

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1991

CHAPTER 900
HOUSE BILL 1340

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

CURRENT OPERATIONS/STATE GOVERNMENT

Sec. 3. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, 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 General Fund for these purposes for the 1992-93 fiscal year. Amounts set out in brackets are reductions from General Fund appropriations for the 1992-93 fiscal year.

<u>Current Operations/State Government</u>	<u>1992-93</u>
Judicial Department	\$ 7,400,000
Department of the Governor	
01. Office of State Budget and Management-Special Appropriations	850,000

Department of State Auditor	1,084
Department of State Treasurer	265,000
Department of Public Education	
01. Aid to Local School Administrative Units	(13,372,501)
02. Department of Public Instruction	4,300,000
Department of Justice	914,291
Department of Administration	
01. Administration	1,546,204
02. State Controller	2,200,000
Department of Agriculture	299,234
Department of Labor	3,700,602
Department of Insurance	1,139,944
Department of Transportation	
01. Aeronautics	2,666,666
Department of Environment, Health, and Natural Resources	7,180,925
Administrative Rules Review Commission	4,500
Department of Human Resources	
01. Alcohol Drug Abuse Treatment Center - Black Mountain	(72,569)
02. Alcohol Drug Abuse Treatment Center - Butner	40,040
03. Alcohol Drug Abuse Treatment Center - Greenville	2,719
04. N.C. Special Care Center	(898,821)
05. Black Mountain Center	(1,196,424)
06. DHR - Secretary	125,000
07. Division of Aging	
08. Schools for the Deaf and Hard of Hearing	
09. Social Services	11,619,302
10. Medical Assistance	5,661,893
11. Social Services - State Aid to Non-State Agencies	1,095,960
12. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	13,343,135

13.	Dorothea Dix Hospital	(1,808,829)
14.	Broughton Hospital	(1,148,100)
15.	Cherry Hospital	(1,468,425)
16.	John Umstead Hospital	(1,525,069)
17.	Western Carolina Center	542,516
18.	O'Berry Center	(973,982)
19.	Murdoch Center	(1,058,265)
20.	Caswell Center	(409,736)
21.	Division of Facility Services	12,671,793
22.	Division of Vocational Rehabilitation Services	380,000
23.	Division of Youth Services	1,891,170
Total Department of Human Resources		36,813,308
Department of Correction		7,800,400
Department of Economic and Community Development		
01.	Economic and Community Development	3,662,649
02.	Rural Economic Development Center	2,275,000
Department of Revenue		615,591
Department of Crime Control and Public Safety		877,782
University of North Carolina – Board of Governors		
01.	General Administration	(1,000,000)
02.	University Institutional Program	(614,869)
03.	University of North Carolina at Chapel Hill	
a.	Academic Affairs	(855,000)
b.	Health Affairs	(659,872)
04.	North Carolina State University at Raleigh	
a.	Academic Affairs	(950,000)
05.	University of North Carolina at Greensboro	(344,000)
06.	University of North Carolina at Charlotte	(15,000)
07.	University of North Carolina at Wilmington	(55,000)
08.	East Carolina University	
a.	Academic Affairs	(86,000)
b.	Division of Health Affairs	(1,000,000)
09.	Fayetteville State University	(54,000)
10.	North Carolina Central University	(75,000)
11.	UNC Hospitals at Chapel Hill	(5,969,239)
Total University of North Carolina - Board of Governors		(11,677,980)

Department of Community Colleges	10,736,477
State Board of Elections	24,475
Reserve for Salary Reduction - Positions Vacated by Retirement	(19,500,000)
Reserve for Salary Increases	115,140,128
Salary Reserve Deletions	(1,926,180)
GRAND TOTAL CURRENT OPERATIONS/ GENERAL FUND	\$ 163,937,599

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.

<u>Current Operations-Highway Fund</u>	<u>1992-93</u>
Department of Transportation	
01. Administration	\$ 3,694,922
02. Division of Highways	
a. State Construction	
(01) Secondary Construction	446,402
(02) Urban Construction	(1,000,000)
(03) Spot Safety Improvements	(2,000,000)
b. State Funds to Match Federal Highway Aid	
(01) Construction	(18,000,000)
c. State Maintenance	
(01) Secondary	(559,204)
(02) Contract Resurfacing	(15,000,000)
d. 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 Merit Salary Increases	(86,143)
07.	Reserve for Salary Increases	7,045,254
08.	Reserve for State Employee Health Benefit Plan	(2,675,722)
09.	Transfer to General Fund for Reimbursement for Sales Tax Exemption	700,000
10.	Reserve for Air Cargo	2,500,000
Appropriations for Other State Agencies		
01.	Crime Control and Public Safety	(603,913)
02.	Revenue	86,968
03.	Environment, Health, and Natural Resources	(86,968)
GRAND TOTAL CURRENT OPERATIONS/ HIGHWAY FUND		\$ (21,898,746)

PART 3. HIGHWAY TRUST FUND

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

	<u>1992-93</u>
01. Intrastate System	\$ 2,800,081
02. Secondary Road Construction	1,113,365
03. Urban Loops	1,207,661
04. State Aid-Municipalities	313,365
05. Program Administration	(434,472)

GRAND TOTAL CURRENT OPERATIONS/ HIGHWAY TRUST FUND	\$ 5,000,000
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PART 4. BLOCK GRANT APPROPRIATIONS

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter
BLOCK GRANT PROVISIONS

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

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	1,929,576
05.	Fluoridation of Water Supplies	228,404
06.	Rape Prevention and Rape Crisis Programs	91,269
07.	AIDS/HIV Education, Counseling, and Testing	290,577
08.	Office of Minority Health and Minority Health Council	190,000
TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 4,491,250.

(b) Decreases in Federal Fund Availability

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

(c) Increases in Federal Fund Availability

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

- (1) For the Preventive Health Block Grant – additional funds shall be allocated to support the Statewide Health Promotion Programs.

PART 5. GENERAL PROVISIONS

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

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, Representatives Ethridge, H. Hunter

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, Representatives Nesbitt, Diamont

ADDITIONAL BUDGET REPORTING REQUIREMENTS

Sec. 9. (a) Effective July 1, 1992, G.S. 143-23(a1), as rewritten by Section 6(c) of Chapter 812 of the 1991 Session Laws, reads as rewritten:

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

- (1) In a purpose or program for which funds were appropriated for that fiscal period and the total amount spent for the purpose or program is no more than was appropriated for the purpose or program for the fiscal period;
- (2) Required to continue a purpose or program because of unforeseen events, so long as the scope of the purpose or program is not increased;
- (3) Required by a court, Industrial Commission, or administrative hearing officer's order or award or to match unanticipated federal funds;

- (4) Required to respond to an unanticipated disaster such as a fire, hurricane, or tornado; or
- (5) Required to call out the National Guard.

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

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

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

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

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

- (1) All employee positions that were abolished that resulted or will result in the generation of salary reserves;
- (2) All promotions, reclassifications, and salary range revisions, of greater than ten percent (10%), that will be funded with salary reserves; and
- (3) All new positions created that will be funded with salary reserves.

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

PART 7. OFFICE OF STATE BUDGET AND MANAGEMENT

Requested by: Senator Martin of Guilford, Representatives Grady, Bowman, N.J. Crawford

ONSLOW MUSEUM FUNDS/NEW PURPOSE

Sec. 10. Funds appropriated in Section 2 of Chapter 830 of the 1987 Session Laws to the Office of State Budget and Management for a grant-in-aid to the Onslow

County Commissioners to assist in relocating the Onslow County Museum from Richlands to Jacksonville may be used by the Onslow County Commissioners for construction of new museum facilities in Richlands.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont, Hackney

SAVINGS RESERVE ACCOUNT TECHNICAL CHANGE

Sec. 11. G.S. 143-15.3(b), as rewritten by Section 7(b) of Chapter 812, 1991 Session Laws, reads as rewritten:

"(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. It is the intent of the General Assembly that in future sessions, as funds are available, it will reduce and then 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. These actions will bring the State into closer conformity with the GAAP."

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

BUDGET REFORM STATEMENTS

Sec. 12. The General Fund appropriations availability upon which the modifications contained in this act to the General Fund budget for the 1992-93 fiscal year are based is \$163,950,000. This amount is comprised of the following components:

- (1) \$151,500,000 - revised revenue growth for the 1992-93 fiscal year that was not appropriated by the 1991 Session of the 1991 General Assembly.
- (2) \$1,200,000 - part of the estimated credit balance on June 30, 1992.
- (3) \$6,400,000 - fee increases for the General Court of Justice contained in Chapter 811 of the 1991 Session Laws.
- (4) \$1,200,000 - increase in the Insurance Assessment Fee rate contained in Chapter 811 of the 1991 Session Laws.
- (5) \$3,400,000 - funds generated in Sections 20, 23, and 24 of this act.
- (6) \$250,000 - increased non-tax revenues from investment earnings to support the Investment Division of the Department of State Treasurer.

Requested by: Senators Perdue, Martin of Guilford, Representatives Bowman, N.J. Crawford

LIMITATION ON THE SALE OR EXCHANGE OF PROPERTY

Sec. 13. (a) Notwithstanding the provisions of Chapter 146 of the General Statutes, the tract of State-owned land known as the Old Health Farm Property, comprised of approximately 260.86 acres located adjacent to East Chatham Street in Cary, Wake County, shall not be exchanged or traded for other land, or interest therein, before July 1, 1993, nor may any contract or option for exchange or trade of such land be entered into before that date.

(b) Notwithstanding the provisions of Parts 10 or 11 of Article 10 of Chapter 143B of the General Statutes, or any other provision of law, no real property or

any estate or interest in real property consisting of railroad right-of-way or used for railroad purposes located in Carteret County may be:

- (1) Sold;
- (2) Contracted for sale;
- (3) Subjected to any option for sale;
- (4) Abandoned; or
- (5) Otherwise disposed of

before July 1, 1993, by the State of North Carolina or any State agency, authority, board, or commission. This subsection is effective upon ratification.

(c) Notwithstanding the provisions of Parts 10 or 11 of Article 10 of Chapter 143B of the General Statutes, or any other provision of law, no real property or any estate or interest in real property consisting of railroad right-of-way or used for railroad purposes may be:

- (1) Sold;
- (2) Contracted for sale;
- (3) Subjected to any option for sale;
- (4) Abandoned; or
- (5) Otherwise disposed of

before July 1, 1993, by any company or corporation in which the State of North Carolina or any State board, agency, or commission owns one hundred percent (100%) of the voting stock. This subsection is effective upon ratification.

(d) This section is effective upon ratification.

Requested by: Senators Royall, Martin of Guilford, Goldston, Representatives Bowman, N.J. Crawford, McLaughlin, Holt

STATE INFORMATION MANAGEMENT TECHNOLOGY

Sec. 14. (a) G.S. 143B-426.21 reads as rewritten:

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

- (1) ~~Ex officio members: the Governor, Lieutenant Governor, Secretary of the Department of Administration, State Budget Officer, State Auditor, State Treasurer, Secretary of State, Superintendent of Public Instruction, Commissioner of Agriculture, Commissioner of Labor, Commissioner of Insurance, State President of the Department of Community Colleges, Chair of the Governor's Committee on Data Processing and Information Systems, Chair of the State Information Processing Services Advisory Board, and the Legislative Services Officer or his designee.~~
- (2) ~~Other members: one citizen of the State of North Carolina with a background in and familiarity with information systems or telecommunications appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, and one citizen of the State of North~~

~~Carolina with a background in and familiarity with information systems or telecommunications appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. The two initial members appointed by the General Assembly shall each serve a term beginning on the 60th day following June 6, 1989, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.~~

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

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

- ~~(b) Powers and Duties. — The Commission has the following powers and duties:~~
- ~~(1) To approve or disapprove proposals by the State Information Processing Services under G.S. 143B-426.40;~~
 - ~~(2) To obtain information relevant to the decisions required of the Commission under G.S. 143B-426.40 from the affected departments; and~~
 - ~~(3) To develop a comprehensive plan, covering the current and following biennium, for the acquisition and use of information technology resources in the affected departments, which shall be updated annually and shall be submitted to the General Assembly on the first day of each regular session.~~

§ 143B-426.21. Information Resource Management Commission.

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

- (1) Four members of the Council of State, appointed by the Governor.
- (2) The Secretary of Administration.
- (3) The State Budget Officer.
- (4) Two members of the Governor's cabinet, appointed by the Governor.
- (5) One citizen of the State of North Carolina with a background in and familiarity with information systems or telecommunications, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.
- (6) One citizen of the State of North Carolina with a background in and familiarity with information systems or telecommunications, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.

- (7) The Chair of the Governor's Committee on Data Processing and Information Systems.
- (8) The Chair of the State Information Processing Services Advisory Board.

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

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

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

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

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

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

- (b) Powers and Duties. – The Commission has the following powers and duties:
 - (1) To develop, approve, and publish a statewide information technology strategy covering the current and following biennium that shall be updated annually and shall be submitted to the General Assembly on the first day of each regular session.
 - (2) To develop, approve, and sponsor statewide technology initiatives and to report on those initiatives in the annual update of the statewide information technology strategy.
 - (3) To review and approve biennially the information technology plans of the executive agencies, including their plans for the procurement and use of personal computers and workstations.
 - (4) To recommend to the Governor and the Office of State Budget and Management the relative priorities across executive agency information technology plans.
 - (5) To establish a quality assurance policy for all agency information technology projects, information systems training programs, and information systems documentation.

- (6) To establish and enforce a quality review and expenditure review procedure for major agency information technology projects.
- (7) To review and approve expenditures from appropriations made to the Office of State Budget and Management for the purpose of creating a Computer Reserve Fund.
- (8) To develop and promote a policy and procedures for the fair and competitive procurement of information technology consistent with the rules of the Department of Administration and consistent with published industry standards for open systems that provide agencies with a vendor-neutral operating environment where different information technology hardware, software, and networks operate together easily and reliably.

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

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

(c) Of the funds appropriated from the Highway Fund to the Department of Transportation for the 1992-93 fiscal year, the sum of two million nine hundred forty-four thousand nine hundred twenty-two dollars (\$2,944,922) shall be used for the purpose of continuing development and implementation of the Department's Financial Accounting and Reporting System. No expenditure shall be made from this fund by the Department of Transportation until the Information Resource Management Commission created in subsection (a) of this section has reviewed and approved the Department of Transportation's design, implementation strategy, and expenditure plan for its portion of the State Accounting System and all other components of the Department's Financial Accounting and Reporting System. The Information Resource Management Commission shall report the results of its review and the rationale for its approval of the expenditure to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the State Government Performance Audit Committee. The Information Resource Management Commission shall apply its quality assurance

policy and quality review procedures to the Department of Transportation's Financial Accounting and Reporting System.

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

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

(d) Of the funds appropriated from the Highway Fund to the Department of Transportation for the 1992-93 fiscal year, the sum of two million nine hundred forty-eight thousand six hundred dollars (\$2,948,600) shall be used for the purpose of designing, developing, testing, and implementing a drivers' license computer system. The Information Resource Management Commission created by this section shall review the Department of Transportation's design, implementation strategy, and expenditure plan for the drivers' license computer system and shall report the results of its review to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Government Performance Audit Committee. The Information Resource Management Commission shall apply its quality assurance policy and quality review procedures to the Department of Transportation's drivers license computer system.

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

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

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

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

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

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

- (1) To establish and operate information resource centers and services to serve two or more departments on a cost-sharing basis, if the ~~Information Technology Commission~~ Information Resources Management Commission decides it is advisable from the standpoint of efficiency and economy to establish these centers and services;
- (2) With the approval of the ~~Information Technology Commission~~, Information Resources Management Commission, to charge each department for which services are performed its proportionate part of the cost of maintaining and operating the shared centers and services;
- (3) With the approval of the ~~Information Technology Commission~~, Information Resources Management Commission, to require any department served to transfer to the Office of the State Controller ownership, custody, or control of information processing equipment, supplies, and positions required by the shared centers and services;
- (4) With the approval of the ~~Information Technology Commission~~, Information Resources Management Commission, to adopt reasonable rules for the efficient and economical management and operation of the shared centers, services, and the integrated State telecommunications network;
- (5) With the approval of the ~~Information Technology Commission~~, Information Resources Management Commission, to adopt plans, policies, procedures, and rules for the acquisition, management, and use of information technology resources in the departments affected by this subdivision to facilitate more efficient and economic use of information technology in these departments; and
- (6) To develop and promote training programs to efficiently implement, use, and manage information technology resources.

The Department of Revenue is authorized to deviate from this subsection's requirements that departments or agencies consolidate information processing functions on equipment owned, controlled or under custody of the State Information Processing Services. All deviations from this subsection's requirements shall be reported in writing within 15 days by the Department of Revenue to the ~~Information Technology Commission~~ Information Resources Management Commission and shall be consistent with available funding. The Department of Revenue is authorized to adopt and shall adopt plans, policies, procedures, requirements and rules for the acquisition, management, and use of information processing equipment, information processing

programs, data communications capabilities, and information systems personnel in the Department of Revenue. If the plans, policies, procedures, requirements, rules, or standards adopted by the Department of Revenue deviate from the policies, procedures, or guidelines adopted by the State Information Processing Services or the ~~Information Technology Commission~~, Information Resources Management Commission, those deviations shall be allowed and shall be reported in writing within 15 days by the Department of Revenue to the ~~Information Technology Commission~~. Information Resources Management Commission. The Department of Revenue and the State Information Processing Services shall develop data communications capabilities between the two computer centers utilizing the North Carolina Integrated Network, subject to a security review by the Secretary of Revenue.

The Department of Revenue shall prepare a plan to allow for substantial recovery and operation of major, critical computer applications. The plan shall include the names of the computer programs, databases, and data communications capabilities, identify the maximum amount of outage that can occur prior to the initiation of the plan and resumption of operation. The plan shall be consistent with commonly accepted practices for disaster recovery in the information processing industry. The plan shall be tested as soon as practical, but not later than six months, after the establishment of the Department of Revenue information processing capability.

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

(h) Subsections (a), (f), and (g) of this section become effective on September 1, 1992, except that appointments to the Information Resources Management Commission may be made by the General Assembly at any time after ratification of this act. The remainder of this section becomes effective July 1, 1992.

(i) This section becomes effective July 15, 1992.

PART 8. GENERAL ASSEMBLY

Requested by: Senators Martin of Guilford, Marvin, Odom, Representatives Redwine, Anderson, Dickson

LRC LAW ENFORCEMENT COMMITTEE STUDY

Sec. 15. The Legislative Research Commission's Committee on Law Enforcement Issues may study the problem of marital rape, its status under North Carolina law, and, specifically, whether the spousal defense under G.S. 14-27.8 ought to be abolished. The Legislative Research Commission may report the findings and recommendations of the study, if undertaken, to the 1993 General Assembly.

Requested by: Senator Martin of Guilford, Representative Nesbitt

LEGISLATIVE RESEARCH COMMISSION MEMBERS' TERMS

Sec. 16. G.S. 120-30.11 reads as rewritten:

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

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

Requested by: Senators Martin of Guilford, Daniel, Representative Nesbitt

PERFORMANCE AUDIT STUDY CONTINUED

Sec. 17. Notwithstanding the provisions of Article 6B of Chapter 120 of the General Statutes and for the sole purpose of its advising the Legislative Services Commission on the conduct of the State government performance audit study directed by Section 347 of Chapter 689 of the 1991 Session Laws:

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

Requested by: Senators Basnight, Martin of Guilford, Representatives Bowman, N.J. Crawford

SEAFOOD AND AQUACULTURE FUNDS

Sec. 18. Of the funds appropriated to the General Assembly's Legislative Services Commission's studies reserve for the 1992-93 fiscal year, the sum of ten thousand dollars (\$10,000) shall be allocated for the Joint Legislative Commission on Seafood and Aquaculture.

Requested by: Senators Perdue, Martin of Guilford, Representatives Bowman, N.J. Crawford

STATE REAL PROPERTY TRANSFERS STUDY COMMISSION

Sec. 19. (a) There is created a State Real Property Transfers Study Commission to be composed of nine members: three Senators to be appointed by the President Pro Tempore of the Senate, three Representatives to be appointed by the Speaker of the House of Representatives, and three members to be appointed by the Governor. The appointees shall serve until the termination of the Commission. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochairman from their appointees. Either cochairman may call the first meeting of the Study Commission. Vacancies shall be filled in the same manner as the original appointments were made.

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

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

(c) With the prior approval of the Legislative Services Commission, the Legislative Administrative Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the Offices of the House and Senate Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Commission. With the prior approval of the Legislative Services Commission, the Study Commission may hold its meetings in the State Legislative Building or the Legislative Office Building.

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

(e) Members of the Commission shall be paid per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are also members of the General Assembly, at the rate established in G.S. 120-3.1;
- (2) Commission members who are officials or employees of the State or local government agencies, at the rate established in G.S. 138-6;

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

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

PART 9. DEPARTMENT OF REVENUE

Requested by: Senators Conder, Shaw, Martin of Guilford, Representatives Bowman, N.J. Crawford

CONTROLLED SUBSTANCE TAX PROCEEDS

Sec. 20. (a) Of the funds in the State Controlled Substance Tax Fund created in Section 6 of Chapter 772 of the 1989 Session Laws, the sum of five hundred ninety-four thousand one hundred fifty-eight dollars (\$594,158) is transferred to the General Fund for the 1992-93 fiscal year to support the cost of administering the controlled substance tax levied by Article 2D of Chapter 105 of the General Statutes. Of the remaining funds in the State Controlled Substance Tax Fund, all the funds that on July 1, 1992, are unencumbered and are not required to be remitted to law enforcement agencies pursuant to G.S. 105-113.111(b) are transferred to the General Fund. Thereafter, any funds that become unencumbered and are not required to be remitted to law enforcement agencies pursuant to G.S. 105-113.111(b) shall be transferred to the General Fund.

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

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

"§ 105-113.113. Use of tax proceeds.

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

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

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

"§ 105-113.111. Assessments.

(a) Notwithstanding any other provision of law, an assessment against a dealer who possesses a controlled substance to which a stamp has not been affixed as required by this Article shall be made as provided in this section. The Secretary shall assess a tax, applicable penalties, and interest based on personal knowledge or information

available to the Secretary. The Secretary shall notify the dealer in writing of the amount of the tax, penalty, and interest due, and demand its immediate payment. The notice and demand shall be either mailed to the dealer at the dealer's last known address or served on the dealer in person. If the dealer does not pay the tax, penalty, and interest immediately upon receipt of the notice and demand, the Secretary shall collect the tax, penalty, and interest pursuant to the procedure set forth in G.S. 105-241.1(g) for jeopardy assessments or the procedure set forth in G.S. 105-242, including causing execution to be issued immediately against the personal property of the dealer unless the dealer files with the Secretary a bond in the amount of the asserted liability for the tax, penalty, and interest. The Secretary shall use all means available to collect the tax, penalty, and interest from any property in which the dealer has a legal, equitable, or beneficial interest. The dealer may seek review of the assessment as provided in Article 9 of this Chapter.

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

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

Requested by: Senators Shaw, Martin of Guilford, Representatives Bowman, N.J. Crawford

ADD CONTROLLED SUBSTANCE TAX POSITIONS

Sec. 21. Of the funds appropriated to the Department of Revenue in this act, the sum of sixty-four thousand seven hundred dollars (\$64,700) for the 1992-93 fiscal year shall be used to support three additional positions in the Controlled Substance Tax Section of the Department of Revenue.

