General Assembly to increase this amount to seven

1 percent (7%) for filled positions of teacher and administrator salaries and employers'
2 contributions for social security and retirement.

3 Any differentiated pay plan developed in accordance with this section shall be
4 implemented within State and local funds available for differentiated pay.

5 (d) Attainment of the equivalent of Career Status I shall be rewarded through a
6 new salary schedule that provides a salary differential when a certified educator
7 successfully completes his probationary period.

8 (e) Any additional compensation received by an employee as a result of the unit's
9 participation in the Program shall be paid as a bonus or supplement to the employee's
10 regular salary. If an employee in a participating unit does not receive additional
11 compensation, such failure to receive additional compensation shall not be construed as
12 a demotion, as that term is used in G.S. 115C-325.

13 Payments of bonuses or supplements shall be made no more frequently than once
14 every calendar quarter: Provided, however, prior to the 1994-95 school year, payments
15 in the career development pilot units may be made on a monthly basis.

16 (f) If a local school administrative unit bases its differentiated pay plan on a
17 locally designed school-based performance program, pursuant to subdivision (a)(3) of
18 this section, the plan shall provide that following the attainment of the local school
19 goals, the local board of education shall make a determination of which certified staff
20 members contributed to the attainment of those goals. Differentiated pay bonuses shall
21 then be distributed to those designated employees. The local board of education shall
22 make the determination upon recommendation of (i) the superintendent and (ii) any
23 other person or committee designated in the local differentiated pay plan. The other
24 person or committee designated in the local differentiated pay plan may be the principal,
25 a school-based committee, or any other person or local committee."

26 (c) G.S. 115C-238.6 reads as rewritten:

27 "**§ 115C-238.6. Approval of local school administrative unit plans by the State**
28 **Superintendent; conditions for continued participation.**

29 (a) Prior to June 30 each year, the State Superintendent shall review local school
30 improvement plans submitted by the local school administrative units in accordance
31 with policies and performance indicators adopted by the State Board of Education. If
32 the State Superintendent approves the plan for a local school administrative unit, that
33 unit shall participate in the Program for the next fiscal year.

34 If a local plan contains a request for a waiver of State laws, regulations, or policies,
35 in accordance with ~~G.S. 115C-238.3(d)~~ G.S. 115C-238.3(b1), the State Superintendent
36 shall determine whether and to what extent the identified laws, regulations, or policies
37 should be waived. The State Superintendent shall present that plan and his
38 determination to the State Board of Education. If the State Board of Education deems it
39 necessary to do so to enable a local unit to reach its local accountability goals, the State
40 Board, only upon the recommendation of the State Superintendent, may grant waivers
41 of:

42 (1) State laws pertaining to class size, teacher certification, assignment of
43 teacher assistants, the use of State-adopted textbooks, and the purposes
44 for which State funds for the public schools, except for funds for

1 school health coordinators, may be used: Provided, however, the State
2 Board of Education shall not permit the use of funds for teachers for
3 expanded programs under the Basic Education Program for any other
4 purpose;

- 5 (2) All State regulations and policies, except those pertaining to State
6 salary schedules and employee benefits for school employees, the
7 instructional program that must be offered under the Basic Education
8 Program, the system of employment for public school teachers and
9 administrators set out in G.S. 115C-325, health and safety codes,
10 compulsory school attendance, the minimum lengths of the school day
11 and year, and the Uniform Education Reporting System.

12 Waivers shall be granted only for the specific schools for which they are requested
13 in building-level plans and shall be used only under the specific circumstances for
14 which they are requested.

15 (b) Local school administrative units shall continue to participate in the Program
16 and receive funds for differentiated pay, if their local plans call for differentiated pay, so
17 long as (i) they demonstrate satisfactory progress toward student performance goals set
18 out in their local school improvement plans; or (ii) once their local goals are met, they
19 continue to achieve their local goals and they otherwise demonstrate satisfactory
20 performance, as determined by the State Superintendent in accordance with guidelines
21 set by the State Board of Education.

22 If the local school administrative units do not achieve their goals after two years, the
23 Department of Public Instruction shall provide them with technical assistance to help
24 them meet their goals. If after one additional year they do not achieve their goals, the
25 State Board of Education shall decide what steps shall be taken to improve the
26 education of students in the unit."

27 (d) This section is effective upon ratification and applies to all local school
28 improvement plans in effect for school years beginning with the 1993-94 school year.

29
30 Requested by: Senator Ward

31 **SCHOOL SITE-BASED MANAGEMENT**

32 Sec. 71. (a) Part 4 of Article 15 of Chapter 115C of the General Statutes is
33 amended by adding a section to read:

34 **"§ 115C-238.7. Creation of the Task Force on Site-Based Management;**
35 **appointment of a Director of the Task Force of Site-Based Management.**

36 (a) There is created the Task Force on Site-Based Management within the
37 Department of Public Instruction.

38 The Task Force shall be composed of 15 members appointed as follows:

- 39 (1) The Superintendent of Public Instruction;
40 (2) One member of the State Board of Education, appointed by the State
41 Board of Education;
42 (3) Four members appointed by the General Assembly in accordance with
43 G.S. 120-121, two upon recommendation of the President Pro

1 Tempore of the Senate and two upon recommendation of the Speaker
2 of the House of Representatives;

3 (4) Two members of local boards of education, appointed by The North
4 Carolina State School Boards Association, Inc.;

5 (5) Two local school superintendents, appointed by the North Carolina
6 Association of School Administrators;

7 (6) Two school principals, appointed by the Tar Heels Association of
8 Principals/Assistant Principals; and

9 (7) Two school teachers, appointed by the North Carolina Association of
10 Educators, Inc.

11 (8) The Director of the Task Force on Site-Based Management, appointed
12 by the Superintendent of Public Instruction in accordance with
13 subsection (d) of this section.

14 Members of the Task Force shall serve for two-year terms.

15 All members of the Task Force shall be voting members. Vacancies in the appointed
16 membership shall be filled by the officer who made the initial appointment, except that
17 vacancies in appointments made by the General Assembly shall be filled in accordance
18 with G.S. 120-122. The Director of the Task Force on Site-Based Management shall
19 serve as chair of the Task Force.

20 Members of the Task Force shall receive travel and subsistence expenses in
21 accordance with the provisions of G.S. 138-5 and G.S. 138-6.

22 (b) The Task Force shall:

23 (1) Monitor the implementation of the Student Performance and
24 Accountability Act of 1989, as amended, especially the development
25 and implementation of building-level plans;

26 (2) Advise the Director of the Task Force on Site-Based Management on
27 how to provide training and assistance to the public schools so as to
28 facilitate the implementation of site-based management.;

29 (3) Approve by September 1, 1992, publications produced by the
30 Department of Public Instruction on the development and
31 implementation of building-level plans;

32 (4) Report to the General Assembly within the first week of the convening
33 of the 1993 General Assembly and biennially thereafter on the
34 implementation of site-based management in the public schools. This
35 report may contain a summary of recommendations for changes to any
36 law, rule, and policy that would improve site-based management.

37 (c) The Department of Public Instruction shall provide staff to the Task Force at
38 the request of the Task Force.

39 (d) The State Superintendent of Public Instruction shall appoint a Director of the
40 Task Force on Site-Based Management. The Director shall direct a program in the
41 Department of Public Instruction to provide training and assistance to the public schools
42 to facilitate the implementation of site-based management.

43 The Director shall supervise such site-based management specialists from each of
44 the six technical assistance centers of the Department of Public Instruction as may be

1 assigned by the State Superintendent. The specialists shall work directly with the local
2 school administrative units and with school-based committees to provide them with
3 training and assistance to facilitate the implementation of site-based management. The
4 specialists shall coordinate their activities with the central office."

5 (b) G.S. 120-123 is amended by adding a new subdivision to read:

6 "(59) The Task Force of Site-Based Management, as established in G.S.
7 115C-238.7."

8 (c) Of the funds appropriated to the Department of Public Education, for the
9 1992-93 fiscal year, the sum of three hundred thousand dollars (\$300,000) shall be used
10 to carry out the provisions of G.S. 115C-238.7, as enacted by subsection (a) of this
11 section.

12
13 Requested by: Senator Ward

14 **SCHOOL TRANSPORTATION SYSTEM PENALTY**

15 Sec. 72. (a) G.S. 115C-240(d) reads as rewritten:

16 "(d) The State Board of Education shall assist local boards of education by
17 establishing guidelines and a framework through which local boards may establish,
18 review and amend school bus routes prepared pursuant to G.S. 115C-246. The State
19 Board shall also require local boards to implement the Transportation Information
20 Management System or an equivalent system approved by the State Board of Education,
21 no later than ~~July 1, 1992.~~ September 1, 1992. The State Board of Education shall also
22 assist local boards of education with reference to the acquisition and maintenance of
23 school buses or any other question which may arise in connection with the organization
24 and operation of school bus transportation systems of local boards."

25 (b) G.S. 115C-438 reads as rewritten:

26 **"§ 115C-438. Provision for disbursement of State money.**

27 The deposit of money in the State treasury to the credit of local school
28 administrative units shall be made in monthly installments, and additionally as
29 necessary, at such time and in such a manner as may be most convenient for the
30 operation of the public school system. Before an installment is credited, the school
31 finance officer shall certify to the State Board of Education the expenditures to be made
32 by the local school administrative unit from the State Public School Fund during the
33 month. This certification shall be filed on or before the fifth day following the end of
34 the month preceding the period in which the expenditures will be made. The State
35 Board of Education shall determine whether the moneys requisitioned are due the local
36 school administrative unit, and upon determining the amount due, shall cause the
37 requisite amount to be credited to the local school administrative unit. Upon receiving
38 notice from the State Treasurer of the amount placed to the credit of the local school
39 administrative unit, the finance officer may issue State warrants up to the amount so
40 certified.

41 The State Board of Education may withhold money for payment of salaries for
42 administrative officers of local school administrative units if any report required to be
43 filed with State school authorities is more than 30 days overdue. The State Board of
44 Education shall withhold money for payment of salaries for the superintendent, finance

1 officer, and all other administrative officers charged with providing payroll information
2 pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the
3 payroll information to the State Board in a timely fashion and substantially in
4 accordance with the standards set by the State Board. The State Board of Education
5 shall also withhold money used for payment of salaries for the superintendent,
6 transportation director, and all other administrative officers or employees charged by the
7 local board of education or the local superintendent with implementing the
8 Transportation Information Management System, pursuant to G.S. 115C-240(d), if the
9 State Board finds that a local school administrative unit is not progressing in good faith
10 and is not using its best efforts to implement the Transportation Information
11 Management System.

12 Money in the State Public School Fund and State bond moneys shall be released
13 only on warrants drawn on the State Treasurer, signed by such local official as may be
14 required by the State Board of Education."

15
16 Requested by: Senator Ward

17 **SOFT DRINK SALES**

18 Sec. 73. G.S. 115C-264 reads as rewritten:

19 **"§ 115C-264. Operation.**

20 In the operation of their public school food programs, the public schools shall
21 participate in the National School Lunch Program established by the federal
22 government. The program shall be under the jurisdiction of the Division of School Food
23 Services of the Department of Public Instruction and in accordance with federal
24 guidelines as established by the Child Nutrition Division of the United States
25 Department of Agriculture.

26 Each school may, with the approval of the local board of education, sell soft drinks
27 to students so long as soft drinks are not sold (i) during the lunch period, (ii) at
28 elementary schools, or (iii) contrary to the requirements of the National School Lunch
29 Program.

30 All school food services shall be operated on a nonprofit basis, and any earnings
31 therefrom over and above the cost of operation as defined herein shall be used to reduce
32 the cost of food, to serve better food, or to provide free or reduced-price lunches to
33 indigent children and for no other purpose. The term 'cost of operation' shall be defined
34 as actual cost incurred in the purchase and preparation of food, the salaries of all
35 personnel directly engaged in providing food services, and the cost of nonfood supplies
36 as outlined under standards adopted by the State Board of Education. 'Personnel' shall
37 be defined as food service supervisors or directors, bookkeepers directly engaged in
38 food service record keeping and those persons directly involved in preparing and
39 serving food: Provided, that food service personnel shall be paid from the funds of food
40 services only for services rendered in behalf of lunchroom services. Any cost incurred
41 in the provisions and maintenance of school food services over and beyond the cost of
42 operation shall be included in the budget request filed annually by local boards of
43 education with boards of county commissioners. It shall not be mandatory that the

1 provisions of G.S. 115C-522(a) and 143-129 be complied with in the purchase of
2 supplies and food for such school food services."

3
4 Requested by: Senator Ward

5 **SCHOOL LIABILITY FOR SCHOOL PROPERTY USE LIMITED**

6 Sec. 74. G.S. 115C-524(b) reads as rewritten:

7 "(b) It shall be the duty of local boards of education and tax-levying authorities,
8 in order to safeguard the investment made in public schools, to keep all school buildings
9 in good repair to the end that all public school property shall be taken care of and be at
10 all times in proper condition for use. It shall be the duty of all principals, teachers, and
11 janitors to report to their respective boards of education immediately any unsanitary
12 condition, damage to school property, or needed repair. All principals, teachers, and
13 janitors shall be held responsible for the safekeeping of the buildings during the school
14 session and all breakage and damage shall be repaired by those responsible for same,
15 and where any principal or teacher shall permit damage to the public school buildings
16 by lack of proper discipline of pupils, such principal or teacher shall be held responsible
17 for such damage: Provided, principals and teachers shall not be held responsible for
18 damage that they could not have prevented by reasonable supervision in the
19 performance of their duties.

20 Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of
21 education shall have the authority to adopt rules and regulations by which school
22 ~~buildings, including cafeterias and lunchrooms, property, real and personal, may be~~
23 used for other than school purposes so long as such use is consistent with the proper
24 preservation and care of the public school property. No liability shall attach to any
25 board of education, individually or collectively, for personal injury suffered by reason
26 of the use of such school property."
27

28 Requested by: Senator Ward

29 **MODIFICATIONS TO APPROPRIATIONS TO THE DEPARTMENT OF**
30 **PUBLIC EDUCATION FOR THE 1992-93 FISCAL YEAR**

31 Sec. 75. Effective July 1, 1992, Section 8.1(f) of this act reads as rewritten:

32 "(f) Of the funds appropriated to the Department of Public Education for the
33 1991-93 fiscal biennium, the funds for the operation and maintenance of the Department
34 of Public Instruction, for State aid to nonstate agencies, and for the operation of the
35 State Board of Education are as follows:

36 **DEPARTMENT OF PUBLIC EDUCATION**
37 **TOTAL REQUIREMENTS**

38
39 **1991-92**

| | | | | |
|---------|--------------------|-----------------------|-------------|--------------|
| 40 | 41 Department of | Aid to Local | State Board | |
| 42 FUND | Public Instruction | School Administrative | | of Education |
| 43 | Units | | | |

GENERAL ASSEMBLY OF NORTH CAROLINA

1991

| | | | | |
|----|-------|------------|---------------|---------|
| 1 | 1000 | 2,276,885 | — | 118,900 |
| 2 | 1100 | 11,594,516 | — | — |
| 3 | 1200 | 2,542,623 | — | — |
| 4 | 1300 | 4,370,254 | — | — |
| 5 | 1400 | 12,551,101 | — | 16,146 |
| 6 | 1500 | 2,927,256 | — | — |
| 7 | 1600 | 11,386,980 | — | 17,668 |
| 8 | 1700 | — | — | — |
| 9 | 1800 | — | 3,199,427,158 | — |
| 10 | 1900 | 491,734 | — | — |
| 11 | | | | |
| 12 | TOTAL | 48,141,349 | 3,199,427,158 | 152,714 |
| 13 | | | | |
| 14 | | | | |

1992-93

| 17 | FUND | Department of Public Instruction | Aid to Local School Administrative | State Board of Education |
|----|-------|-------------------------------------|--|-----------------------------|
| 18 | | Units | | |
| 21 | 1000 | 2,271,969 2,571,969 | — | 93,900 |
| 22 | 1100 | 11,578,464 | — | — |
| 23 | 1200 | 2,543,364 | — | — |
| 24 | 1300 | 4,326,584 | — | — |
| 25 | 1400 | 12,826,595 | — | 16,146 |
| 26 | 1500 | 2,923,299 4,923,299 | — | — |
| 27 | 1600 | 11,281,018 | — | 17,668 |
| 28 | 1700 | — | — | — |
| 29 | 1800 | — | 3,267,053,247 3,251,456,746 | — |
| 30 | 1900 | 491,734 | — | — |
| 31 | | | | |
| 32 | TOTAL | 48,243,027 50,543,027 | 3,267,053,247 3,251,456,746 | 127,714" |
| 33 | | | | |

Requested by: Senator Ward

PAYROLL DEDUCTION CLARIFIED

Sec. 76. If an employee of the State or any of its institutions, departments, bureaus, agencies, or commissions, or any of its local boards of education or community colleges, authorizes, in writing, the periodic deduction from the employee's salary or wages a designated lump sum to be paid to the employees' association, in accordance with G.S. 143-3.3(g), that authorization shall remain in effect until revoked.

Requested by: Senator Warren

ENSURE ADEQUATE TEXTBOOK FUNDS

Sec. 77. (a) G.S. 115C-96 reads as rewritten:

1 **"§ 115C-96. Powers and duties of the State Board of Education in regard to**
2 **textbooks.**

3 The children of the public elementary and secondary schools of the State shall be
4 provided with free basic textbooks within the appropriation of the General Assembly for
5 that purpose. ~~The~~ To implement this directive, the State Board of Education is directed
6 ~~to~~ shall evaluate annually the amount of money necessary to provide textbooks based on
7 the actual cost and availability of textbooks and shall request sufficient appropriations
8 from the General Assembly to implement this directive. ~~Assembly.~~

9 The State Board of Education shall administer a fund and establish rules and
10 regulations necessary to:

- 11 (1) Acquire by contract such basic textbooks as are or may be on the
12 adopted list of the State of North Carolina which the Board finds
13 necessary to meet the needs of the State public school system and to
14 carry out the provisions of this Part.
- 15 (2) Provide a system of distribution of these textbooks and distribute the
16 books that are provided without using any depository or warehouse
17 facilities other than those operated by the State Board of Education.
- 18 (3) Provide for the free use, with proper care and return, of elementary and
19 secondary basic textbooks. The title of said books shall be vested in
20 the State."

21 (b) G.S. 143-11 reads as rewritten:

22 **"§ 143-11. Survey of departments.**

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

1 expended for the last preceding appropriation year, for the current appropriation year,
2 and the increase or decrease. The budget shall clearly differentiate between general
3 fund expenditures for operating and maintenance, special fund expenditures for any
4 purpose, and proposed capital outlays.

5 The Director shall accompany the budget with:

- 6 (1) A budget message supporting his recommendations and outlining a
7 financial policy and program for the ensuing biennium. The message
8 will include an explanation of increase or decrease over past
9 expenditures, a discussion of proposed changes in existing revenue
10 laws and proposed bond issues, their purpose, the amount, rate of
11 interest, term, the requirements to be attached to their issuance and the
12 effect such issues will have upon the redemption and annual interest
13 charges of the State debt.
- 14 (2) State Controller reports including:
 - 15 a. An itemized and complete financial statement for the State at
16 the close of the last preceding fiscal year ending June 30.
 - 17 b. A statement of special funds.
- 18 (2a) A statement showing the itemized estimates of the condition of the
19 State treasury as of the beginning and end of each of the next two
20 appropriation years.
- 21 (3) A report on the fees charged by each State department, bureau,
22 division, board, commission, institution, and agency during the
23 previous fiscal year, the statutory or regulatory authority for each fee,
24 the amount of the fee, when the amount of the fee was last changed,
25 the number of times the fee was collected during the prior fiscal year,
26 and the total receipts from the fee during the prior fiscal year.
- 27 (4) A statement showing the State Board of Education's request, in
28 accordance with G.S. 115C-96, for sufficient funds to provide
29 textbooks to public school students.