PART 10. DEPARTMENT OF ADMINISTRATION

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford

INDIAN CULTURAL CENTER

Sec. 22. (a) Of the funds appropriated to the Department of Administration in Section 3 of Chapter 689 of the 1991 Session Laws, the sum of one thousand five hundred dollars (\$1,500) shall be expended for maintenance of the following State lands located in Robeson County:

- (1) 386.69 acres contained in the deed dated April 14, 1983, and recorded in Deed Book 533, page 164, Robeson County Registry;
- (2) 386.69 acres contained in the deed dated August 24, 1984, and recorded in Deed Book 563, page 254, Robeson County Registry;
- (3) 99.62 acres contained in the deed dated March 20, 1985, and recorded in Deed Book 575, page 523, Robeson County Registry; and

- (4) 10.00 acres contained in the deed dated September 11, 1985, and recorded in Deed Book 586, page 142, Robeson County Registry.

The public golf course known as the Riverside Golf Course, and any Indian Cultural Center developed or constructed on the above referenced lands shall be included in lands for which funds may be expended for maintenance under this section. No Indian Cultural Center developed or constructed on any of the above referenced lands shall be built on a public golf course, unless prior approval is granted by the General Assembly. No lease on the public golf course known as the Riverside Golf Course shall be entered into by the Department of Administration for a lease term in excess of 12 months unless prior approval is granted by the General Assembly.

Nothing in this provision shall be construed as being inconsistent with the provisions of Section 18 of Chapter 1074 of the 1989 Session Laws.

Any lease of the lands and buildings comprising the public golf course known as the Riverside Golf Course entered into by the State of North Carolina and any entity other than the North Carolina Indian Cultural Center, Inc., shall by its terms continue the use of the lands and buildings as a public golf course.

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

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

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

(e) Subsection (a) of Section 18 of Chapter 1074 of the 1989 Session Laws reads as rewritten:

"(a) The State of North Carolina shall lease out to the North Carolina Indian Cultural Center, Inc., for a period of 99 years at a monetary consideration of \$1.00 per year all the real property it acquired for the Indian Cultural Center, but no part of Phase I of the project may be constructed either by the State or for the lessee until an environmental impact assessment is completed on Phase I of the property, and if required pursuant to Article 1 of Chapter 113A of the General Statutes, an environmental impact statement is prepared. The State shall enter into a lease agreement in accordance with this section not later than June 30, 1993. If the State and the North Carolina Indian Cultural Center, Inc., do not enter into a lease agreement by June 30, 1993, then the property may be used for any public purpose.

Any lease agreement entered into by the State with the North Carolina Indian Cultural Center, Inc., shall include but not be limited to the following terms:

- (1) An environmental impact assessment pursuant to Article 1 of Chapter 113A of the General Statutes is completed on Phase I of the property.
 - (2) The lease shall include a reversionary clause stipulating that the North Carolina Indian Cultural Center, Inc., must have the \$4,160,000 necessary to complete Phase I of this project in their possession, unencumbered, and subject to its immediate disposal within ~~five~~three years from the date of execution of the lease agreement.
 - (3) If the funds are not so possessed within ~~five~~three years from the date of execution, then this lease agreement will automatically terminate.
 - (4) The North Carolina Indian Cultural Center, Inc., as lessee, may conduct no construction of Phase I on the premises until it has fulfilled the terms of the lease agreement.
 - (5) The North Carolina Indian Cultural Center, Inc., as lessee, shall enter into a sublease agreement with the operator of the land and buildings known as the Riverside Golf Course to continue the operation and maintenance of the Riverside Golf Course under the same terms as the lease agreement between the State and the operator of the Riverside Golf Course. The sublease agreement shall be renewable annually until such time as the terms of the lease agreement as required under subdivisions (1) through (4) of this subsection have been fulfilled.
- (f) This section is effective upon ratification.

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
MOTOR FLEET MANAGEMENT/RETURN OF GENERAL FUND INVESTMENT

Sec. 23. On April 1, 1993, the Department of Administration shall credit to the Office of State Treasurer, Nontax Revenues, the sum of one million six hundred thousand dollars (\$1,600,000). These funds represent a partial return to the General Fund of its investment of five million one hundred thousand dollars (\$5,100,000) for the upgrading of the State motor fleet appropriated in Section 57 of Chapter 757 of the 1985 Session Laws.

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
SURPLUS PROPERTY WAREHOUSING FEES/GENERAL FUND

Sec. 24. G.S. 143-64.05 reads as rewritten:

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

The State agency for surplus property may assess and collect service charges or fees for the acquisition, receipt, warehousing, distribution or transfer of any State surplus property. All receipts from the transfer or sale of surplus, obsolete, or unused equipment of State departments, institutions, and agencies, that are supported by appropriations from the General Fund, except where the receipts have been anticipated for, or budgeted against the cost of replacements, ~~shall be placed by the Secretary in an equipment reserve fund from which expenditures may be made only with prior approval of the Director of the Budget. Prior to taking any action under this section concerning~~

~~expenditures from the equipment reserve fund, the Secretary shall consult with the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations. shall be credited by the Secretary to the Office of State Treasurer, Nontax Revenues."~~

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
AGENCY FOR PUBLIC TELECOMMUNICATIONS BUDGET CODE

Sec. 25. Effective July 1, 1992, the program-generated receipts of and appropriations to the Agency for Public Telecommunications shall be accounted for within a single General Fund purpose code.

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
AQUARIUM SOCIETY LEASE EXEMPTION

Sec. 26. The Department of Administration may enter into leases with the North Carolina Aquarium Society, a nonprofit corporation whose sole purpose is to assist financially the three State supported aquariums. Any leases entered into pursuant to this section are exempt from the provisions of G.S. 146-29.1.

PART 11. DEPARTMENT OF INSURANCE

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
DATA FROM HEALTH CARE PROVIDERS

Sec. 27. G.S. 131E-212(b)(9) reads as rewritten:

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

PART 12. DEPARTMENT OF SECRETARY OF STATE

Requested by: Senator Martin of Guilford, Representatives Bowman, N.J. Crawford
SECRETARY OF STATE COMPUTER SYSTEM RENOVATION

Sec. 28. (a) Effective July 1, 1992, through June 30, 1993, notwithstanding the provisions of G.S. 143-16.3, the Office of State Budget and Management may transfer up to one hundred thousand dollars (\$100,000) in the 1992-93 fiscal year from the Reserve for Data Processing to the Corporations Division of the Department of the Secretary of State for program development and ongoing program support of the computer system.

(b) This section does not apply to allow expenditure for Voice Mail Programming.

PART 13. SALARIES AND BENEFITS

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

SALARY-RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 29. Section 188(c) of Chapter 689 of the 1991 Session Laws, as amended by Section 5 of Chapter 812 of the 1991 Session Laws, reads as rewritten:

"(c) Effective July 1, 1992, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1992-93 fiscal year are (i) ten and ninety-three hundredths percent (10.93%) - Teachers and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State Law Enforcement Officers; (iii) eight and ~~sixty-six-eighty-eight~~ hundredths percent (~~8.66%~~) (8.88%) - University Employees' Optional Retirement Program; (iv) twenty-six and three hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v) thirty-two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of the foregoing contribution rates includes two percent (2%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees, State Law Enforcement Officers, and for the University Employees' Optional Retirement Program includes forty-two hundredths percent (0.42%) for the Disability Income Plan."

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
**IMPLEMENTATION OF THE TEACHER SALARY SCHEDULE AND
PROVIDE A RAISE TO ALL OTHER STATE EMPLOYEES.**

INTRODUCTION

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

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

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
APPROPRIATIONS

Sec. 31. (a) Of the funds appropriated from the General Fund to the Reserve for Salary Increases, the sum of sixty-two million nine hundred fifty-six thousand eight hundred seventy dollars (\$62,956,870) for the 1992-93 fiscal year shall be used to provide raises for State employees and school personnel other than teachers.

(b) Of the funds appropriated from the Highway Fund to the Reserve for Salary Increases, the sum of six million seven hundred twenty-five thousand two hundred fifty-four dollars (\$6,725,254) for the 1992-93 fiscal year shall be used to provide raises for State employees.

(c) Of the funds appropriated from the General Fund to the Reserve for Salary Increases, the sum of forty-eight million seventy thousand dollars (\$48,070,000) for the 1992-93 fiscal year shall be used to implement the teacher salary schedule provided in Section 72 of this act. This is the equivalent of two percent (2%) of teacher payroll.

(d) Of the funds appropriated from the Highway Fund to the Reserve for Salary Increases, the sum of three hundred twenty thousand dollars (\$320,000) for the 1992-93 fiscal year shall be used to implement the teacher salary schedule provided in Section 72 of this act. This is the equivalent of two percent (2%) of teacher payroll.

(e) Of the funds appropriated from the General Fund to the Reserve for Salary Increases, the sum of four million one hundred thirteen thousand two hundred fifty-eight dollars (\$4,113,258) shall be used to implement salary increases for employees in locally operated State-funded programs as provided in Section 55 of this act.

Requested by: Senator Winner

GOVERNOR'S SALARY INCREASE

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

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

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

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

Requested by: Senator Basnight, Representatives Nesbitt, Diamont

COUNCIL OF STATE/SALARY INCREASE

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

<u>Council of State</u>	<u>1992-93</u>
Lieutenant Governor	\$75,774
Attorney General	75,774
Secretary of State	75,774
State Treasurer	75,774

State Auditor	75,774
Superintendent of Public Instruction	75,774
Agriculture Commissioner	75,774
Insurance Commissioner	75,774
Labor Commissioner	75,774.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
NONELECTED DEPARTMENT HEAD/SALARY INCREASES

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

Nonelected Department Heads	1992-93
Secretary of Administration	\$75,774
Secretary of Correction	75,774
Secretary of Crime Control and Public Safety	75,774
Secretary of Cultural Resources	75,774
Secretary of Economic and Community Development	75,774
Secretary of Environment, Health, and Natural Resources	75,774
Secretary of Human Resources	75,774
Secretary of Revenue	75,774
Secretary of Transportation	75,774.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
LEGISLATORS/SALARY AND EXPENSES INCREASE

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

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

(a) The Speaker of the House shall be paid an annual salary of ~~thirty-five thousand one hundred dollars (\$35,100)~~, thirty-five thousand six hundred twenty-two dollars (\$35,622), payable monthly, and an expense allowance of one thousand three hundred twenty dollars (\$1,320) per month. The President Pro Tempore of the Senate shall be paid an annual salary of ~~thirty-five thousand one hundred dollars (\$35,100)~~, thirty-five thousand six hundred twenty-two dollars (\$35,622), payable monthly, and an expense allowance of one thousand three hundred twenty dollars (\$1,320) per month. The Speaker Pro Tempore of the House shall be paid an annual salary of ~~nineteen thousand seven hundred seventy-six dollars (\$19,776)~~, twenty thousand two hundred ninety-eight dollars (\$20,298), payable monthly, and an expense allowance of seven hundred eighty dollars (\$780.00) per month. the Deputy President Pro Tempore of the Senate shall be paid an annual salary of ~~nineteen thousand seven hundred seventy-six dollars (\$19,776)~~, twenty thousand two hundred ninety-eight dollars (\$20,298), payable monthly, and an expense allowance of seven hundred eighty dollars (\$780.00) per month. The majority and minority leaders in the House and the majority and minority leaders in the Senate shall be paid an annual salary of ~~fifteen thousand three hundred ninety-six dollars (\$15,396)~~, fifteen thousand nine hundred eighteen dollars (\$15,918),

payable monthly, and an expense allowance of six hundred twenty-two dollars (\$622.00) per month.

(b) Every other member of the General Assembly shall receive increases in annual salary only to the extent of and in the amounts equal to the average increases received by employees of the State, effective upon convening of the next Regular Session of the General Assembly after enactment of these increased amounts. Accordingly, upon convening of the ~~1991–1993~~ Regular Session of the General Assembly, every other member of the General Assembly shall be paid an annual salary of ~~twelve thousand five hundred four dollars (\$12,504)~~, thirteen thousand twenty-six dollars (\$13,026), payable monthly, and an expense allowance of five hundred twenty-two dollars (\$522.00) per month.

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

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

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

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

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~one hundred ninety seven dollars (\$197.00) per week from July 1, 1989 through June 30, 1990, and two hundred nine dollars (\$209.00) per week on and after July 1, 1990~~, two hundred nineteen dollars (\$219.00) per week, plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to

adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

LEGISLATIVE EMPLOYEES/SALARY INCREASES

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

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

<u>Judicial Branch Officials</u>	<u>1992-93</u>
Chief Justice, Supreme Court	\$91,938
Associate Justice, Supreme Court	90,054
Chief Judge, Court of Appeals	87,186
Judge, Court of Appeals	85,290
Judge, Senior Regular Resident Superior Court	78,258
Judge, Superior Court	75,774
Chief Judge, District Court	66,918
Judge, District Court	64,386
District Attorney	70,554
Assistant District Attorney – an average of	45,822
Administrative Officer of the Courts	78,258
Assistant Administrative Officer of the Courts	63,882
Public Defender	70,554
Assistant Public Defender – an average of	45,822.

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

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

(b) The salaries in effect for fiscal year 1991-92 for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized in

this act, shall be increased by forty-three dollars and fifty cents (\$43.50) per month, commencing July 1, 1992.

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

Requested by: Senators Marvin, Parnell, Representatives Nesbitt, Diamont
CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE

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

"§ 7A-101. Compensation.

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

Population	Annual Salary		
	1989-90	1990-91	1992-93
Less than 99,999-100,000	\$44,256	46,920	<u>\$47,442</u>
100,000 to 199,999	50,016	53,028	<u>53,550</u>
200,000 and above	57,072	60,504	<u>61,026.</u>

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

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

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

(c) In lieu of merit and other increment raises paid to regular State employees, a clerk of superior court shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Budget Appropriation Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and nineteen and two-tenths percent (19.2%) after 20 years of service. Service shall mean service in the elective position of clerk of superior court, as an assistant clerk of court and as a supervisor of clerks of superior court with the Administrative Office of the

Courts and shall not include service as a deputy or acting clerk. Service shall also mean service as a justice or judge of the General Court of Justice or as a district attorney."

Requested by: Senator Cochrane, Representatives Nesbitt, Diamont

MAGISTRATES' SERVICE PAY

Sec. 41. G.S. 7A-171.1(4) reads as rewritten:

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

ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

Sec. 42. G.S. 7A-102(c) reads as rewritten:

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

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

		Annual Salary		
		1989-90	1990-91	1992-93
Assistant Clerks				
Minimum		\$ 19,536	20,712	<u>\$20,712</u>
Maximum		32,772	34,740	<u>35,262</u>
Deputy Clerks				
Minimum		\$ 15,312	16,236	<u>\$16,236</u>
Maximum		25,128	26,640	<u>27,162.</u> "

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

MAGISTRATES/SALARY INCREASE

Sec. 43. G.S. 7A-171.1(a)(1) reads as rewritten:

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

Table of Salaries of Full-Time Magistrates

Number of Prior Years of Service	Annual Salary		
	1989-90	1990-91	1992-93
Less than 1	\$ 15,600	\$16,536	<u>\$17,058</u>
1 or more but less than 3	16,416	17,412	<u>17,934</u>
3 or more but less than 5	18,084	19,176	<u>19,698</u>
5 or more but less than 7	19,920	21,120	<u>21,642</u>
7 or more but less than 9	21,972	23,292	<u>23,814</u>
9 or more but less than 11	24,204	25,656	<u>26,178</u>
11 or more	26,628	28,236	<u>28,758.</u>

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

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

31, 1978, and, thereafter, shall advance in accordance with the schedule in the table above."

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 44. The Director of the Budget may transfer from the Reserve for Salary Increases created in this act for fiscal year 1992-93 funds necessary to provide a salary increase of forty-three dollars and fifty cents (\$43.50) per month, including funds for the employer's retirement and social security contributions, commencing July 1, 1992, for all permanent full-time community college institutional personnel supported by State funds. All permanent part-time community college institutional personnel supported by State funds shall receive pro rata amounts of the forty-three dollars and fifty cents (\$43.50) per month. These funds may not be used for any purpose other than for the salary increases and necessary employer contributions provided by this section.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

HIGHER EDUCATION PERSONNEL/SALARY INCREASES

Sec. 45. The Director of the Budget may transfer from the Reserve for Salary Increases created in this act for fiscal year 1992-93 funds necessary to provide a salary increase of forty-three dollars and fifty cents (\$43.50) per month, including funds for the employer's retirement and social security contributions commencing July 1, 1992, for each full-time employee of The University of North Carolina, as well as each full-time employee of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act; provided that the Board of Governors of The University of North Carolina may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Governors. An additional one hundred thousand dollars (\$100,000) shall be transferred from the Reserve for Salary Increases for salaries of teaching positions whose salaries are exempt from the State Personnel Act at the North Carolina School of Science and Mathematics. The Board of Trustees of the North Carolina School of Science and Mathematics may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Trustees of the School of Science and Mathematics. All part-time employees of The University of North Carolina, as well as all part-time employees of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act shall receive a pro rata amount of the forty-three dollars and fifty cents (\$43.50) per month provided that the Board of Governors of The University of North Carolina may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Governors, provided that for the North Carolina School of Science and Mathematics, according to rules adopted by the Board of Trustees of the school.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

MOST STATE EMPLOYEES/SALARY INCREASES/1992-93

Sec. 46. (a) The salaries in effect for fiscal year 1991-92 for all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act and who are paid from the General Fund or the Highway Fund shall be increased, on and after July 1, 1992, unless otherwise provided by this act, by forty-three dollars and fifty cents (\$43.50) per month.

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

(c) The salaries in effect for fiscal year 1991-92 for all permanent part-time State employees shall be increased on and after July 1, 1992, by pro rata amounts of the forty-three dollars and fifty cents (\$43.50) per month salary increase provided for permanent full-time employees covered under subsection (a) of this section.

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

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

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Sec. 47. (a) The annual salaries, payable monthly, for the 1992-93 fiscal year for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u> <u>1992-93</u>
Chairman, Alcoholic Beverage Control Commission	\$72,930
State Controller	117,942
Commissioner of Motor Vehicles	72,930
Commissioner of Banks	72,930
Chairman, Employment Security Commission	72,930
State Personnel Director	75,774

Chairman, Parole Commission	66,594
Members of the Parole Commission	61,482
Chairman, Industrial Commission	65,526
Members of the Industrial Commission	63,930
Executive Director, Agency for Public Telecommunications	61,482
General Manager, Ports Railway Commission	55,518
Director, Museum of Art	74,730
Executive Director, Wildlife Resources Commission	62,946
Executive Director, North Carolina Housing Finance Agency	90,258
Executive Director, North Carolina Agricultural Finance Authority	70,986
Director, Office of Administrative Hearings	64,386.

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

Sec. 48. (a) Superintendents, Assistant Superintendents, Associate Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program Administrators, Principals, and Assistant Principals.—The Director of the Budget may transfer from the Reserve for Salary Increases created in this act for fiscal year 1992-93 funds necessary to provide a salary increase of forty-three dollars and fifty cents (\$43.50) per month, including funds for the employer's retirement and social security contributions, commencing July 1, 1992, for all superintendents, assistant superintendents, associate superintendents, supervisors, directors, coordinators, evaluators, program administrators, principals, and assistant principals whose salaries are supported from the State's General Fund. These funds may not be used for any purpose other than for the salary increase and necessary employer contributions provided by this subsection.

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

(c) The fiscal year 1991-92 pay rates adopted by local boards of education for school bus drivers shall be increased by at least two percent (2%) on and after July 1, 1992, to the extent that such rates of pay are supported by the allocation of State funds from the State Board of Education. Local boards of education shall increase the rates of pay for all school bus drivers who were employed during fiscal year 1991-92 and who continue their employment for fiscal year 1992-93 by at least two percent (2%)

on and after July 1, 1992. The Director of the Budget may transfer from the salary increase reserve fund created in Section 3 of this act for fiscal year 1992-93 funds necessary to provide the salary increases for school bus drivers whose salaries are supported from the State's General Fund in accordance with the provisions of this subsection.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

Sec. 49. (a) Salaries for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

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

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

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

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

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

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

Requested by: Representative Barnes

RESERVE FOR LOWEST PAID EMPLOYEES

Sec. 50. Notwithstanding any other provisions of the current law, the Office of State Budget and Management is authorized to transfer funds that are certified as performance pay reserves in the 1992-93 budget and are not required to continue support of performance pay allocations authorized in fiscal year 1990-91 to a Reserve

for Lowest Paid Employees for the purpose of providing salary increases to the lowest paid State employees pursuant to Section 37 of Chapter 1066 of the 1989 Session Laws. When all agencies except Special Responsibility Constituent Institutions in The University of North Carolina System have received sufficient funds from the Reserve for Lowest Paid Employees in order to fully implement Section 37 of Chapter 1066 of the 1989 Session Laws, the remaining funds in that Reserve shall be available to Special Responsibility Constituent Institutions in The University of North Carolina System to implement that section. If such funds are insufficient for Special Responsibility Constituent Institutions in The University of North Carolina System to fully implement that section, they shall use funds otherwise available to fully implement that section.

Requested by: Senator Basnight

CONFORM LEGISLATIVE PER DIEM TO FEDERAL REGULATIONS

Sec. 51. Effective upon the convening of the 1993 Regular Session of the General Assembly, G.S. 120-3.1(a)(3) reads as rewritten:

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

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

A member who is authorized to travel, whether in or out of session, within the United States outside North Carolina, may elect to receive, in lieu of the amount provided in the preceding paragraph, a subsistence allowance of ~~twenty dollars (\$20.00)~~ twenty-six dollars (\$26.00) a day for meals, plus actual expenses for lodging when evidenced by a receipt satisfactory to the Legislative Administrative Officer, the latter not to exceed the maximum per diem rate for federal employees traveling to the same place, as set out at ~~52 Federal Register 26630-26648 (July 15, 1987)~~ 57 Federal Register 6678-6687 (February 27, 1992) and at ~~52 Federal Register 33616-33617 (September 4, 1987)~~ 57 Federal Register 24474-24477 (June 9, 1992)."

Requested by: Senator Block, Representatives Nesbitt, Diamont

INCREASE THE RETIREMENT FORMULAS AND TO PROVIDE ADJUSTING INCREASES TO RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Sec. 52. (a) G.S. 135-5(b12) reads as rewritten:

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

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and sixty-four hundredths percent (1.64%) of his average final compensation, multiplied by the number of years of his creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 135-5(b9)(1)b.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and sixty-four hundredths percent (1.64%) of his average final compensation, multiplied by the number of years of creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 135-5(b9)(2)b. c. and d."

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

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

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and seventy hundredths percent (1.70%) of his average final compensation, multiplied by the number of years of his creditable service.

- b. This allowance shall also be governed by the provisions of G.S. 135-5(b9)(1)b.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and seventy hundredths percent (1.70%) of his average final compensation, multiplied by the number of years of creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 135-5(b9)(2)b. c. and d."

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

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

(d) In order to fund the provisions of subsections (a) through (c) of this section, the Board of Trustees of the Teachers' and State Employees' Retirement System, with the advice of its consulting actuary, shall apply the unencumbered actuarial gain in the System by allocating the percentage of payroll contribution rates for employers between the normal and accrued liability contributions to the Retirement System without an increase in the total employer contribution rate.

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

"(b12) Service Retirement Allowance of Members Retiring on or after July 1, 1990.1990, but before July 1, 1992. – Upon retirement from service in accordance with subsection (a) above, on or after July 1, 1990, but before July 1, 1992, a member shall receive the following service retirement allowance:

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and sixty-four hundredths percent (1.64%) of his average final compensation, multiplied by the number of years of his creditable service.

- b. This allowance shall also be governed by the provisions of G.S. 128-27(b8)(2).
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and sixty-four hundredths percent (1.64%) of his average final compensation, multiplied by the number of years of creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 128-27(b7)(2a) and (3)."

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

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

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and seventy hundredths percent (1.70%) of his average final compensation, multiplied by the number of years of his creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 128-27(b8)(2).
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
 - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and seventy hundredths percent (1.70%) of his average final compensation, multiplied by the number of years of creditable service.
 - b. This allowance shall also be governed by the provisions of G.S. 128-27(b7)(2a), (2b), and (3)."

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

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

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

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

Requested by: Senator Basnight, Representatives Nesbitt, Diamont

INCREASE RETIREMENT ALLOWANCES

Sec. 53. (a) G.S. 128-27 is amended by adding a new subsection to read:

"(kk) From and after July 1, 1992, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1991, in accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1992, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of one and six-tenths percent (1.6%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1991 and June 30, 1992."

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

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

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

"(m) From and after July 1, 1992, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1991. Furthermore, from and after July 1, 1992, the retirement allowance to or on account of

beneficiaries whose retirement commenced after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of one and six-tenths percent (1.6%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1991 and June 30, 1992."

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

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

Requested by: Senators Daniel, Basnight, Plyler, Representatives Nesbitt, Diamont
SHERIFFS' PENSION FUND CHANGES

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

"§ 143-166.83. Disbursements.

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

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

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

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

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

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

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

"§ 143-166.84. Eligibility.

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

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

(a2) Each county sheriff who has been approved for disability benefits from the Local Governmental Employees' Retirement System is eligible to receive benefits from the Fund based on years of creditable service as sheriff, regardless of age, provided the retiree has at least 10 years of eligible service as sheriff.

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

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

"§ 143-166.85. Benefits.

(a) An eligible retired sheriff shall be entitled to and receive an annual pension benefit, payable in equal monthly installments, equal to one share for each full year of eligible service as sheriff multiplied by his total number of years of eligible service. The amount of each share shall be determined by dividing the total number of years of eligible service for all eligible retired sheriffs on December 31 of each calendar year into the amount to be disbursed as monthly pension payments in accordance with the provisions of G.S., 143-166.83(b). In no event however shall a monthly pension under this Article exceed an amount, which when added to a retired allowance at retirement from the Local Governmental Employees' Retirement System ~~or an equivalent locally sponsored plan~~ or to the amount he would have been eligible to receive if service had not been forfeited by the withdrawal of accumulated contributions, is greater than

seventy-five percent (75%) of a sheriff's equivalent annual salary immediately preceding retirement computed on the latest monthly base rate, to a maximum amount ~~of one thousand dollars (\$1,000).~~ of one thousand two hundred dollars (\$1,200).

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

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

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

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

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

(d) This section becomes effective January 1, 1993.

Requested by: Representative Nesbitt

SALARY INCREASE FOR STATE-FUNDED LOCAL PROGRAMS

Sec. 55. Of the funds appropriated from the General Fund for the Reserve for Salary Increases in this act for the 1992-93 fiscal year, funds shall be made available for employees in locally operated State-funded programs in an amount equivalent to a two percent (2%) across-the-board salary increase.

PART 14. PUBLIC SCHOOLS

Requested by: Senator Ward, Representatives H. Hunter, Fussell, Payne

CONTINUE MODEL TEACHER EDUCATION CONSORTIUM

Sec. 56. (a) Section 36.1 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

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

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

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

Requested by: Senator Ward, Representatives Fussell, Payne, Diamont, Nesbitt

REALLOCATION OF CERTAIN FUNDS FOR EXCEPTIONAL CHILDREN

Sec. 57. The State Board of Education may reallocate (i) funds that are repayments from local school administrative units as a result of audit exceptions of exceptional children headcounts and student records, (ii) any prior year's refunds of exceptional children funds to the public school fund, and (iii) any penalties assessed on those funds. The funds shall be available for reallocation by the State Board and for expenditure by the local school administrative units for the remainder of the fiscal year in which they are collected and for the subsequent fiscal year. The funds shall be allocated by the State Board in accordance with policies adopted by the State Board for the exceptional children's program.

Requested by: Senator Ward, Representatives Fussell, Payne, Nesbitt

OUTCOME-BASED EDUCATION FUNDS

Sec. 58. (a) Section 199(b) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(b) Of the funds appropriated to the Department of Public Education, the sum of ~~\$100,000~~ one hundred thousand dollars (\$100,000) for the 1991-92 fiscal year shall be used for advance planning for the outcome-based education program at ~~four~~ pilot sites pursuant to subsection (a) of this section and the sum of ~~\$3,000,000~~ three million dollars (\$3,000,000) for the 1992-93 fiscal year shall be used to implement the program at the ~~four~~ pilot sites. ~~These~~ Of the funds appropriated for the 1992-93 fiscal year, the sum of one hundred thousand dollars (\$100,000) shall be used by the Department of Public Instruction to provide technical assistance, evaluate programs, refine proficiencies and outcomes, and otherwise implement the program; the remainder of these funds shall be allocated first on the basis of \$500.00 five hundred dollars (\$500.00) for each State-funded certificated employee participating in the program-program and then on a pro rata basis based on the number of State-funded certificated employees. These funds shall be used (i) for staff development activities, including planning activities, for teachers, administrators, and school board members, (ii) to pay substitute teachers while teachers are engaged in staff development activities, ~~and~~ (iii) to pay 10-month

employees for participating in staff development activities, including planning activities during the ~~summer~~-summer, and (iv) to allow the pilots to use funds for specific other purposes such as evaluation, dissemination of information, and implementation of proficiencies.

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

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

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

Requested by: Senator Ward, Representatives Fussell, Payne

EARLY CHILDHOOD EDUCATION COORDINATOR FUNDS

Sec. 59. The Department of Public Instruction may use up to seventy-five thousand dollars (\$75,000) of the funds appropriated to the Department of Public Education for aid to local school administrative units for the 1992-93 fiscal year for an early childhood education coordinator. The early childhood education coordinator shall provide technical assistance to local school administrative units in offering appropriate services for children pre-kindergarten through grade five.

Requested by: Senator Ward, Representatives Fussell, Payne, Rogers, Nesbitt

LOW PERFORMING UNITS

Sec. 60. (a) If a local school administrative unit is identified as a low performing school system or placed on warning status by the State Board of Education in accordance with G.S. 115C-64.1, the Department of Public Instruction may use up to one million two hundred thousand dollars (\$1,200,000) of the funds appropriated for aid to local school administrative units to provide the local school administrative unit with staff development activities and technical assistance to enable the unit to improve student performance and decrease dropout rates.

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

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

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

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

Requested by: Senator Ward, Representatives Fussell, Payne, Nesbitt

PROSPECTIVE TEACHER SCHOLARSHIP LOAN FUNDS

Sec. 61. Of the funds appropriated to the Department of Public Education for the 1992-93 fiscal year for prospective teacher scholarship loans, the Superintendent of Public Instruction may designate up to two hundred thousand dollars (\$200,000) for the 1992-93 fiscal year scholarship loans to teacher assistants enrolled in accredited teacher education programs.

Requested by: Senator Ward, Representatives Fussell, Payne

PUPIL TRANSPORTATION FUNDS

Sec. 62. The Department of Public Instruction shall implement the Pupil Transportation Program Improvements Implementation Projects authorized by Section 55 of Chapter 752 of the 1989 Session Laws. The Department of Public Instruction may use up to five hundred thousand dollars (\$500,000) of the funds appropriated for the 1992-93 fiscal year for aid to local school administrative units for pupil transportation to assist local school administrative units with (i) unique difficulties implementing the new funding formula or (ii) efforts to improve efficiency of pupil transportation operations.

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

Requested by: Senator Ward, Representatives Fussell, Payne

STAFF DEVELOPMENT FUND AVAILABILITY

Sec. 63. (a) Funds allocated by the State Board of Education for staff development at the local level for the 1991-92 fiscal year shall remain available for expenditure until August 31, 1992.

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

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

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

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

(d) This section is effective on and after June 30, 1992.

Requested by: Senator Ward, Representatives Fussell, Payne, Diamont, Nesbitt
NORTH CAROLINA CLOSE UP FUNDS

Sec. 64. The Department of Public Instruction may use up to fifteen thousand dollars (\$15,000) of the funds within its budget for the 1992-93 fiscal year for the North Carolina Close Up Program to enable the program to promote citizenship education.

Requested by: Senator Ward, Representatives Fussell, Payne
APPROPRIATION OF FUNDS FROM STATE LITERARY FUND

Sec. 65. There is appropriated from the State Literary Fund to the Department of Public Education the sum of one million dollars (\$1,000,000) for the 1992-93 fiscal year for aid to local school administrative units.

Requested by: Representatives Fussell, Payne, Rogers, Diamont, Nesbitt
SUPPLEMENTAL SCHOOL FUNDING FOR SMALL AND LOW WEALTH COUNTIES/STUDY

Sec. 66. Of the funds appropriated to the Department of Public Education in Section 3 of this act for the 1992-93 fiscal year, the sum of three million dollars (\$3,000,000) shall be used for small school supplemental funding in accordance with Section 201.1 of Chapter 689 of the 1991 Session Laws, as rewritten by Sections 47.1 and 47.2 of Chapter 761 of the 1991 Session Laws. These funds are in addition to the funds in the amount of four million dollars (\$4,000,000) appropriated for this purpose in Chapter 689 of the 1991 Session Laws.

Sec. 67. Section 201.2 of Chapter 689 of the 1991 Session Laws, as rewritten by Section 47.3 of Chapter 761 of the 1991 Session Laws, reads as rewritten:

"Sec. 201.2. (a) The General Assembly finds that it is appropriate to provide supplemental funds in low-wealth counties to allow those counties to enhance the instructional program and student achievement; therefore, of the funds appropriated to the Department of Public Education, the sum of ~~\$6,000,000~~ six million dollars (\$6,000,000) for the 1991-92 fiscal year and the sum of ~~\$6,000,000~~ nine million dollars (\$9,000,000) for the 1992-93 fiscal year shall be used for supplemental funds for schools. The State Board of Education shall allocate these funds to the counties in which the adjusted property tax base per student for that county is less than the State average adjusted property tax base per student. The amount each such county receives shall be its pro rata share of the funds appropriated for supplemental funding in this act, computed as follows:

- (1) Divide the county adjusted property tax base per student by the State adjusted property tax base per student;

- (2) Multiply the resulting amount by the State average current expense appropriations per student;
- (3) Subtract the resulting amount per student from the State average county current expense appropriations per student; and
- (4) Multiply the resulting amount by the average daily membership of students in the county.

The funds a county receives shall be allocated to each local school administrative unit, located in whole or in part in the county, based on the average daily membership of the county's students in the school units.

This formula is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

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

(c) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement and not supplant existing State and local funding for public schools.

The Local Government Commission shall analyze the budgets and the expenditures of school administrative units that receive funds under this section in light of their budgets and expenditures for the previous year and shall determine whether those funds were used to supplement and not supplant State and local funding for public schools. The Local Government Commission shall report the results of its study to the State Board of Education, to the Joint Legislative Education Oversight Committee, and to the Appropriations Committees of the Senate and the House of Representatives, prior to May 1, 1992, and May 1, 1993.

(d) Definitions. – As used in this act:

- (1) 'Average daily membership' means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education.
- (2) 'County adjusted property tax base per student' means the total assessed property valuation for each county, adjusted using a weighted average of the three most recent annual sales assessment ratio studies, divided by the total number of students in average daily membership who reside within the county, and further adjusted using the ratio of the county's per capita income to the State average per capita income.
- (3) 'Effective county tax rate' means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

- (4) 'Per capita income' means the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis.
- (5) 'Sales assessment ratio studies' means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (6) 'State adjusted property tax base per student' means the sum of all county adjusted property tax bases divided by the total number of students who reside within the State.
- (7) 'State average current expense appropriations per student' means the most recent State total of county current expense appropriations to public schools, as reported by counties in the annual county financial information report to the State Treasurer, divided by the total State average daily membership for that year.
- (8) 'Weighted average of the three most recent annual sales assessment ratio studies' means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

(e) Minimum Effort Required. – Counties that receive funding under this section shall maintain an effective county tax rate that is at least one hundred percent (100%) of the State average effective tax in the most recent year for which data are available. Any county that fails to maintain an effective county tax rate that is at least one hundred percent (100%) of the State average effective tax in the most recent year for which data are available shall refund to the State the entire amount of its allocation under this section.

(e1) Notwithstanding the provisions of this section, for the 1992-93 fiscal year only, counties that received funding under this section for the 1991-92 fiscal year, shall receive at least as much funding under this section for the 1992-93 fiscal year.

For the 1992-93 fiscal year only, the funds Edgecombe County receives shall be allocated to each local school administrative unit, located in whole or in part in the county including the Nash-Rocky Mount School Administrative Unit, based on the average daily membership of the county's students in the school units.

(f) Counties that receive funds under this section shall report to the State Board of Education before March 1 each year on how they are using the funds for the fiscal year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to May 1, 1992, and May 1, 1993, on how the funds are being used."

Sec. 68. It is the intent of the General Assembly to include in the continuation budget for the 1993-95 fiscal biennium the funds appropriated for the

1992-93 fiscal year to provide supplemental funds to low-wealth and small counties to allow those counties to enhance the instructional program and student achievement. It is further the intent of the General Assembly to adopt a comprehensive formula for the distribution of these funds for the 1993-95 fiscal biennium and for subsequent fiscal bienniums.

Sec. 69. (a) The Legislative Study Commission on Supplemental School Funding is created. The Commission shall consist of 12 members: six members appointed by the President Pro Tempore of the Senate, at least four of whom are Senators, and six members appointed by the Speaker of the House of Representatives, at least four of whom are Representatives.

(b) The President Pro Tempore of the Senate shall designate one Senator as cochair and the Speaker of the House of Representatives shall designate one Representative as cochair.

(c) The Commission shall study:

(1) The manner in which funds are distributed to provide supplemental funds to low-wealth and small counties to allow those counties to enhance the instructional program and student achievement;

(2) The manner in which funds are distributed from the Critical School Facility Needs Fund to provide school capital fund to counties that have the greatest critical school facility needs in relation to resources available to pay for school facility needs; and

(3) Whether the current methods of allocating the funds are appropriate.

(d) The Commission shall submit a final report of its findings and recommendations to the General Assembly on or before March 1, 1993, by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

(e) The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairmen. The Commission may meet in the Legislative Building or the Legislative Office Building.

(f) Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, G.S. 138-5, or G.S. 138-6.

(g) The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives and the Senate's Supervisor of Clerks shall assign clerical staff to the commission or committee, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

(h) When a vacancy occurs in the membership of the Commission the vacancy shall be filled by the same appointing officer who made the initial appointment.

(i) All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

Requested by: Senator Ward, Representatives Fussell, Payne, Nesbitt, Diamont
**MODIFICATIONS TO APPROPRIATIONS TO THE DEPARTMENT OF
 PUBLIC EDUCATION FOR THE 1992-93 FISCAL YEAR**

Sec. 70. Effective July 1, 1992, Section 6(f) of Chapter 812 of the 1991 Session Laws reads as rewritten:

"(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**

FUND	<u>1991-92</u>		
	Department of Public Instruction	Aid to Local School Administrative Units	State Board 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
1500	2,927,256	—	—
1600	11,386,980	—	17,668
1700	—	—	—
1800	—	3,199,427,158	—
1900	491,734	—	—
TOTAL	48,141,349	3,199,427,158	152,714

FUND	<u>1992-93</u>		
	Department of Public Instruction	Aid to Local School Administrative Units	State Board of Education
1000	2,271,969 2,571,969	—	93,900
1100	11,578,464	—	—
1200	2,543,364	—	—
1300	4,326,584	—	—
1400	12,826,595	—	16,146

1500	2,923,299 6,923,299	—	—
1600	11,281,018	—	17,668
1700	—	—	—
1800	—	<u>3,267,053,2473,253,680,746</u>	—
1900	491,734	—	—
TOTAL	<u>48,243,02752,543,027</u>	<u>3,267,053,2473,253,680,746</u>	127,714".

Requested by: Senator Ward, Representatives Diamont, Nesbitt, Barnes, Fussell, Payne

DIFFERENTIATED PAY

Sec. 71. (a) Of the funds appropriated to the Department of Public Education, Aid to Local School Administrative Units, for the 1992-93 fiscal year, the sum of twenty-nine million five hundred thousand dollars (\$29,500,000) shall be used for differentiated pay for public school employees.

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

(c) Each local school administrative unit that voted in accordance with Section 194 of Chapter 689 of the 1991 Session Laws for across-the-board bonuses for all affected employees shall receive one and fifty hundredths percent (1.50%) of its State-paid teachers' and administrators' salaries, and the employer's contribution for social security and retirement.

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

The vote shall be by secret ballot. All of the certificated instructional staff members, instructional support staff members, and certificated administrators who are eligible to receive funds for differentiated pay under the School Improvement and Accountability Act of 1989 may vote. The local board shall immediately submit the

option that receives a majority of all the votes cast to the Superintendent of Public Instruction for his approval. A differentiated pay plan shall become effective upon the approval of the Superintendent.

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

(e) With regard to the amount of State funds appropriated in subsequent fiscal years for local school administrative units that were career ladder pilot units, it is the intent of the General Assembly that any reductions in appropriations not result in teachers receiving less, in salary and State-funded bonus, than they received on a monthly basis during the prior fiscal year so long as the teachers qualify for bonuses under the local differentiated pay plan.

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

With regard to a local school administrative unit that resulted from the merger of a career ladder pilot unit and another unit, subsections (a) through (c) of this section shall apply only to funds received under this section to administer the School Improvement and Accountability Act of 1989.

Requested by: Senators Barnes, Ward, Representatives Diamont, Nesbitt, Barnes, Fussell, Payne

TEACHER SALARY SCHEDULE

Sec. 72. (a) The Director of the Budget may transfer from the Reserve for Salary Increases for the 1992-93 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for 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, commencing July 1, 1992, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education and the Superintendent of Public Instruction. The longevity payment shall be paid in a lump sum once a year.

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

<u>Years of Experience</u>	<u>1992-93 Salary</u>
00	\$1,982
01	2,022
02	2,062
03	2,103

04	2,145
05	2,188
06	2,232
07	2,277
08	2,323
09	2,369
10	2,416
11	2,464
12	2,513
13	2,563
14	2,614
15	2,666
16	2,719
17	2,773
18	2,828
19	2,885
20	2,943
21	3,002
22	3,062
23	3,123
24	3,185
25	3,249
26	3,314
27	3,380
28	3,448
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 Experience</u>	<u>1992-93 Salary</u>
00	\$2,106
01	2,148
02	2,191
03	2,235
04	2,280
05	2,326
06	2,373
07	2,420
08	2,468
09	2,517
10	2,567
11	2,618

12	2,670
13	2,723
14	2,777
15	2,833
16	2,890
17	2,948
18	3,007
19	3,067
20	3,128
21	3,191
22	3,255
23	3,320
24	3,386
25	3,454
26	3,523
27	3,593
28	3,665
29+	3,738

- (3) Beginning July 1, 1992, the following monthly salary schedule shall apply to certified public school teachers with certification based on academic preparation at the six-year degree level. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

<u>Years of Experience</u>	<u>1992-93 Salary</u>
00	\$2,159
01	2,202
02	2,246
03	2,291
04	2,337
05	2,384
06	2,432
07	2,481
08	2,531
09	2,582
10	2,634
11	2,687
12	2,741
13	2,796
14	2,852
15	2,909
16	2,967
17	3,026
18	3,087

19	3,149
20	3,212
21	3,276
22	3,342
23	3,409
24	3,477
25	3,547
26	3,618
27	3,690
28	3,764
29+	3,839

- (4) Beginning July 1, 1992, the following monthly salary schedule shall apply to certified public school teachers with certification based on academic preparation at the doctoral degree level. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

<u>Years of Experience</u>	<u>1992-93 Salary</u>
00	\$2,211
01	2,255
02	2,300
03	2,346
04	2,393
05	2,441
06	2,490
07	2,540
08	2,591
09	2,643
10	2,696
11	2,750
12	2,805
13	2,861
14	2,918
15	2,976
16	3,036
17	3,097
18	3,159
19	3,222
20	3,286
21	3,352
22	3,419
23	3,487
24	3,557
25	3,628

26	3,701
27	3,775
28	3,851
29+	3,928

(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.

(d) The first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five years of experience, on the salary schedule established in this section for certified personnel of the public schools who are classified as "G"teachers. Certified psychologists shall be placed on the salary schedule at an appropriate step based on their years of experience. Certified psychologists shall receive longevity payments based on years of State service in the same manner as teachers.

Requested by: Senator Ward, Representatives Fussell, Payne, Nesbitt

PRELIMINARY SCHOLASTIC APTITUDE TEST OPPORTUNITIES

Sec. 73. 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: Senators Warren, Ward, Representatives Fussell, Payne, Rogers, Diamont, Barnes

PUBLIC SCHOOL TUITION STUDY/OUT-OF-STATE STUDENTS

Sec. 74. The Joint Legislative Education Oversight Committee shall study the issue of requiring out-of-state students who attend public schools in North Carolina to pay the full cost of their education. The Committee shall report the results of its study to the 1993 General Assembly.

Requested by: Senators Barnes, Perdue, Ward, Representatives Barnes, Fussell, Payne, Diamont, Nesbitt

MANAGEMENT FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION AND INDIVIDUAL SCHOOLS

Sec. 75. (a) The General Assembly finds that it is appropriate to consolidate certain funding categories in the Public School Fund; therefore, 32 of the existing funding categories in the Public School Fund are combined into 14 categories as follows:

- (1) 6602 - Asst Superintendent
6612 - Supervisors
- (2) 6603 - Clerical Asst
6627 - Clerical School Based
- (3) 6614 - Substitute Pay
6303 - Substitute Pay-Voc Ed
- (4) 6684 - Instruction Equipment
6623 - Instruction Supplies
6644 - Testing Support
- (5) 5400 - Driver Education Cars
6657 - Driver Education
- (6) 6636 - Alcohol/Drug Abuse Prev
6635 - Alcohol/Drug Defense
6630 - Substance Abuse Counselor
- (7) 6659 - Staff Development
6691 - Staff Dev-Finance Officer
6617 - Staff Dev-Child Nutr Supr
- (8) 6670 - Exceptional Children
6696 - Except Child Related Ser
- (9) 6610 - Bus Driver
6611 - Transportation Personnel
- (10) 6624 - Tires, Repair Parts
6625 - Fuel-Buses
6626 - Transportation-Other Exp
- (11) 6619 - Social Security
6304 - Soc Security-Voc Ed
- (12) 6618 - State Retirement
6305 - State Retirement-Voc Ed
- (13) 6615 - Medical Insurance
6306 - Medical Insurance-Voc Ed
- (14) 6669 - Longevity
6347 - Longevity-Voc Ed

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

- (1) 6991 - Health Adventure
- (2) 6992 - Cued Speech Center
- (3) 6993 - Public School Forum
- (4) 8180 - Children's Trust Fund.