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

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

38 (c) This section is effective upon ratification and applies to all budget requests
39 beginning with the budget request for the 1993-95 fiscal biennium.

40 41 **PART 15. COMMUNITY COLLEGES**

42
43 Requested by: Senator Ward

44 **HUSKINS BILL QUALITY CONTROL**

1 Sec. 78. (a) Community college contracts with local school administrative
2 units shall not be used by these agencies to supplant funding for a public school high
3 school teacher providing courses offered pursuant to G.S. 115D-20(4) who is already
4 employed by the local school administrative unit. However, if a community college
5 contracts with a local school administrative unit for a public high school teacher to teach
6 a college level course, the community college shall not generate budget FTE for that
7 course. Its reimbursement in this case shall be limited to the direct instructional costs
8 contained in the contract, plus fifteen percent (15%) for administrative costs. In no
9 event shall a community college contract with a local school administrative unit to
10 provide high school level courses.

11 (b) The Joint Committee on College Transfer shall review this issue as it
12 relates to community colleges and constituent institutions of The University of North
13 Carolina. This review shall include an assessment of what constitutes college level
14 course work. The Committee shall report the results of this review to the General
15 Assembly and to the Joint Legislative Education Oversight Committee by March 1,
16 1993.

17 (c) The State Board of Community Colleges shall study the entire Huskins
18 Bill issue. The Board shall report the results of its study, together with any
19 recommendations, including any legislative proposals, to the General Assembly by
20 March 1, 1993.

21 (d) This section shall remain in effect until changed by the General
22 Assembly.

23
24 Requested by: Senator Ward

25 **COMMUNITY COLLEGES/UNC DISADVANTAGED NURSING FUNDS**

26 Sec. 79. The eighty thousand dollars (\$80,000) appropriated to the
27 Department of Community Colleges and the twenty thousand dollars (\$20,000)
28 appropriated to the Board of Governors of The University of North Carolina for the
29 1992-93 fiscal year for the purpose of increasing the number of disadvantaged students
30 who successfully complete nursing school shall be used for additional academic support
31 services for these students, including services providing tutors, peer counseling, and
32 testing materials. These funds shall not be used to provide direct financial aid for these
33 students.

34
35 Requested by: Senator Ward

36 **IN-PLANT TRAINING/SHELTERED WORKSHOPS**

37 Sec. 80. (a) In-Plant Training. Effective beginning with the 1992 fall
38 quarter, the State Board of Community Colleges shall ensure that the following
39 requirements are met with respect to in-plant training established pursuant to G.S.
40 115D-5(d)*:

- 41 (1) The instruction provided shall not duplicate or supplant existing
42 training or training for normal job turnover;
- 43 (2) The community college shall not contract with a company to provide
44 in-plant training to its own employees but it may contract with such a

1 company to provide the cost of replacement of an employee who is
2 providing the actual training and is released from regular work
3 responsibilities. Reimbursement may also be provided for appropriate
4 supplies and materials, as determined by the State Board of
5 Community Colleges;

6 (3) The community college's course outline and a fiscal plan for operating
7 the course shall be approved by the board of trustees. If approval is
8 not given, the course shall be discontinued and no FTE shall be
9 generated for that course;

10 (4) A reasonable limitation on hours per employee shall be established;
11 and

12 (5) A community college's FTE earnings shall not exceed a reasonable
13 percentage of the direct cost of the training.

14 The State Board of Community Colleges shall conduct a comprehensive
15 review of in-plant training to clarify the role of the system as well as the general policies
16 and procedures that have been developed to provide instruction for business and
17 industry. The Board shall report the results of its study, together with any
18 recommendations, including any legislative proposals, to the General Assembly by
19 March 1, 1993.

20 (b) Sheltered Workshops. Effective beginning with the 1992 fall quarter, the
21 State Board of Community Colleges shall ensure that the following considerations are
22 addressed within the administration of the occupational extension courses offered in
23 sheltered workshop settings and established pursuant to G.S. 115D-5(c)*:

24 (1) A reasonable limitation on instructional hours per student shall be
25 established;

26 (2) An educational and fiscal plan shall be approved by the board of
27 trustees. If approval is not given, the course shall be discontinued and
28 no FTE shall be generated for that course;

29 (3) There shall be a policy prohibiting the duplication of training and the
30 supplanting of costs; and

31 (4) A community college's FTE earnings shall not exceed a reasonable
32 percentage of the direct cost of the training.

33 The State Board of Community Colleges shall conduct a comprehensive
34 review of training provided to sheltered workshops and Adult Developmental Activities
35 Program (ADAP) centers to clarify the role of the system as well as the general policies
36 and procedures that have been developed to provide instruction at these locations. The
37 Board shall report the results of its study, together with any recommendations, including
38 any legislative proposals, to the General Assembly by March 1, 1993.

39 (c) Effective July 1, 1993, the funding for community college occupational
40 extension training for sheltered workshops and in-plant training programs shall be
41 limited to direct instructional cost plus fifteen percent (15%) of that amount for
42 administrative costs, unless amended by the 1993 General Assembly after receiving
43 recommendations from the State Board of Community Colleges.

44

1 Requested by: Senator Ward

2 **NEW AND EXPANDING INDUSTRY PROGRAM FUNDS**

3 Sec. 81. Notwithstanding any law to the contrary, the Department of
4 Community Colleges may transfer available and uncommitted funds into the New and
5 Expanded Industry Program, if it determines that there is a need to meet additional
6 training needs over and above those currently budgeted and if the Director of the Budget
7 concurs.

8

9 Requested by: Senator Ward

10 **COMMUNITY COLLEGE TUITION INCREASE**

11 Sec. 82. Section 203 of Chapter 689 of the 1991 Session Laws reads as
12 rewritten:

13 "Sec. 203. The State Board of Community Colleges shall adopt tuition rates
14 beginning in the fall quarter of 1991 in the amount of eleven dollars and fifty cents
15 (\$11.50) per credit hour up to a cap of 14 credit hours for in-State students and one
16 hundred seven dollars and fifty cents (\$107.50) per credit hour with a cap of 14 hours
17 for out-of-State students. The State Board of Community Colleges shall adopt tuition
18 rates beginning in the fall quarter of 1992 in the amount of thirteen dollars and seventy-
19 five cents (\$13.75) per credit hour up to a cap of 14 credit hours for in-State students
20 and one hundred seven dollars and fifty cents (\$107.50) per credit hour with a cap of 14
21 hours for out-of-State students.

22 The State Board of Community Colleges shall adopt tuition rates beginning in the
23 fall quarter of 1991 in the amount of thirty dollars (\$30.00) per course for occupational
24 extension courses. The State Board of Community Colleges shall adopt tuition rates
25 beginning in the fall quarter of 1992 in the amount of thirty-six dollars (\$36.00) per
26 course for occupational extension courses."

27

28 Requested by: Senator Ward

29 **WORKER TRAINING TRUST FUND**

30 Sec. 83. Section 141 of Chapter 689 of the 1991 Session Laws reads as
31 rewritten:

32 "Sec. 141. (a) There is appropriated from the Worker Training Trust Fund to the
33 Employment Security Commission of North Carolina the sum of ~~\$5,459,673~~ five
34 million four hundred fifty-nine thousand six hundred seventy-three dollars (\$5,459,673)
35 for the 1991-92 fiscal year and the sum of ~~\$6,059,673~~ five million eight hundred thirty-
36 nine thousand nine hundred sixty-four dollars (\$5,839,964) for the 1992-93 fiscal year
37 for the operation of local offices at the 1986-87 level of service.

38 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
39 Employment Security Administration Fund to the Employment Security Commission of
40 North Carolina, the sum of ~~\$2,000,000~~ two million dollars (\$2,000,000) for the 1991-92
41 fiscal year and the sum of ~~\$2,000,000~~ two million dollars (\$2,000,000) for the 1992-93
42 fiscal year for administration of the Veterans Employment Program, Employment
43 Services Program, and Unemployment Insurance Program.

1 (c) Supplemental federal funds or other additional funds received by the
2 Employment Security Commission for similar purposes shall be expended prior to the
3 expenditure of funds appropriated by this section.

4 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
5 Worker Training Trust Fund to the following agencies the following sums for the 1991-
6 92 and the 1992-93 fiscal years for the following purposes:

7 (1) \$3,000,000 for the 1991-92 fiscal year and \$2,400,000 for the 1992-93
8 fiscal year to the Department of Economic and Community
9 Development, Division of Employment and Training, for the
10 Employment and Training Grant Program.

11 (2) \$500,000 for the 1991-92 fiscal year and ~~\$500,000~~ \$1,000,000 for the
12 1992-93 fiscal year to the North Carolina Department of Labor for
13 customized training of the unemployed and the working poor for
14 specific jobs needed by employers through the Department's Pre-
15 Apprenticeship Division.

16 (3) \$2,000,000 for the 1991-92 fiscal year and ~~\$2,000,000~~ \$2,489,036 for
17 the 1992-93 fiscal year to the North Carolina Department of Human
18 Resources to assist welfare recipients in gaining employment through
19 the federally funded Job Opportunities and Basic Skills Program in
20 such a way as to gain the maximum match of federal funds for the
21 State dollars ~~appropriated~~ appropriated, provided that the \$489,036 in
22 expansion funds for the 1992-93 fiscal year shall be used for computer
23 equipment for every county participating in the Job Opportunities and
24 Basic Skills Program.

25 (4) \$1,250,000 for the 1991-92 fiscal year and ~~\$1,250,000~~ \$1,746,000 for
26 the 1992-93 fiscal year to the North Carolina Department of
27 Community Colleges to continue the Focused Industrial Training
28 ~~Program~~ Program, provided that the \$496,000 in expansion funds for
29 the 1992-93 fiscal year shall be used to increase the annual funding for
30 the 31 existing FIT centers from an average of \$74,000 to an average
31 of \$90,000.

32 (5) \$150,000 for the 1992-93 fiscal year to the Department of Public
33 Education and \$150,000 for the 1992-93 fiscal year to the Department
34 of Community Colleges, for a program of training in entrepreneurial
35 skills to be operated by North Carolina REAL Enterprises.

36 (6) \$225,000 for the 1992-93 fiscal year to the Employment Security
37 Commission for the North Carolina Occupational Information
38 Coordinating Committee to develop and operate an interagency system
39 to track former participants in State education and training programs."

40
41 Requested by: Senator Conder

42 **MONTGOMERY COMMUNITY COLLEGE SMALL BUSINESS CENTER**

1 Sec. 84. The State Board of Community Colleges shall continue the
2 allocation to the Montgomery Community College Small Business Center for the 1992-
3 93 fiscal year.

4
5 Requested by: Senator Royall

6 **MAINTENANCE OF PLANT ALLOTMENT**

7 Sec. 85. (a) Effective July 1, 1992, community colleges who have previously
8 received "operation of plant" funds pursuant to G.S. 115D-2(4) and who are no longer
9 eligible to receive them, may use State funds allotted to them by the operating formula
10 to replace the amount they received for the 1991-92 fiscal year in "operation of plant"
11 State allocation.

12 (b) Effective July 1, 1993, these colleges may use State funds allotted to them
13 by the operating formula to replace up to seventy percent (70%) of the 1991-92
14 "operation of plant" State allocation.

15 (c) Effective July 1, 1994, these colleges may use State funds allotted to them
16 by the operating formula to replace up to thirty-five percent (35%) of the 1991-92
17 "operation of plant" State allocation.

18 (d) Effective July 1, 1995, only those colleges that meet the criteria for
19 "operation of plant" funds may use State money for that purpose.

20
21 **PART 16. COLLEGES AND UNIVERSITIES**

22
23 Requested by: Senator Warren

24 **USE OF ECU SPECIAL RECEIPT FUNDS**

25 Sec. 86. Section 92 of Chapter 752 of the 1989 Session Laws, as amended by
26 Section 86 of Chapter 1066 of the 1989 Session Laws, Regular Session 1990, reads as
27 rewritten:

28 "Sec. 92. (a) ~~Effective July 1, 1989~~ Effective July 1, 1991 funds appropriated to the Board
29 of Governors of The University of North Carolina for the East Carolina University
30 School of Medicine ~~for~~ from reimbursements from the Medicare education ~~Education~~
31 Program shall be allocated as follows:

32 (1) That portion of the Medicare reimbursement that can be identified as
33 having been generated through the effort and at the expense of the
34 ~~School's~~ ECU School of Medicine's Medical Faculty Practice Plan
35 shall be transferred to the appropriate Medical Faculty Practice Plan
36 account within the ~~School;~~ ECU School of Medicine; and

37 (2) The remainder shall be ~~transferred to a special nonreverting account~~
38 ~~within the School.~~ deposited initially in a special funds account within
39 the ECU School of Medicine and shall immediately thereafter be
40 transferred to and remain on deposit in a Short Term Investment Fund
41 account with the Office of the State Treasurer. These funds and the
42 accrued interest shall not be withdrawn and expended by the ECU
43 School of Medicine until such time as a final audit on each year's cost

1 report is completed by federal auditors and the special audit
 2 consultants retained by the School of Medicine.

3 Funds deposited in the account pursuant to subdivision (2) of this section shall be
 4 spent for nonrecurring items of equipment and facilities that are required to maintain the
 5 ECU School of Medicine's teaching facilities within Pitt County Memorial Hospital and
 6 the Brody Medical Sciences Building.

7 (b) All revenue subsequently received by the East Carolina University School of
 8 Medicine Medical Faculty Practice Plan from patients or their health insurance
 9 companies for treatment received in the Radiation Therapy Facility shall be retained by
 10 ~~the School's~~ ECU School of Medicine's Medical Faculty Practice Plan and used to
 11 defray current operating expenses and for future support and enhancement of the
 12 facility.

13 (b1) All funds subsequently received by the East Carolina University School of
 14 Medicine from Pitt County Memorial Hospital for the lease of the Magnetic Resonance
 15 Imaging (MRI) building and equipment shall be retained by the ECU School of
 16 Medicine in a nonreverting account and expended to defray current operating expenses
 17 and for future support and enhancement of the MRI facility. These receipts shall be
 18 deposited and expended in the General Fund Budget Code (16066) at East Carolina
 19 University.

20 ~~(c) All the receipts in subsections (a), (b), and (b1) shall appear in the General~~
 21 ~~Fund Budget Code (16066) at East Carolina University.~~

22 (d) This section shall expire June 30, ~~1991.~~ 1993."

23
 24 Requested by: Senator Lee

25 **FAYETTEVILLE STATE/UNC-CH MATH - SCIENCE NETWORK FUNDS**

26 Sec. 87. Of the funds available to The Board of Governors of The University
 27 of North Carolina for the 1992-93 fiscal year, the sum of two hundred eighty thousand
 28 dollars (\$280,000) shall be used to provide funding for the Mathematics and Science
 29 Education Network Program at Fayetteville State University and the University of
 30 North Carolina at Chapel Hill. These funds shall be allocated as follows:

- 31 (1) \$130,000 to Fayetteville State University; and
 32 (2) \$150,000 to the University of North Carolina at Chapel Hill.

33
 34 Requested by: Senator Ward

35 **PIEDMONT TRIAD ENGINEERING RESEARCH CENTER**

36 Sec. 88. (a) Article 31 of Chapter 116 of the General Statutes reads as
 37 rewritten:

38 **"ARTICLE 31.**

39 ~~Piedmont Triad Research Institute and Graduate Engineering Program.~~

40
 41 ~~§ 116-250. Piedmont Triad Regional Institute; establishment; board of directors;~~
 42 ~~purpose.~~

43 (a) ~~There is established the Piedmont Triad Research Institute as a nonprofit~~
 44 ~~corporation registered and regulated pursuant to Chapter 55A of the General Statutes.~~

1 ~~(b) The Articles of Incorporation of the Institute shall constitute the board of~~
2 ~~directors of the Institute of individuals representing industrial and business interests in~~
3 ~~the Triad area, and of representatives of the following universities:~~

- 4 ~~(1) North Carolina Agricultural and Technical State University;~~
5 ~~(2) North Carolina State University at Raleigh;~~
6 ~~(3) Wake Forest University; and~~
7 ~~(4) Winston-Salem State University.~~

8 ~~(c) The Institute is established to further education and research in engineering,~~
9 ~~particularly as engineering may be applied to medicine.~~

10 **PIEDMONT TRIAD ENGINEERING RESEARCH CENTER.**

11 **"§ 116-250. Piedmont Triad Engineering Research Center; establishment; board**
12 **of directors; purpose.**

13 (a) The Board of Governors of The University of North Carolina shall establish
14 the Piedmont Triad Engineering Research Center.

15 (b) Subject to the requirements of this Article and to policies established by the
16 Board of Governors, the programs and activities of the Center shall be governed by a
17 Board of Directors consisting of the following members:

- 18 (1) Ex Officio, the Vice President for Research of The University of North
19 Carolina; the Dean of the School of Engineering of North Carolina
20 State University; the Dean of the School of Engineering of North
21 Carolina A&T State University; the Dean of the School of Engineering
22 of the University of North Carolina at Charlotte; the Executive Vice
23 President for Health Affairs of Wake Forest University; the Provost of
24 the University of North Carolina at Greensboro; and the Vice
25 Chancellor for Academic Affairs of Winston-Salem State University;
26 (2) One member of the faculty of the School of Engineering of North
27 Carolina State University, to be appointed by the Board of Governors
28 on nomination of the Chancellor of that institution, for a term of three
29 years;
30 (3) One member of the faculty of the School of Engineering of North
31 Carolina A&T State University, to be appointed by the Board of
32 Governors on nomination of the Chancellor of that institution, for a
33 term of three years;
34 (4) Two members of the faculty of Wake Forest University, appointed by
35 the Board of Governors on nomination of the President of that
36 institution, for terms of three years; and
37 (5) Three private citizens, who are neither officers nor employees of the
38 forementioned institutions of higher education, who are residents of
39 the cities of Winston-Salem, Greensboro, or High Point, and who have
40 distinguished themselves as leaders in private commercial activity, to
41 be appointed by the Board of Governors, for terms of three years.

42 (c) The Center shall be established to further graduate education and research in
43 engineering within the Piedmont Triad area and its principal municipalities of Winston-
44 Salem, Greensboro, and High Point.

1 **"§ 116-251. Center Director; administration; finances.**

2 (a) The programs and activities of the Center shall be administered by a Director,
3 who shall be appointed by the Board of Governors on nomination of the President of
4 The University of North Carolina, following consultation with the Board of Directors of
5 the Center; the Director shall report to and shall serve at the pleasure of the Board of
6 Directors; the Director shall make an annual report to the Board of Governors.

7 (b) The Director shall be assisted by any other administrative officers and
8 professional staff members considered appropriate by and selected and employed by the
9 Board of Directors, on recommendation of the Director. The Director and other
10 administrative officers and professional staff members of the Center shall be exempt
11 from the State Personnel Act, and their employment shall be governed by the policies
12 and regulations and provisions for compensation established by the Board of Directors.
13 All other employees of the Center shall be subject to the State Personnel Act.

14 (c) All employees of the Center shall be considered to be employees of the State
15 and shall be covered by all provisions of State law relevant thereto, including Chapter
16 97, Chapter 135, and Article 31A of Chapter 143 of the General Statutes.

17 (d) Subject to instructions established by the President of The University of
18 North Carolina, the Board of Directors shall develop, prepare and submit to the
19 President recommended budget requests for State appropriated funds for operation of
20 the Center. The comprehensive budget for the Center shall be established by the Board
21 of Directors, on recommendation of the Director, to be based on funds derived from (i)
22 appropriations to the Center from the State; (ii) matching grants from local
23 governmental entities within the Piedmont Triad area; (iii) grants from or contracts with
24 federal government agencies, such as the National Science Foundation and the National
25 Institutes of Health; (iv) grants from or contracts with private industries; (v) other
26 private benefactions, and any other receipts to which the Center may have access. The
27 Board of Directors may accept, receive, and use any federal funds, local government
28 grants, private benefactions, or other receipts which, in the judgment of the Board of
29 Directors, would be beneficial to the operation of the Center."