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

(d) The following two funding categories are transferred from the Department of Public Instruction to Fund 1900 - Reserves and Transfers:

- (1) 8128 - Teaching Fellows

(2) 8171 - Prospective Teacher Loan.

Sec. 75.1. (a) G.S. 115C-238.1 reads as rewritten:

"§ 115C-238.1. Performance-based Accountability Program; development and implementation by State Board.

The General Assembly believes that all children can learn. It is the intent of the General Assembly that the mission of the public school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential. With that mission as its guide, the ~~The~~ State Board of Education shall develop and implement a Performance-based Accountability Program. The primary goal of the Program shall be to improve student performance. The State Board of Education shall adopt:

- (1) Procedures and guidelines through which, beginning with the 1990-91 fiscal year, local school administrative units may participate in the Program;
- (2) Guidelines for developing local school improvement plans with ~~three- to five-year~~ three-year student performance goals and annual milestones to measure progress in meeting those goals; and
- (3) A set of student performance indicators for measuring and assessing student performance in the participating local school administrative units. These indicators may include attendance rates, dropout rates, test scores, parent involvement, and post-secondary outcomes."

(b) G.S. 115C-238.3 reads as rewritten:

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

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

A systemwide improvement plan shall remain in effect for no more than three years.

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

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

(b1) Development by each school of strategies for attaining local student performance goals. –The strategies for attaining the local student performance goals shall be based on plans for each individual school in the local school administrative unit. The principal of each school and his staff school, representatives of the building-level staff, and parents of children enrolled in the school shall develop a building-level plan to address student performance goals appropriate to the that school from those established by the local board of education. These strategies may include requests for waivers of State laws, regulations, or policies for that school. A request for a waiver shall (i) identify the State laws, regulations, or policies that inhibit the local unit's ability to reach its local accountability goals, (ii) set out with specificity the circumstances under which the waiver may be used, and (iii) explain how a waiver of those laws, regulations, or policies will permit the local unit to reach its local goals.

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

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

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

(1) The local school administrative unit shall consider a plan for differentiated pay. The local plan shall include a plan for differentiated pay, in accordance with G.S. 115C-238.4, unless the

local school administrative unit elects not to participate in any differentiated pay plan.

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

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

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

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

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

~~(d) The local plan may include a request for a waiver of State laws, regulations, or policies. The request for a waiver shall identify the State laws, regulations, or~~

~~policies that inhibit the local unit's ability to reach its local accountability goals and shall explain how a waiver of those laws, regulations, or policies will permit the local unit to reach its local goals."~~

(c) G.S. 115C-238.4 reads as rewritten:

"§ 115C-238.4. Differentiated pay.

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

- (1) ~~The Career Development Pilot Program, G.S. 115C-363 et seq.;~~ A career development pilot program;
- (2) ~~The Lead Teacher Pilot Program, G.S. 115C-363.28 et seq.;~~ A lead teacher pilot program;
- (3) A locally designed school-based performance program, subject to limitations and guidelines adopted by the State Board of Education;
- (4) A differentiated pay plan that the State Board of Education finds has been successfully implemented in another state; or
- (5) A locally designed plan including any combination or modification of the foregoing plans.

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

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

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

Differentiated pay plans shall be developed and voted on in accordance with G.S. 115C-238.3(c).

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

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

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

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

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

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

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

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

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

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

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

- (1) State laws pertaining to class size, teacher certification, assignment of teacher assistants, the use of State-adopted textbooks, and the purposes for which State funds for the public schools, except for funds for school health coordinators, may be used: Provided, however, the State Board of Education shall not permit the use of funds for teachers for expanded programs under the Basic Education Program for any other purpose;
- (2) All State regulations and policies, except those pertaining to State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system of employment for public school teachers and administrators set out in G.S. 115C-325, health and safety codes, compulsory school attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.

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

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

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

- (e) G.S. 115C-12(9) is amended by adding a new sub-subdivision to read:
 - "(9) Miscellaneous Powers and Duties. – All the powers and duties exercised by the State Board of Education shall be in conformity with the Constitution and subject to such laws as may be enacted from time to time by the General Assembly. Among such duties are:
 - a. To certify and regulate the grade and salary of teachers and other school employees.

- b. To adopt and supply textbooks.
- c. To adopt rules requiring all local boards of education to implement the Basic Education Program on an incremental basis within funds appropriated for that purpose by the General Assembly and by units of local government. Beginning with the 1991-92 school year, the rules shall require each local school administrative unit to implement fully the standard course of study in every school in the State in accordance with the Basic Education Program so that every student in the State shall have equal access to the curriculum as provided in the Basic Education Program and the standard course of study.

The Board shall establish benchmarks by which to measure the progress that each local board of education has made in implementing the Basic Education Program. The Board shall report to the Joint Legislative Education Oversight Committee and to the General Assembly by December 31, 1991, and by February 1 of each subsequent year on each local board's progress in implementing the Basic Education Program, including the use of State and local funds for the Basic Education Program.

The Board shall develop a State accreditation program that meets or exceeds the standards and requirements of the Basic Education Program. The Board shall require each local school administrative unit to comply with the State accreditation program to the extent that funds have been made available to the local school administrative unit for implementation of the Basic Education Program.

The Board shall use the State accreditation program to monitor the implementation of the Basic Education Program.

- c1. To issue an annual 'report card' for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account demographic, economic, and other factors that have been shown to affect student performance.
- c2. To develop management accountability indicators to measure the efficiency and appropriate use of staff in each school and at the administrative office. Staff development for school administrators shall be a high priority of the Department of Public Instruction.
- c3. To develop a system of school building improvement reports for each school building. The purpose of school building improvement reports is to measure improvement in student

performance at each school building from year to year, not to compare school buildings. The Board may consider for inclusion in the building reports the following criteria: test scores, the success of graduating students in postsecondary institutions, attendance, graduation and dropout rates, the numbers of children enrolled in free lunch or Chapter 1 programs, the education level of the parents of children enrolled in the school, the teaching experience of the school staff, and whether the building has been successful in meeting the goals of the building and systemwide plans developed in accordance with G.S. 115C-238.1 through G.S. 115C-238.6. Local school administrative units shall produce school building improvement reports by March 15, 1995, and annually thereafter. Each report shall be based on building-level data for the prior school year.

- d. To formulate rules and regulations for the enforcement of the compulsory attendance law.
- e. To manage and operate a system of insurance for public school property, as provided in Article 38 of this Chapter.

In making substantial policy changes in administration, curriculum, or programs the Board should conduct hearings throughout the regions of the State, whenever feasible, in order that the public may be heard regarding these matters."

- (f) G.S. 115C-47 is amended by adding a new subdivision to read:

"(35) To produce school building improvement reports. – Each administrative unit shall produce school building improvement reports for each school building in the local school administrative unit, in accordance with G.S. 115C-12(9)c3."

(g) The State Board of Education shall submit its proposed plan to develop and implement a system for building improvement reports to the Joint Legislative Education Oversight Committee no later than December 31, 1992. The Joint Legislative Education Oversight Committee shall submit a proposed plan to the 1993 General Assembly for its approval during its 1993 session.

- (h) G.S. 115C-81(a) reads as rewritten:

"(a) The General Assembly believes that all children can learn. It is the intent of the General Assembly that the mission of the public school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential. With that mission as its guide, the ~~The~~ State Board of Education shall adopt a Basic Education Program for the public schools of the State. Before it adopts or revises the Basic Education Program, the State Board shall consult with an Advisory Committee, including at least eight members of local boards of education, that the State Board appoints from a list of nominees submitted by the North Carolina School Boards Association. The State Board shall report annually to the General Assembly on any changes it has made in the program in the preceding 12 months and any changes it is considering for the next 12 months.

~~The State Board of Education shall review the Basic Education Program in an effort to (i) simplify the Basic Education Program, especially the standard course of study and the core curriculum for all students, and (ii) assure that the Program adopted by the State Board and implemented by the local boards of education carries out the intent of the General Assembly to provide every student in the State equal access to a Basic Education Program. The State Board shall report the results of its review to the Joint Legislative Education Oversight Committee and to the General Assembly prior to March 15, 1992.~~

The State Board shall implement the Basic Education Program within funds appropriated for that purpose by the General Assembly and by units of local government. It is the intent of the General Assembly that until the Basic Education Program is fully funded, the implementation of the Basic Education Program shall be the focus of State educational funding. It is the goal of the General Assembly that the Basic Education Program be fully funded and completely operational in each local school administrative unit by July 1, 1995.

It is further a goal of the General Assembly to provide supplemental funds to low-wealth counties to allow those counties to enhance the instructional program and student achievement."

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

"(a) The General Assembly believes that all children can learn. It is the intent of the General Assembly that the mission of the public school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential. With that mission as its guide, the ~~The~~ State Board of Education shall develop and implement an outcome-based education program. The State Board of Education shall select four sites to participate in the program for five fiscal years beginning with the 1992-93 fiscal year. The first year of the project shall be a year for the sites to plan their projects. The remaining four years shall be to implement the projects and to demonstrate their effectiveness."

(j) Article 24B of Chapter 115C of the General Statutes is repealed.

(k) Article 24D of Chapter 115C of the General Statutes is repealed.

(l) This section is effective upon ratification. Subsections (a) through (d) of this section apply to all local school improvement plans developed after ratification of this act. All participating units shall develop new school improvement plans in accordance with this act for the 1993-94 school year.

Requested by: Senators Perdue, Ward, Representatives Fussell, Payne

SCHOOL SITE-BASED MANAGEMENT

Sec. 76. (a) Part 4 of Article 15 of Chapter 115C of the General Statutes is amended by adding a section to read:

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

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

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

- (1) The Superintendent of Public Instruction;
- (2) One member of the State Board of Education appointed by the State Board of Education;
- (3) Two members of the Senate appointed by the President Pro Tempore of the Senate;
- (4) Two members of the House of Representatives appointed by the Speaker of the House of Representatives;
- (5) One member of a local board of education appointed by the President Pro Tempore of the Senate after receiving recommendations from The North Carolina State School Boards Association, Inc.;
- (6) One member of a local board of education appointed by the Speaker of the House of Representatives after receiving recommendations from The North Carolina State School Boards Association, Inc.;
- (7) One local school superintendent appointed by the President Pro Tempore of the Senate after receiving recommendations from the North Carolina Association of School Administrators;
- (8) One local school superintendent appointed by the Speaker of the House of Representatives after receiving recommendations from the North Carolina Association of School Administrators;
- (9) One school principal appointed by the President Pro Tempore of the Senate after receiving recommendations from the Tar Heel Association of Principals/Assistant Principals;
- (10) One school principal appointed by the Speaker of the House of Representatives after receiving recommendations from the Tar Heel Association of Principals/Assistant Principals;
- (11) One school teacher appointed by the President Pro Tempore of the Senate after receiving recommendations from the North Carolina Association of Educators, Inc., the North Carolina Federation of Teachers, and the Professional Educators of North Carolina, Inc.;
- (12) One school teacher appointed by the Speaker of the House of Representatives after receiving recommendations from the North Carolina Association of Educators, Inc., the North Carolina Federation of Teachers, and the Professional Educators of North Carolina, Inc.;
and
- (13) The Director of the Task Force on Site-Based Management, appointed by the Superintendent of Public Instruction in accordance with subsection (d) of this section.

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

All members of the Task Force shall be voting members. Vacancies in the appointed membership shall be filled by the officer who made the initial appointment. The Director of the Task Force on Site-Based Management shall serve as chair of the Task Force.

Members of the Task Force shall receive travel and subsistence expenses in accordance with the provisions of G.S. 120-3.1, G.S. 138-5, and G.S. 138-6.

- (b) The Task Force shall:
- (1) Monitor the implementation of the School Improvement and Accountability Act of 1989, as amended, especially the development and implementation of building-level plans;
 - (2) Advise the Director of the Task Force on Site-Based Management on how to provide training and assistance to the public schools so as to facilitate the implementation of site-based management;
 - (3) Review by September 1, 1992, publications produced by the Department of Public Instruction on the development and implementation of building-level plans;
 - (4) Report to the General Assembly within the first week of the convening of the 1993 General Assembly and biennially thereafter on the implementation of site-based management in the public schools. This report may contain a summary of recommendations for changes to any law, rule, and policy that would improve site-based management.

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

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

The Director shall supervise such site-based management specialists from each of the six technical assistance centers of the Department of Public Instruction as may be assigned by the State Superintendent. The specialists shall work directly with the local school administrative units and with school-based committees to provide them with training and assistance to facilitate the implementation of site-based management. The specialists shall coordinate their activities with the central office."

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

Requested by: Senator Ward, Representatives Fussell, Payne

SCHOOL TRANSPORTATION SYSTEM PENALTY

Sec. 77. (a) G.S. 115C-240(d) reads as rewritten:

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

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

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

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

The State Board of Education may withhold money for payment of salaries for administrative officers of local school administrative units if any report required to be filed with State school authorities is more than 30 days overdue. The State Board of Education shall withhold money for payment of salaries for the superintendent, finance officer, and all other administrative officers charged with providing payroll information pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the payroll information to the State Board in a timely fashion and substantially in accordance with the standards set by the State Board. The State Board of Education shall also withhold money used for payment of salaries for the superintendent, transportation director, and all other administrative officers or employees charged by the local board of education or the local superintendent with implementing the Transportation Information Management System, pursuant to G.S. 115C-240(d), if the State Board finds that a local school administrative unit is not progressing in good faith and is not using its best efforts to implement the Transportation Information Management System.

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

Requested by: Senators Conder, Ward, Representatives Fussell, Payne, Diamont, Nesbitt

SOFT DRINK SALES

Sec. 78. G.S. 115C-264 reads as rewritten:

"§ 115C-264. Operation.

In the operation of their public school food programs, the public schools shall participate in the National School Lunch Program established by the federal government. The program shall be under the jurisdiction of the Division of School Food Services of the Department of Public Instruction and in accordance with federal

guidelines as established by the Child Nutrition Division of the United States Department of Agriculture.

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

All school food services shall be operated on a nonprofit basis, and any earnings therefrom over and above the cost of operation as defined herein shall be used to reduce the cost of food, to serve better food, or to provide free or reduced-price lunches to indigent children and for no other purpose. The term 'cost of operation' shall be defined as actual cost incurred in the purchase and preparation of food, the salaries of all personnel directly engaged in providing food services, and the cost of nonfood supplies as outlined under standards adopted by the State Board of Education. 'Personnel' shall be defined as food service supervisors or directors, bookkeepers directly engaged in food service record keeping and those persons directly involved in preparing and serving food: Provided, that food service personnel shall be paid from the funds of food services only for services rendered in behalf of lunchroom services. Any cost incurred in the provisions and maintenance of school food services over and beyond the cost of operation shall be included in the budget request filed annually by local boards of education with boards of county commissioners. It shall not be mandatory that the provisions of G.S. 115C-522(a) and 143-129 be complied with in the purchase of supplies and food for such school food services."

Requested by: Senators Conder, Ward, Representatives Fussell, Payne, Diamont

SCHOOL LIABILITY FOR SCHOOL PROPERTY USE LIMITED

Sec. 79. (a) G.S. 115C-524(b) reads as rewritten:

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

Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education ~~shall have the authority to~~ may adopt rules and regulations ~~by which school buildings, including cafeterias and lunchrooms, may be used~~ under which they may enter into agreements permitting non-school groups to use school real and personal property, except for school buses, for other than school purposes so long as such use is

consistent with the proper preservation and care of the public school property. No liability shall attach to any board of education, individually or collectively, for personal injury suffered by reason of the use of such school ~~property.~~ property pursuant to such agreements."

(b) This section is effective upon ratification.

Requested by: Senator Ward, Representatives Fussell, Payne, Diamont, Nesbitt

PAYROLL DEDUCTION CLARIFIED

Sec. 80. 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 deduction each payroll period 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 by the employee.

Requested by: Senators Warren, Ward, Representatives Fussell, Payne, Diamont, Nesbitt, Barnes

ENSURE ADEQUATE TEXTBOOK FUNDS

Sec. 81. (a) G.S. 115C-96 reads as rewritten:

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

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

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

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

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

"§ 143-11. Survey of departments.

On or before the fifteenth day of December, biennially in the even-numbered years, the Director shall make a complete, careful survey of the operation and management of all the departments, bureaus, divisions, officers, boards, commissions, institutions, and

agencies and undertakings of the State and all persons or corporations who use or expend State funds, in the interest of economy and efficiency, and of obtaining a working knowledge upon which to base recommendations to the General Assembly as to appropriations for maintenance and special funds and capital expenditures for the succeeding biennium. If the Director and the Commission shall agree in their recommendations for the budget for the next biennial period, he shall prepare their report in the form of a proposed budget, together with such comment and recommendations as they may deem proper to make. If the Director and Commission shall not agree in substantial particulars, the Director shall prepare the proposed budget based on his own conclusions and judgment, and the Commission or any of its members retain the right to submit separately to the General Assembly such statement of disagreement and the particulars thereof as representing their views. The budget report shall contain a complete and itemized plan of all proposed expenditures for each State department, bureau, board, division, institution, commission, State agency or undertaking, person or corporation who receives or may receive for use and expenditure any State funds, in accordance with the classification adopted by the State Controller, and of the estimated revenues and borrowings for each year in the ensuing biennial period beginning with the first day of July thereafter. Opposite each item of the proposed expenditures, the budget shall show in separate parallel columns the amount expended for the last preceding appropriation year, for the current appropriation year, and the increase or decrease. The budget shall clearly differentiate between general fund expenditures for operating and maintenance, special fund expenditures for any purpose, and proposed capital outlays.

The Director shall accompany the budget with:

- (1) A budget message supporting his recommendations and outlining a financial policy and program for the ensuing biennium. The message will include an explanation of increase or decrease over past expenditures, a discussion of proposed changes in existing revenue laws and proposed bond issues, their purpose, the amount, rate of interest, term, the requirements to be attached to their issuance and the effect such issues will have upon the redemption and annual interest charges of the State debt.
- (2) State Controller reports including:
 - a. An itemized and complete financial statement for the State at the close of the last preceding fiscal year ending June 30.
 - b. A statement of special funds.
- (2a) A statement showing the itemized estimates of the condition of the State treasury as of the beginning and end of each of the next two appropriation years.
- (3) A report on the fees charged by each State department, bureau, division, board, commission, institution, and agency during the previous fiscal year, the statutory or regulatory authority for each fee, the amount of the fee, when the amount of the fee was last changed,

the number of times the fee was collected during the prior fiscal year, and the total receipts from the fee during the prior fiscal year.

- (4) A statement showing the State Board of Education's request, in accordance with G.S. 115C-96, for sufficient funds to provide textbooks to public school students.

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

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."

- (c) G.S. 115C-238.5 reads as rewritten:

"§ 115C-238.5. Flexible funding.

(a) For fiscal years beginning with the 1990-91 fiscal year, the State Board of Education, only upon the recommendation of the State Superintendent, shall increase flexibility in the use of State funds for schools by combining into a single funding category the existing categories for instructional materials, supplies and equipment, textbooks, testing support, and drivers education except for funds for classroom teachers of drivers education. Only local school administrative units electing to participate in the Performance-based Accountability Program shall be eligible to receive this flexible funding.

(b) Notwithstanding subsection (a) of this section, for fiscal years beginning with the 1992-93 fiscal year, State funds for textbooks shall be set out in a separate allotment category.

(c) Local boards of education shall provide maximum flexibility in the use of funds to individual schools to enable them to accomplish their individual schools' goals."

(d) Subsections (a), (b), and (d) of this section are effective upon ratification. Subsection (c) of this section becomes effective July 1, 1992. Subsections (a) and (b) of this section apply to all budget requests beginning with the budget request for the 1993-95 fiscal biennium.

PART 15. COMMUNITY COLLEGES

Requested by: Senator Ward, Representatives Fussell, Payne

HUSKINS BILL QUALITY CONTROL

Sec. 82. (a) Community college contracts with local school administrative units shall not be used by these agencies to supplant funding for a public school high school teacher providing courses offered pursuant to G.S. 115D-20(4) who is already employed by the local school administrative unit. However, if a community college contracts with a local school administrative unit for a public high school teacher to teach a college level course, the community college shall not generate budget FTE for that

course. Its reimbursement in this case shall be limited to the direct instructional costs contained in the contract, plus fifteen percent (15%) for administrative costs. In no event shall a community college contract with a local school administrative unit to provide high school level courses.

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

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

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

Requested by: Senator Ward, Representatives Fussell, Payne

COMMUNITY COLLEGES/UNC DISADVANTAGED NURSING FUNDS

Sec. 83. The eighty thousand dollars (\$80,000) appropriated to the Department of Community Colleges and the twenty thousand dollars (\$20,000) appropriated to the Board of Governors of The University of North Carolina for the 1992-93 fiscal year for the purpose of increasing the number of disadvantaged students who successfully complete nursing school shall be used for additional academic support services for these students, including services providing tutors, peer counseling, and testing materials. These funds shall not be used to provide direct financial aid for these students.

Requested by: Senator Ward, Representatives Fussell, Payne

IN-PLANT TRAINING/SHELTERED WORKSHOPS

Sec. 84. (a) In-Plant Training. Effective beginning with the 1992 fall quarter, the State Board of Community Colleges shall ensure that the following requirements are met with respect to in-plant training established pursuant to G.S. 115D-5(d)*:

- (1) The instruction provided shall not duplicate or supplant existing training or training for normal job turnover;
- (2) The community college shall not contract with a company to provide in-plant training to its own employees but it may contract with such a company to provide the cost of replacement of an employee who is providing the actual training and is released from regular work responsibilities. Reimbursement may also be provided for appropriate supplies and materials, as determined by the State Board of Community Colleges;

- (3) The community college's course outline and a fiscal plan for operating the course shall be approved by the board of trustees. If approval is not given, the course shall be discontinued and no FTE shall be generated for that course;
- (4) A reasonable limitation on hours per employee shall be established; and
- (5) A community college's FTE earnings shall not exceed a reasonable percentage of the direct cost of the training.

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

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

- (1) A reasonable limitation on instructional hours per student shall be established;
- (2) An educational and fiscal plan shall be approved by the board of trustees. If approval is not given, the course shall be discontinued and no FTE shall be generated for that course;
- (3) There shall be a policy prohibiting the duplication of training and the supplanting of costs; and
- (4) A community college's FTE earnings shall not exceed a reasonable percentage of the direct cost of the training.

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

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

Requested by: Senator Ward, Representatives Fussell, Payne

NEW AND EXPANDING INDUSTRY PROGRAM FUNDS

Sec. 85. Notwithstanding any law to the contrary, the Department of Community Colleges may transfer available and uncommitted funds into the New and Expanded Industry Program, if it determines that there is a need to meet additional

training needs over and above those currently budgeted and if the Director of the Budget concurs.