30 (b) G.S. 126-5(c1) is amended by adding a new subdivision to read:

31 "(16) The Director and other members of the administrative and professional
32 staff of the Piedmont Triad Engineering Research Center, as provided
33 for in G.S. 116-251(b)."

34
35 Requested by: Senator Ward

36 **UNIVERSITY OF NORTH CAROLINA GRADUATION RATES**

37 Sec. 89. The Board of Governors of The University of North Carolina shall
38 adopt policies that will encourage the constituent institutions to have their students
39 complete their degrees more quickly. A plan for implementation of these policies,
40 including means of measuring its success and progress, shall be presented to the 1993
41 General Assembly by February 1, 1993.

42
43 Requested by: Senator Goldston

44 **CHINQUA-PENN PLANTATION**

1 Sec. 90. The Board of Governors of The University of North Carolina may
2 lease Chinqua-Penn Plantation to Rockingham Community College for the sum of one
3 dollar (\$1.00) per year. The Board of Trustees of Rockingham Community College
4 shall appoint the Chinqua-Penn Plantation Commission to operate the Plantation as a
5 museum open to the public. The Commission shall report to the Board of Trustees of
6 Rockingham Community College.

7 Funds currently available in the budget of North Carolina State University for
8 the operation of Chinqua-Penn Plantation are transferred to the Department of
9 Community Colleges for this purpose. All funds remaining in capital improvement
10 accounts and other funds relating to Chinqua-Penn Plantation shall be transferred to the
11 Department of Community Colleges for the use of Rockingham Community College in
12 its operation of Chinqua-Penn Plantation. These funds shall include the balances in the
13 Gift Shop Trust Account and the Friends of Chinqua-Penn Endowment Accounts.

14 Funds made available by this section or from other sources may be used by
15 Rockingham Community College for operating costs and capital improvements
16 consistent with the purposes of this section. Funds made available by this section shall
17 not revert but shall remain available to Rockingham Community College for the
18 purposes of operating Chinqua-Penn plantation. Rockingham Community College may
19 sublease portions of the property under terms not inconsistent with terms of its lease.

20
21 Requested by: Senator Sherron

22 **NONWOVENS COOPERATIVE RESEARCH CENTER MATCHING FUNDS**

23 Sec. 90.1. There is appropriated from the overhead receipts at North Carolina
24 State University at Raleigh the sum of two hundred fifty thousand dollars (\$250,000) for
25 the 1992-93 fiscal year to North Carolina State University at Raleigh, for the purpose of
26 providing State matching funds for the Nonwovens Cooperative Research Center.

27 28 **PART 17. DEPARTMENT OF TRANSPORTATION**

29
30 Requested by: Senator Goldston

31 **HIGHWAY MAINTENANCE RESERVE**

32 Sec. 91. Section 66.7 of Chapter 689 of the 1991 Session Laws reads as
33 rewritten:

34 "Sec. 66.7. Any unreserved credit balance in the Highway Fund on June 30 of each
35 of the fiscal years of this biennium shall support appropriations in the succeeding fiscal
36 year. If all of the balance is not needed for these appropriations, the Director of the
37 Budget may use the remaining excess to establish a reserve for access and public roads,
38 a reserve for unforeseen happening of a state of affairs requiring prompt action as
39 provided by G.S. 136-44.1, and other required reserves. Actual revenue in excess of
40 estimated revenue shall be placed in the reserve for highway maintenance. ~~If all of the~~
41 ~~remaining excess is not used to establish these reserves, the remainder shall be allocated~~
42 ~~to the State funded maintenance appropriations in the manner approved by the Board of~~
43 ~~Transportation.~~—The Board of Transportation shall report monthly to the Joint

1 Legislative Highway Oversight Committee and the Fiscal Research Division about the
2 use of the reserve for highway maintenance."

3

4 Requested by: Senator Goldston

5 **CONTRACT RESURFACING REPORTING REQUIREMENT**

6 Sec. 92. The Department of Transportation shall report, quarterly, to the Joint
7 Legislative Highway Oversight Committee concerning any transfers of funds from the
8 Contract Resurfacing Program during the preceding quarter. The Department shall
9 report, annually, to the Joint Legislative Highway Oversight Committee on any
10 additional life-cycle costs for delayed projects that may accrue as a result of these
11 transfers, with the first report to be filed March 1, 1993.

12

13 Requested by: Senator Goldston

14 **DEPARTMENT OF TRANSPORTATION HIGHWAY CONSTRUCTION**
15 **SAFETY PROGRAM**

16 Sec. 93. Notwithstanding the provisions of G.S. 143-16.3, and from funds
17 appropriated to the Department of Transportation, the Secretary of Transportation may
18 continue the Department's emphasis on safety to reduce accidents and injuries in
19 highway construction activities. The Secretary may establish not more than 20
20 positions to implement the Department's safety program within funds available in
21 budget codes 84210, 84220, and 84230.

22

23 Requested by: Senator Goldston

24 **DEPARTMENT OF TRANSPORTATION PERMANENT HOURLY**
25 **WORKERS/OFFICE OF STATE PERSONNEL STUDY**

26 Sec. 94. The Office of State Personnel shall study the use of permanent
27 hourly workers by the Department of Transportation.

28 The study shall include consideration of:

29 (1) The Department of Transportation's use of these positions in the
30 maintenance workforce;

31 (2) The use of these positions on a year-round basis and for extended
32 periods; and

33 (3) The voluntary conversion of permanent employees to permanent
34 hourly workers to increase the employee's take-home pay by
35 eliminating the contribution to the retirement system.

36 The Office of State Personnel shall report the results of this study to the
37 Permanent Subcommittee on Transportation of the House Committee on Appropriations
38 and the Joint Legislative Highway Oversight Committee by February 1, 1993.

39

40 Requested by: Senator Goldston

41 **REALLOCATION OF DIVISION OF MOTOR VEHICLES WAREHOUSE-**
42 **OFFICE BUILDING FUNDS**

43 Sec. 95. Funds appropriated in Section 6 of Chapter 754 of the 1989 Session
44 Laws for the construction of a warehouse-office building in Raleigh for the Division of

1 Motor Vehicles are reallocated to the Division of Motor Vehicles for the construction or
2 purchase of the land and warehouse-office building, including appraisal and other costs
3 incidental to the purchase.

4
5 Requested by: Senator Goldston

6 **DEPARTMENT OF TRANSPORTATION TO REPORT ON EFFORTS TO**
7 **EDUCATE ON TRANSPORTATION PLANNING ROLES**

8 Sec. 96. The Department of Transportation shall report on its efforts to
9 educate Transportation Advisory Committees, local governments, and the public about
10 their roles in transportation planning under the Intermodal Surface Transportation
11 Efficiency Act of 1991 to the Chairmen of the Senate Committee on Transportation and
12 the House Committee on Transportation by February 1, 1993.

13
14 Requested by: Senator Goldston

15 **DEPARTMENT OF TRANSPORTATION TO DEVELOP COMPREHENSIVE**
16 **PLAN ON MAINTAINING AND UPGRADING BRIDGES**

17 Sec. 97. The Department of Transportation shall develop and recommend a
18 comprehensive plan to maintain and upgrade substandard bridges in North Carolina and
19 shall report to the Chairmen of the Senate Committee on Transportation and the House
20 Committee on Transportation by February 1, 1993.

21
22 Requested by: Senator Goldston

23 **HIGHWAY 264 REST AREA**

24 Sec. 98. By December 1, 1992, the Department of Transportation shall let a
25 contract for work to begin on the rest area on U.S. Highway 264 in Beaufort County for
26 which funds were appropriated by Section 6(15) of Chapter 754 of the 1989 Session
27 Laws. The Department shall complete the rest area by June 1, 1993. If the Department
28 of Transportation has not let a contract for work to begin on the rest area by December
29 1, 1992, the following applies:

- 30 (1) The sum of three hundred thirty-five thousand one hundred dollars
31 (\$335,100) is appropriated from the Highway Fund to the Department
32 of Administration for the Department of Administration to construct a
33 rest area at U.S. Highway 264 in Beaufort County. The Department of
34 Administration shall complete the rest area by September 1, 1993.
35 (2) Section 6(15) of Chapter 754 of the 1989 Session Laws is repealed.

36
37 Requested by: Senators Basnight, Goldston

38 **SMALL URBAN CONSTRUCTION FUNDS**

39 Sec. 99. Section 66.6 of Chapter 689 of the 1991 Session Laws reads as
40 rewritten:

41 "Sec. 66.6. Of the funds appropriated ~~in this Title~~ to the Department of
42 Transportation, \$10,805,664 shall be allocated in the 1991-92 fiscal year and
43 ~~\$10,028,266~~ \$9,028,266 in the 1992-93 fiscal year for small urban construction projects.
44 \$7,000,000 of these funds shall be allocated equally in ~~each~~ fiscal year 1991-92 ~~of the~~

1 ~~biennium~~ and \$6,000,000 in fiscal year 1992-93 among the 14 Highway Divisions for
2 the small Urban Construction program for small urban construction projects that are
3 located within the area covered by a one-mile radius of the municipal corporate limits.
4 Of the remaining funds, \$3,805,664 for the 1991-92 fiscal year ~~and \$3,028,266 for the~~
5 ~~1992-93 fiscal year~~ shall be used statewide for rural or small urban highway
6 improvements as approved by the Secretary of the Department of ~~Transportation.~~
7 Transportation, and \$3,028,266 for the 1992-93 fiscal year shall be used statewide for
8 any of the following, as approved by the Secretary of the Department of Transportation:

9 (1) Rural highway improvements,

10 (2) Small urban highway improvements,

11 (3) Improvements to roads, driveways, or parking lots at an historic site
12 owned by a nonprofit organization and regularly open to the public if
13 the improvements are needed to give public school buses access to the
14 site.

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

17 No more than fifty percent (50%) of the funds available for the 1992-93 fiscal year
18 to each Highway Division under this section and for the projects approved by the
19 Secretary of Transportation under this section may be expended, encumbered, or
20 allocated prior to December 31, 1992.

21 The Department of Transportation shall report to the members of the General
22 Assembly on projects funded pursuant to this section in each member's district prior to
23 the Board of Transportation's action. The Department shall make a quarterly
24 comprehensive report on the use of these funds to the Joint Legislative Highway
25 Oversight Committee and the Fiscal Research Division."

26
27 Requested by: Senator Perdue

28 **MOREHEAD CITY REST AREA/VISITOR INFORMATION FUNDS**

29 Sec. 100. (a) Of the funds appropriated to the Department of Transportation in
30 Section 4 of Chapter 689 of the 1991 Session Laws and in this act, the sum of one
31 million dollars (\$1,000,000) for the 1992-93 fiscal year shall be used to construct a rest
32 area/visitors information center on U.S. 70 near Morehead City.

33 No State highway funds shall be used to staff or operate the rest area/visitors
34 information center.

35 (b) The Department of Transportation shall prepare standard plans for Visitor
36 Information Center buildings for use throughout the State. Those plans shall be used in
37 the construction of all Visitor Information Centers, not heretofore included in any
38 Transportation Improvement Plans, with only minimal modifications, not to exceed ten
39 percent (10%) of the construction cost, permitted to meet unique environmental factors
40 of the particular site.

41
42 Requested by: Senator Goldston

1 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**
2 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**
3 **MANAGEMENT**

4 Sec. 101. The Department of Transportation may enter into a design-build-
5 warrant contract to develop, with Federal Highway Administration participation under
6 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
7 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
8 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
9 Notwithstanding any other provision of law, contractors, contractor's employees, and
10 Department of Transportation employees involved in this project do not have to be
11 licensed by occupational licensing boards as "license" and "occupational licensing
12 board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the
13 Department of Transportation is exempted from the provisions of the following General
14 Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-64.20, 143-128, and 143-129.

15
16 Requested by: Senator Goldston

17 **ASSIGNMENT OF DEPARTMENT OF TRANSPORTATION MOTOR**
18 **VEHICLES WITHOUT MINIMUM MILEAGE REQUIREMENTS**

19 Sec. 102. For the 1992-93 fiscal year only, all State-owned passenger motor
20 vehicles which are permanently assigned to the Department of Transportation field
21 personnel only, are exempt from the minimum mileage requirements of G.S. 143-
22 341(8)(i)7a. This exemption is allowed in order to study the unique responsibilities of
23 Division of Highways field employees, compared to other State employees, with regard
24 to complying with regulations for having a permanently assigned vehicle.

25 The Department shall report quarterly to the Joint Legislative Commission on
26 Governmental Operations and the Joint Legislative Highway Oversight Committee, and
27 the Fiscal Research Division, beginning October 1, 1992, for the preceding quarter, on:

- 28 (1) The use of the vehicles, including:
29 a. a list of the employees to whom these vehicles are assigned;
30 b. their job classifications; and
31 c. the round-trip mileage from their home to the nearest official
32 work station other than the project site;
33 (2) The number of vehicles not driven the required minimum mileage;
34 (3) The certified overtime hours worked by these employees, listed by
35 highway district; and
36 (4) The savings realized by not having to meet the minimum mileage
37 requirements.

38
39 Requested by: Senator Barnes

40 **AIR CARGO AMENDMENTS**

41 Sec. 103. (a) G.S. 63A-2(8) reads as rewritten:

- 42 "(8) Cargo airport complex site. – The area designated by the Authority as
43 the location of a cargo airport complex. An area may not be so
44 designated by the Authority unless all or a substantial portion of the

land on which the cargo airport is located or is to be located is or shall be owned by the Authority or is or shall be controlled by the Authority pursuant to lease, joint operating agreement, or other contractual arrangements."

(b) G.S. 63A-3(b) reads as rewritten:

"(b) Board of Directors. The Authority shall be governed by a Board of Directors. The Board shall consist of at least the following ~~14~~19 members:

- (1) Seven members appointed by the Governor.
- (2) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.
- (3) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.
- (4) The State Treasurer, who shall serve as an ex officio non-voting member.
- (5) The President of the North Carolina System of Community Colleges, provided that the President of the North Carolina Community Colleges may instead appoint to the Board of Directors one member of the board of trustees of a community college or one president of a community college. If such an appointment is made, the appointee shall serve at the pleasure of the President.
- (6) The President of The University of North Carolina, provided that the President of the University of North Carolina may instead appoint to the Board of Directors one member of the board of trustees of a constituent institution of The University of North Carolina, or one chancellor of a constituent institution of The University of North Carolina. If such an appointment is made, the appointee shall serve at the pleasure of the President.
- (7) The Chairman of the State Ports Authority.
- (8) One member appointed by the board of county commissioners of any county in which the cargo airport complex site is located.
- (9) One member appointed by the city council of the city which is a county seat of any county in which the cargo airport complex site is located.

~~The Board may consist of more than 14 members if more members are appointed by boards of county commissioners in accordance with this subsection.~~—Within 90 days after the Authority acquires land, either by purchase or condemnation, for development as part of a cargo airport complex site, the board of county commissioners in any county in which a portion of the land is located and the city council of the city which is the county seat of the county mayshall, by resolution, each appoint a person to serve as a member of the Board. If the board of commissioners or the city council appoints one of its own members to the Board, the county commissioner or the member of the city council who is appointed is considered to be serving on the Board as an ex officio

1 voting member as part of the duties of the office of county commissioner or the office of
2 city council member, in accordance with G.S. 128-1.2, and is not considered to be
3 serving in a separate office. Notwithstanding G.S. 116-31(h), a member of the board of
4 trustees of a constituent institution of The University of North Carolina appointed to the
5 Board of Directors under subdivision (6) of this subsection may concurrently serve on
6 the board of trustees and the Board of Directors. Notwithstanding any other provision
7 of law, the Governor may serve on the Board of Directors by his own appointment on or
8 after July 16, 1991, under subdivision (1) of this subsection.

9 As the holder of an office, each member of the Board shall take the oath required by
10 Article VI, § 7 of the North Carolina Constitution before assuming the duties of a Board
11 member."

12 (c) G.S. 63A-3(c) reads as rewritten:

13 "(c) Selection Criteria. ~~Of the members appointed by the Governor, at least two~~
14 ~~shall be residents of the western region of the State, at least two shall be residents of the~~
15 ~~piedmont region of the State, and at least two shall be residents of the eastern region of~~
16 ~~the State.~~ In making appointments to the Board, the Governor and the General
17 Assembly shall give consideration to the geographical representation of the Western
18 region, the Piedmont region, and the Eastern region of the State. In addition, at least one
19 member appointed by the Governor shall be representative of business, at least one shall
20 be representative of agribusiness, at least one shall be representative of environmental
21 interests, and at least one shall be representative of industrial interests.

22 ~~Of the members appointed by the General Assembly upon the recommendation of~~
23 ~~the President Pro Tempore of the Senate, one shall be a resident of the western region of~~
24 ~~the State, one shall be a resident of the piedmont region of the State, and one shall be a~~
25 ~~resident of the eastern region of the State. Of the members appointed by the General~~
26 ~~Assembly upon the recommendation of the Speaker of the House of Representatives,~~
27 ~~one shall be a resident of the western region of the State, one shall be a resident of the~~
28 ~~piedmont region of the State, and one shall be a resident of the eastern region of the~~
29 ~~State."~~

30 (d) G.S. 63A-3(d) reads as rewritten:

31 "(d) Terms. ~~Except for the terms of the initial Board members, Board~~
32 ~~members shall serve two-year terms that begin on July 1.~~ The terms of the initial
33 members appointed by the Governor or the General Assembly end June 30, 1993. The
34 initial term of a member appointed by a board of county commissioners or by a city
35 council ends on the second June 30 after the appointment. Subsequent appointments by
36 a board of county commissioners or by a city council shall be for terms of four years.
37 The seven members appointed by the Governor for subsequent terms shall be appointed
38 for terms of two years ending on June 30 of each odd-numbered year. The six members
39 appointed by the General Assembly for subsequent terms shall be divided into two
40 classes. The first class shall consist of three persons, two of whom shall be appointed
41 upon recommendation of the Speaker of the House of Representatives and one of whom
42 shall be appointed upon recommendation of the President Pro Tempore of the Senate, to
43 serve an initial term expiring June 30, 1995, with subsequent terms expiring each fourth
44 June 30th thereafter. The second class shall consist of three persons, two of whom shall

1 be appointed upon recommendation of the President Pro Tempore of the Senate and one
2 of whom shall be appointed upon recommendation of the Speaker of the House of
3 Representatives, to serve an initial term expiring June 30, 1997, with subsequent terms
4 expiring each fourth June 30th thereafter."

5 (e) G.S. 63A-3(h) reads as rewritten:

6 "(h) Organization of the Board. The Board shall adopt bylaws with respect to the
7 calling of meetings, quorums, voting procedures, the keeping of records, and other
8 organizational and administrative matters as the Board may determine. A quorum shall
9 consist of ~~at least eight~~ a majority of the members of the Board. No vacancy in the
10 membership of the Board shall impair the right of a quorum to exercise all rights and to
11 perform all the duties of the Board and the Authority."

12 (f) G.S. 63A-6(a) reads as rewritten:

13 "(a) General. The Authority may acquire real property by purchase, negotiation,
14 gift, devise, or eminent domain. Any acquisition ~~or disposition by eminent domain~~ by
15 the Authority of real property or an estate or interest in real property must be reviewed
16 and approved by the Council of State before it can become effective. When the
17 Authority acquires real property owned by the State, the Secretary of the Department of
18 Administration shall execute and deliver to the Authority a deed transferring fee simple
19 title to the property to the Authority."

20 (g) G.S. 63A-6(b) reads as rewritten:

21 "(b) Eminent Domain. To exercise the power of eminent domain, the Authority
22 shall commence a proceeding in its name and may follow any procedure set by law by
23 which a State agency or a political subdivision of the State may exercise the power of
24 eminent domain. ~~As with other acquisitions, however, the~~ The Authority's exercise of
25 the power of eminent domain is subject to review and approval by the Council of State.