Requested by: Senator Ward, Representatives Payne, Fussell

COMMUNITY COLLEGE TUITION INCREASE

Sec. 86. Section 203 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 203. The State Board of Community Colleges shall adopt tuition rates beginning in the fall quarter of 1991 in the amount of eleven dollars and fifty cents (\$11.50) per credit hour up to a cap of 14 credit hours for in-State students and one hundred seven dollars and fifty cents (\$107.50) per credit hour with a cap of 14 hours for out-of-State students. The State Board of Community Colleges shall adopt tuition rates beginning in the fall quarter of 1992 in the amount of thirteen dollars and twenty-five cents (\$13.25) per credit hour up to a cap of 14 credit hours for in-State students and one hundred seven dollars and fifty cents (\$107.50) per credit hour with a cap of 14 hours for out-of-State students.

The State Board of Community Colleges shall adopt tuition rates beginning in the fall quarter of 1991 in the amount of thirty dollars (\$30.00) per course for occupational extension courses. The State Board of Community Colleges shall adopt tuition rates beginning in the fall quarter of 1992 in the amount of thirty-five dollars (\$35.00) per course for occupational extension courses."

Requested by: Senator Ward, Representatives Fussell, Payne

WORKER TRAINING TRUST FUND

Sec. 87. Section 141 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

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

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

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

- (1) \$3,000,000 for the 1991-92 fiscal year and \$2,400,000 for the 1992-93 fiscal year to the Department of Economic and Community Development, Division of Employment and Training, for the Employment and Training Grant Program.
- (2) \$500,000 for the 1991-92 fiscal year and ~~\$500,000~~ \$1,000,000 for the 1992-93 fiscal year to the North Carolina Department of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Department's Pre-Apprenticeship Division.
- (3) \$2,000,000 for the 1991-92 fiscal year and ~~\$2,000,000~~ \$2,489,036 for the 1992-93 fiscal year to the North Carolina Department of Human Resources to assist welfare recipients in gaining employment through the federally funded Job Opportunities and Basic Skills Program in such a way as to gain the maximum match of federal funds for the State dollars ~~appropriated.~~ appropriated, provided that the \$489,036 in expansion funds for the 1992-93 fiscal year shall be used for computer equipment for every county participating in the Job Opportunities and Basic Skills Program.
- (4) \$1,250,000 for the 1991-92 fiscal year and ~~\$1,250,000~~ \$1,746,000 for the 1992-93 fiscal year to the North Carolina Department of Community Colleges to continue the Focused Industrial Training ~~Program.~~ Program, provided that the \$496,000 in expansion funds for the 1992-93 fiscal year shall be used to increase the annual funding for the 31 existing FIT centers from an average of \$74,000 to an average of \$90,000.
- (5) \$150,000 for the 1992-93 fiscal year to the Department of Public Education and \$150,000 for the 1992-93 fiscal year to the Department of Community Colleges, for a program of training in entrepreneurial skills to be operated by North Carolina REAL Enterprises.
- (6) \$225,000 for the 1992-93 fiscal year to the Employment Security Commission for the North Carolina Occupational Information Coordinating Committee to develop and operate an interagency system to track former participants in State education and training programs."

Requested by: Senator Ward, Representatives Payne, Fussell

COMMUNITY COLLEGES/SMALL BUSINESS CENTER FUNDS

Sec. 88. Those community colleges that received State funds for small business centers during the 1991-92 fiscal year shall continue to receive State funds at the same level for their small business centers during the 1992-93 fiscal year.

Requested by: Senators Royall, Ward, Representatives Payne, Fussell

MAINTENANCE OF PLANT ALLOTMENT

Sec. 89. (a) Effective July 1, 1992, community colleges that have previously received "operation of plant" funds pursuant to G.S. 115D-2(4) and that are no longer eligible to receive them may use State funds allotted to them by the operating formula to replace up to seventy percent (70%) of the amount they received for the 1991-92 fiscal year in "operation of plant" State allocation.

(b) Effective July 1, 1993, these colleges may use State funds allotted to them by the operating formula to replace up to thirty-five percent (35%) of the 1991-92 "operation of plant" State allocation.

(c) Effective July 1, 1994, only those colleges that meet the criteria for "operation of plant" funds may use State money for that purpose.

PART 16. COLLEGES AND UNIVERSITIES

Requested by: Senators Warren, Ward, Representatives Payne, Fussell

USE OF ECU SPECIAL RECEIPT FUNDS

Sec. 90. (a) Section 92(a) of Chapter 752 of the 1989 Session Laws, as amended by Section 86 of Chapter 1066 of the 1989 Session Laws, Regular Session 1990, reads as rewritten:

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

- (1) That portion of the Medicare reimbursement that can be identified as having been generated through the effort and at the expense of the ~~School's~~ ECU School of Medicine's Medical Faculty Practice Plan shall be transferred to the appropriate Medical Faculty Practice Plan account within the ~~School;~~ ECU School of Medicine; and
- (2) The remainder of the funds received before June 26, 1992, shall be transferred to a special nonreverting account within the ~~School;~~ ECU School of Medicine.

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

The total amount allocated pursuant to subdivisions (1) and (2) of this subsection shall not exceed two million four hundred thousand dollars (\$2,400,000)."

(b) The Joint Legislative Commission on Governmental Operations shall study the issue of the disposition of receipts at the East Carolina University School of Medicine, including the following:

- (1) Receipts generated from the reimbursements from the Medicare Education Program;

- (2) Revenue received from patients or health insurance companies for the facility costs portion of treatment received in the Radiation Therapy Facility; and
- (3) Funds received by the East Carolina School of Medicine from Pitt County Memorial Hospital for the lease of the Magnetic Resonance Imaging (MRI) building and equipment.

The Commission shall make a recommendation to the General Assembly by March 1, 1993, on the use of these funds.

Requested by: Senators Lee, Ward, Representatives Payne, Fussell

FAYETTEVILLE STATE/UNC-CH MATH - SCIENCE NETWORK FUNDS

Sec. 91. (a) Of the funds available to The Board of Governors of The University of North Carolina for the 1992-93 fiscal year, the sum of two hundred eighty thousand dollars (\$280,000) shall be used to provide funding for the Mathematics and Science Education Network Program at Fayetteville State University and the University of North Carolina at Chapel Hill. These funds shall be allocated as follows:

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

(b) The Board of Governors shall request funds for this item in its continuation budget presented to the 1993 General Assembly for the 1993-95 fiscal biennium.

Requested by: Senator Ward, Representatives Payne, Fussell

UNIVERSITY OF NORTH CAROLINA GRADUATION RATES

Sec. 92. The Board of Governors of The University of North Carolina shall adopt policies that will encourage the constituent institutions to have their students complete their degrees more quickly. A plan for implementation of these policies, including means of measuring its success and progress, shall be presented to the 1993 General Assembly by February 1, 1993.

Requested by: Senators Sherron, Ward, Representatives Payne, Fussell

NONWOVENS COOPERATIVE RESEARCH CENTER MATCHING FUNDS

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

PART 17. DEPARTMENT OF TRANSPORTATION

Requested by: Senator Goldston, Representative McLaughlin

DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION MANAGEMENT

Sec. 94. The Department of Transportation may enter into a design-build-warrant contract to develop, with Federal Highway Administration participation under The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)" system of traffic management for the greater Charlotte-Mecklenburg urban areas. Notwithstanding any other provision of law, contractors, contractor's employees, and Department of Transportation employees involved in this project only do not have to be licensed by occupational licensing boards as "license" and "occupational licensing board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the Department of Transportation is exempted from the provisions of the following General Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These statutory exemptions are limited and available only to the extent necessary to comply with federal rules, regulations, and policies for completion of this project.

The Department of Transportation shall report quarterly to the Joint Legislative Highway Oversight Committee on its efforts to enter into a design-build-warrant contract and to award and construct the project. The report shall include but not be limited to the number of types of firms bidding on the project, special qualifications of the firms bidding, and the effect statutory exemptions might have had on the award and construction of the project and the receipt of federal discretionary funding for the project.

Requested by: Senator Goldston, Representatives McLaughlin, Holt

HIGHWAY MAINTENANCE RESERVE

Sec. 95. Section 66.7 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

Requested by: Senator Goldston, Representatives McLaughlin, Holt

DIVISION OF MOTOR VEHICLES DRIVERS LICENSE COMPUTER

Sec. 96. The Division of Motor Vehicles shall procure information technology and data communications equipment for the drivers license computer system only after fair and competitive bidding and without any waiver from competitive bidding. Any request for bids, request for proposals, or request for quotes issued

concerning the procurement of information systems hardware and software, document imaging systems, or data communications hardware related to any aspect of the drivers license computer system shall contain only specifications based on industry standards for open systems to the greatest extent possible. To the degree that open systems specifications are not used in a procurement related to any aspect of a drivers license computer system, the Division of Motor Vehicles shall provide documentation to the Information Resource Management Commission and to the Joint Legislative Commission on Governmental Operations explaining why the competitive bid specifications could not conform to industry standards for open systems.

Requested by: Senator Goldston, Representatives McLaughlin, Hasty

CONTRACT RESURFACING REPORTING REQUIREMENT

Sec. 97. The Department of Transportation shall report, quarterly, to the Joint Legislative Highway Oversight Committee concerning any transfers of funds from the Contract Resurfacing Program during the preceding quarter. The Department shall report, annually, to the Joint Legislative Highway Oversight Committee on any additional life-cycle costs for delayed projects that may accrue as a result of these transfers, with the first report to be filed March 1, 1993.

Requested by: Senator Goldston, Representatives McLaughlin, Holt

DEPARTMENT OF TRANSPORTATION HIGHWAY CONSTRUCTION SAFETY PROGRAM

Sec. 98. Notwithstanding the provisions of G.S. 143-16.3, and from funds appropriated to the Department of Transportation, the Secretary of Transportation may continue the Department's emphasis on safety to reduce accidents and injuries in highway construction activities. The Secretary may establish not more than 15 positions to implement the Department's safety program within funds available in budget codes 84210, 84220, and 84230.

Requested by: Senator Goldston, Representatives R. Hunter, McLaughlin, Holt

SECONDARY ROADS, ANNUAL WORK PROGRAM PRIORITY LISTS

Sec. 99. G.S. 136-44.7(b) reads as rewritten:

"(b) When a secondary road in a county is listed in the first 10 secondary roads to be paved during a year on a priority list issued by the Department of Transportation under this section, the secondary road cannot be removed from the top 10 of that list or any subsequent list until it is paved. All secondary roads in a county shall be paved, insofar as possible, in the priority order of the list. When a secondary road in the top 10 of that list is removed from the list because it has been paved, the next secondary road on the priority list shall be moved up to the top 10 of that list and shall remain there until it is paved."

Requested by: Senator Goldston, Representatives Albertson, McLaughlin, Holt

DEPARTMENT OF TRANSPORTATION PERMANENT HOURLY WORKERS/OFFICE OF STATE PERSONNEL STUDY

Sec. 100. The Office of State Personnel shall study the use of permanent hourly workers by the Department of Transportation.

The study shall include consideration of:

- (1) The Department of Transportation's use of these positions in the maintenance workforce;
- (2) The use of these positions on a year-round basis and for extended periods; and
- (3) The voluntary conversion of permanent employees to permanent hourly workers to increase the employee's take-home pay by eliminating the contribution to the retirement system.

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

Requested by: Senator Goldston, Representatives McLaughlin, Holt

REALLOCATION OF DIVISION OF MOTOR VEHICLES WAREHOUSE-OFFICE BUILDING FUNDS

Sec. 101. Funds appropriated in Section 6 of Chapter 754 of the 1989 Session Laws for the construction of a warehouse-office building in Raleigh for the Division of Motor Vehicles are reallocated to the Division of Motor Vehicles for the construction or purchase of the land and warehouse-office building, including appraisal and other costs incidental to the purchase.

Requested by: Senator Goldston, Representatives McLaughlin, Holt

TRANSFER OF FUNDS FROM THE EQUIPMENT FUND

Sec. 102. Section 66 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 66. The Department of Transportation's Equipment Fund shall pay to the Highway Fund \$5,000,000 for the 1991-92 fiscal year and \$5,000,000 for the 1992-93 fiscal year. These funds shall be used for highway maintenance. The Department of Transportation's Equipment Fund shall pay to the Highway Fund an additional \$8,899,254 for the 1992-93 fiscal year for use in the expansion budget."

Requested by: Senators Basnight, Goldston, Representatives McLaughlin, Holt

SMALL URBAN CONSTRUCTION FUNDS

Sec. 103. Section 66.6 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 66.6. Of the funds appropriated in this Title to the Department of Transportation, ~~\$10,805,664~~ ten million eight hundred five thousand six hundred sixty-four dollars (\$10,805,664) shall be allocated in the 1991-92 fiscal year and ~~\$10,028,266~~ nine million twenty-eight thousand two hundred sixty-six dollars (\$9,028,266) in the 1992-93 fiscal year for small urban construction projects. ~~\$7,000,000~~ Seven million dollars (\$7,000,000) of these funds shall be allocated equally in ~~each~~ each fiscal year ~~1991-92 of the biennium~~ 1991-92 and six million dollars (\$6,000,000) in fiscal year 1992-93 among

the 14 Highway Divisions for the small Urban Construction program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits. Of the remaining funds, ~~\$3,805,664~~ three million eight hundred five thousand six hundred sixty-four dollars (\$3,805,664) for the 1991-92 fiscal year and ~~\$3,028,266~~ three million twenty-eight thousand two hundred sixty-six dollars (\$3,028,266) for the 1992-93 fiscal year shall be used statewide for rural or small urban highway improvements as approved by the Secretary of the Department of Transportation.

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

No more than fifty percent (50%) of the funds available for the 1992-93 fiscal year to each Highway Division under this section and for the projects approved by the Secretary of Transportation under this section may be expended, encumbered, or allocated prior to January 31, 1993.

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

Requested by: Senator Goldston, Representatives Colton, McLaughlin, Holt
**DEPARTMENT OF TRANSPORTATION TO REPORT ON EFFORTS TO
EDUCATE ON TRANSPORTATION PLANNING ROLES**

Sec. 104. The Department of Transportation shall report on its efforts to educate Transportation Advisory Committees, local governments, and the public about their roles in transportation planning under the Intermodal Surface Transportation Efficiency Act of 1991 to the Chairmen of the Senate Committee on Transportation and the House Committee on Transportation by February 1, 1993.

Requested by: Senator Goldston, Representatives Colton, McLaughlin, Holt
**DEPARTMENT OF TRANSPORTATION TO DEVELOP COMPREHENSIVE
PLAN ON MAINTAINING AND UPGRADING BRIDGES**

Sec. 105. The Department of Transportation shall develop and recommend a comprehensive plan to maintain and upgrade substandard bridges in North Carolina and shall report to the Chairmen of the Senate Committee on Transportation and the House Committee on Transportation by February 1, 1993.

Requested by: Senator Goldston, Representative Chapin
HIGHWAY 264 REST AREA

Sec. 106. By December 1, 1992, the Department of Transportation shall let a contract for work to begin on the rest area on U.S. Highway 264 in Beaufort County for which funds were appropriated by Section 6(15) of Chapter 754 of the 1989 Session Laws. The Department shall complete the rest area by June 1, 1993. If the Department

of Transportation has not let a contract for work to begin on the rest area by December 1, 1992, the following applies:

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

Requested by: Senators Perdue, Goldston, Representatives McLaughlin, Holt
MOREHEAD CITY REST AREA/VISITOR INFORMATION FUNDS

Sec. 107. (a) Of the funds appropriated to the Department of Transportation in Section 4 of Chapter 689 of the 1991 Session Laws and in this act, the sum of one million dollars (\$1,000,000) for the 1992-93 fiscal year shall be used to construct a rest area/visitors information center on U.S. 70 near Morehead City.

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

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

Requested by: Senators Barnes, Goldston, Representatives McLaughlin, Holt
AIR CARGO AMENDMENTS

Sec. 108. (a) G.S. 63A-2(8) reads as rewritten:

"(8) Cargo airport complex site. – The area designated by the Authority as the location of a cargo airport complex. An area may not be so 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 may shall, 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 voting member as part of the duties of the office of county commissioner or the office of city council member, in accordance with G.S. 128-1.2, and is not considered to be serving in a separate office. Notwithstanding G.S. 116-31(h), a member of the board of trustees of a constituent institution of The University of North Carolina appointed to the Board of Directors under subdivision (6) of this subsection may concurrently serve on the board of trustees and the Board of Directors. Notwithstanding any other provision of law, the Governor may serve on the Board of Directors by his own appointment on or after July 16, 1991, under subdivision (1) of this subsection.

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

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

"(c) Selection Criteria. ~~Of the members appointed by the Governor, at least two shall be residents of the western region of the State, at least two shall be residents of the~~

~~piedmont region of the State, and at least two shall be residents of the eastern region of the State. In making appointments to the Board, the Governor and the General Assembly shall give consideration to the geographical representation of the Western region, the Piedmont region, and the Eastern region of the State. In addition, at least one member appointed by the Governor shall be representative of business, at least one shall be representative of agribusiness, at least one shall be representative of environmental interests, and at least one shall be representative of industrial interests.~~

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

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

"(d) Terms. ~~Except for the terms of the initial Board members, Board members shall serve two-year terms that begin on July 1.~~ The terms of the initial members appointed by the Governor or the General Assembly end June 30, 1993. The initial term of a member appointed by a board of county commissioners or by a city council ends on the second June 30 after the appointment. Subsequent appointments by a board of county commissioners or by a city council shall be for terms of four years. The seven members appointed by the Governor for subsequent terms shall be appointed for terms of two years ending on June 30 of each odd-numbered year. The six members appointed by the General Assembly for subsequent terms shall be divided into two classes. The first class shall consist of three persons, two of whom shall be appointed upon recommendation of the Speaker of the House of Representatives and one of whom shall be appointed upon recommendation of the President Pro Tempore of the Senate, to serve an initial term expiring June 30, 1995, with subsequent terms expiring each fourth June 30th thereafter. The second class shall consist of three persons, two of whom shall be appointed upon recommendation of the President Pro Tempore of the Senate and one of whom shall be appointed upon recommendation of the Speaker of the House of Representatives, to serve an initial term expiring June 30, 1997, with subsequent terms expiring each fourth June 30th thereafter."

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

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

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

"(a) General. The Authority may acquire real property by purchase, negotiation, gift, devise, or eminent domain. ~~Any acquisition or disposition by eminent domain by~~

the Authority of real property or an estate or interest in real property must be reviewed and approved by the Council of State before it can become effective. When the Authority acquires real property owned by the State, the Secretary of the Department of Administration shall execute and deliver to the Authority a deed transferring fee simple title to the property to the Authority."

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

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

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

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

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

(b) No State agency and, in accordance with G.S. 63-31, no political subdivision may adopt, without obtaining the approval of the Authority, either of the following an airport zoning provision or other land use regulation that affects real property within six miles of any cargo airport complex site if it conflicts with a zoning provision or land use restriction adopted by the ~~Authority:~~ Authority.

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

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

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

(i) This section becomes effective July 15, 1992.

Requested by: Senators Basnight, Plyler, Representative H. Hunter
**GREENE COUNTY WATER AND SEWER CONNECTION FUNDS
REAPPROPRIATED/GATES COUNTY SCHOOL FUNDS**

Sec. 109. (a) The four hundred thousand dollars (\$400,000) appropriated for the 1991-92 fiscal year from the Highway Fund to the Department of Transportation in item 09. of the schedule of projects in Section 236.1 of Chapter 689 of the 1991 Session Laws is reappropriated to the Office of State Budget and Management for construction of the Greene County water and sewer connections to service the Maury Prison Unit.

(b) The Director of the Budget shall make available to the Gates County Board of Education for the 1992-93 fiscal year the sum of forty-seven thousand dollars (\$47,000) from funds available in the Reserve for Repairs and Renovations. These funds shall be used along with funds made available to the Gates County Board of Education in Section 32 of Chapter 799 of the 1989 Session Laws to bring the Gates County High School's and Gates County Junior High School's wastewater systems into compliance with State and federal wastewater regulations.

(c) Section 120 of Chapter 1066 of the 1989 Session Laws reads as rewritten:

"Sec. 120. The Department of Correction shall permit the Gates County Board of Education to tie the wastewater treatment systems of the Gates County Junior High School and the Gates County High School ~~may be tied~~ into the wastewater treatment system of the Gates County Correctional Center."

(d) The Gates County Board of Education shall use funds made available to it under Section 32 of Chapter 799 of the 1989 Session Laws and under subsection (b) of this section to pay the Department of Correction the actual cost of enlarging the correctional center's spray field to accommodate the schools' needs. The Department of Correction shall not charge the Gates County Board of Education any additional amounts for the construction, operation, or maintenance of the wastewater treatment system of the Gates County Correctional Center.

(e) All of the funds made available to the Gates County Board of Education under Section 32 of Chapter 799 of the 1989 Session Laws and under subsection (b) of this section that are not needed to bring the Gates County High School's and Gates County Junior High School's wastewater systems into compliance with State and federal wastewater regulations shall be deposited in the Reserve for Repairs and Renovations upon completion of the project.

Requested by: Senator Goldston, Representatives McLaughlin, Holt

AIR CARGO AIRPORT AUTHORITY MARKETING FUNDS TRANSFER

Sec. 110. Of the funds appropriated in this act for the North Carolina Air Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) shall be transferred by July 15, 1992, to the Department of Economic and Community Development for marketing of the Global Transpark including two positions, operating support, and advertising funds.

PART 18. DEPARTMENT OF CORRECTION

Requested by: Senators Marvin, Parnell, Representative Barnes

PRIVATE CONFINEMENT FACILITIES

Sec. 111. 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, Representatives Redwine, Anderson

LIMIT USE OF OPERATIONAL FUNDS

Sec. 112. 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, Representatives Redwine, Anderson

CURRENT OPERATING EXPENSES

Sec. 113. 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, Representatives Redwine, Anderson
CONTINUED PHASING IN OF NONBINDING ARBITRATION AND OF CUSTODY AND VISITATION MEDIATION

Sec. 114. 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, Representatives Redwine, Anderson
CONTINUE EXISTING JUVENILE SERVICES TRANSPORTATION PILOT PROGRAM

Sec. 115. 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, Representatives Redwine, Anderson
INTERIM FEES FOR ASSIGNED COUNSEL IN EXTRAORDINARY CASES

Sec. 116. (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 the counsel. In fixing the money value of services rendered by the public defender and the appellate defender, the court shall consider the factors normally involved in fixing the fees of private attorneys, such as the nature of the case, the time, effort, and responsibility involved, and the fee usually charged in similar cases. The value of the services shall be fixed by a district court judge for actions or proceedings finally determined in the district court and by a superior court judge for actions or proceedings originating in, heard on appeal in, or appealed from the superior court. Even if the trial, appeal, hearing, or other proceeding is never held, preparation therefor is nevertheless compensable."

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

"§ 7A-458. Counsel fees.