26 The Authority's power of eminent domain applies to all property, including property
27 that is owned by a State agency or a political subdivision of the State and is already
28 devoted to a specific use other than as an airport established under Chapter 63 of the
29 General Statutes. The Authority may acquire by eminent domain property that is owned
30 by a political subdivision and is used as an airport established under Chapter 63 of the
31 General Statutes only after obtaining the approval of the governing body of each
32 political subdivision that established the airport. The Authority may not begin an
33 eminent domain proceeding before it obtains the Council of State's approval for the
34 acquisition of the property to be condemned."

35 (h) G.S. 63A-18(a) and (b) read as rewritten:

36 "(a) The Authority has exclusive zoning jurisdiction within a cargo airport
37 complex site. The Authority has zoning jurisdiction within ~~four~~ six miles of the
38 boundaries of a cargo airport complex site. ~~The Authority has zoning jurisdiction~~
39 ~~sufficient to restrict the height of any structure to be erected, and the height to which~~
40 ~~any tree may grow, within six miles of the boundaries of a cargo airport complex site.~~

41 (b) No State agency and, in accordance with G.S. 63-31, no political subdivision
42 may adopt, without obtaining the approval of the Authority, ~~either of the following an~~
43 airport zoning provision or other land use regulation that affects real property within six

1 miles of any cargo airport complex site if it conflicts with a zoning provision or land use
2 restriction adopted by the Authority: Authority.

3 (1) ~~An airport zoning provision or other land use regulation that affects~~
4 ~~real property within four miles of any cargo airport complex site.~~

5 (2) ~~An airport zoning provision or other land use regulation that affects the~~
6 ~~height of any structure or tree within six miles of a cargo airport~~
7 ~~complex site.~~

8 A zoning provision or land use restriction adopted in violation of this subsection is not
9 effective."

10 (i) This section becomes effective July 1, 1992.

11
12 Requested by: Senators Basnight, Plyler

13 **GREENE COUNTY WATER AND SEWER CONNECTION FUNDS**
14 **REAPPROPRIATED**

15 Sec. 104. The four hundred thousand dollars (\$400,000) appropriated for the
16 1991-92 fiscal year from the Highway Fund to the Department of Transportation in item
17 09. of the schedule of projects in Section 236.1 of Chapter 689 of the 1991 Session
18 Laws is reappropriated to the Office of State Budget and Management for construction
19 of the Greene County water and sewer connections to service the Maury Prison Unit.

20
21 Requested by: Senator Goldston

22 **AIR CARGO AIRPORT AUTHORITY MARKETING FUNDS TRANSFER**

23 Sec. 105. Of the funds appropriated in this act for the North Carolina Air
24 Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) shall be
25 transferred by July 15, 1992, to the Department of Economic and Community
26 Development for marketing of the Global Transpark including two positions, operating
27 support, and advertising funds.

28
29 Requested by: Senator Goldston

30 **DEPARTMENT OF TRANSPORTATION CASH FLOW**

31 Sec. 106. Appropriations contained in this act are supported by \$17,258,458
32 in excess of the estimated revenue for the 1992-93 fiscal year in order to allow
33 contracting authority for resurfacing to be performed in 1992-93 and the subsequent
34 year in accordance with G.S. 143-28.1.

35
36 Requested by: Senator Goldston

37 **TRANSFER OF FUNDS FROM THE EQUIPMENT FUND**

38 Sec. 106.1. Section 66 of Chapter 689 of the 1991 Session Laws reads as
39 rewritten:

40 "Sec. 66. The Department of Transportation's Equipment Fund shall pay to the
41 Highway Fund \$5,000,000 for the 1991-92 fiscal year and \$5,000,000 for the 1992-93
42 fiscal year. These funds shall be used for highway maintenance. The Department of
43 Transportation's Equipment Fund shall pay to the Highway Fund an additional
44 \$10,000,000 for the 1992-93 fiscal year for use in the expansion budget."

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PART 18. DEPARTMENT OF CORRECTION

Requested by: Senators Marvin, Parnell

USE OF LAPSED SALARY FUNDS

Sec. 107. The Department of Correction may use lapsed salary funds from the 1991-92 fiscal year to pay medical care costs, to pay for extradition services, and to reimburse local governments for the housing of prisoners.

Requested by: Senators Marvin, Parnell

PRIVATE CONFINEMENT FACILITIES

Sec. 108. Section 67 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 67. No for-profit, privately owned or operated confinement facilities may be added to the State prison system unless approved by the General Assembly. Notwithstanding the provisions of this section or any other provision of law, the Secretary of Correction may issue a Request for Proposal or employ another appropriate bidding process or procedure to determine contract terms or conditions under which private for-profit or nonprofit firms would offer to provide and operate treatment centers totaling 500 beds for prisoners committed to the custody of the Department of Correction who are diagnosed as needing treatment for alcohol or drug abuse. The State may contract with private, nonprofit firms to provide or operate work and study release centers for women and for youth.

Solicitation of bids does not obligate the State to enter into contracts with private for-profit or nonprofit firms to provide and operate treatment centers for which bids are solicited.

The Secretary of Correction must report the results of the bidding procedure to the Governor, the Joint Legislative Committee on Governmental Operations, the Chairmen of the Senate and House Appropriations Committees, and the Fiscal Research Division by December 31, 1992."

Requested by: Senator Marvin

LIMIT USE OF OPERATIONAL FUNDS

Sec. 109. Funds appropriated in this act to the Department of Correction for operational costs for additional facilities shall be used for personnel and operating expenses set forth in the budget approved by the General Assembly in this act. These funds may not be expended for any other purpose, and may not be expended for additional prison personnel positions until the new facilities are within 90 days of completion, except for certain management and support positions necessary to prepare the facility for opening, as authorized in the budget approved by the General Assembly.

PART 19. JUDICIAL DEPARTMENT

Requested by: Senators Marvin, Parnell

CURRENT OPERATING EXPENSES

Sec. 110. From the funds appropriated to the Judicial Department in the certified budget for the 1992-93 fiscal year, the Administrative Office of the Courts may transfer within its budget up to two million five hundred thousand dollars (\$2,500,000) to meet additional operating expenses for supplies and materials, current obligations, fixed charges and other expenses, equipment, books, and indigent persons' attorneys' fees, and to match any grants awarded to the Judicial Department from non-State funds. The Administrative Office of the Courts shall make quarterly reports on transfers made pursuant to this section to the Joint Legislative Commission on Governmental Operations and to the Chairmen of the Senate and House Appropriations Committees on Justice and Public Safety.

Requested by: Senators Marvin, Parnell

CONTINUED PHASING IN OF NONBINDING ARBITRATION AND OF CUSTODY AND VISITATION MEDIATION

Sec. 111. From funds appropriated to the Judicial Department in the certified budget for the 1992-93 fiscal year, the Administrative Office of the Courts may transfer within its budget up to seventy-five thousand dollars (\$75,000) to implement nonbinding arbitration procedures in additional counties and judicial districts pursuant to G.S. 7A-37.1 and to establish local custody mediation and visitation programs in additional counties pursuant to G.S. 7A-494.

Requested by: Senators Marvin, Parnell

CONTINUE EXISTING JUVENILE SERVICES TRANSPORTATION PILOT PROGRAM

Sec. 112. From funds appropriated to the Judicial Department in the certified budget for the 1992-93 fiscal year, the Administrative Office of the Courts may transfer funds within its budget to continue the Juvenile Services Division Transportation Pilot Project in District Court Districts 6A, 10, 11, and 24 at its 1991-92 funding level.

Requested by: Senators Marvin, Parnell

INTERIM FEES FOR ASSIGNED COUNSEL IN EXTRAORDINARY CASES

Sec. 113. (a) G.S. 7A-455(b) reads as rewritten:

"(b) In all cases the court shall fix the money value of services rendered by assigned counsel, the public defender, or the appellate defender, and such sum plus any sums allowed by the court for other necessary expenses of representing the indigent person, including any fees and expenses that may have been allowed prior to final determination of the action to assigned counsel pursuant to G.S. 7A-458, shall be entered as a judgment in the office of the clerk of superior court, and shall constitute a lien as prescribed by the general law of the State applicable to judgments. Any reimbursement to the State as provided in subsection (a) of this section or any funds collected by reason of such judgment shall be deposited in the State treasury and credited against the judgment; provided, that counsel fees ordered paid to the clerk on behalf of the appointed counsel pursuant to G.S. 15A-1343(e) may be paid directly to

1 the counsel. In fixing the money value of services rendered by the public defender and
 2 the appellate defender, the court shall consider the factors normally involved in fixing
 3 the fees of private attorneys, such as the nature of the case, the time, effort, and
 4 responsibility involved, and the fee usually charged in similar cases. The value of the
 5 services shall be fixed by a district court judge for actions or proceedings finally
 6 determined in the district court and by a superior court judge for actions or proceedings
 7 originating in, heard on appeal in, or appealed from the superior court. Even if the trial,
 8 appeal, hearing, or other proceeding is never held, preparation therefor is nevertheless
 9 compensable."

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

11 **"§ 7A-458. Counsel fees.**

12 In districts which do not have a public defender, the court shall fix the fee to which
 13 an attorney who represents an indigent person is entitled. In doing so, the court shall
 14 allow a fee based on the factors normally considered in fixing attorneys' fees, such as
 15 the nature of the case, and the time, effort and responsibility involved. Fees shall be
 16 fixed by the district court judge who hears the case for actions or proceedings finally
 17 determined in the district court and by the superior court judge who hears the case for
 18 actions or proceedings originating in, heard on appeal in, or appealed from the superior
 19 court. Even if the trial, appeal, hearing or other proceeding is never held, preparation
 20 therefor is nevertheless ~~compensable.~~ compensable and, in capital cases and other
 21 extraordinary cases pending in superior court, the presiding judge may allow a fee for
 22 services rendered and payment for expenses incurred pending final determination of the
 23 case."

24
 25 Requested by: Senators Marvin, Parnell

26 **COMMUNITY PENALTIES PROGRAMS**

27 Sec. 114. Section 84.1 of Chapter 689 of the 1991 Session Laws reads as
 28 rewritten:

29 "Sec. 84.1. (a) Of the funds appropriated in this act to the Judicial Department to
 30 conduct the community penalty programs, the sum of ~~\$1,518,912~~ one million five
 31 hundred eighteen thousand nine hundred twelve dollars (\$1,518,912) shall be allocated
 32 in the 1991-92 fiscal year among the community penalties programs listed below as
 33 follows:

| | | |
|----|--------------------------------|-----------|
| 34 | One Step Further, Inc. | \$139,664 |
| 35 | | |
| 36 | Services to Nash County | |
| 37 | Community Penalties Program | 44,000 |
| 38 | | |
| 39 | Services to Rockingham/Caswell | 40,900 |
| 40 | | |
| 41 | Fayetteville Area Sentencing | |
| 42 | Center, Inc. | 131,878 |
| 43 | | |
| 44 | Re-Entry, Inc. | 93,500 |

| | | |
|----|--------------------------------|---------|
| 1 | | |
| 2 | Repay, Inc. | 100,045 |
| 3 | | |
| 4 | Community Corrections | |
| 5 | Resources, Inc. | 104,379 |
| 6 | | |
| 7 | Western Carolinians for | |
| 8 | Criminal Justice, Inc. | 100,300 |
| 9 | | |
| 10 | Prison & Jail Project, Inc. | 100,300 |
| 11 | | |
| 12 | Community Penalties Program, | |
| 13 | Inc. | 68,213 |
| 14 | | |
| 15 | Jacksonville Community | |
| 16 | Penalties, Inc. | 89,250 |
| 17 | | |
| 18 | Services to Sampson, | |
| 19 | Duplin, and Jones Counties | 55,000 |
| 20 | | |
| 21 | Gaston Community Penalties, | |
| 22 | Inc. | 53,661 |
| 23 | | |
| 24 | Services to Cleveland and | |
| 25 | Lincoln Counties | 38,000 |
| 26 | | |
| 27 | Dispute Settlement Center, | |
| 28 | Inc. | 53,661 |
| 29 | | |
| 30 | Appropriate Punishment | |
| 31 | Option, Inc. | 53,661 |
| 32 | | |
| 33 | Mecklenburg Community | |
| 34 | Corrections | 93,500 |
| 35 | | |
| 36 | Neuse River Council of | |
| 37 | Governments DBA Neuse | |
| 38 | River Community | |
| 39 | Penalties Program | 55,000 |
| 40 | | |
| 41 | Tuscarora Tribe of North | |
| 42 | Carolina | 52,000 |
| 43 | | |
| 44 | Citizens for Community Justice | 52,000. |

1
2 (b) Funds allocated in subsection (a) and not used by the community penalties
3 programs listed above may be used by the Judicial Department to establish new
4 community penalties programs.

5 (b1) Of the funds appropriated for the 1992-93 fiscal year to the Judicial
6 Department to conduct the community penalties programs, the sum of one million five
7 hundred eighteen thousand nine hundred twelve dollars (\$1,518,912) may be allocated
8 by the Judicial Department in the 1992-93 fiscal year in any amount among existing
9 community penalties programs or may be used to establish new community penalties
10 programs. In addition, from any other funds appropriated to the Judicial Department in
11 the certified budget for the 1992-93 fiscal year, the Administrative Office of the Courts
12 may transfer funds to the community penalties programs for similar allocation or use.

13 (c) The Judicial Department shall report annually to the Senate and House
14 Appropriations Base Budget Committees on Justice and Public Safety and to the Fiscal
15 Research Division on the administrative expenditures of the community penalties
16 programs."

17
18 Requested by: Senators Marvin, Parnell

19 **MAKE JURISDICTION OF MAGISTRATE AND CLERK CONSISTENT WITH**
20 **THAT OF JUDGES TO PROMULGATE WAIVER LISTS**

21 Sec. 115. (a) G.S. 7A-148(a) reads as rewritten:

22 "(a) The chief district judges of the various district court districts shall meet at
23 least once a year upon call of the Chief Justice of the Supreme Court to discuss mutual
24 problems affecting the courts and the improvement of court operations, to prepare and
25 adopt ~~a uniform schedule of traffic offenses, littering under G.S. 14-399(c), hunting and~~
26 ~~fishing offenses under Chapter 113, State park and recreation area rule offenses under~~
27 ~~Chapter 113, boating offenses under Chapter 75A, and alcohol offenses under Chapter~~
28 ~~18B~~ uniform schedules of offenses for the types of offenses specified in G.S. 7A-273(2)
29 for which magistrates and clerks of court may accept written appearances, waivers of
30 trial or hearing and pleas of guilty or admissions of responsibility, and establish a
31 schedule of penalties or fines therefor, and to take such further action as may be found
32 practicable and desirable to promote the uniform administration of justice."

33 (b) G.S. 7A-146(8) is repealed.

34 (c) G.S. 7A-180 reads as rewritten:

35 **"§ 7A-180. Functions of clerk of superior court in district court matters.**

36 The clerk of superior court:

- 37 (1) Has and exercises all of the judicial powers and duties in respect of
38 actions and proceedings pending from time to time in the district court
39 of his county which are now or hereafter conferred or imposed upon
40 him by law in respect of actions and proceedings pending in the
41 superior court of his county;
- 42 (2) Performs all of the clerical, administrative and fiscal functions
43 required in the operation of the district court of his county in the same

manner as he is required to perform such functions in the operation of the superior court of his county;

- (3) Maintains, under the supervision of the Administrative Office of the Courts, an office of uniform consolidated records of all judicial proceedings in the superior court division and the district court division of the General Court of Justice in his county. Those records shall include civil actions, special proceedings, estates, criminal actions, juvenile actions, minutes of the court and all other records required by law to be maintained. The form and procedure for filing, docketing, indexing, and recording shall be as prescribed by the Administrative Officer of the Courts notwithstanding any contrary statutory provision as to the title and form of the record or as a method of indexing;
- (4) Has the power to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility ~~to certain alcohol, traffic, hunting, fishing, and boating offenses for the types of offenses specified in G.S. 7A-273(2) in accordance with a schedule the schedules~~ of offenses promulgated by the Conference of Chief District Judges pursuant to G.S. 7A-148, and in such cases, to enter judgment and collect the fine or penalty and costs;
- (5) Has the power to issue warrants of arrest valid throughout the State, and search warrants valid throughout the county of the issuing clerk;
- (6) Has the power to conduct an initial appearance in accordance with Chapter 15A, Article 24, Initial Appearance, and to fix conditions of release in accordance with Chapter 15A, Article 26, Bail; ~~and~~
- (7) Continues to exercise all powers, duties and authority theretofore vested in or imposed upon clerks of superior court by general law, with the exception of jurisdiction in juvenile matters; ~~and~~
- (8) Has the power to accept written appearances, waivers of trial and pleas of guilty to violations of G.S. 14-107 when restitution is made, the amount of the check is two thousand dollars (\$2,000) or less, and the warrant does not charge a fourth or subsequent violation of this statute, and, in such cases, to enter such judgments as the chief district judge shall direct and, forward the amounts collected as restitution to the appropriate prosecuting witnesses and to collect the costs.
- (9) ~~Has the power to accept written appearances, waivers of trial and pleas of guilty to violations of G.S. 14-399(e), and, in such cases, to enter judgments as the chief district court judge shall direct. No violation of G.S. 14-399 may be disposed of pursuant to this subdivision unless the criminal pleading specifically charges a violation of subsection (c) of G.S. 14-399."~~

(d) G.S. 7A-273 reads as rewritten:

"§ 7A-273. Powers of magistrates in infractions or criminal actions.

In criminal actions or infractions, any magistrate has power:

- 1 (1) In misdemeanor or infraction cases, other than ~~traffic, hunting, fishing,~~
2 ~~boating, and alcohol offenses, the types of offenses specified in~~
3 ~~subdivision (2) of this section,~~ in which the maximum punishment
4 which can be adjudged cannot exceed imprisonment for 30 days, or a
5 fine of fifty dollars (\$50.00) or a penalty of not more than fifty dollars
6 (\$50.00), exclusive of costs, to accept guilty pleas or admissions of
7 responsibility and enter judgment;
- 8 (2) In misdemeanor or infraction cases involving ~~alcohol,~~ alcohol offenses
9 under Chapter 18B of the General Statutes, ~~traffic,~~ traffic offenses,
10 hunting, fishing, and State park recreation area offenses under Chapter
11 113 of the General Statutes, ~~boating offenses,~~ offenses under Chapter
12 75A of the General Statutes, and littering offenses under G.S. 14-
13 399(c), to accept written appearances, waivers of trial or hearing and
14 pleas of guilty or admissions of responsibility, in accordance with the
15 schedule of offenses and fines or penalties promulgated by the
16 Conference of Chief District Judges pursuant to G.S. 7A-148, and in
17 such cases, to enter judgment and collect the fines or penalties and
18 costs;
- 19 (3) To issue arrest warrants valid throughout the State;
- 20 (4) To issue search warrants valid throughout the county; ~~and~~
- 21 (5) To grant bail before trial for any noncapital offense;
- 22 (6) Notwithstanding the provisions of subdivision (1) of this section, to
23 hear and enter judgment as the chief district judge shall direct in all
24 worthless check cases brought under G.S. 14-107, when the amount of
25 the check is two thousand dollars (\$2,000) or less. Provided, however,
26 that under this section magistrates may not impose a prison sentence
27 longer than 30 days;
- 28 (7) To conduct an initial appearance as provided in G.S. 15A-511; and
- 29 (8) To accept written appearances, waivers of trial and pleas of guilty in
30 violations of G.S. 14-107 when the amount of the check is two
31 thousand dollars (\$2,000) or less, restitution is made, and the warrant
32 does not charge a fourth or subsequent violation of this statute, and in
33 these cases to enter judgments as the chief district judge directs.
- 34 (9) ~~Notwithstanding the provisions of subdivision (1) of this section, to~~
35 ~~accept written appearances, waivers of trial and pleas of guilty in~~
36 ~~violations of G.S. 14-399(c) and enter judgments in those cases as the~~
37 ~~chief district judge directs. No violation of G.S. 14-399 may be~~
38 ~~disposed of pursuant to this subdivision unless the criminal pleading~~
39 ~~specifically charges a violation of subsection (c) of G.S. 14-399."~~

40
41 Requested by: Senators Marvin, Parnell

42 **ASSISTANT CLERKS' SALARY RANGE**

43 Sec. 117. G.S. 7A-102(d) reads as rewritten:

"(d) Full-time assistant clerks, licensed to practice law in North Carolina, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an ~~entry-level~~ annual salary of not ~~more~~-~~less~~ than three-fourths of the maximum annual salary established for assistant ~~clerks~~-~~clerks~~; the clerk of superior court, with the approval of the Administrative Office of the Courts, may establish a higher annual salary but that salary shall not be higher than the maximum annual salary established for assistant clerks. Full-time assistant clerks, holding a law degree from an accredited law school, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an ~~entry-level~~ annual salary of not ~~more~~-~~less~~ than two-thirds of the maximum annual salary established for assistant ~~clerks~~-~~clerks~~; the clerk of superior court, with the approval of the Administrative Office of the Courts, may establish a higher annual salary, but the entry-level salary may not be more than three-fourths of the maximum annual salary established for assistant clerks, and in no event may be higher than the maximum annual salary established for assistant clerks. The entry-level annual salary for all other assistant and deputy clerks employed on and after July 1, 1984, shall be at the minimum rates as herein established."