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

Requested by: Senators Marvin, Parnell, Representatives Redwine, Anderson
COMMUNITY PENALTIES PROGRAMS

Sec. 117. Section 84.1 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

One Step Further, Inc.	\$139,664
Services to Nash County Community Penalties Program	44,000
Services to Rockingham/Caswell	40,900
Fayetteville Area Sentencing Center, Inc.	131,878
Re-Entry, Inc.	93,500
Repay, Inc.	100,045
Community Corrections Resources, Inc.	104,379
Western Carolinians for Criminal Justice, Inc.	100,300
Prison & Jail Project, Inc.	100,300
Community Penalties Program, Inc.	68,213
Jacksonville Community Penalties, Inc.	89,250

Services to Sampson, Duplin, and Jones Counties	55,000
Gaston Community Penalties, Inc.	53,661
Services to Cleveland and Lincoln Counties	38,000
Dispute Settlement Center, Inc.	53,661
Appropriate Punishment Option, Inc.	53,661
Mecklenburg Community Corrections	93,500
Neuse River Council of Governments DBA Neuse River Community Penalties Program	55,000
Tuscarora Tribe of North Carolina	52,000
Citizens for Community Justice	52,000.

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

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

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

Requested by: Senators Marvin, Parnell, Representatives Redwine, Anderson
MAKE JURISDICTION OF MAGISTRATE AND CLERK CONSISTENT WITH THAT OF JUDGES TO PROMULGATE WAIVER LISTS

Sec. 118. (a) G.S. 7A-148(a) reads as rewritten:

"(a) The chief district judges of the various district court districts shall meet at least once a year upon call of the Chief Justice of the Supreme Court to discuss mutual problems affecting the courts and the improvement of court operations, to prepare and adopt ~~a uniform schedule of traffic offenses, littering under G.S. 14-399(c), hunting and fishing offenses under Chapter 113, State park and recreation area rule offenses under~~

~~Chapter 113, boating offenses under Chapter 75A, and alcohol offenses under Chapter 18B~~ uniform schedules of offenses for the types of offenses specified in G.S. 7A-273(2) for which magistrates and clerks of court may accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, and establish a schedule of penalties or fines therefor, and to take such further action as may be found practicable and desirable to promote the uniform administration of justice."

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

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

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

The clerk of superior court:

- (1) Has and exercises all of the judicial powers and duties in respect of actions and proceedings pending from time to time in the district court of his county which are now or hereafter conferred or imposed upon him by law in respect of actions and proceedings pending in the superior court of his county;
- (2) Performs all of the clerical, administrative and fiscal functions 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(c), 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) In misdemeanor or infraction cases, other than ~~traffic, hunting, fishing, boating, and alcohol offenses,~~ the types of offenses specified in subdivision (2) of this section, in which the maximum punishment which can be adjudged cannot exceed imprisonment for 30 days, or a fine of fifty dollars (\$50.00) or a penalty of not more than fifty dollars (\$50.00), exclusive of costs, to accept guilty pleas or admissions of responsibility and enter judgment;
- (2) In misdemeanor or infraction cases involving ~~alcohol,~~ alcohol offenses under Chapter 18B of the General Statutes, traffic, traffic offenses, hunting, fishing, and State park and recreation area rule offenses under Chapter 113 of the General Statutes, boating offenses, offenses under Chapter 75A of the General Statutes, and littering offenses under G.S. 14-399(c), to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, in accordance with the schedule of offenses and fines or penalties promulgated by the Conference of Chief District Judges pursuant to G.S. 7A-148, and in such cases, to enter judgment and collect the fines or penalties and costs;
- (3) To issue arrest warrants valid throughout the State;
- (4) To issue search warrants valid throughout the county; ~~and~~
- (5) To grant bail before trial for any noncapital offense;
- (6) Notwithstanding the provisions of subdivision (1) of this section, to hear and enter judgment as the chief district judge shall direct in all worthless check cases brought under G.S. 14-107, when the amount of the check is two thousand dollars (\$2,000) or less. Provided, however,

that under this section magistrates may not impose a prison sentence longer than 30 days;

- (7) To conduct an initial appearance as provided in G.S. 15A-511; and
- (8) To accept written appearances, waivers of trial and pleas of guilty in violations of G.S. 14-107 when the amount of the check is two thousand dollars (\$2,000) or less, restitution is made, and the warrant does not charge a fourth or subsequent violation of this statute, and in these cases to enter judgments as the chief district judge directs.
- (9) ~~Notwithstanding the provisions of subdivision (1) of this section, to accept written appearances, waivers of trial and pleas of guilty in violations of G.S. 14-399(e) and enter judgments in those cases as the chief district judge directs. 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 (e) of G.S. 14-399.~~
- (e) This section becomes effective July 15, 1992.

Requested by: Senators Marvin, Parnell, Representatives Nesbitt, Anderson, Redwine
ASSISTANT CLERKS' SALARY RANGE

Sec. 119. 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, Representatives Anderson, Redwine
NEW ASSISTANT DISTRICT ATTORNEYS

Sec. 120. (a) Effective August 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:

Prosecutorial	No. of Full-Time Asst. District
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District	Counties	Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	6
2	Beaufort, Hyde, Martin, Tyrrell, Washington	4
3A	Pitt	5
3B	Carteret, Craven, Pamlico	<u>5-6</u>
4	Duplin, Jones, Onslow, Sampson	<u>9-10</u>
5	New Hanover, Pender	8
6A	Halifax	2
6B	Bertie, Hertford, Northampton	<u>2-3</u>
7	Edgecombe, Nash, Wilson	9
8	Greene, Lenoir, Wayne	8
9	Franklin, Granville, Person, Vance, Warren	<u>7-8</u>
10	Wake	17
11	Harnett, Johnston, Lee	7
12	Cumberland	11
13	Bladen, Brunswick, Columbus	6
14	Durham	9
15A	Alamance	<u>5-6</u>
15B	Orange, Chatham	4
16A	Scotland, Hoke	<u>2-3</u>
16B	Robeson	7
17A	Caswell, Rockingham	<u>4-5</u>
17B	Stokes, Surry	4
18	Guilford	4 <u>5-6</u>
19A	Cabarrus, Rowan	<u>7-8</u>
19B	Montgomery, Randolph	4
20	Anson, Moore, Richmond, Stanly, Union	10
21	Forsyth	11
22	Alexander, Davidson, Davie, Iredell	<u>9-10</u>
23	Alleghany, Ashe, Wilkes, Yadkin	4
24	Avery, Madison, Mitchell, Watauga, Yancey	3
25	Burke, Caldwell, Catawba	10
26	Mecklenburg	22
27A	Gaston	<u>7-8</u>

27B	Cleveland, Lincoln	5
28	Buncombe	6 <u>7</u>
29	Henderson, McDowell, Polk, Rutherford, Transylvania	7 <u>8</u>
30	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain."	6

(b) Effective October 1, 1992, G.S.7A-60(a1), as amended by subsection (a) of this section, 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:

Prosecutorial District	Counties	No. of Full-Time Asst. District Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	6
2	Beaufort, Hyde, Martin, Tyrrell, Washington	4
3A	Pitt	5 <u>6</u>
3B	Carteret, Craven, Pamlico	6
4	Duplin, Jones, Onslow, Sampson	10
5	New Hanover, Pender	8 <u>9</u>
6A	Halifax	2 <u>3</u>
6B	Bertie, Hertford, Northampton	3
7	Edgecombe, Nash, Wilson	9 <u>10</u>
8	Greene, Lenoir, Wayne	8
9	Franklin, Granville, Person, Vance, Warren	8
10	Wake	17 <u>18</u>
11	Harnett, Johnston, Lee	7 <u>8</u>
12	Cumberland	11 <u>12</u>
13	Bladen, Brunswick, Columbus	6
14	Durham	9
15A	Alamance	6
15B	Orange, Chatham	4
16A	Scotland, Hoke	3
16B	Robeson	7
17A	Caswell, Rockingham	5
17B	Stokes, Surry	4

18	Guilford	16
19A	Cabarrus, Rowan	8
19B	Montgomery, Randolph	4
20	Anson, Moore, Richmond, Stanly, Union	10
21	Forsyth	11 <u>12</u>
22	Alexander, Davidson, Davie, Iredell	10
23	Alleghany, Ashe, Wilkes, Yadkin	4
24	Avery, Madison, Mitchell, Watauga, Yancey	3
25	Burke, Caldwell, Catawba	10
26	Mecklenburg	22
27A	Gaston	8
27B	Cleveland, Lincoln	5
28	Buncombe	7
29	Henderson, McDowell, Polk, Rutherford, Transylvania	8
30	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain."	6

PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senator Marvin, Representatives Anderson, Redwine, Jeffus
SUMMIT HOUSE

Sec. 121. 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 and on the effectiveness of the program, including information on the number of clients served, the number of clients who have their probation revoked, and the number of clients who successfully complete the program while housed at Summit House.

Requested by: Senator Marvin, Representatives Anderson, Redwine
OPERATING FUNDS FOR AIR NATIONAL GUARD'S HANGAR

Sec. 122. Of the funds appropriated in this act to the Department of Crime Control and Public Safety for the 1992-93 fiscal year, the sum of five thousand six hundred seventeen dollars (\$5,617) shall be used to operate the Air National Guard's new maintenance hangar which is located at Douglas International Airport in Charlotte.

Requested by: Senator Marvin, Representatives Barnes, Redwine, Anderson
LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER GRANTS

Sec. 123. Section 73 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

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

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

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

- (1) The need to receive for legislative review prior to a State agency's applying for a federal grant accurate information and documentation regarding:
 - a. The length of time that federal funds will remain available.
 - b. The fiscal impact with regard to the State's budget if federal grant money is received.
 - c. The fiscal impact with regard to the State's budget when the federal funds for a particular grant are reduced or cease to be available.

- d. The number of personnel positions to be established if the federal grant is received, the funding that is available at the State and federal level for those positions when initially created, and the funding available to continue those positions if federal funding is reduced or ceases to be available.
- (2) The use of salary reserve funds by a State agency to create new personnel positions.
- (3) The need to streamline the advance review of federal grants that are requested by State agencies.
- (4) The need to restrict the State Budget Office from creating new personnel positions without obtaining prior legislative approval."

PART 21. DEPARTMENT OF JUSTICE

Requested by: Senator Marvin, Representatives Anderson, Redwine

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

Sec. 124. Section 86 of Chapter 689 of the 1991 Session Laws reads as rewritten:

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

(b) The Department of Justice shall study the feasibility of an increase in the fees currently charged other State departments and agencies for its legal services, such fee increase to be effective for the 1993-94 fiscal year. The Department of Justice shall also study the feasibility of requiring all State departments and agencies that have attorneys assigned to them by the Attorney General to pay the compensation, including salaries and benefits, for those legal positions. The Department of Justice shall report its findings and recommendations to the ~~1991 General Assembly, 1992 Regular Session.~~ 1993 General Assembly."

Requested by: Senators Marvin, Odom, Representatives Anderson, Redwine, Dickson
JUSTICE ACADEMY STUDY/STUDENT REGISTRATION FEE

Sec. 125. Section 88 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 88. The North Carolina Justice Academy shall study the possibility of requiring a student registration fee. The study shall include consideration of the actual cost for a student to attend the Justice Academy, the merits of charging a registration

fee, and the amount, if any, that should be charged as a registration fee. The North Carolina Justice Academy shall report its findings and recommendations to the ~~1991 General Assembly, 1992 Regular Session.~~ Joint Legislative Commission on Governmental Operations and the Fiscal Research Division."

Requested by: Senators Marvin, Odom, Representatives Anderson, Redwine, Dickson
LEGAL POSITION TRANSFER FUNDS PARTIALLY RESTORED

Sec. 126. Of the funds appropriated to the Department of Justice for the 1992-93 fiscal year, the Department may use the sum of seventeen thousand one hundred forty-two dollars (\$17,142) to restore partially the funds reduced pursuant to Section 91 of Chapter 689 of the 1991 Session Laws as amended by Section 50.2 of Chapter 761 of the 1991 Session Laws.

Requested by: Senators Basnight, Marvin, Odom, Representatives Anderson, Redwine, Dickson

SBI FUNDS/SPENDING PRIORITIES

Sec. 127. Section 92.1(a) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(a) Of the funds appropriated in this Title to the Department of Justice, State Bureau of Investigation, for the 1991-92 fiscal year and the 1992-93 fiscal year for overtime payments, the first priority for use of the funds by the Department shall be:

- (1) To make overtime payments to SBI agents in the Field Investigations Division; and
- (2) To make overtime payments to supervisory personnel receiving overtime payments as of ~~June 30, 1991, June 30, 1992,~~ up to a maximum of \$5,200 annually per individual."

PART 22. DEPARTMENT OF HUMAN RESOURCES

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling
DRUG USE REVIEW PROGRAM/RULES

Sec. 128. Chapter 108A of the General Statutes is amended by adding a new section to read:

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

Notwithstanding the provisions of Chapter 90 of the General Statutes or of any other provision of law, the Division of Medical Assistance, Department of Human Resources, shall adopt rules implementing the drug use review provisions of the Omnibus Budget Reconciliation Act of 1990, as amended."

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye
MEDICAID

Sec. 129. Section 93 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 93. (a) Funds appropriated in this Title for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases:

- (1) Hospital-Inpatient - Payment for hospital inpatient services will be prescribed in the State Plan as established by the Department of Human Resources. Administrative days for any period of hospitalization shall be limited to a maximum of three days.
- (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.
- (3) Nursing Facilities - As prescribed under the reimbursement plan for Nursing Facilities. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare, must be enrolled in the Medicare program as a condition of participation in the Medicaid program, subject to phase-in certification for those nursing facilities not already enrolled in Medicare. State facilities are not subject to the requirement to enroll in the Medicare Program.
- (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.
- (5) Drugs - Drug costs as allowed by federal regulations plus a professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection ~~(h)~~(f) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with ~~a plan~~the State Plan adopted by the Department of Human Resources consistent with federal reimbursement regulations. Payment of the professional services fee shall be made in accordance with the plan adopted by the Department of Human Resources, consistent with federal reimbursement regulations. Adjustments to the professional services fee shall be established by the General Assembly.
- (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the Department of Human Resources. Payments for dental services are subject to the provisions of subsection ~~(g)~~(e) of this section.
- (7) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with rate schedule developed by the Department of Human Resources.

- (8) ~~Home Health, Health and Related Services, Private Duty Nursing, Clinic Services, Prepaid Health Plans—Plans, Durable Medical Equipment~~ - Payment to be made according to reimbursement plans developed by the Department of Human Resources.
- (9) Medicare Buy-In - Social Security Administration premium.
- (10) Ambulance Services - Uniform fee schedules as developed by the Department of Human Resources.
- (11) Hearing Aids - Actual cost plus a dispensing fee.
- (12) Rural Health Clinic Services - Provider based - reasonable cost; nonprovider based - single cost reimbursement rate per clinic visit.
- (13) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.
- (14) Independent Laboratory and X-Ray services - Uniform fee schedules as developed by the Department of Human Resources.
- (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale cost of materials.
- (16) Ambulatory Surgical Centers - Payment as prescribed in the reimbursement plan established by the Department of Human Resources.
- (17) Medicare Crossover Claims - An amount up to the actual coinsurance or deductible or both, in accordance with the plan, as approved by the Department of Human Resources.
- (18) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to the Children's Special Health Services program at rates negotiated by the Department of Human Resources.
- (19) Personal Care Services - Payment in accordance with plan approved by the Department of Human Resources.
- (20) Case Management Services - Reimbursement in accordance with the availability of funds to be transferred within the Department of Human Resources.
- (21) Hospice - Services may be provided in accordance with plan developed by the Department of Human Resources.
- (22) Other Mental Health Services - Unless otherwise covered by this section, coverage is limited to agencies meeting the requirements of the rules established by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, and reimbursement is made in accordance with a plan developed by the Department of Human Resources not to exceed the upper limits established in federal regulations.
- (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible Children - Reimbursement in accordance with plan approved by the Department of Human Resources.

- (24) Health Insurance Premiums - Payments to be made in accordance with the plan adopted by the Department of Human Resources consistent with federal regulations.

Services and payment bases may be changed with the approval of the Director of the Budget.

Reimbursement is available for up to 24 visits per recipient per year to any one or combinations of the following: physicians, clinics, hospital outpatients, optometrists, chiropractors, and podiatrists. Prenatal services, all ESPDT children, and emergency rooms are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of Human Resources where the life of the patient would be threatened without such additional care. Any person who is determined by the Department to be exempt from the 24-visit limitation may also be exempt from the six-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	Categorically Needy	Medically Needy	
	Standard Of Need	AFDC Payment Level*	AA,AB,AD*
1	\$ 4,344	\$ 2,172	\$ 2,900
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 subsection. Effective October 1, 1992, dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

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

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

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

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

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

~~(k)~~(j) For all Medicaid eligibility classifications for which the federal poverty level is used as an income limit for eligibility determination, the income limits will be updated each ~~July~~April 1 immediately following publication of federal poverty guidelines.

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

~~(m)~~(l) The Department of Human Resources shall provide coverage to pregnant women and children according to the following schedule:

- (1) Pregnant women with incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each ~~July~~April 1 shall be covered for Medicaid benefits;
- (2) Infants under the age of 1 with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each ~~July~~April 1, shall be covered for Medicaid benefits;
- (3) Children aged 1 through 5 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines as revised each ~~July~~April 1 shall be covered for Medicaid benefits; and
- (4) Children aged 6 through 18 who were born after September 30, 1983, with family incomes equal to the federal poverty guidelines as revised each ~~July~~April 1, shall be covered for Medicaid benefits.

Services to pregnant women eligible under this section continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy. In order to reduce county administrative costs and to expedite the provision of medical services to pregnant women, to infants, and to children eligible under this section, no resources test shall be applied.

~~(n)~~(m) The Department of Human Resources may use Medicaid funds budgeted from program services to support the cost of administrative activities to the extent that these administrative activities produce a net savings in services requirements. Administrative initiatives funded by this section shall be first approved by the Office of State Budget and Management."

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

PHYSICIAN SERVICES

Sec. 130. With the approval of the Office of State Budget and Management, the Department of Human Resources may use funds appropriated in this act for across-the-board salary increases and performance pay to offset similar increases in the costs of contracting with private and independent universities for the provision of physician services to clients in facilities operated by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This offsetting shall be done in the same manner as is currently done with constituent institutions of The University of North Carolina.

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

LIABILITY INSURANCE

Sec. 131. Section 114 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 114. The Secretary of the Department of Human Resources, the Secretary of the Department of Environment, Health, and Natural Resources, and the Secretary of the Department of Correction may provide medical liability coverage not to exceed \$1,000,000 on behalf of employees of the Departments licensed to practice medicine or ~~dentistry.~~ dentistry, and on behalf of medical residents from The University of North Carolina who are in training at institutions operated by the Department of Human Resources. This coverage may include commercial insurance or self-insurance and shall cover these ~~employees~~ individuals for their acts or omissions only while they are engaged in providing medical and dental services pursuant to their State ~~employment.~~ employment or training.

The coverage provided under this section shall not cover any ~~employee~~ individual for any act or omission that the ~~employee~~ individual knows or reasonably should know constitutes a violation of the applicable criminal laws of any state or the United States, or that arises out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to willful or wanton negligence.

The coverage provided pursuant to this section shall not require any additional appropriations and shall not apply to any individual providing contractual service to the Department of Human Resources, the Department of Environment, Health, and Natural Resources, or the Department of ~~Correction.~~ Correction, with the exception that coverage may include medical residents from The University of North Carolina who are in training at institutions operated by the Department of Human Resources."

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

NON-MEDICAID REIMBURSEMENT

Sec. 132. Section 115 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 115. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program.

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

Notwithstanding the provisions of paragraph one of this section, the Department of Human Resources may negotiate with providers of medical services under the various Department of Human 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 these services that cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs shall be as follows:

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</u>
1	\$4,860	\$ 8,364	\$4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400
4	7,284	16,092	7,500
5	7,824	18,648	7,900
6	8,220	21,228	8,300
7	8,772	21,708	8,800
8	9,312	22,220	9,300

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind and for adults in the Clozaril program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year.

The Department of Human Resources shall contract at, or as close as possible to, Medicaid rates for medical services provided to residents of State facilities of the Department."

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling
DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID

Sec. 133. Section 118 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 118. Of the funds appropriated ~~in this Title,~~ to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of \$2,260,470 ~~two million two hundred sixty thousand four hundred seventy dollars (\$2,260,470)~~ for the 1991-92 fiscal year ~~is~~ and two million three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1992-93 fiscal year are transferred to the Department of Public Instruction for handicapped children aged 3 through 4 years who have been identified through Division of Mental Health, Developmental Disabilities, and Substance Abuse Services statewide services and who are served in developmental day centers. These funds shall be used to contract with area mental health, developmental disabilities, and substance abuse authorities or with public or private nonprofit developmental day centers to continue to serve handicapped children aged 3 through 4 years who are identified as needing developmental day services.

The Department of Public Instruction shall report to the General Assembly and to the Fiscal Research Division by May 1, ~~1992~~, 1992 and May 1, 1993, regarding the use of the funds transferred to it by this section."

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

DEPARTMENT OF HUMAN RESOURCES PROGRAM FUNDS

Sec. 134. Section 132 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 132. Notwithstanding the provisions of G.S. 143-23, the Secretary of the Department of Human Resources, with the approval of the Office of State Budget and Management, may use, to the extent possible, any funds appropriated or otherwise available to the Department in the 1991-92 fiscal year and in the 1992-93 fiscal year for the Mental Health Accounts Receivable/Billing System."

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

ICF/MR/DD PLAN AND IMPLEMENTATION SCHEDULE

Sec. 135. The Department of Human Resources shall develop a plan and an implementation schedule to address the escalating use and costs of intermediate care facilities for the mentally retarded/developmentally disabled (ICF/MR/DD) community facilities. This plan shall include provisions for the Area Mental Health, Developmental Disabilities, and Substance Abuse Services authorities to screen all clients for all Developmental Disabilities programs, including ICF/MR/DD facilities. The plan shall also include alternative, less costly methods for establishing ICF/MR/DD community facility reimbursement rates and alternative, less costly services that could meet the needs of people currently in ICF/MR/DD community facilities. Any new reimbursement rate methodology shall be applied to all facilities seeking a Certificate of Need after a date to be specified by the Department and shall be phased in according to a schedule developed by the Department for all existing ICF/MR/DD community facilities. The Department shall implement elements of the plan as quickly as possible and shall present the plan and any results of its implementation to the General Assembly by March 1, 1993.

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES FUNDS

Sec. 136. (a) Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of nine million dollars (\$9,000,000) for the 1992-93 fiscal year shall be expended in accordance with the plans developed by the Mental Health Study Commission and adopted by the General Assembly.

These funds shall be allocated as follows:

- | | |
|---|-----------------|
| (1) Services for the mentally ill | \$3,000,000; |
| (2) Services for the developmentally disabled | \$3,00,000; and |
| (3) Services for substance abusers | \$3,000,000. |

(b) Of the funds allocated in subsection (a) of this section for services for the developmentally disabled, three hundred thousand dollars (\$300,000) shall be transferred in the 1992-93 fiscal year to the Division of Maternal and Child Health, Department of Environment, Health, and Natural Resources, for the United Cerebral Palsy therapeutic preschool programs.

(c) The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall ensure that the funds expended under this section are used for the disability populations for which they were intended.