Requested by: Senators Marvin, Parnell

NEW ASSISTANT DISTRICT ATTORNEYS

Sec. 118. Effective October 1, 1992, G.S. 7A-60(a1) reads as rewritten:

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

| | | | No. of Full-Time Asst. District |
|----|---------------|---|------------------------------------|
| 25 | Prosecutorial | | |
| 26 | District | Counties Attorneys | |
| 27 | 1 | Camden, Chowan, Currituck, 6 | |
| 28 | | Dare, Gates, Pasquotank, | |
| 29 | | Perquimans | |
| 30 | 2 | Beaufort, Hyde, Martin, 4 | |
| 31 | | Tyrrell, Washington | |
| 32 | 3A | Pitt 5 <u>6</u> | |
| 33 | 3B | Carteret, Craven, Pamlico 5 <u>6</u> | |
| 34 | 4 | Duplin, Jones, Onslow, 9 <u>10</u> | |
| 35 | | Sampson | |
| 36 | 5 | New Hanover, Pender 8 | |
| 37 | 6A | Halifax 2 | |
| 38 | 6B | Bertie, Hertford, Northampton 2 <u>3</u> | |
| 39 | 7 | Edgecombe, Nash, Wilson 9 <u>10</u> | |
| 40 | 8 | Greene, Lenoir, Wayne 8 | |
| 41 | 9 | Franklin, Granville, 7 | |
| 42 | | Person, Vance, Warren | |
| 43 | 10 | Wake 17 <u>18</u> | |
| 44 | 11 | Harnett, Johnston, Lee 7 <u>8</u> | |

| | | | |
|----|-----|-----------------------------|-------------------------|
| 1 | 12 | Cumberland | 11 |
| 2 | 13 | Bladen, Brunswick, Columbus | 6 |
| 3 | 14 | Durham | 9 |
| 4 | 15A | Alamance | 5 <u>6</u> |
| 5 | 15B | Orange, Chatham | 4 |
| 6 | 16A | Scotland, Hoke | 2 <u>3</u> |
| 7 | 16B | Robeson | 7 |
| 8 | 17A | Caswell, | 4 |
| 9 | | Rockingham | |
| 10 | 17B | Stokes, Surry | 4 |
| 11 | 18 | Guilford | 15 <u>16</u> |
| 12 | 19A | Cabarrus, Rowan | 7 <u>8</u> |
| 13 | 19B | Montgomery, Randolph | 4 |
| 14 | 20 | Anson, Moore, Richmond, | 10 |
| 15 | | Stanly, Union | |
| 16 | 21 | Forsyth | 11 |
| 17 | 22 | Alexander, Davidson, Davie, | 9 <u>10</u> |
| 18 | | Iredell | |
| 19 | 23 | Alleghany, Ashe, Wilkes, | 4 |
| 20 | | Yadkin | |
| 21 | 24 | Avery, Madison, Mitchell, | 3 |
| 22 | | Watauga, Yancey | |
| 23 | 25 | Burke, Caldwell, Catawba | 10 |
| 24 | 26 | Mecklenburg | 22 |
| 25 | 27A | Gaston | 7 <u>8</u> |
| 26 | 27B | Cleveland, | 5 |
| 27 | | Lincoln | |
| 28 | 28 | Buncombe | 6 <u>7</u> |
| 29 | 29 | Henderson, McDowell, Polk, | 7 <u>8</u> |
| 30 | | Rutherford, Transylvania | |
| 31 | 30 | Cherokee, Clay, Graham, | 6 |
| 32 | | Haywood, Jackson, Macon, | |
| 33 | | Swain." | |

PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senator Marvin

SUMMIT HOUSE

Sec. 119. Of the funds appropriated to the Department of Crime Control and Public Safety for the 1992-93 fiscal year, the sum of two hundred fifty thousand dollars (\$250,000) shall be used to support the program at Summit House, a community-based residential alternative to incarceration for mothers and pregnant women convicted of nonviolent crimes. Summit House shall report quarterly to the Joint Legislative Commission on Governmental Operations on the expenditure of State appropriations

1 and on the effectiveness of the program, including information on the number of clients
2 served, the number of clients who have their probation revoked, and the number of
3 clients who successfully complete the program while housed at Summit House.

4
5 Requested by: Senator Marvin

6 **OPERATING FUNDS FOR AIR NATIONAL GUARD'S HANGAR**

7 Sec. 120. Of the funds appropriated in this act to the Department of Crime
8 Control and Public Safety for the 1992-93 fiscal year, the sum of five thousand six
9 hundred seventeen dollars (\$5,617) shall be used to operate the Air National Guard's
10 new maintenance hangar which is located at Douglas International Airport in Charlotte.

11
12 Requested by: Senator Marvin

13 **LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER**
14 **GRANTS**

15 Sec. 121. Section 73 of Chapter 689 of the 1991 Session Laws reads as
16 rewritten:

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

20 (b) The North Carolina General Assembly hereby provides that State applications
21 for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M
22 of the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of
23 P.L. 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint
24 Legislative Commission on Governmental Operations if at the time of review the
25 General Assembly is not in session. Any State agency submitting a grant application
26 for review shall also report to the House and Senate Appropriations Subcommittees on
27 Justice and Public Safety with regard to the grant.

28 (c) Unless a State statute provides a different forum for review where a federal
29 law or regulation provides that a State application for a grant must be reviewed by the
30 State legislature or its designated body and at the time of the review the General
31 Assembly is not in session, that application shall be reviewed by the Joint Legislative
32 Commission on Governmental Operations. Any State agency submitting a grant
33 application for review shall also report to the House and Senate Appropriations
34 Subcommittees on Justice and Public Safety with regard to the grant.

35 (d) The Government Performance Audit Committee, established by the
36 Legislative Services Commission pursuant to Section 347 of Chapter 689 of the 1991
37 Session Laws, shall study the current procedure regarding legislative review of federal
38 grants and shall consider how to provide advance legislative review of the grants being
39 requested by State agencies and how to streamline review procedures. The Government
40 Performance Audit Committee shall include its findings and recommendations in its
41 report to the 1993 General Assembly. The Government Performance Audit Committee
42 shall consider the following issues in its study:

- 1 (1) The need to receive for legislative review prior to a State agency's
2 applying for a federal grant accurate information and documentation
3 regarding:
4 a. The length of time that federal funds will remain available.
5 b. The fiscal impact with regard to the State's budget if federal
6 grant money is received.
7 c. The fiscal impact with regard to the State's budget when the
8 federal funds for a particular grant are reduced or cease to be
9 available.
10 d. The number of personnel positions to be established if the
11 federal grant is received, the funding that is available at the
12 State and federal level for those positions when initially created,
13 and the funding available to continue those positions if federal
14 funding is reduced or ceases to be available.
15 (2) The use of salary reserve funds by a State agency to create new
16 personnel positions.
17 (3) The need to streamline the advance review of federal grants that are
18 requested by State agencies.
19 (4) The need to restrict the State Budget Office from creating new
20 personnel positions without obtaining prior legislative approval."

21 22 **PART 21. DEPARTMENT OF JUSTICE**

23
24 Requested by: Senator Marvin

25 **DEPARTMENT OF JUSTICE STUDY/CHARGES FOR LEGAL SERVICES TO** 26 **LOCAL GOVERNMENTS AND STATE AGENCIES**

27 Sec. 122. Section 86 of Chapter 689 of the 1991 Session Laws reads as
28 rewritten:

29 "Sec. 86. (a) The Department of Justice shall study the feasibility of
30 charging local governments for legal services rendered to those governments by the
31 Office of the Attorney General. The Department of Justice shall consider the number of
32 requests for legal assistance received from local governments, the type of legal
33 assistance requested, the time required to respond to the requests, and any other matters
34 related to the issue of charging local governments for legal assistance. The Department
35 of Justice shall also consider what fee, if any, is appropriate to charge local governments
36 for such legal services. The Department of Justice shall report its findings and
37 recommendations to the ~~1991 General Assembly, 1992 Regular Session, 1993 General~~
38 Assembly.

39 (b) The Department of Justice shall study the feasibility of an increase in the fees
40 currently charged other State departments and agencies for its legal services, such fee
41 increase to be effective for the 1993-94 fiscal year. The Department of Justice shall also
42 study the feasibility of requiring all State departments and agencies that have attorneys
43 assigned to them by the Attorney General to pay the compensation, including salaries
44 and benefits, for those legal positions. The Department of Justice shall report its

1 findings and recommendations to the ~~1991 General Assembly, 1992 Regular Session.~~
2 1993 General Assembly."

3
4 Requested by: Senator Marvin

5 **JUSTICE ACADEMY STUDY/STUDENT REGISTRATION FEE**

6 Sec. 123. Section 88 of Chapter 689 of the 1991 Session Laws reads as
7 rewritten:

8 "Sec. 88. The North Carolina Justice Academy shall study the possibility of
9 requiring a student registration fee. The study shall include consideration of the actual
10 cost for a student to attend the Justice Academy, the merits of charging a registration
11 fee, and the amount, if any, that should be charged as a registration fee. The North
12 Carolina Justice Academy shall report its findings and recommendations to the ~~1991~~
13 General Assembly, 1992 Regular Session. Joint Legislative Commission on
14 Governmental Operations and the Fiscal Research Division."

15
16 **PART 22. DEPARTMENT OF HUMAN RESOURCES**

17
18 Requested by: Senator Richardson

19 **DRUG USE REVIEW PROGRAM/RULES**

20 Sec. 124. Chapter 108A of the General Statutes is amended by adding a new
21 section to read:

22 **"§ 108A-68. Drug Use Review Program; rules.**

23 Notwithstanding the provisions of Chapter 90 of the General Statutes or of any other
24 provision of law, the Division of Medical Assistance, Department of Human Resources,
25 shall adopt rules implementing the drug use review provisions of the Omnibus Budget
26 Reconciliation Act of 1990, as amended."

27
28 Requested by: Senator Richardson

29 **MEDICAID**

30 Sec. 125. Section 93 of Chapter 689 of the 1991 Session Laws reads as
31 rewritten:

32 "Sec. 93. (a) Funds appropriated in this Title for services provided in accordance
33 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
34 needy and the medically needy. Funds appropriated for these services shall be
35 expended in accordance with the following schedule of services and payment bases. All
36 services and payments are subject to the language at the end of this subsection.

37 Services and payment bases:

- 38 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
39 prescribed in the State Plan as established by the Department of
40 Human Resources. Administrative days for any period of
41 hospitalization shall be limited to a maximum of three days.
42 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
43 prospective reimbursement plan as established by the Department of
44 Human Resources.

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

- 1 (14) Independent Laboratory and X-Ray services - Uniform fee schedules
2 as developed by the Department of Human Resources.
- 3 (15) Optical Supplies - One hundred percent (100%) of reasonable
4 wholesale cost of materials.
- 5 (16) Ambulatory Surgical Centers - Payment as prescribed in the
6 reimbursement plan established by the Department of Human
7 Resources.
- 8 (17) Medicare Crossover Claims - An amount up to the actual coinsurance
9 or deductible or both, in accordance with the plan, as approved by the
10 Department of Human Resources.
- 11 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
12 eligible children. Payments are to be made only to the Children's
13 Special Health Services program at rates negotiated by the Department
14 of Human Resources.
- 15 (19) Personal Care Services - Payment in accordance with plan approved
16 by the Department of Human Resources.
- 17 (20) Case Management Services - Reimbursement in accordance with the
18 availability of funds to be transferred within the Department of Human
19 Resources.
- 20 (21) Hospice - Services may be provided in accordance with plan
21 developed by the Department of Human Resources.
- 22 (22) Other Mental Health Services - Unless otherwise covered by this
23 section, coverage is limited to agencies meeting the requirements of
24 the rules established by the Commission for Mental Health,
25 Developmental Disabilities, and Substance Abuse Services, and
26 reimbursement is made in accordance with a plan developed by the
27 Department of Human Resources not to exceed the upper limits
28 established in federal regulations.
- 29 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
30 Children - Reimbursement in accordance with plan approved by the
31 Department of Human Resources.
- 32 (24) Health Insurance Premiums - Payments to be made in accordance with
33 the plan adopted by the Department of Human Resources consistent
34 with federal regulations.

35 Services and payment bases may be changed with the approval of the Director of the
36 Budget.

37 Reimbursement is available for up to 24 visits per recipient per year to any one or
38 combinations of the following: physicians, clinics, hospital outpatients, optometrists,
39 chiropractors, and podiatrists. Prenatal services, all ESPDT children, and emergency
40 rooms are exempt from the visit limitations contained in this paragraph. Exceptions
41 may be authorized by the Department of Human Resources where the life of the patient
42 would be threatened without such additional care. Any person who is determined by the
43 Department to be exempt from the 24-visit limitation may also be exempt from the six-
44 prescription limitation.

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

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

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. Effective January 1, 1990, 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.

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

*Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and 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)~~(e) Dental Coverage Limits. ~~Dental~~ Until October 1, 1992, 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

1 subsection. Effective October 1, 1992, dental services shall be provided on a restricted
2 basis in accordance with rules adopted by the Department to implement this subsection.

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

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

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

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

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

33 ~~(k)~~(j) For all Medicaid eligibility classifications for which the federal poverty level
34 is used as an income limit for eligibility determination, the income limits will be
35 updated each ~~July~~April 1 immediately following publication of federal poverty
36 guidelines.

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

39 ~~(m)~~(l) The Department of Human Resources shall provide coverage to pregnant
40 women and children according to the following schedule:

- 41 (1) Pregnant women with incomes equal to or less than one hundred
42 eighty-five percent (85%) of the federal poverty guidelines as revised
43 each ~~July~~April 1 shall be covered for Medicaid benefits;

- 1 (2) Infants under the age of 1 with family incomes equal to or less than
2 one hundred eighty-five percent (185%) of the federal poverty
3 guidelines as revised each ~~July~~ April 1, shall be covered for Medicaid
4 benefits;
- 5 (3) Children aged 1 through 5 with family incomes equal to or less than
6 one hundred thirty-three percent (133%) of the federal poverty
7 guidelines as revised each ~~July~~ April 1 shall be covered for Medicaid
8 benefits; and
- 9 (4) Children aged 6 through 18 who were born after September 30, 1983,
10 with family incomes equal to the federal poverty guidelines as revised
11 each ~~July~~ April 1, shall be covered for Medicaid benefits.

12 Services to pregnant women eligible under this section continue throughout the
13 pregnancy but include only those related to pregnancy and to those other conditions
14 determined by the Department as conditions that may complicate pregnancy. In order to
15 reduce county administrative costs and to expedite the provision of medical services to
16 pregnant women, to infants, and to children eligible under this section, no resources test
17 shall be applied.

18 ~~(n)~~(m) The Department of Human Resources may use Medicaid funds budgeted
19 from program services to support the cost of administrative activities to the extent that
20 these administrative activities produce a net savings in services requirements.
21 Administrative initiatives funded by this section shall be first approved by the Office of
22 State Budget and Management."
23

24 Requested by: Senator Richardson

25 **PHYSICIAN SERVICES**

26 Sec. 126. With the approval of the Office of State Budget and Management,
27 the Department of Human Resources may use funds appropriated in this act for across-
28 the-board salary increases and performance pay to offset similar increases in the costs of
29 contracting with private and independent universities for the provision of physician
30 services to clients in facilities operated by the Division of Mental Health,
31 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be
32 done in the same manner as is currently done with constituent institutions of The
33 University of North Carolina.
34

35 Requested by: Senator Richardson

36 **LIABILITY INSURANCE**

37 Sec. 127. Section 114 of Chapter 689 of the 1991 Session Laws reads as
38 rewritten:

39 "Sec. 114. The Secretary of the Department of Human Resources, the Secretary of
40 the Department of Environment, Health, and Natural Resources, and the Secretary of
41 the Department of Correction may provide medical liability coverage not to exceed
42 \$1,000,000 on behalf of employees of the Departments licensed to practice medicine or
43 ~~dentistry~~ dentistry, and on behalf of medical residents from The University of North
44 Carolina who are in training at institutions operated by the Department of Human

1 Resources. This coverage may include commercial insurance or self-insurance and
 2 shall cover these ~~employees~~individuals for their acts or omissions only while they are
 3 engaged in providing medical and dental services pursuant to their State ~~employment~~
 4 employment or training.

5 The coverage provided under this section shall not cover any ~~employee~~individual
 6 for any act or omission that the ~~employee~~individual knows or reasonably should know
 7 constitutes a violation of the applicable criminal laws of any state or the United States,
 8 or that arises out of any sexual, fraudulent, criminal, or malicious act, or out of any act
 9 amounting to willful or wanton negligence.

10 The coverage provided pursuant to this section shall not require any additional
 11 appropriations and shall not apply to any individual providing contractual service to the
 12 Department of Human Resources, the Department of Environment, Health, and Natural
 13 Resources, or the Department of ~~Correction.~~Correction, with the exception that
 14 coverage may include medical residents from The University of North Carolina who are
 15 in training at institutions operated by the Department of Human Resources."

16
 17 Requested by: Senator Richardson

18 **NON-MEDICAID REIMBURSEMENT**

19 Sec. 128. Section 115 of Chapter 689 of the 1991 Session Laws reads as
 20 rewritten:

21 "Sec. 115. Providers of medical services under the various State programs, other
 22 than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates
 23 no more than those under the North Carolina Medical Assistance Program.

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

30 Notwithstanding the provisions of paragraph one of this section, the Department of
 31 Human Resources may negotiate with providers of medical services under the various
 32 Department of Human Resources' programs, other than Medicaid, for rates as close as
 33 possible to Medicaid rates for the following purposes: contracts or agreements for
 34 medical services and purchases of medical equipment and other medical supplies.
 35 These negotiated rates are allowable only to meet the medical needs of its non-Medicaid
 36 eligible patients, residents, and clients who require these services that cannot be
 37 provided when limited to the Medicaid rate.

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

| 40 Family | | Medical Eye | | All | |
|----------------|---------|--------------------|---------|-----------------------|--------------|
| 41 <u>Size</u> | | <u>Care Adults</u> | | <u>Rehabilitation</u> | <u>Other</u> |
| 42 1 | \$4,860 | \$ 8,364 | \$4,200 | | |
| 43 2 | 5,940 | 10,944 | 5,300 | | |
| 44 3 | 6,204 | 13,500 | 6,400 | | |

| | | | | |
|---|---|-------|--------|-------|
| 1 | 4 | 7,284 | 16,092 | 7,500 |
| 2 | 5 | 7,824 | 18,648 | 7,900 |
| 3 | 6 | 8,220 | 21,228 | 8,300 |
| 4 | 7 | 8,772 | 21,708 | 8,800 |
| 5 | 8 | 9,312 | 22,220 | 9,300 |

6

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

13 The Department of Human Resources shall contract at, or as close as possible to,
 14 Medicaid rates for medical services provided to residents of State facilities of the
 15 Department."