(d) The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall report to the General Assembly by March 1, 1993, regarding the expenditure of funds authorized by this section.

(e) To the maximum extent possible, Area Mental Health Authorities are encouraged to develop service implementation plans in accordance with the long-range plans of the Mental Health Study Commission and with the involvement of local affected organizations. These plans may be used as the basis for future budget requests submitted to the Division.

Criteria for development and content of these plans shall be developed by the Department of Human Resources and the members of Coalition 2001 and presented to the Mental Health Study Commission for consideration by November 1, 1992. The plans themselves shall be ready for review by the Department and the Mental Health Study Commission by November 1, 1993.

(f) In recognition of Senator Kenneth C. Royall, Jr.'s career-long commitment to mental health, the increase in funding in Chapter 812 of the 1991 Session Laws for the Alcohol, Drug Abuse, and Mental Health Services Block Grant for adult and child mental health services shall be used, to the extent allowed by federal law, to implement the Child and Adult Mental Health plans developed by the Mental Health Study Commission, endorsed by Coalition 2001, and adopted by the General Assembly.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

CERTIFICATE OF NEED/MEDICAID

Sec. 137. (a) G.S. 131E-185(b) is repealed.

(b) G.S. 131E-185(c) reads as rewritten:

~~"(c) The Department shall promulgate rules establishing criteria for determining when it would not be practicable to complete a review within 90 days from the beginning date of the review period for the application. If the Department finds that these criteria are met for a particular project, it may extend the review period for a period not to exceed 60 days and provide notice of such extension to all applicants."~~

(c) G.S. 131E-186 reads as rewritten:

"§ 131E-186. Decision.

(a) Within the prescribed time limits in G.S. 131E-185, the Department shall issue a decision to 'approve,' 'approve with conditions,' or 'deny,' an application for a new institutional health service. Approvals involving new or expanded nursing care or intermediate care for the mentally retarded bed capacity shall include a condition that

specifies the earliest possible date the new institutional health service may be certified for participation in the Medicaid program. The date shall be set far enough in advance to allow the Department to identify funds to pay for care in the new or expanded facility in its existing Medicaid budget or to include these funds in its State Medicaid budget request for the year in which Medicaid certification is expected.

(b) Within five business days after it makes a decision on an application, the Department shall provide written notice of all the findings and conclusions upon which it based its decision, including the criteria used by the Department in making its decision, to ~~both the applicant and to the appropriate health systems agency.~~ the applicant."

(d) This section is effective upon ratification.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

ICF AND ICF/MR WORK INCENTIVE ALLOWANCES

Sec. 138. Effective October 1, 1992, the Department of Human Resources may provide an incentive allowance to Medicaid eligible recipients of ICF and ICF/MR facilities who are regularly engaged in work activities as part of their developmental plan and for whom retention of additional income contributes to their achievement of independence. The State funds required to match the federal funds that are required by these allowances shall be provided from savings within the Medicaid budget or from other unbudgeted funds available to the Department. The incentive allowances may be as follows:

Monthly Net Wages	Monthly Incentive Allowance
\$1.00 to \$100.00	Up to \$50.00
\$101.00 to \$200.00	\$80.00
\$201.00 to \$300.00	\$130.00
\$301.00 and greater	\$212.00.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye, Diamont
STATE/LOCAL CHILD FATALITY PREVENTION INITIATIVES

Sec. 139. (a) The Department of Human Resources shall conduct a study of how best to ensure the county child protective services programs' accountability, to ensure that their management organization is the best it can be, and to determine whether there is a need for stronger State supervision of the county programs. The Department shall report the results of this study, including any legislative proposals, to the 1993 General Assembly by March 1, 1993.

(b) The Department of Human Resources, Division of Social Services, shall ensure that community interdisciplinary teams develop protocols to use in child abuse and neglect reviews.

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling, Diamont
SOCIAL SERVICES' PROTECTIVE SERVICES' ALLOCATION

Sec. 140. Of the funds appropriated to the Department of Human Resources, Division of Social Services, for the 1992-93 fiscal year for child protective services, the sum of one million dollars (\$1,000,000) shall be allocated among all of the county departments of social services based on the percentage that the total number of child abuse and neglect reports within that county represents to the statewide total number of child abuse and neglect reports. These percentages shall be computed from the reports received by the Central Registry of Abuse and Neglect for the last two fiscal years.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye, Diamont
TASK FORCE ON CHILD PROTECTIVE SERVICES FUNDING

Sec. 141. The Secretary of the Department of Human Resources shall appoint a Task Force on the Financing of Child Protective Services Programs. The Task Force shall be composed of officials from State and local government agencies that affect child protective services development or delivery, at least one member of the House of Representatives, and one member of the Senate. The Task Force shall develop recommendations for State/county cost sharing of child protective services programs. Each recommendation shall include an assessment of fiscal impact and a schedule for implementation. Among the options studied, the Task Force shall consider a recommendation that applies a sliding match requirement to counties based on the counties' ability to pay and their relative burden of public assistance cases. The Task Force shall report the results of its study, together with any recommendations, including any legislative proposals, to the 1993 General Assembly and to the Fiscal Research Division of the Legislative Services Office within one week of the convening of the 1993 General Assembly.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye
ADOPTION SUBSIDY

Sec. 142. Section 99 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 99. ~~The~~ Effective July 1, 1991, the adoption subsidy paid monthly by the Division of Social Services, Department of Human Resources, to eligible families who adopt hard-to-place children shall be established at ~~\$150.00~~ one hundred fifty dollars (\$150.00) per child per month. Effective July 1, 1992, this adoption subsidy shall be established at two hundred dollars (\$200.00) per child per month."

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling, Diamont
INFANT MORTALITY FUNDS

Sec. 143. The Department of Human Resources, Division of Medical Assistance, with support by the Office of Rural Health and Resource Development, the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the Governor's Commission on the Reduction of Infant Mortality, and other relevant community groups, shall conduct a study to determine the extent to which the lack of provider participation in the Medicaid program creates access barriers to pregnant women and children on Medicaid. The study shall examine the extent of

participation in the Medicaid program by obstetricians, family practitioners, certified nurse midwives, and pediatricians who provide prenatal, delivery, or pediatric services, as well as different methods of increasing provider participation. The Division of Medical Assistance shall report its findings to the 1993 General Assembly no later than March 15, 1993.

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

DOMICILIARY CARE REIMBURSEMENT RATE INCREASE

Sec. 144. Section 127 of Chapter 689 of the 1991 Session Laws, as rewritten by Section 221 of Chapter 689 of the 1991 Session Laws, reads as rewritten:

"Sec. 127. Effective July 1, 1991, the maximum monthly rate for ambulatory residents in domiciliary care facilities shall be ~~\$832.00~~ eight hundred thirty-two dollars (\$832.00) and the maximum monthly rate for semiambulatory residents shall be ~~\$871.00~~ eight hundred seventy-one dollars (\$871.00). Effective July 1, 1992, the maximum monthly rates for ambulatory residents shall be increased to ~~\$843.00~~ eight hundred eighty-nine dollars (\$889.00) and for semiambulatory residents to ~~hundred twenty-eight dollars (\$928.00)~~ hundred twenty-eight dollars (\$928.00)."

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

ADOLESCENT PARENTING PROGRAM

Sec. 145. The Division of Social Services, Department of Human Resources, shall evaluate all of the adolescent parenting program and shall report its findings to the House and Senate Appropriations Committees by January 1, 1993.

The evaluations of these programs shall include a study of the effectiveness of the programs in preventing the second pregnancies, enhancing parenting skills, improving prenatal and perinatal care, and continuing secondary education participation among the target population.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

CHILD DAY CARE REVOLVING LOAN FUND

Sec. 146. Notwithstanding any law to the contrary, funds budgeted for the Child Day Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or to pay the Department's cost of administering the program.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES

Sec. 147. (a) Of the funds appropriated to the Department of Human Resources, Division of Social Services, in this act for the 1992-93 fiscal year, the sum of four hundred ten thousand dollars (\$410,000) shall be used to enable the Department to develop further the Social Services Plan, in consultation and cooperation with other

appropriate agencies and organizations and consistent with the policies as provided by Chapter 448 of the 1989 Session Laws.

As part of the further development of the Social Services Plan, the Department of Human Resources shall pilot in three to five counties the core services as described in its report on the Social Services Plan to the General Assembly. The piloting shall include the establishment of minimum standards for the provision of the core services, including the staffing standards, caseload standards, training standards, and facilities standards.

In implementing Family Centered Services as a core service, the Secretary of the Department of Human Resources shall consider the advice and recommendations of the Advisory Committee on Family Centered Services.

These funds may be used as a match for federal funds that may be available in order to maximize support for the pilot. Funds appropriated by the General Assembly to be allocated to counties for child protective services shall be used by the pilot counties to strengthen investigations and treatment in Child Protective Services as a core service. Any funds allocated to counties pursuant to this subsection shall be matched by the counties at the rate of one county dollar for every three State dollars.

(b) Of the funds appropriated to the Department of Human Resources, Division of Social Services, the sum of fifty thousand dollars (\$50,000) for the 1992-93 fiscal year shall be used to make grants to public or private agencies to develop and implement model programs of locally based Family Preservation Services as provided in Part 4A of Article 3 of Chapter 143B of the General Statutes, Family Preservation Act. These funds shall be used in conjunction with funds identified within the Department to implement the Family Preservation Services Program as provided in this section. The Secretary of the Department of Human Resources shall ensure that the development of these Family Preservation Models and the piloting of the core social services described in subsection (a) of this section are coordinated at State and local levels to achieve the most effective service delivery for families and use of available funding sources.

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

IN-HOME AIDE SERVICES SUPERVISORY VISIT

Sec. 148. (a) Each home care agency shall conduct at least one supervisory visit each quarter to the home of at least one client served by each in-home aide providing services subject to licensure under Part C of Article 6 of Chapter 131E of the General Statutes and funded through the Divisions of Aging and Social Services, who has been employed by that agency for at least one month.

(b) This section does not apply to supervisory visits to homes of clients served by an aide who is functioning as a Nurse Aide I.

(c) This section expires March 31, 1993, if funds are available to the Department by that date to fund fully the In-Home Aide supervisory visits required by Part C of Article 6 of Chapter 131E of the General Statutes. The Department shall report to the Subcommittee on Human Resources of the Senate Appropriations

Committee by March 1, 1993, if funds are not available. If funds are not available by March 31, 1993, this section expires June 30, 1993.

Requested by: Senators Richardson, Walker, Representatives Easterling, Nye

CERTIFICATE OF NEED TEMPORARY RULES

Sec. 149. G.S. 150B-21.1(a) reads as rewritten:

"(a) Adoption. – An agency may adopt a temporary rule without prior notice or hearing or upon any abbreviated notice or hearing the agency finds practical when it finds that adherence to the notice and hearing requirements of this Part would be contrary to the public interest and that the immediate adoption of the rule is required by one or more of the following:

- (1) A serious and unforeseen threat to the public health, safety, or welfare.
- (2) The effective date of a recent act of the General Assembly or the United States Congress.
- (3) A recent change in federal or State budgetary policy.
- (4) A federal regulation.
- (5) A court order.
- (6) The need for the rule to become effective the same date as the State Medical Facilities Plan approved by the Governor, if the rule addresses a matter included in the State Medical Facilities Plan.

An agency must prepare a written statement of its findings of need for a temporary rule. The statement must be signed by the head of the agency adopting the rule.

An agency must begin rule-making proceedings for a permanent rule by the day it adopts a temporary rule. An agency begins rule-making proceedings for a permanent rule by submitting to the codifier written notice of its intent to adopt a permanent rule."

Requested by: Senators Plyler, Basnight, Richardson, Walker, Representatives Easterling, Nye

BUSINESS AND CONSUMER ADVISORY COUNCIL FOR THE DIVISION OF VOCATIONAL REHABILITATION SERVICES

Sec. 150. Article 59 of Chapter 143 of the General Statutes is amended by adding a new section to read:

§ 143-548. Business and Consumer Advisory Council.

(a) There is established a Business and Consumer Advisory Council within the Division of Vocational Rehabilitation Services to be composed of 15 voting members and of the Director of the Division of Vocational Rehabilitation Services, who shall serve ex officio as a nonvoting member. The President Pro Tempore of the Senate shall appoint four members, the Speaker of the House of Representatives shall appoint four members, and the Governor shall appoint seven members. All members shall serve three-year terms. Vacant appointments shall be filled by the appointing officer who made the initial appointments. Members may be appointed to succeed themselves. Appointments shall be made as follows:

- (1) Of the four members appointed by the President Pro Tempore of the Senate, one shall be recommended by the North Carolina Citizens for

Business and Industry, two others shall be providers of community rehabilitation services, and one other shall be a representative from the North Carolina Council for the Deaf and the Hard of Hearing;

(2) Of the four members appointed by the Speaker of the House of Representatives, one shall be from the business and industry sector, two others shall be parents of disabled youth who are approaching the age to be served by the Vocational Rehabilitation Program, and one other shall be a representative from the organizations representing the mentally ill; and

(3) Of the seven members appointed by the Governor, one shall be from the business and industry sector, one other shall represent the regional rehabilitation centers for the physically disabled appointed from a list provided by the advisory committee to those centers, one other shall be a representative from the State Independent Living Council, one other shall be a representative from the Client Assistance Program, one other shall be a representative from the operators of centers for Independent Living, and two others shall be members of the public who are themselves disabled, are parents of children with disabilities, or are direct care providers of services for persons with disabilities.

(b) The Council shall:

(1) Advise the Division on matters relating to services, the impact of services provided and functions performed by all State agencies that affect or that potentially affect the ability of individuals with disabilities in achieving rehabilitation goals and objectives;

(2) Advise the Division and, at the discretion of the Division, assist in the preparation of the State Plan, the Strategic Plan, and their amendments;

(3) Participate in cooperation with the Division in the State Plan public hearing process; and

(4) Advise the Division on coordination and linkage with the Statewide Independent Living Council and independent living centers within the State.

(c) The Secretary of Human Resources shall designate as Chair of the Council one of the members of the Council at the first meeting of the Council. The Chair's term is a single three-year term. The Secretary shall designate the Chair's successor at the next meeting following this term's expiration.

(d) The Council shall meet at least quarterly and at other times at the call of the Chair. A majority of the voting members of the Council constitutes a quorum.

(e) The Division of Vocational Rehabilitation Services shall supply all necessary clerical and staff support to the Council. Council members shall be reimbursed for expenses incurred in the performance of their duties in accordance with G.S. 138-5.

(f) All appointments to the Council shall be made by September 30, 1992."

Requested by: Senators Richardson, Walker, Representatives Nye, Easterling

DHR DURABLE MEDICAL EQUIPMENT FUNDS

Sec. 151. If the Secretary of the Department of Human Resources determines that a reduction to provider reimbursements for Durable Medical Equipment is detrimental to Medicaid patients because patients cannot obtain this equipment at Medicaid rates, the Secretary may adjust provider reimbursements. The Secretary may use funds otherwise available to the Department to fund the costs of these adjustments.

PART 23. DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter
MCNC BUDGET LIMITS

Sec. 152. Section 150 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 150. (a) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1991-92</u>	<u>FY 1992-93</u>
Microelectronics Program	\$ 6,194,302	\$6,000,000
		<u>4,768,966</u>
Grants Program	-0-	-0-
Administration & Support	2,204,804	2,000,000
Supercomputer	5,298,063	5,224,705
Telecommunications	2,827,971	<u>2,775,295</u>
		<u>4,006,329</u>

(b) Of the funds appropriated to MCNC for the Microelectronics Program, ~~\$2,000,000~~ two million dollars (\$2,000,000) of the total appropriation in each fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

(c) If MCNC finds it necessary to make changes in the program allocations specified in subsection (a) of this Section, MCNC shall report such changes to the Joint Legislative Commission on Governmental Operations ~~within 30 days of the reallocation.~~ 30 days before the reallocation."

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter
HOME PROGRAM MATCHING FUNDS

Sec. 153. (a) Section 225 of Chapter 689 of the 1991 Session Laws reads as rewritten:

~~"Sec. 225. The Department of Economic and Community Development shall not spend any funds appropriated in this Title for the State administration of the federal HOME Program until Congress appropriates federal funds for the Program. Funds appropriated in this act to the Department of Economic and Community Development for the federal HOME Program shall be used by the Department to match federal funds appropriated for the HOME Program. In allocating State funds appropriated to match federal HOME Program funds, the Department shall give priority to HOME Program projects, as follows:~~

- (1) First priority to projects that are located in counties designated as severely distressed counties under G.S. 105-130.40(c) or G.S. 105-151.17(c); and
- (2) Second priority to projects that benefit persons and families whose incomes are fifty percent (50%) or less of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.

The Department of Economic and Community Development shall report to the General Assembly by April 1, 1993, concerning the status of the 1992 and 1993 HOME Programs and shall include in the report information on priorities met, types of activities funded, and types of activities not funded."

(b) Funds appropriated in this act to match federal HOME Program funds shall not revert to the General Fund on June 30, 1993.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

PETROLEUM OVERCHARGE FUNDS ALLOCATION

Sec. 154. Section 223 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 223. (a) The funds and interest thereon received from the case of United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There is appropriated from the Special Reserve to the Department of Economic and Community Development the sum of ~~\$10,900,000~~ ten million nine hundred thousand dollars (\$10,900,000) for the 1991-92 fiscal year and the sum of ~~\$6,001,511~~ six million one thousand five hundred eleven dollars (\$6,001,511) for the 1992-93 fiscal year to be allocated as follows:

- (1) \$2,200,000 for the 1991-92 fiscal year and \$1,200,302 for the 1992-93 fiscal year shall be used for projects under the State Energy Conservation Plan and Energy Extension Service Program:
- (2) \$2,500,000 for the 1991-92 fiscal year and \$1,380,348 for the 1992-93 fiscal year shall be used for energy conservation programs for hospitals and schools:
- (3) \$3,200,000 for the 1991-92 fiscal year and ~~\$1,740,438~~ \$2,158,048 for the 1992-93 fiscal year shall be used for the Low Income Weatherization Program:
- (4) \$3,000,000 for the 1991-92 fiscal year and ~~\$1,680,423~~ \$1,262,813 for the 1992-93 fiscal year shall be used for the Low Income Home Energy Assistance Program (LIHEAP).

(b) There is appropriated from the funds and interest thereon received from the United States Department of Energy's Stripper Well Litigation (MDL378) which remain in the Special Reserve for Oil Overcharge Funds to the Department of Economic and Community Development the sum of ~~\$4,898,489~~ four million eight hundred ninety-eight thousand four hundred eighty-nine dollars (\$4,898,489) for the 1992-93 fiscal year to be allocated as follows:

- (1) \$999,698 shall be used for projects under the State Energy Conservation Plan and Energy Extension Service Program;
- (2) \$1,119,652 shall be used for energy conservation programs for hospitals and ~~schools;~~ schools; and
- (3) ~~\$1,459,562—\$2,779,139~~ shall be used for the Low Income Weatherization Program; ~~and Program.~~
- (4) ~~\$1,319,577 shall be used for the Low Income Home Energy Assistance Program (LIHEAP).~~

(c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after the allocations made pursuant to subsections (a) and (b) of this section may be expended only as authorized by the General Assembly. All interest or income accruing from all deposits or investments of cash balances shall be credited to the Special Reserve for Oil Overcharge Funds.

(d) The funds and interest thereon received from the Diamond Shamrock Settlement which remain in a reserve in the Office of State Budget and Management for the Division of Energy to administer the petroleum overcharge funds pursuant to Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to the Division of Energy in the Department of Economic and Community Development on an as-needed basis.

(e) The Department of Economic and Community Development shall submit comprehensive annual reports to the General Assembly by May 15, 1992, and January 31, 1993, which detail the use of all petroleum overcharge funds. Any State department or agency that has received petroleum overcharge funds shall provide all information requested by the Department of Economic and Community Development for the purpose of preparing these reports."

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

MAIN STREET FUND RESTRICTIONS

Sec. 155. Section 140(c) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(c) Notwithstanding G.S. 143B-472.35, the Department of Economic and Community Development shall transfer ~~\$100,000—forty thousand dollars (\$40,000)~~ of interest earnings in the Main Street Financial Incentive Fund from the Fund to the General Fund for fiscal year ~~1991-92. 1992-93.~~ The Department shall transfer funds pursuant to this subsection on July 1, 1991. The Department shall transfer funds pursuant to this subsection beginning July 1, 1992, in equal payments on a quarterly basis."

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS

Sec. 156. The Department of Economic and Community Development shall report on a quarterly basis beginning October 1, 1992, to the House Appropriations Subcommittee on Environment, Health, and Natural Resources and the Senate Appropriations Committee on Natural and Economic Resources on the Community

Development Block Grant. Each report shall include a listing and description of the most recent grant awards, the status of the administration of each component of the block grant, the current status of next year's program design, and a description of any proposed or necessary changes to the program design.

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

ECONOMIC DEVELOPMENT FUNDS

Sec. 157. (a) Of the funds appropriated in this act to the North Carolina Rural Economic Development Center, Inc., one million four hundred thousand dollars (\$1,400,000) for the 1992-93 fiscal year, shall be allocated to local community development corporations. These funds shall be used to support community economic development projects and activities within the State's minority community.

Of these funds, one million one hundred thousand dollars (\$1,100,000) shall be available for direct grants to the local community development corporations that have previously received State funds for this purpose to support operations and project activities, one hundred thousand dollars (\$100,000) shall be available for direct grants to local community development corporations that have not previously received State funds for this purpose to support operations and project activities, fifty thousand dollars (\$50,000) shall be used for the Community Development Housing Counseling Demonstration Project, and one hundred fifty thousand dollars (\$150,000) shall be a direct grant to the North Carolina Association of Community Development Corporations, to support project activities and to fund the North Carolina Association of Community Development Corporations' loan fund. If funds allocated under this subsection for direct grants to community development corporations that have previously received State funds have not been committed for direct grants by the North Carolina Rural Economic Development Center by March 31, 1993, then such uncommitted funds shall be used for direct grants to community development corporations that have not previously received State funds. The North Carolina Rural Economic Development Center, Inc., shall establish and implement performance-based criteria for determining which community development corporations will receive a grant and the grant amounts.

The North Carolina Rural Economic Development Center, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of the funds allocated in this subsection.

For purposes of this subsection, the term "community development corporation" means a nonprofit corporation:

- (1) Chartered pursuant to Chapter 55A of the General Statutes;
- (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code;
- (3) Whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development;
- (4) Whose activities and decisions are initiated, managed, and controlled by the constituents of those local communities; and

(5) Whose primary function is to act as deal maker and packager of projects and activities that will increase their constituencies' opportunities to become owners, managers, and producers of small businesses, affordable housing, and jobs designed to produce positive cash flow and curb blight in the target community.

(b) Of the funds appropriated in this act to the Office of State Budget and Management, three hundred thousand dollars (\$300,000) for the 1992-93 fiscal year shall be allocated for the Land Loss Prevention Project, Inc., to provide free legal representation to low-income financially distressed small farmers. The Land Loss Prevention Project, Inc., shall not use these funds to represent farmers who have income and assets that would make them financially ineligible for legal services pursuant to Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention Project, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of these funds.