16

17 Requested by: Senator Richardson

18 **DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID**

19 Sec. 129. Section 118 of Chapter 689 of the 1991 Session Laws reads as
 20 rewritten:

21 "Sec. 118. Of the funds appropriated ~~in this Title,~~ to the Department of Human
 22 Resources, Division of Mental Health, Developmental Disabilities, and Substance
 23 Abuse Services, the sum of ~~\$2,260,470~~ two million two hundred sixty thousand four
 24 hundred seventy dollars (\$2,260,470) for the 1991-92 fiscal year ~~is~~ and two million
 25 three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1992-
 26 93 fiscal year are transferred to the Department of Public Instruction for handicapped
 27 children aged 3 through 4 years who have been identified through Division of Mental
 28 Health, Developmental Disabilities, and Substance Abuse Services statewide services
 29 and who are served in developmental day centers. These funds shall be used to contract
 30 with area mental health, developmental disabilities, and substance abuse authorities or
 31 with public or private nonprofit developmental day centers to continue to serve
 32 handicapped children aged 3 through 4 years who are identified as needing
 33 developmental day services.

34 The Department of Public Instruction shall report to the General Assembly and to
 35 the Fiscal Research Division by May 1, ~~1992,~~ 1992, and May 1, 1993, regarding the use
 36 of the funds transferred to it by this section."

37

38 Requested by: Senator Richardson

39 **DEPARTMENT OF HUMAN RESOURCES PROGRAM FUNDS**

40 Sec. 130. Section 132 of Chapter 689 of the 1991 Session Laws reads as
 41 rewritten:

42 "Sec. 132. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
 43 Department of Human Resources, with the approval of the Office of State Budget and
 44 Management, may use, to the extent possible, any funds appropriated or otherwise

1 available to the Department in the 1991-92 fiscal year and in the 1992-93 fiscal year for
2 the Mental Health Accounts Receivable/Billing System."

3
4 Requested by: Senator Richardson

5 **ICF/MR/DD PLAN AND IMPLEMENTATION SCHEDULE**

6 Sec. 131. The Department of Human Resources shall develop a plan and an
7 implementation schedule to address the escalating use and costs of intermediate care
8 facilities for the mentally retarded/developmentally disabled (ICF/MR/DD) community
9 facilities. This plan shall include provisions for the Area Mental Health, Developmental
10 Disabilities, and Substance Abuse Services authorities to screen all clients for all
11 Developmental Disabilities programs, including ICF/MR/DD facilities. The plan shall
12 also include alternative, less costly methods for establishing ICF/MR/DD community
13 facility reimbursement rates and alternative, less costly services that could meet the
14 needs of people currently in ICF/MR/DD community facilities. Any new
15 reimbursement rate methodology shall be applied to all facilities seeking a Certificate of
16 Need after a date to be specified by the Department and shall be phased in according to
17 a schedule developed by the Department for all existing ICF/MR/DD community
18 facilities. The Department shall implement elements of the plan as quickly as possible
19 and shall present the plan and any results of its implementation to the General Assembly
20 by March 1, 1993.

21
22 Requested by: Senator Richardson

23 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE**
24 **ABUSE SERVICES FUNDS**

25 Sec. 132. (a) Of the funds appropriated in this act to the Department of
26 Human Resources, Division of Mental Health, Developmental Disabilities, and
27 Substance Abuse Services, the sum of ten million dollars (\$10,000,000) for the 1992-93
28 fiscal year shall be expended in accordance with the plans developed by the Mental
29 Health Study Commission and adopted by the General Assembly.

30 These funds shall be allocated as follows:

- 31 (1) Services for the mentally ill \$3,333,333;
32 (2) Services for the developmentally
33 disabled \$3,333,333; and
34 (3) Services for substance abusers \$3,333,334.

35 (b) Of the funds allocated in subsection (a) of this section for services for the
36 developmentally disabled, four hundred thousand dollars (\$400,000) shall be transferred
37 in the 1992-93 fiscal year to the Division of Maternal and Child Health, Department of
38 Environment, Health, and Natural Resources, for the United Cerebral Palsy therapeutic
39 preschool programs.

40 (c) The Division of Mental Health, Developmental Disabilities, and
41 Substance Abuse Services shall ensure that the funds expended under this section are
42 used for the disability populations for which they were intended.

1 (d) The Division of Mental Health, Developmental Disabilities, and
2 Substance Abuse Services shall report to the General Assembly by March 1, 1993,
3 regarding the expenditure of funds authorized by this section.

4 (e) To the maximum extent possible, Area Mental Health Authorities are
5 encouraged to develop service implementation plans in accordance with the long range
6 plans of the Mental Health Study Commission and with the involvement of local
7 affected organizations. These plans may be used as the basis for future budget requests
8 submitted to the Division.

9 Criteria for development and content of these plans shall be developed by the
10 Department of Human Resources and the members of Coalition 2001 and presented to
11 the Mental Health Study Commission for consideration by November 1, 1992. The
12 plans themselves shall be ready for review by the Department and the Mental Health
13 Study Commission by November 1, 1993.

14
15 Requested by: Senator Richardson

16 **CERTIFICATE OF NEED/MEDICAID**

17 Sec. 133. (a) G.S. 131E-185(b) is repealed.

18 (b) G.S. 131E-185(c) reads as rewritten:

19 "~~(c) The Department shall promulgate rules establishing criteria for determining~~
20 ~~when it would not be practicable to complete a review within 90 days from the~~
21 ~~beginning date of the review period for the application. If the Department finds that~~
22 ~~these criteria are met for a particular project, it may extend the review period for a~~
23 ~~period not to exceed 60 days and provide notice of such extension to all applicants."~~

24 (c) G.S. 131E-186 reads as rewritten:

25 **"§ 131E-186. Decision.**

26 (a) Within the prescribed time limits in G.S. 131E-185, the Department shall
27 issue a decision to 'approve,' 'approve with conditions,' or 'deny,' an application for a
28 new institutional health service. Approvals involving new or expanded nursing care or
29 intermediate care for the mentally retarded bed capacity shall include a condition that
30 specifies the earliest possible date the new institutional health service may be certified
31 for participation in the Medicaid program. The date shall be set far enough in advance
32 to allow the Department to identify funds to pay for care in the new or expanded facility
33 in its existing Medicaid budget or to include these funds in its State Medicaid budget
34 request for the year in which Medicaid certification is expected.

35 (b) Within five business days after it makes a decision on an application, the
36 Department shall provide written notice of all the findings and conclusions upon which
37 it based its decision, including the criteria used by the Department in making its
38 decision, to ~~both the applicant and to the appropriate health systems agency. the~~
39 applicant."

40
41 Requested by: Senator Richardson

42 **ICF AND ICF/MR WORK INCENTIVE ALLOWANCES**

43 Sec. 134. Effective October 1, 1992, the Department of Human Resources
44 may provide an incentive allowance to Medicaid eligible recipients of ICF and ICF/MR

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

| 7 | Monthly Net Wages | Monthly Incentive Allowance |
|---|-------------------|-----------------------------|
|---|-------------------|-----------------------------|

| | | |
|---|--------------------|---------------|
| 8 | | |
| 9 | \$1.00 to \$100.00 | Up to \$50.00 |

| | | |
|----|----------------------|---------|
| 10 | \$101.00 to \$200.00 | \$80.00 |
|----|----------------------|---------|

| | | |
|----|----------------------|----------|
| 11 | \$201.00 to \$300.00 | \$130.00 |
|----|----------------------|----------|

| | | |
|----|----------------------|-----------|
| 12 | \$301.00 and greater | \$212.00. |
|----|----------------------|-----------|

13
 14 Requested by: Senator Richardson

15 **STATE/LOCAL CHILD FATALITY PREVENTION INITIATIVES**

16 Sec. 135. (a) The Department of Human Resources shall conduct a study of
 17 how best to ensure the county child protective services programs' accountability, to
 18 ensure that their management organization is the best it can be, and to determine
 19 whether there is a need for stronger State supervision of the county programs. The
 20 Department shall report the results of this study, including any legislative proposals, to
 21 the 1993 General Assembly by March 1, 1993.

22 (b) The Department of Human Resources, Division of Social Services, shall
 23 ensure that community interdisciplinary teams develop protocols to use in child abuse
 24 and neglect reviews.

25
 26 Requested by: Senator Richardson

27 **SOCIAL SERVICES' PROTECTIVE SERVICES' ALLOCATION**

28 Sec. 136. Of the funds appropriated to the Department of Human Resources,
 29 Division of Social Services, for the 1992-93 fiscal year for child protective services, the
 30 sum of one million dollars (\$1,000,000) shall be allocated among all of the county
 31 departments of social services based on the percentage that the total number of child
 32 abuse and neglect reports within that county represents to the statewide total number of
 33 child abuse and neglect reports. These percentages shall be computed from the reports
 34 received by the Central Registry of Abuse and Neglect for the last two fiscal years.

35
 36 Requested by: Senator Richardson

37 **TASK FORCE ON CHILD PROTECTIVE SERVICES FUNDING**

38 Sec. 137. The Secretary of the Department of Human Resources shall
 39 appoint a Task Force on the Financing of Child Protective Services Programs. The
 40 Task Force shall be composed of officials from State and local government agencies
 41 that affect child protective services development or delivery, at least one member of the
 42 House of Representatives, and one member of the Senate. The Task Force shall develop
 43 recommendations for State/county cost sharing of child protective services programs.
 44 Each recommendation shall include an assessment of fiscal impact and a schedule for

1 implementation. Among the options studied, the Task Force shall consider a
2 recommendation that applies a sliding match requirement to counties based on the
3 counties' ability to pay and their relative burden of public assistance cases. The Task
4 Force shall report the results of its study, together with any recommendations, including
5 any legislative proposals, to the 1993 General Assembly and to the Fiscal Research
6 Division of the Legislative Services Office within one week of the convening of the
7 1993 General Assembly.

8

9 Requested by: Senator Richardson

10 **ADOPTION SUBSIDY**

11 Sec. 138. Section 99 of Chapter 689 of the 1991 Session Laws reads as
12 rewritten:

13 "Sec. 99. ~~The Effective July 1, 1991, the adoption subsidy paid monthly by the~~
14 ~~Division of Social Services, Department of Human Resources, to eligible families who~~
15 ~~adopt hard-to-place children shall be established at \$150.00 one hundred fifty dollars~~
16 ~~(\$150.00) per child per month. Effective July 1, 1992, this adoption subsidy shall be~~
17 ~~established at two hundred dollars (\$200.00) per child per month."~~

18

19 Requested by: Senator Richardson

20 **INFANT MORTALITY FUNDS**

21 Sec. 139. The Department of Human Resources, Division of Medical
22 Assistance, with support by the Office of Rural Health and Resource Development, the
23 Department of Environment, Health, and Natural Resources, Division of Maternal and
24 Child Health, the Governor's Commission on the Reduction of Infant Mortality, and
25 other relevant community groups, shall conduct a study to determine the extent to which
26 the lack of provider participation in the Medicaid program creates access barriers to
27 pregnant women and children on Medicaid. The study shall examine the extent of
28 participation in the Medicaid program by obstetricians, family practitioners, certified
29 nurse midwives, and pediatricians who provide prenatal, delivery, or pediatric services,
30 as well as different methods of increasing provider participation. The Division of
31 Medical Assistance shall report its findings to the 1993 General Assembly no later than
32 March 15, 1993.

33

34 Requested by: Senator Richardson

35 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

36 Sec. 140. Section 127 of Chapter 689 of the 1991 Session Laws, as rewritten
37 by Section 221 of Chapter 689 of the 1991 Session Laws, reads as rewritten:

38 "Sec. 127. Effective July 1, 1991, the maximum monthly rate for ambulatory
39 residents in domiciliary care facilities shall be ~~\$832.00 eight hundred thirty-two dollars~~
40 ~~(\$832.00) and the maximum monthly rate for semiambulatory residents shall be~~
41 ~~\$871.00 eight hundred seventy-one dollars (\$871.00). Effective July 1, 1992, the~~
42 ~~maximum monthly rates for ambulatory residents shall be increased to \$843.00 nine~~
43 ~~hundred two dollars (\$902.00) and for semiambulatory residents to one dollars~~
44 ~~(\$941.00)."~~

1

2 Requested by: Senator Richardson

3 **ADOLESCENT PARENTING PROGRAM**4 Sec. 141. The Division of Social Services, Department of Human Resources,
5 shall evaluate all of the adolescent parenting programs and shall report its findings to
6 the House and Senate Appropriations Committees by January 1, 1993.7 The evaluations of these programs shall include a study of the effectiveness
8 of the programs in preventing the second pregnancies, enhancing parenting skills,
9 improving prenatal and perinatal care, and continuing secondary education participation
10 among the target population.

11

12 Requested by: Senator Richardson

13 **CHILD DAY CARE REVOLVING LOAN FUND**14 Sec. 142. Notwithstanding any law to the contrary, funds budgeted for the
15 Child Day Care Revolving Loan Fund may be transferred to and invested by the
16 financial institution contracted to operate the Fund. The principal and any income to the
17 Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral
18 for borrowers, pay the contractor's cost of operating the Fund, or to pay the
19 Department's cost of administering the program.

20

21 Requested by: Senator Richardson

22 **SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES**23 Sec. 143. (a) Of the funds appropriated to the Department of Human
24 Resources, Division of Social Services, in this act for the 1992-93 fiscal year, the sum
25 of four hundred ten thousand dollars (\$410,000) shall be used to enable the Department
26 to develop further the Social Services Plan, in consultation and cooperation with other
27 appropriate agencies and organizations and consistent with the policies as provided by
28 Chapter 448 of the 1989 Session Laws.

29

30 As part of the further development of the Social Services Plan, the
31 Department of Human Resources shall pilot in three to five counties the core services as
32 described in its report on the Social Services Plan to the General Assembly. The
33 piloting shall include the establishment of minimum standards for the provision of the
34 core services, including the staffing standards, caseload standards, training standards,
35 and facilities standards.36 In implementing Family Centered Services as a core service, the Secretary of
37 the Department of Human Resources shall consider the advice and recommendations of
38 the Advisory Committee on Family Centered Services.39 These funds may be used as a match for federal funds that may be available
40 in order to maximize support for the pilot. Funds appropriated by the General
41 Assembly to be allocated to counties for child protective services shall be used by the
42 pilot counties to strengthen investigations and treatment in Child Protective Services as
43 a core service. Any funds allocated to counties pursuant to this subsection shall be
44 matched by the counties at the rate of one county dollar for every three State dollars.

1 (b) Of the funds appropriated to the Department of Human Resources, Division
2 of Social Services, the sum of fifty thousand dollars (\$50,000) for the 1992-93 fiscal
3 year shall be used to make grants to public or private agencies to develop and
4 implement model programs of locally based Family Preservation Services as provided
5 in Part 4A of Article 3 of Chapter 143B of the General Statutes, Family Preservation
6 Act. These funds shall be used in conjunction with funds identified within the
7 Department to implement the Family Preservation Services Program as provided in this
8 section. The Secretary of the Department of Human Resources shall ensure that the
9 development of these Family Preservation Models and the piloting of the core social
10 services described in subsection (a) of this section are coordinated at State and local
11 levels to achieve the most effective service delivery for families and use of available
12 funding sources.

13
14 Requested by: Senator Richardson

15 **IN-HOME AIDE SERVICES SUPERVISORY VISIT**

16 Sec. 144. (a) Each home care agency shall conduct at least one supervisory
17 visit each quarter to the home of at least one client served by each in-home aide
18 providing services subject to licensure under Part C of Article 6 of Chapter 131E of the
19 General Statutes and funded through the Divisions of Aging and Social Services, who
20 has been employed by that agency for at least one month.

21 (b) This section does not apply to supervisory visits to homes of clients
22 served by an aide who is functioning as a Nurse Aide I.

23 (c) This section expires March 31, 1993, if funds are available to the
24 Department by that date to fund fully the In-Home Aide supervisory visits required by
25 Part C of Article 6 of Chapter 131E of the General Statutes. The Department shall
26 report to the Subcommittee on Human Resources of the Senate Appropriations
27 Committee by March 1, 1993, if funds are not available. If funds are not available by
28 March 31, 1993, this section expires June 30, 1993.

29
30 Requested by: Senator Richardson

31 **CERTIFICATE OF NEED TEMPORARY RULES**

32 Sec. 145. G.S. 150B-21.1(a) is amended by adding a new subdivision to
33 read:

34 "(6) For a rule that does any of the following, the need for the rule to
35 become effective the same date as the State Medical Facilities Plan
36 approved by the Governor:

- 37 a. Establishes the categories or allocations of facilities or services
38 for which a certificate of need is required.
39 b. Establishes the due date or other requirements for an application
40 for a certificate of need."

41
42 Requested by: Senators Plyler, Basnight

43 **BUSINESS AND CONSUMER ADVISORY COUNCIL FOR THE DIVISION OF**
44 **VOCATIONAL REHABILITATION SERVICES**

1 Sec. 146. Article 59 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-548. Business and Consumer Advisory Council.**

4 (a) There is established a Business and Consumer Advisory Council within the
5 Division of Vocational Rehabilitation Services to be composed of 15 voting members
6 and of the Director of the Division of Vocational Rehabilitation Services, who shall
7 serve ex officio as a nonvoting member. The President Pro Tempore of the Senate shall
8 appoint four members, the Speaker of the House of Representatives shall appoint four
9 members, and the Governor shall appoint seven members. All members shall serve
10 three-year terms. Vacant appointments shall be filled by the appointing officer who
11 made the initial appointments. Members may be appointed to succeed themselves.
12 Appointments shall be made as follows:

13 (1) Of the four members appointed by the President Pro Tempore of the
14 Senate, one shall be recommended by the North Carolina Citizens for
15 Business and Industry, two others shall be providers of community
16 rehabilitation services, and one other shall be a representative from the
17 North Carolina Council for the Deaf and the Hard of Hearing;

18 (2) Of the four members appointed by the Speaker of the House of
19 Representatives, one shall be from the business and industry sector,
20 two others shall be parents of disabled youth who are approaching the
21 age to be served by the Vocational Rehabilitation Program, and one
22 other shall be a representative from the organizations representing the
23 mentally ill; and

24 (3) Of the seven members appointed by the Governor, one shall be from
25 the business and industry sector, one other shall represent the regional
26 rehabilitation centers for the physically disabled appointed from a list
27 provided by the advisory committee to those centers, one other shall be
28 a representative from the State Independent Living Council, one other
29 shall be a representative from the Client Assistance Program, one other
30 shall be a representative from the operators of centers for Independent
31 Living, and two others shall be members of the public who are
32 themselves disabled, are parents of children with disabilities, or are
33 direct care providers of services for persons with disabilities.

34 (b) The Council shall:

35 (1) Advise the Division on matters relating to services, the impact of
36 services provided and functions performed by all State agencies that
37 affect or that potentially affect the ability of individuals with
38 disabilities in achieving rehabilitation goals and objectives;

39 (2) Advise the Division and, at the discretion of the Division, assist in the
40 preparation of the State Plan, the Strategic Plan, and their
41 amendments;

42 (3) Participate in cooperation with the Division in the State Plan public
43 hearing process; and

1 (4) Advise the Division on coordination and linkage with the Statewide
 2 Independent Living Council and independent living centers within the
 3 State.

4 (c) The Secretary of Human Resources shall designate as Chair of the Council
 5 one of the members of the Council at the first meeting of the Council. The Chair's term
 6 is a single three-year term. The Secretary shall designate the Chair's successor at the
 7 next meeting following this term's expiration.

8 (d) The Council shall meet at least quarterly and at other times at the call of the
 9 Chair. A majority of the voting members of the Council constitutes a quorum.

10 (e) The Division of Vocational Rehabilitation Services shall supply all necessary
 11 clerical and staff support to the Council. Council members shall be reimbursed for
 12 expenses incurred in the performance of their duties in accordance with G.S. 138-5.

13 (f) All appointments to the Council shall be made by September 30, 1992."

14
 15 **PART 23. DEPARTMENT OF ECONOMIC AND COMMUNITY**
 16 **DEVELOPMENT**

17
 18 Requested by: Senator Martin of Pitt

19 **MCNC BUDGET LIMITS**

20 Sec. 147. Section 150 of Chapter 689 of the 1991 Session Laws reads as
 21 rewritten:

22 "Sec. 150. (a) The funds appropriated in this act to MCNC shall be used as
 23 follows:

| | <u>FY 1991-92</u> | <u>FY 1992-93</u> |
|---------------------------------------|-------------------|------------------------|
| 24 Microelectronics Program | \$ 6,194,302 | \$6,000,000 |
| 25 | | <u>4,768,966</u> |
| 26 Grants Program | - | <u>-0-</u> |
| 27 Administration & Support | 2,204,804 | 2,000,000 |
| 28 Supercomputer | 5,298,063 | 5,224,705 |
| 29 Telecommunications | 2,827,971 | <u>2,775,295</u> |
| 30 | | <u>4,006,329</u> |
| 31 | - | |

32 (b) Of the funds appropriated to MCNC for the Microelectronics Program,
 33 ~~\$2,000,000~~ two million dollars (\$2,000,000) of the total appropriation in each fiscal
 34 year is contingent upon a dollar-for-dollar match in non-State funds.

35 (c) If MCNC finds it necessary to make changes in the program allocations
 36 specified in subsection (a) of this Section, MCNC shall report such changes to the Joint
 37 Legislative Commission on Governmental Operations ~~within 30 days of the~~
 38 ~~reallocation.~~ 30 days before the reallocation."

39
 40 Requested by: Senator Martin of Pitt

41 **HOME PROGRAM MATCHING FUNDS**

42 Sec. 148. (a) Section 225 of Chapter 689 of the 1991 Session Laws reads as
 43 rewritten:

1 ~~"Sec. 225. The Department of Economic and Community Development shall not~~
2 ~~spend any funds appropriated in this Title for the State administration of the federal~~
3 ~~HOME Program until Congress appropriates federal funds for the Program. Funds~~
4 ~~appropriated in this act to the Department of Economic and Community Development~~
5 ~~for the federal HOME Program shall be used by the Department to match federal funds~~
6 ~~appropriated for the HOME Program. In allocating State funds appropriated to match~~
7 ~~federal HOME Program funds, the Department shall give priority to HOME Program~~
8 ~~projects, as follows:~~

- 9 (1) First priority to projects that are located in counties designated as
10 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
11 151.17(c); and
12 (2) Second priority to projects that benefit persons and families whose
13 incomes are fifty percent (50%) or less of the median family income
14 for the local area, with adjustments for family size, according to the
15 latest figures available from the U.S. Department of Housing and
16 Urban Development.

17 The Department of Economic and Community Development shall report to the
18 General Assembly by April 1, 1993, concerning the status of the 1992 and 1993 HOME
19 Programs and shall include in the report information on priorities met, types of activities
20 funded, and types of activities not funded."

21 (b) Funds appropriated in this act to match federal HOME Program funds
22 shall not revert to the General Fund on June 30, 1993.

23
24 Requested by: Senator Martin of Pitt

25 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

26 Sec. 149. Section 223 of Chapter 689 of the 1991 Session Laws reads as
27 rewritten:

28 "Sec. 223. (a) The funds and interest thereon received from the case of United
29 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
30 is appropriated from the Special Reserve to the Department of Economic and
31 Community Development the sum of ~~\$10,900,000~~ ten million nine hundred thousand
32 dollars (\$10,900,000) for the 1991-92 fiscal year and the sum of ~~\$6,001,511~~ six million
33 one thousand five hundred eleven dollars (\$6,001,511) for the 1992-93 fiscal year to be
34 allocated as follows:

- 35 (1) \$2,200,000 for the 1991-92 fiscal year and \$1,200,302 for the 1992-93
36 fiscal year shall be used for projects under the State Energy
37 Conservation Plan and Energy Extension Service Program:
38 (2) \$2,500,000 for the 1991-92 fiscal year and \$1,380,348 for the 1992-93
39 fiscal year shall be used for energy conservation programs for
40 hospitals and schools:
41 (3) \$3,200,000 for the 1991-92 fiscal year and ~~\$1,740,438~~ \$2,158,048 for
42 the 1992-93 fiscal year shall be used for the Low Income
43 Weatherization Program:

1 (4) \$3,000,000 for the 1991-92 fiscal year and ~~\$1,680,423~~ \$1,262,813 for
2 the 1992-93 fiscal year shall be used for the Low Income Home
3 Energy Assistance Program (LIHEAP).

4 (b) There is appropriated from the funds and interest thereon received from the
5 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
6 in the Special Reserve for Oil Overcharge Funds to the Department of Economic and
7 Community Development the sum of ~~\$4,898,489~~ four million eight hundred ninety-
8 eight thousand four hundred eighty-nine dollars (\$4,898,489) for the 1992-93 fiscal year
9 to be allocated as follows:

10 (1) \$999,698 shall be used for projects under the State Energy
11 Conservation Plan and Energy Extension Service Program;

12 (2) \$1,119,652 shall be used for energy conservation programs for
13 hospitals and ~~schools;~~ schools; and

14 (3) ~~\$1,459,562~~ \$2,779,139 shall be used for the Low Income
15 Weatherization ~~Program; and~~ Program.

16 (4) ~~\$1,319,577~~ shall be used for the Low Income Home
17 Energy Assistance Program (LIHEAP).

18 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds
19 after the allocations made pursuant to subsections (a) and (b) of this section may be
20 expended only as authorized by the General Assembly. All interest or income accruing
21 from all deposits or investments of cash balances shall be credited to the Special
22 Reserve for Oil Overcharge Funds.

23 (d) The funds and interest thereon received from the Diamond Shamrock
24 Settlement which remain in a reserve in the Office of State Budget and Management for
25 the Division of Energy to administer the petroleum overcharge funds pursuant to
26 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
27 the Division of Energy in the Department of Economic and Community Development
28 on an as-needed basis.

29 (e) The Department of Economic and Community Development shall submit
30 comprehensive annual reports to the General Assembly by May 15, 1992, and January
31 31, 1993, which detail the use of all petroleum overcharge funds. Any State department
32 or agency that has received petroleum overcharge funds shall provide all information
33 requested by the Department of Economic and Community Development for the
34 purpose of preparing these reports."
35

36 Requested by: Senator Martin of Pitt

37 MAIN STREET FUND RESTRICTIONS

38 Sec. 150. Section 140(c) of Chapter 689 of the 1991 Session Laws reads as
39 rewritten:

40 "(c) Notwithstanding G.S. 143B-472.35, the Department of Economic and
41 Community Development shall transfer ~~\$100,000~~ forty thousand dollars (\$40,000) of
42 interest earnings in the Main Street Financial Incentive Fund from the Fund to the
43 General Fund for fiscal year ~~1991-92.~~ 1992-93. ~~The Department shall transfer funds~~
44 pursuant to this subsection on July 1, 1991. ~~The Department shall transfer funds~~

1 pursuant to this subsection beginning July 1, 1992, in equal payments on a quarterly
2 basis."

3
4 Requested by: Senator Martin of Pitt

5 **COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS**

6 Sec. 151. The Department of Economic and Community Development shall
7 report on a quarterly basis beginning October 1, 1992, to the House Appropriations
8 Subcommittee on Environment, Health, and Natural Resources and to the Senate
9 Appropriations Committee on Natural and Economic Resources on the Community
10 Development Block Grant. Each report shall include a listing and description of the
11 most recent grant awards, the status of the administration of each component of the
12 block grant, the current status of next year's program design, and a description of any
13 proposed or necessary changes to the program design.

14
15 Requested by: Senator Martin of Pitt

16 **ECONOMIC DEVELOPMENT FUNDS**

17 Sec. 152. (a) Of the funds appropriated in this act to the North Carolina Rural
18 Economic Development Center, Inc., one million four hundred thousand dollars
19 (\$1,400,000) for the 1992-93 fiscal year, shall be allocated to local community
20 development corporations. These funds shall be used to support community economic
21 development projects and activities within the State's minority community.

22 Of these funds, one million one hundred thousand dollars (\$1,100,000) shall
23 be available for direct grants to the local community development corporations that
24 have previously received State funds for this purpose to support operations and project
25 activities, one hundred thousand dollars (\$100,000) shall be available for direct grants to
26 local community development corporations that have not previously received State
27 funds for this purpose to support operations and project activities, fifty thousand dollars
28 (\$50,000) shall be used for the Community Development Housing Counseling
29 Demonstration Project, and one hundred fifty thousand dollars (\$150,000) shall be a
30 direct grant to the North Carolina Association of Community Development
31 Corporations, to support project activities and to fund the North Carolina Association of
32 Community Development Corporations' loan fund. If funds allocated under this
33 subsection for direct grants to community development corporations that have
34 previously received State funds have not been committed for direct grants by the North
35 Carolina Rural Economic Development Center by March 31, 1993, then such
36 uncommitted funds shall be used for direct grants to community development
37 corporations that have not previously received State funds. The North Carolina Rural
38 Economic Development Center, Inc., shall establish and implement performance-based
39 criteria for determining which community development corporations will receive a grant
40 and the grant amounts.

41 The North Carolina Rural Economic Development Center, Inc., shall report
42 quarterly to the Joint Legislative Commission on Governmental Operations on the use
43 of the funds allocated in this subsection.

1 For purposes of this subsection, the term "community development
2 corporation" means a nonprofit corporation:

- 3 (1) Chartered pursuant to Chapter 55A of the General Statutes;
- 4 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue
5 Code;
- 6 (3) Whose primary mission is to develop and improve low-income
7 communities and neighborhoods through economic and related
8 development;
- 9 (4) Whose activities and decisions are initiated, managed, and controlled
10 by the constituents of those local communities; and
- 11 (5) Whose primary function is to act as deal maker and packager of
12 projects and activities that will increase their constituencies'
13 opportunities to become owners, managers, and producers of small
14 businesses, affordable housing, and jobs designed to produce positive
15 cash flow and curb blight in the target community.

16 (b) Of the funds appropriated in this act to the Office of State Budget and
17 Management, three hundred thousand dollars (\$300,000) for the 1992-93 fiscal year
18 shall be allocated for the Land Loss Prevention Project, Inc., to provide free legal
19 representation to low-income financially distressed small farmers. The Land Loss
20 Prevention Project, Inc., shall not use these funds to represent farmers who have income
21 and assets that would make them financially ineligible for legal services pursuant to
22 Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention
23 Project, Inc., shall report quarterly to the Joint Legislative Commission on
24 Governmental Operations on the use of these funds.

25 (c) Of the funds appropriated in this act to the Office of State Budget and
26 Management, two hundred fifty thousand dollars (\$250,000) for the 1992-93 fiscal year
27 shall be allocated for the North Carolina Coalition of Farm and Rural Families, Inc., for
28 its Small Farm Economic Development Project. These funds shall be used to foster
29 economic development within the State's rural farm communities by offering financial,
30 marketing, and technical assistance to small and limited resource farmers. The North
31 Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint
32 Legislative Commission on Governmental Operations on the use of these funds.

33 (d) Of the funds appropriated in this act to the Office of State Budget and
34 Management, two hundred thousand dollars (\$200,000) for the 1992-93 fiscal year shall
35 be allocated to the North Carolina Institute for Minority Economic Development, Inc.,
36 to foster minority economic development within the State through policy analysis,
37 information and technical assistance, and resource expansion. The North Carolina
38 Institute for Minority Economic Development, Inc., shall research and identify key
39 issues affecting the economic well-being of the State's ethnic minority community and
40 issue annual reports with appropriate recommendations; provide information and
41 technical assistance to organizations with minority economic development-based
42 projects in common areas of need and interests; develop a resource bank of data and
43 information; facilitate training in appropriate areas of need; and provide technical
44 assistance to minority construction contractors. The North Carolina Institute for

1 Minority Economic Development, Inc., shall report quarterly to the Joint Legislative
2 Commission on Governmental Operations on the use of these funds.

3 (e) Of the funds appropriated in this act to the North Carolina Rural
4 Economic Development Center, Inc., one hundred thousand dollars (\$100,000) for the
5 1992-93 fiscal year shall be allocated to the North Carolina Minority Credit Union
6 Support Center, Inc., for operational and administrative support. The North Carolina
7 Rural Economic Development Center, Inc., shall report quarterly to the Joint Legislative
8 Commission on Governmental Operations on the use of these funds.

9 (f) Of the funds appropriated in this act to the North Carolina Rural
10 Economic Development Center, Inc., six hundred fifty thousand dollars (\$650,000) for
11 the 1992-93 fiscal year shall be used to expand the Microenterprise Loan Program. Of
12 these funds, no less than four hundred thousand dollars (\$400,000) shall be used as loan
13 loss reserves and no more than two hundred fifty thousand dollars (\$250,000) shall be
14 used to cover operational costs. The North Carolina Rural Economic Development
15 Center, Inc., shall report quarterly to the Joint Legislative Commission on
16 Governmental Operations on the use of these funds.

17 (g) Of the funds appropriated in this act to the North Carolina Rural
18 Economic Development Center, Inc., fifty thousand dollars (\$50,000) for the 1992-93
19 fiscal year shall be used for its expenses in administering this section. The Office of
20 State Budget and Management shall allot the funds pursuant to subsections (e) and (f) of
21 this section in increments of not less than two hundred thousand dollars (\$200,000) and
22 not more than three hundred twenty-five thousand dollars (\$325,000) within 30 working
23 days of the receipt of the Center's request for the funds. The North Carolina Rural
24 Economic Development Center, Inc., shall distribute the funds pursuant to subsections
25 (e) and (f) of this section immediately upon allotment by the Office of State Budget and
26 Management.

27 (h) Of the funds appropriated in this act to the North Carolina Rural
28 Economic Development Center, Inc., seventy-five thousand dollars (\$75,000) for the
29 1992-93 fiscal year shall be allocated as follows:

- 30 (1) \$25,000 to the Opportunities Industrialization Center of Wilson, Inc.,
31 for its on-going training programs; and
- 32 (2) \$25,000 to Opportunities Industrialization Center, Inc., in Rocky
33 Mount, for its on-going training programs; and
- 34 (3) \$25,000 to Pitt-Greenville Opportunities Industrialization Center, Inc.,
35 for its on-going job training programs.

36 The North Carolina Rural Economic Development Center, Inc., shall report
37 quarterly to the Joint Legislative Commission on Governmental Operations on the use
38 of funds allocated in this subsection.

39 (i) The Rural Economic Development Center, Inc., shall not distribute funds
40 under subsections (a), (e), (f), and (h) of this section unless and until the entities eligible
41 for funds under these subsections have met the requirements of G.S. 143-6.1.

42
43 Requested by: Senator Martin of Pitt

44 **NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY**

1 Sec. 153. Section 154.1(g) of Chapter 689 of the 1991 Session Laws reads as
2 rewritten:

3 "(g) Effective September 1, 1991:

- 4 (1) The below described land and improvements, formerly known as the
5 'Science and Technology Research Center', together with property
6 installed in the building and other movable equipment and supplies
7 shall be transferred by the State of North Carolina to The North
8 Carolina Technological Development Authority, Inc.: BEGINNING at
9 an iron pin located at North Carolina Grid Coordinate, north
10 783,348.879 east 2,041,863.310; runs thence South 9 degrees 17
11 minutes West 261.50 feet to an iron pin; runs thence North 67 degrees
12 54 minutes West 698 feet to an iron pipe; runs thence North 37 degrees
13 50 minutes East 48.50 feet to an iron pin; runs thence North 45 degrees
14 50 minutes East 340.00 feet to an iron pin; runs thence North 13
15 degrees 18 minutes East 345.72 feet to an iron pin in the southern line
16 of Cornwallis Road; runs thence along the southern line of Cornwallis
17 Road along a slight curve having a diameter of 4 degrees 00 minutes, a
18 tangent of 411.55 feet to a radius of 1,432.69 feet a distance of 363.82
19 feet to an iron pin located in the southern line of Cornwallis Road;
20 thence continuing along the southern line of Cornwallis Road South 65
21 degrees 52 minutes East 63.47 feet to a concrete monument; thence
22 along the right of way of Cornwallis Road and Davis Drive South 26
23 degrees 42 minutes East 72.60 feet to a concrete monument; thence
24 along the western line of the right of way of Davis Drive along a slight
25 curve having a diameter of 1 degree 00 minutes a tangent of 351.27
26 feet and a radius of 5,730.34 feet a distance of 342.05 feet to an iron
27 pin at the point and place of BEGINNING and containing 8 acres
28 according to a deed recorded in the Office of the Register of Deeds of
29 Durham County, North Carolina, in Book 30, pages 378-380.
- 30 (2) The transfer made by this section shall be evidenced by a deed
31 executed under G.S. 146-75 and registered in accordance with G.S.
32 146-77. The deed shall provide that the property transferred by this
33 section shall automatically revert to the State of North Carolina if the
34 property is used for any purposes other than the purposes set forth in
35 subdivision (3).
- 36 (3) The transfer made by this section is made on the condition that the
37 North Carolina Technological Development Authority, Inc., shall use
38 the property described in subdivision (1) solely as a business incubator
39 serving technology research-based entrepreneurial companies in the
40 Research Triangle Park. If the North Carolina Technological
41 Development Authority, Inc., ceases to use the property for the
42 purposes described in this section, then the property shall
43 automatically revert to the State of North Carolina. Use of the property
44 described in subdivision (1) of this subsection pursuant to any prior

1 instrument of occupancy in which the State of North Carolina is
2 grantor of the property right and that is in force immediately prior to
3 September 1, 1991, shall be deemed use of the property for purposes
4 described in this section to the extent of use during the original term of
5 the prior instrument of occupancy or any renewal or extension
6 thereof."
7

8 Requested by: Senator Martin of Pitt

9 **HAZARDOUS WASTE MANAGEMENT COMMISSION RESERVE**

10 Sec. 154. On July 1, 1992, the sum of two hundred thirty-six thousand seven
11 hundred nineteen dollars (\$236,719) appropriated to the Department of Economic and
12 Community Development for the North Carolina Hazardous Waste Management
13 Commission for the 1992-93 fiscal year shall be transferred to a reserve in the Office of
14 State Budget and Management. In the event the Director of the Budget determines that
15 there is a need to site an authorized hazardous waste facility pursuant to Chapter 130B
16 of the General Statutes, the Office of State Budget and Management shall transfer up to
17 the sum of two hundred thirty-six thousand seven hundred nineteen dollars (\$236,719)
18 in this reserve to the Department of Economic and Community Development for the
19 North Carolina Hazardous Waste Management Commission for the 1992-93 fiscal year
20 to provide for the siting, construction, and operation of a public hazardous waste facility
21 and to perform its duties under Chapter 130B of the General Statutes.
22

23 Requested by: Senator Plyler

24 **INDUSTRIAL DEVELOPMENT FUND**

25 Sec. 154.1. Of the funds appropriated to the Department of Economic and
26 Community Development for the 1992-93 fiscal year, five hundred thousand dollars
27 (\$500,000) shall be allocated to the Industrial Development Fund for the purposes
28 authorized in G.S. 143B-437A.
29

30 **PART 24. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
31 **RESOURCES**
32

33 Requested by: Senator Martin of Pitt

34 **DEMONSTRATION PROJECT FOR VOLUNTARY REMEDIAL ACTIONS**

35 Sec. 155. (a) During the 1992-93 fiscal year, the Secretary of the Department of
36 Environment, Health, and Natural Resources may contribute from the Inactive
37 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty
38 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action
39 program at up to three high priority sites that substantially endanger public health or the
40 environment.

41 (b) No later than April 1, 1993, the Department of Environment, Health, and
42 Natural Resources shall report to the General Assembly. This report shall contain the
43 location of the sites for which a voluntary remedial action program was implemented,
44 the rationale for the State contributing to the cost of the remedial action, the cost of the

1 remedial action, and the amount of the contribution made from the Inactive Hazardous
2 Sites Cleanup Fund.

3
4 Requested by: Senator Martin of Pitt

5 **INCREASE USE OF SEDIMENTATION FEES**

6 Sec. 156. Section 226(b) of Chapter 689 of the 1991 Session Laws reads as
7 rewritten:

8 "(b) If the revenues received pursuant to G.S. 113A-54.2 exceed the amount in
9 anticipated revenues from this source for the 1991-92 fiscal year or the 1992-93 fiscal
10 year, then the Department of Environment, Health, and Natural Resources may use up
11 to ~~\$140,000~~one hundred forty thousand dollars (\$140,000) of this revenue for the 1991-
12 92 fiscal year and up to ~~\$160,000~~two hundred twenty thousand dollars (\$220,000) of
13 this revenue for the 1992-93 fiscal year for education, erosion control plan approval,
14 and compliance activities in the Sedimentation Control Program, including salaries and
15 necessary support, in the Division of Land Resources. These funds are in addition to
16 any other funds appropriated for this purpose."

17
18 Requested by: Senator Martin of Pitt

19 **CLEAN AIR ACT PERMIT FEES**

20 Sec. 157. Section 228 of Chapter 689 of the 1991 Session Laws reads as
21 rewritten:

22 "Sec. 228. There is appropriated from the Title V nonreverting account established
23 in G.S. 143-215.3A to the Department of Environment, Health, and Natural Resources
24 the sum of ~~\$999,855~~nine hundred ninety-nine thousand eight hundred fifty-five dollars
25 (\$999,855) for the 1991-92 fiscal year and the sum of ~~\$3,992,390~~four million six
26 hundred ninety-two thousand three hundred ninety dollars (\$4,692,390) for the 1992-93
27 fiscal year to be used for the development and implementation of the Title V program in
28 accordance with G.S. 143-215.3A; provided, however, if the revenues raised from
29 Chapter 552 of the 1991 Session Laws are less than ~~\$999,855~~nine hundred ninety-nine
30 thousand eight hundred fifty-five dollars (\$999,855) for the 1991-92 fiscal year or are
31 less than ~~\$3,992,390~~four million six hundred ninety-two thousand three hundred ninety
32 dollars (\$4,692,390) for the 1992-93 fiscal year, then the appropriation is reduced
33 accordingly."

34
35 Requested by: Senator Martin of Pitt

36 **USE OF FOOD AND LODGING FEES**

37 Sec. 158. If the revenues received pursuant to G.S. 130A-248(d) exceed the
38 amount in anticipated revenues from this source for the 1992-93 fiscal year, then the
39 Department of Environment, Health, and Natural Resources may use up to eleven
40 thousand six hundred dollars (\$11,600) of this revenue for the 1992-93 fiscal year for
41 the restaurant and lodging fee collection program in accordance with G.S. 130A-248(d).
42 These funds are in addition to any other funds appropriated for this purpose.

43
44 Requested by: Senator Martin of Pitt

AUTHORIZE USE OF WATER QUALITY FEES

Sec. 159. Section 158 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 158. There is appropriated from the nonreverting account established in G.S. 143-215.3A to the Department of Environment, Health, and Natural Resources a sum not to exceed ~~\$2,124,142~~ two million one hundred twenty-four thousand one hundred forty-two dollars (\$2,124,142) for the 1991-92 fiscal year and a sum not to exceed ~~\$2,148,017~~ two million six hundred thousand dollars (\$2,600,000) for the 1992-93 fiscal year for the salaries and the necessary support for up to 49 positions for the 1991-92 fiscal year and for up to 59 positions for the 1992-93 fiscal year in the water quality program. Water quality fees shall be the only source of funds for these positions and all necessary support. These positions shall be used to reduce the backlog of permit applications and to improve the rate of compliance of facilities with environmental standards for toxic substances."

Requested by: Senator Martin of Pitt

NON-MEDICAID REIMBURSEMENT

Sec. 160. Section 172 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 172. 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 Environment, Health, and Natural 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.

Notwithstanding the provisions of paragraph one of this section, the Department of Environment, Health, and Natural Resources may negotiate with providers of medical services under the various Environment, Health, and Natural Resources programs, other than Medicaid, for rates as close as possible to Medicaid rates for the following purposes: contracts or agreements for medical services and purchases of medical equipment and other medical supplies. These negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible patients, residents and clients who require such services which cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs with the exception of Migrant Health, School Health, AIDS Drug Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome, Women's Preventive Health, and Home Health shall be as follows:

| | Family | | All |
|--|--------|----------|----------|
| | Size | Kidney | Other |
| | 1 | \$ 6,400 | \$ 4,200 |
| | 2 | 8,000 | 5,300 |

| | | | |
|---|---|--------|-------|
| 1 | 3 | 9,600 | 6,400 |
| 2 | 4 | 11,000 | 7,500 |
| 3 | 5 | 12,000 | 7,900 |
| 4 | 6 | 12,800 | 8,300 |
| 5 | 7 | 13,600 | 8,800 |
| 6 | 8 | 14,400 | 9,300 |

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

12 The eligibility level each fiscal year for outpatient services covered by the Sickle
13 Cell Program shall be one hundred percent (100%) of the federal poverty guidelines, as
14 revised annually by the United States Department of Health and Human Services, in
15 effect on July 1 of each fiscal year."

16
17 Requested by: Senator Martin of Pitt

18 **INFANT MORTALITY PROGRAM FUNDS**

19 Sec. 161. (a) Of the funds appropriated in this act to the Department of
20 Environment, Health, and Natural Resources, Division of Epidemiology, the sum of one
21 million seventy-five thousand dollars (\$1,075,000) for the 1992-93 fiscal year shall be
22 used to provide required childhood vaccinations to children cared for at community,
23 migrant, and rural health centers and to provide required vaccines for medically
24 indigent, non-Medicaid eligible children seen in private physicians' offices, as defined
25 in rules adopted by the Commission for Health Services.

26 (b) Funds appropriated in this act to the Department of Environment, Health, and
27 Natural Resources, Division of Maternal and Child Health, to inform the public on the
28 dangers to the mother and developing fetus of alcohol, cocaine, and other substances,
29 shall be used by the Department to support the activities of the FIRST STEP
30 CAMPAIGN to inform the public about substance abuse and other high-risk behaviors
31 that contribute to infant mortality and morbidity.

32 (c) State funds appropriated for the Special Supplemental Food Program for
33 Women, Infants, and Children may be used to contribute the required State match if
34 federal funds become available for the WIC farmer's market project.

35 (d) The North Carolina Adolescent Pregnancy Prevention Coalition shall
36 report annually, not later than April 1 of each year, to the Joint Legislative Commission
37 on Governmental Operations. This report shall include information on activities during
38 the past fiscal year and itemized expenditures during the past fiscal year with sources of
39 funding.

40
41 Requested by: Senator Martin of Pitt

42 **CHILD FATALITY TASK FORCE CHANGES**

43 Sec. 162. (a) G.S. 143-577(b) reads as rewritten:

1 "(b) The Task Force shall provide ~~a final report~~ updated reports to the Governor
2 and General Assembly within the first week of the convening of the 1993 General
3 ~~Assembly.~~ Assembly and within the first week of the convening of the 1994 Session of
4 the 1993 General Assembly. The Task Force shall provide a final report to the
5 Governor and General Assembly within the first week of the convening of the 1995
6 General Assembly. The final report shall include final conclusions and
7 recommendations for each of the Task Force's duties, as well as any other
8 recommendations for changes to any law, rule, and policy that it has determined will
9 promote the safety and well-being of children. Any recommendations of changes to
10 law, rule, or policy shall be accompanied by specific legislative or policy proposals and
11 detailed fiscal notes setting forth the costs to the State."

12 (b) G.S. 143-573(b) reads as rewritten:

13 "(b) The Task Force shall be composed of ~~25-29~~ members, 12 of whom shall be ex
14 officio members, three of whom shall be appointed by the Governor, ~~and eight seven of~~
15 ~~whom shall be appointed by the General Assembly, Speaker of the House of~~
16 Representatives, and seven of whom shall be appointed by the President Pro Tempore of
17 the Senate. ~~upon recommendation of the Speaker of the House of Representatives and~~
18 ~~four upon recommendation of the President Pro Tempore of the Senate.~~ The ex officio
19 members other than the Chief Medical Examiner may designate representatives from
20 their particular departments, divisions, or offices to represent them on the Task Force.
21 The members shall be as follows:

- 22 (1) The Chief Medical Examiner;
- 23 (2) The Attorney General;
- 24 (3) The Director of the Division of Social Services;
- 25 (4) The Director of the State Bureau of Investigation;
- 26 (5) The Director of the Division of Maternal and Child Health of the
27 Department of Environment, Health, and Natural Resources;
- 28 (6) The Director of the Governor's Youth Advocacy and Involvement
29 Office;
- 30 (7) The Superintendent of Public Instruction;
- 31 (8) The President of the State Board of Education;
- 32 (9) The Director of the Division of Mental Health, Developmental
33 Disabilities, and Substance Abuse Services;
- 34 (10) The Secretary of the Department of Human Resources;
- 35 (11) The Secretary of the Department of Environment, Health, and Natural
36 Resources;
- 37 (11.1) The Director of the Administrative Office of the Courts;
- 38 (12) A director of a county department of social services appointed by the
39 Governor upon recommendation of the President of the North Carolina
40 Association of County Directors of Social Services;
- 41 (13) A representative from a Sudden Infant Death Syndrome counseling
42 and education program appointed by the Governor upon
43 recommendation of the Director of the Division of Maternal and Child

- 1 Health of the Department of Environment, Health, and Natural
2 Resources;
- 3 (14) A representative from the North Carolina Child Advocacy Institute
4 appointed by the Governor upon recommendation of the President of
5 the Institute;
- 6 (15) A representative from a private group, other than the North Carolina
7 Child Advocacy Institute, that advocates for children, appointed by ~~the~~
8 ~~General Assembly upon recommendation of the~~ Speaker of the House
9 of Representatives upon recommendation of private child advocacy
10 organizations;
- 11 (16) A pediatrician, licensed to practice medicine in North Carolina,
12 appointed by the ~~General Assembly upon recommendation of the~~
13 Speaker of the House of Representatives upon recommendation of the
14 North Carolina Pediatric Society;
- 15 (17) A representative from the North Carolina League of Municipalities
16 appointed by the ~~General Assembly upon recommendation of the~~
17 Speaker of the House of Representatives upon recommendation of the
18 League;
- 19 (18) Two public members appointed by the ~~General Assembly upon~~
20 ~~recommendation of the~~ Speaker of the House of Representatives;
- 21 (19) A county or municipal law enforcement officer appointed by the
22 ~~General Assembly upon recommendation of the~~ President Pro
23 Tempore of the Senate upon recommendation of organizations that
24 represent local law enforcement officers;
- 25 (20) A district attorney appointed by the ~~General Assembly upon the~~
26 ~~recommendation of the~~ President Pro Tempore of the Senate upon
27 recommendation of the President of the North Carolina Conference of
28 District Attorneys;
- 29 (21) A representative from the North Carolina Association of County
30 Commissioners appointed by the ~~General Assembly upon~~
31 ~~recommendation of the~~ President Pro Tempore of the Senate upon
32 recommendation of the Association; ~~and~~
- 33 (22) Two public members appointed by the ~~General Assembly upon~~
34 ~~recommendation of the~~ President Pro Tempore of the Senate; and
- 35 (23) Two members of the Senate appointed by the President Pro Tempore
36 of the Senate and two members of the House of Representatives
37 appointed by the Speaker of the House of Representatives."
- 38

39 Requested by: Senator Martin of Pitt

40 PARKS RECEIPTS

41 Sec. 163. The Department of Environment, Health, and Natural Resources
42 shall use any overrealized receipts from the Division of Parks and Recreation's sale of
43 pine straw, timber, or any other forest products for the maintenance of the State parks
44 and State reservoirs.

1

2 Requested by: Senator Martin of Pitt

3 **WILDLIFE RESOURCES COMMISSION LONG-RANGE BUDGET PLAN**4 Sec. 164. (a) The Wildlife Resources Commission shall prepare a long-range
5 budget plan for review and consideration by the General Assembly. The budget plan
6 shall include:7 (1) An analysis of revenues and expenditures from the 1986-87 fiscal year
8 through the 1991-92 fiscal year identifying: (i) the major revenue
9 sources and expenditure items within each program or division; (ii) the
10 major increases or decreases in revenues and expenditures over the
11 period and the rationale for these changes; and (iii) those wildlife
12 programs or divisions that have experienced significant growth in
13 expenditures since the 1986-87 fiscal year;14 (2) An inventory and analysis of all revenue sources, including the North
15 Carolina Wildlife Endowment Fund, that identifies: (i) funds that may
16 be used only for specific purposes; and (ii) funds that may be used for
17 general program purposes;18 (3) Revenue and expenditure projections for the 1992-93 through 1996-97
19 fiscal years, by program and major budget objects; and20 (4) Long-term options for funding the operations of the Wildlife
21 Resources Commission, including: (i) revenue increases, including
22 increased license fees, subscription fees, and registration fees; use of
23 interest from the North Carolina Wildlife Endowment Fund; and
24 increases in the General Fund from sales tax and any other General
25 Fund monies; and (ii) operating and capital expenditure reductions.26 (b) The Wildlife Resources Commission shall prepare a report incorporating its
27 long-range budget plan, including all components of this plan as set forth in subsection
28 (a) of this section, and shall transmit this report to the General Assembly and the Fiscal
29 Research Division by January 12, 1993.

30

31 Requested by: Senator Martin of Pitt

32 **DARE BOAT ACCESS FUNDS**33 Sec. 165. The Wildlife Resources Commission may use up to four hundred
34 thousand dollars (\$400,000) in funds available to the Commission for the 1992-93 fiscal
35 year for construction of a boating access area at the Washington Baum Bridge in Dare
36 County.

37

38 Requested by: Senator Martin of Pitt

39 **PILOT PROGRAM/COUNTY JAIL INMATES WORK IN STATE PARKS**40 Sec. 166. Of the funds appropriated to the Department of Environment,
41 Health, and Natural Resources, Division of Parks and Recreation, for the 1992-93 fiscal
42 year in this act, the sum of one hundred thousand dollars (\$100,000) shall be allocated
43 for a pilot program for county sheriffs' departments to provide supervision for county
44 inmates to provide primarily repair and maintenance services to the State parks. The

1 Division shall select five State parks to participate in this program. Each county
2 sheriff's department in a county in which one of the five selected State parks is located
3 shall receive up to twenty thousand dollars (\$20,000) for the cost of providing
4 supervision of the county jail inmates.

5

6 **PART 25. DEPARTMENT OF AGRICULTURE**

7

8 Requested by: Senators Martin of Pitt, Johnson

9 **AGRICULTURAL MUSEUM PROPERTY DISPOSITION**

10 Sec. 167. Chapter 106 of the General Statutes is amended by adding a new
11 section to read:

12 **"§ 106-22.2. Museum of Natural Sciences; Maritime Museum; disposition of**
13 **objects.**

14 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
15 or any other law pertaining to surplus State property, the Department of Agriculture
16 may sell or exchange any object from the collections of the Museum of Natural
17 Sciences and the Maritime Museum when it would be in the best interests of the
18 Museums to do so. Sales or exchanges shall be conducted in accordance with generally
19 accepted practices for accredited museums. If an object is sold, the net proceeds of the
20 sale shall be deposited in the State treasury to the credit of a special fund to be used for
21 the improvement of the Museums' collections or exhibits."

22

23 Requested by: Senator Martin of Pitt

24 **EXTEND TIME PERIOD THAT GRAPE COUNCIL FUNDS DO NOT REVERT**

25 Sec. 168. (a) Section 12(b) of Chapter 1036 of the 1987 Session Laws reads
26 as rewritten:

27 "(b) This section ~~shall remain in effect until July 1, 1991.~~ shall terminate June 30,
28 1997."

29 (b) This section becomes effective June 30, 1992.

30

31 **PART 26. MISCELLANEOUS PROVISIONS**

32

33 Requested by: Senators Basnight, Plyler

34 **EXECUTIVE BUDGET ACT APPLIES**

35 Sec. 169. The provisions of the Executive Budget Act, Chapter 143, Article 1
36 of the General Statutes are reenacted and shall remain in full force and effect and are
37 incorporated in this act by reference.

38

39 Requested by: Senators Basnight, Plyler

40 **COMMITTEE REPORT**

41 Sec. 170. (a) The Senate Proposals For Modifying The Appropriations and
42 Budget Revenue Act of 1991, dated June 19, 1992, which was distributed in the Senate
43 and used to explain this act, shall indicate action by the General Assembly on this act

1 and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
2 Executive Budget Act, and for these purposes shall be considered a part of this act.

3 (b) The line item budget enacted by the General Assembly for the
4 maintenance of the various departments, institutions, and other spending agencies of the
5 State for the 1991-93 fiscal biennium is described in Section 351 of Chapter 689 of the
6 1991 Session Laws, as amended by Section 8.1(d) of this act. In this act, the General
7 Assembly amended the budget enacted by the 1991 Regular Session of the General
8 Assembly for the 1992-93 fiscal year by making modifications including the base
9 budget cuts and expansion budget additions that are set out in the Senate Proposals For
10 Modifying The Appropriation and Budget Revenue Act of 1991, dated June 19, 1992.
11 The line item detail in the budget enacted by the General Assembly for the 1992-93
12 fiscal year may be derived accordingly.

13 The budget modifications enacted by the General Assembly in this act shall
14 also be interpreted in accordance with the special provisions in this act and in
15 accordance with other appropriate legislation.

16
17 Requested by: Senators Basnight, Plyler

18 **MOST TEXT APPLIES ONLY TO 1992-93**

19 Sec. 171. Except for statutory changes or other provisions that clearly
20 indicate an intention to have effects beyond the 1992-93 fiscal year, the textual
21 provisions of this act apply only to funds appropriated for, and activities occurring
22 during, the 1992-93 fiscal year.

23
24 Requested by: Senators Basnight, Plyler

25 **1991-92 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

26 Sec. 172. (a) Except where expressly repealed or amended by this act, the
27 provisions of Chapters 689 and 761 of the 1991 Session Laws remain in effect.

28 (b) Notwithstanding any modifications by this act in the amounts appropriated,
29 except where expressly repealed or amended, the limitations and directions for the
30 1992-93 fiscal year in Chapters 689 and 761 of the 1991 Session Laws that applied to
31 appropriations to particular agencies or for particular purposes apply to the newly
32 enacted appropriations and budget reductions of this act for those same particular
33 purposes.

34
35 Requested by: Senators Basnight, Plyler

36 **EFFECT OF HEADINGS**

37 Sec. 173. The headings to the parts and sections of this act are a convenience
38 to the reader and are for reference only. The headings do not expand, limit, or define
39 the text of this act.

40
41 Requested by: Senators Basnight, Plyler

42 **SEVERABILITY CLAUSE**

1 Sec. 174. If any section or provision of this act is declared unconstitutional or
2 invalid by the courts, it does not affect the validity of this act as a whole or any part
3 other than the part so declared to be unconstitutional or invalid.

4

5 Requested by: Senators Basnight, Plyler

6 **EFFECTIVE DATE**

7 Sec. 175. Except as otherwise provided, this act becomes effective July 1,
8 1992; provided however, notwithstanding any other provision of this act, this act shall
9 not become effective until House Bill 945, 1991 Session, is ratified.