(c) Of the funds appropriated in this act to the Office of State Budget and Management, two hundred fifty thousand dollars (\$250,000) for the 1992-93 fiscal year shall be allocated for the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm Economic Development Project. These funds shall be used to foster economic development within the State's rural farm communities by offering financial, marketing, and technical assistance to small and limited resource farmers. The North Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of these funds.

(d) Of the funds appropriated in this act to the Office of State Budget and Management, two hundred thousand dollars (\$200,000) for the 1992-93 fiscal year shall be allocated to the North Carolina Institute for Minority Economic Development, Inc., to foster minority economic development within the State through policy analysis, information and technical assistance, and resource expansion. The North Carolina Institute for Minority Economic Development, Inc., shall research and identify key issues affecting the economic well-being of the State's ethnic minority community and issue annual reports with appropriate recommendations; provide information and technical assistance to organizations with minority economic development-based projects in common areas of need and interests; develop a resource bank of data and information; facilitate training in appropriate areas of need; and provide technical assistance to minority construction contractors. The North Carolina Institute for Minority Economic Development, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of these funds.

(e) Of the funds appropriated in this act to the North Carolina Rural Economic Development Center, Inc., one hundred thousand dollars (\$100,000) for the 1992-93 fiscal year shall be allocated to the North Carolina Minority Credit Union Support Center, Inc., for operational and administrative support. The North Carolina Rural Economic Development Center, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of these funds.

(f) Of the funds appropriated in this act to the North Carolina Rural Economic Development Center, Inc., six hundred fifty thousand dollars (\$650,000) for

the 1992-93 fiscal year shall be used to expand the Microenterprise Loan Program. Of these funds, no less than four hundred thousand dollars (\$400,000) shall be used as loan loss reserves and no more than two hundred fifty thousand dollars (\$250,000) shall be used to cover operational costs. The North Carolina Rural Economic Development Center, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of these funds.

(g) Of the funds appropriated in this act to the North Carolina Rural Economic Development Center, Inc., fifty thousand dollars (\$50,000) for the 1992-93 fiscal year shall be used for its expenses in administering this section. The Office of State Budget and Management shall allot the funds pursuant to subsections (e) and (f) of this section in increments of not less than two hundred thousand dollars (\$200,000) and not more than three hundred twenty-five thousand dollars (\$325,000) within 30 working days of the receipt of the Center's request for the funds. The North Carolina Rural Economic Development Center, Inc., shall distribute the funds pursuant to subsections (e) and (f) of this section immediately upon allotment by the Office of State Budget and Management.

(h) Of the funds appropriated in this act to the North Carolina Rural Economic Development Center, Inc., seventy-five thousand dollars (\$75,000) for the 1992-93 fiscal year shall be allocated as follows:

- (1) \$25,000 to the Opportunities Industrialization Center of Wilson, Inc., for its on-going training programs; and
- (2) \$25,000 to Opportunities Industrialization Center, Inc., in Rocky Mount, for its on-going training programs; and
- (3) \$25,000 to Pitt-Greenville Opportunities Industrialization Center, Inc., for its on-going job training programs.

The North Carolina Rural Economic Development Center, Inc., shall report quarterly to the Joint Legislative Commission on Governmental Operations on the use of funds allocated in this subsection.

(i) The Rural Economic Development Center, Inc., shall not distribute funds under subsections (a), (e), (f), and (h) of this section unless and until the entities eligible for funds under these subsections have met the requirements of G.S. 143-6.1.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY

Sec. 158. Section 154.1(g) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(g) Effective September 1, 1991:

- (1) The below described land and improvements, formerly known as the 'Science and Technology Research Center', together with property installed in the building and other movable equipment and supplies shall be transferred by the State of North Carolina to The North Carolina Technological Development Authority, Inc.: BEGINNING at an iron pin located at North Carolina Grid Coordinate, north 783,348.879 east 2,041,863.310; runs thence South 9 degrees 17

minutes West 261.50 feet to an iron pin; runs thence North 67 degrees 54 minutes West 698 feet to an iron pipe; runs thence North 37 degrees 50 minutes East 48.50 feet to an iron pin; runs thence North 45 degrees 50 minutes East 340.00 feet to an iron pin; runs thence North 13 degrees 18 minutes East 345.72 feet to an iron pin in the southern line of Cornwallis Road; runs thence along the southern line of Cornwallis Road along a slight curve having a diameter of 4 degrees 00 minutes, a tangent of 411.55 feet to a radius of 1,432.69 feet a distance of 363.82 feet to an iron pin located in the southern line of Cornwallis Road; thence continuing along the southern line of Cornwallis Road South 65 degrees 52 minutes East 63.47 feet to a concrete monument; thence along the right of way of Cornwallis Road and Davis Drive South 26 degrees 42 minutes East 72.60 feet to a concrete monument; thence along the western line of the right of way of Davis Drive along a slight curve having a diameter of 1 degree 00 minutes a tangent of 351.27 feet and a radius of 5,730.34 feet a distance of 342.05 feet to an iron pin at the point and place of BEGINNING and containing 8 acres according to a deed recorded in the Office of the Register of Deeds of Durham County, North Carolina, in Book 30, pages 378-380.

- (2) The transfer made by this section shall be evidenced by a deed executed under G.S. 146-75 and registered in accordance with G.S. 146-77. The deed shall provide that the property transferred by this section shall automatically revert to the State of North Carolina if the property is used for any purposes other than the purposes set forth in subdivision (3).
- (3) The transfer made by this section is made on the condition that the North Carolina Technological Development Authority, Inc., shall use the property described in subdivision (1) solely as a business incubator serving technology research-based entrepreneurial companies in the Research Triangle Park. If the North Carolina Technological Development Authority, Inc., ceases to use the property for the purposes described in this section, then the property shall automatically revert to the State of North Carolina. Use of the property described in subdivision (1) of this subsection pursuant to any prior instrument of occupancy in which the State of North Carolina is grantor of the property right and that is in force immediately prior to September 1, 1991, shall be deemed use of the property for purposes described in this section to the extent of use during the original term of the prior instrument of occupancy or any renewal or extension thereof."

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter
HAZARDOUS WASTE MANAGEMENT COMMISSION RESERVE

Sec. 159. (a) On July 1, 1992, the sum of one hundred eighty-three thousand seven hundred nineteen dollars (\$183,719) appropriated to the Department of Economic and Community Development for the North Carolina Hazardous Waste Management Commission for the 1992-93 fiscal year shall be transferred to a reserve in the Office of State Budget and Management. In the event the Director of the Budget determines that there is a need to site an authorized hazardous waste facility pursuant to Chapter 130B of the General Statutes, the Office of State Budget and Management shall transfer up to the sum of one hundred eighty-three thousand seven hundred nineteen dollars (\$183,719) in this reserve to the Department of Economic and Community Development for the North Carolina Hazardous Waste Management Commission for the 1992-93 fiscal year to perform only those duties under G.S. 130B-7 that directly relate to site selection of an authorized hazardous waste facility pursuant to G.S. 130B-11.

(b) Of the funds appropriated to the Department of Economic and Community Development for the 1992-93 fiscal year for the Hazardous Waste Management Commission, not more than fifty-three thousand dollars (\$53,000) may be used for completing current projects, phasing out the Commission's activities, and satisfying contractual obligations, including salaries and other encumbrances. Funds for these purposes may be expended through December 31, 1992.

PART 24. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

DEMONSTRATION PROJECT FOR VOLUNTARY REMEDIAL ACTIONS

Sec. 160. (a) During the 1992-93 fiscal year, the Secretary of the Department of Environment, Health, and Natural Resources may contribute from the Inactive Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty thousand dollars (\$50,000) per site, of implementing a voluntary remedial action program at up to three high priority sites that substantially endanger public health or the environment.

(b) No later than April 1, 1993, the Department of Environment, Health, and Natural Resources shall report to the General Assembly. This report shall contain the location of the sites for which a voluntary remedial action program was implemented, the rationale for the State contributing to the cost of the remedial action, the cost of the remedial action, and the amount of the contribution made from the Inactive Hazardous Sites Cleanup Fund.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

INCREASE USE OF SEDIMENTATION FEES

Sec. 161. Section 226(b) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(b) If the revenues received pursuant to G.S. 113A-54.2 exceed the amount in anticipated revenues from this source for the 1991-92 fiscal year or the 1992-93 fiscal

year, then the Department of Environment, Health, and Natural Resources may use up to ~~\$140,000~~ one hundred forty thousand dollars (\$140,000) of this revenue for the 1991-92 fiscal year and up to ~~\$160,000~~ two hundred twenty thousand dollars (\$220,000) of this revenue for the 1992-93 fiscal year for education, erosion control plan approval, and compliance activities in the Sedimentation Control Program, including salaries and necessary support, in the Division of Land Resources. These funds are in addition to any other funds appropriated for this purpose."

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

CLEAN AIR ACT PERMIT FEES

Sec. 162. Section 228 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 228. There is appropriated from the Title V nonreverting account established in G.S. 143-215.3A to the Department of Environment, Health, and Natural Resources the sum of ~~\$999,855~~ nine hundred ninety-nine thousand eight hundred fifty-five dollars (\$999,855) for the 1991-92 fiscal year and the sum of ~~\$3,992,390~~ four million six hundred ninety-two thousand three hundred ninety dollars (\$4,692,390) for the 1992-93 fiscal year to be used for the development and implementation of the Title V program in accordance with G.S. 143-215.3A; provided, however, if the revenues raised from Chapter 552 of the 1991 Session Laws are less than ~~\$999,855~~ nine hundred ninety-nine thousand eight hundred fifty-five dollars (\$999,855) for the 1991-92 fiscal year or are less than ~~\$3,992,390~~ four million six hundred ninety-two thousand three hundred ninety dollars (\$4,692,390) for the 1992-93 fiscal year, then the appropriation is reduced accordingly."

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

USE OF FOOD AND LODGING FEES

Sec. 163. If the revenues received pursuant to G.S. 130A-248(d) exceed the amount in anticipated revenues from this source for the 1992-93 fiscal year, then the Department of Environment, Health, and Natural Resources may use up to eleven thousand six hundred dollars (\$11,600) of this revenue for the 1992-93 fiscal year for the restaurant and lodging fee collection program in accordance with G.S. 130A-248(d). These funds are in addition to any other funds appropriated for this purpose.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter

AUTHORIZE USE OF WATER QUALITY FEES

Sec. 164. 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: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

OFFICE OF MINORITY HEALTH

Sec. 165. (a) The Office of Minority Health of the Department of Environment, Health, and Natural Resources for which funds have been appropriated in this act, shall have, but is not limited to, the following duties and responsibilities:

- (1) Develop public health policies that promote improvement in minority health status and minority access to public health services;
- (2) Develop monitoring, tracking, and reporting mechanisms for programs and services with minority health goals and objectives;
- (3) Provide periodic progress reports on the office and the advisory council activities to the Governor, the General Assembly, and the Secretary of the Department of Environment, Health, and Natural Resources;
- (4) Contact local health departments, community-based organizations, voluntary health organizations, and other public and private organizations statewide, on an ongoing basis, to learn more about their services to the minority communities, the health problems, and their ideas for improving minority health;
- (5) Promote local health department minority health services and community outreach by holding public meetings and community forums, and participating in community-sponsored activities;
- (6) Offer technical assistance and consultation to local health departments and community-based organizations in such areas as grant writing and conference planning;
- (7) Assist local health departments and community-based organizations in identifying potential funding sources and other community resources;
- (8) Promote communication across all State agencies that provide services to minority populations;
- (9) Improve methods for collecting and reporting data on minority health; and
- (10) Serve as a liaison to other states, the federal government, and national organizations.

(b) Funds appropriated in this act to the Department of Environment, Health, and Natural Resource for the Office of Minority Health and for the Minority Health Advisory Council shall be used for the following:

- (1) Three positions in the Office of Minority Health, which shall include a Director of the Office of Minority Health; and
- (2) Related support for the positions authorized in subdivision (1); and

(3) Expenses and related support for the Minority Health Advisory Council.

(c) The Department of Environment, Health, and Natural Resources shall report quarterly, beginning October 1, 1992, to the Joint Legislative Commission on Governmental Operations regarding the establishment and activities of the Office of Minority Health and of the Minority Health Advisory Council, including the status of the health of minorities in North Carolina.

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter
MINORITY HEALTH ADVISORY COUNCIL

Sec. 166. Chapter 130A of the General Statutes is amended by adding the following new sections to read:

"§ 130A-33.43. Minority Health Advisory Council.

There is established the Minority Health Advisory Council in the Department of Environment, Health, and Natural Resources. The Council shall have the following duties and responsibilities:

- (1) To make recommendations to the Governor and the Secretary of Environment, Health, and Natural Resources aimed at improving the health status of North Carolina's minority populations;
- (2) To identify and examine the limitations and problems associated with existing laws, regulations, programs and services related to the health status of North Carolina's minority populations;
- (3) To examine the financing and access to health services for North Carolina's minority populations;
- (4) To identify and review health promotion and disease prevention strategies relating to the leading causes of death and disability among minority populations; and
- (5) To advise the Governor and the Secretary of Environment, Health, and Natural Resources upon any matter which the Governor or Secretary may refer to it.

"§ 130A-33.44. Minority Health Advisory Council - members; selection; quorum; compensation.

(a) The Minority Health Advisory Council in the Department of Environment, Health, and Natural Resources shall consist of 15 members to be appointed as follows:

- (1) Five members shall be appointed by the Governor. Members appointed by the Governor shall be representatives of the following: health care providers, public health, health related public and private agencies and organizations, community-based organizations, and human resources agencies and organizations.
- (2) Five members shall be appointed by the Speaker of the House of Representatives, two of whom shall be members of the House of Representatives, and at least one of whom shall be a public member. The remainder of the Speaker's appointees shall be representative of any of the entities named in subdivision (1) of this section.

- (3) Five members shall be appointed by the President Pro Tempore of the Senate, two of whom shall be members of the Senate, and at least one of whom shall be a public member. The remainder of the President Pro Tempore's appointees shall be representative of any of the entities named in subdivision (1) of this section.
- (4) Of the members appointed by the Governor, two shall serve initial terms of one year, two shall serve initial terms of two years, and one shall serve an initial term of three years. Thereafter, the Governor's appointees shall serve terms of four years.
- (5) Of the nonlegislative members appointed by the Speaker of the House of Representatives, two shall serve initial terms of two years, and one shall serve an initial term of three years. Thereafter, nonlegislative members appointed by the Speaker of the House of Representatives shall serve terms of four years. Of the nonlegislative members appointed by the President Pro Tempore of the Senate, two shall serve initial terms of two years, and one shall serve an initial term of three years. Thereafter, nonlegislative members appointed by the President Pro Tempore of the Senate shall serve terms of four years. Legislative members of the Council shall serve two-year terms.

(b) The Chairperson of the Council shall be elected by the Council from among its membership.

(c) The majority of the Council shall constitute a quorum for the transaction of business.

(d) Members of the Council shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5 or G.S. 138-6, or travel and subsistence expenses in accordance with the provisions of G.S. 120-3.1, as applicable.

(e) All clerical support and other services required by the Council shall be provided by the Department of Environment, Health, and Natural Resources."

Requested by: Senators Martin of Pitt, Kaplan, Representatives McAllister, Ethridge, H. Hunter

NON-MEDICAID REIMBURSEMENT

Sec. 167. 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 Size	Kidney	All Other
1	\$ 6,400	\$ 4,200
2	8,000	5,300
3	9,600	6,400
4	11,000	7,500
5	12,000	7,900
6	12,800	8,300
7	13,600	8,800
8	14,400	9,300

The eligibility level each fiscal year for outpatient services for all clients and for inpatient services for children under the age of ~~5~~, 8, in the Children's Special Health Services Program shall be one hundred percent (100%) of the federal poverty guidelines as revised annually by the United States Department of Health and Human Services, in effect on July 1 of each fiscal year.

The eligibility level each fiscal year for outpatient services covered by the Sickle Cell Program shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services, in effect on July 1 of each fiscal year."

Requested by: Senators Martin of Pitt, Kaplan, Walker, Representatives Diamont, Ethridge, H. Hunter

INFANT MORTALITY PROGRAM FUNDS

Sec. 168. (a) The Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, in conjunction with the Department of Human Resources, Division of Social Services, Division of Medical Assistance, and Office of Rural Health and Resource Development, the Child Fatality Task Force, and other relevant community groups, shall develop parenting education protocols which focus on the care of newborns, early growth and development, the importance of preventive health care services, early self-esteem, injury prevention, and stress reduction; and shall develop criteria for determining families at risk of child abuse and neglect for whom parenting education would be effective.

(b) Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the sum of twenty-five thousand dollars (\$25,000) for the 1992-93 fiscal year shall be used to cover the development costs of the parenting education protocols. The development shall include an investigation of currently available protocols, issues regarding their utilization, and methods of evaluation.

(c) Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the sum of fifty thousand dollars (\$50,000) for the 1992-93 fiscal year shall be used to establish four comprehensive adolescent health care demonstration projects. Existing and proposed adolescent health care clinics shall be eligible applicants for the comprehensive adolescent health care demonstration projects with first priority given to existing adolescent health care clinics. To receive funding, each project must arrange for or provide preventive and primary medical care, and mental health services, and shall be developed with the participation of the public schools, the health department, the area mental health programs, the community migrant and rural health centers, and private physicians.

(d) Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, the sum of twenty-five thousand dollars (\$25,000) for the 1992-93 fiscal year shall be used to contract with The University of North Carolina Center on Early Adolescence to provide technical assistance to and evaluate existing adolescent health care clinics and to assist other counties in developing adolescent health care services.

(e) Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, Division of Epidemiology, the sum of nine hundred fifty thousand dollars (\$950,000) for the 1992-93 fiscal year shall be used to provide required childhood vaccinations to children cared for at community, migrant, and rural health centers and to provide required vaccines for medically indigent, non-Medicaid eligible children seen in private physicians' offices, as defined in rules adopted by the Commission for Health Services.

(f) Funds appropriated in this act to the Department of Environment, Health, and Natural Resources, Division of Maternal and Child Health, to inform the public on the dangers to the mother and developing fetus of alcohol, cocaine, and other substances, shall be used by the Department to support the activities of the FIRST STEP CAMPAIGN to inform the public about substance abuse and other high-risk behaviors that contribute to infant mortality and morbidity.

(g) State funds appropriated for the Special Supplemental Food Program for Women, Infants, and Children may be used to contribute the required State match if federal funds become available for the WIC farmers' market project.

(h) The North Carolina Adolescent Pregnancy Prevention Coalition shall report annually, not later than April 1 of each year, to the Joint Legislative Commission on Governmental Operations. This report shall include information on activities during the past fiscal year and itemized expenditures during the past fiscal year with sources of funding.

Requested by: Senators Martin of Pitt, Kaplan, Representatives Diamont, Ethridge, H. Hunter

CHILD FATALITY TASK FORCE CHANGES

Sec. 169. (a) G.S. 143-577(b) reads as rewritten:

"(b) The Task Force shall provide ~~a final report~~ updated reports to the Governor and General Assembly within the first week of the convening of the 1993 General Assembly. ~~Assembly and within the first week of the convening of the 1994 Session of the 1993 General Assembly.~~ The Task Force shall provide a final report to the Governor and General Assembly within the first week of the convening of the 1995 General Assembly. The final report shall include final conclusions and recommendations for each of the Task Force's duties, as well as any other recommendations for changes to any law, rule, and policy that it has determined will promote the safety and well-being of children. Any recommendations of changes to law, rule, or policy shall be accompanied by specific legislative or policy proposals and detailed fiscal notes setting forth the costs to the State."

(b) G.S. 143-573(b) reads as rewritten:

"(b) The Task Force shall be composed of ~~25-29~~ members, 12 of whom shall be ex officio members, three of whom shall be appointed by the Governor, ~~and eight seven~~ of whom shall be appointed by the General Assembly, Speaker of the House of Representatives, and seven of whom shall be appointed by the President Pro Tempore of the Senate. ~~upon recommendation of the Speaker of the House of Representatives and four upon recommendation of the President Pro Tempore of the Senate.~~ The ex officio members other than the Chief Medical Examiner may designate representatives from their particular departments, divisions, or offices to represent them on the Task Force. The members shall be as follows:

- (1) The Chief Medical Examiner;
- (2) The Attorney General;
- (3) The Director of the Division of Social Services;
- (4) The Director of the State Bureau of Investigation;
- (5) The Director of the Division of Maternal and Child Health of the Department of Environment, Health, and Natural Resources;
- (6) The Director of the Governor's Youth Advocacy and Involvement Office;
- (7) The Superintendent of Public Instruction;
- (8) The ~~President~~ Chairman of the State Board of Education;
- (9) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services;
- (10) The Secretary of the Department of Human Resources;
- (11) The Secretary of the Department of Environment, Health, and Natural Resources;
- (11.1) The Director of the Administrative Office of the Courts;

- (12) A director of a county department of social services appointed by the Governor upon recommendation of the President of the North Carolina Association of County Directors of Social Services;
- (13) A representative from a Sudden Infant Death Syndrome counseling and education program appointed by the Governor upon recommendation of the Director of the Division of Maternal and Child Health of the Department of Environment, Health, and Natural Resources;
- (14) A representative from the North Carolina Child Advocacy Institute appointed by the Governor upon recommendation of the President of the Institute;
- (15) A representative from a private group, other than the North Carolina Child Advocacy Institute, that advocates for children, appointed by ~~the General Assembly upon recommendation of the~~ Speaker of the House of Representatives upon recommendation of private child advocacy organizations;
- (16) A pediatrician, licensed to practice medicine in North Carolina, appointed by the ~~General Assembly upon recommendation of the~~ Speaker of the House of Representatives upon recommendation of the North Carolina Pediatric Society;
- (17) A representative from the North Carolina League of Municipalities appointed by the ~~General Assembly upon recommendation of the~~ Speaker of the House of Representatives upon recommendation of the League;
- (18) Two public members appointed by the ~~General Assembly upon recommendation of the~~ Speaker of the House of Representatives;
- (19) A county or municipal law enforcement officer appointed by the ~~General Assembly upon recommendation of the~~ President Pro Tempore of the Senate upon recommendation of organizations that represent local law enforcement officers;
- (20) A district attorney appointed by the ~~General Assembly upon the recommendation of the~~ President Pro Tempore of the Senate upon recommendation of the President of the North Carolina Conference of District Attorneys;
- (21) A representative from the North Carolina Association of County Commissioners appointed by the ~~General Assembly upon recommendation of the~~ President Pro Tempore of the Senate upon recommendation of the Association; ~~and~~
- (22) Two public members appointed by the ~~General Assembly upon recommendation of the~~ President Pro Tempore of the Senate; ~~and~~
- (23) Two members of the Senate appointed by the President Pro Tempore of the Senate and two members of the House of Representatives appointed by the Speaker of the House of Representatives."

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter
ON-SITE SEWAGE POSITIONS

Sec. 170. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources for the 1992-93 fiscal year, the sum of one hundred seventy-six thousand one hundred fifty dollars (\$176,150) shall be used to establish three positions in the On-Site Sewage Program to serve counties in Eastern North Carolina. These positions shall be used to provide technical assistance to local health departments and landowners for use of conventional or alternative septic systems and to owners of failing septic systems. The positions may also provide engineering review of large or innovative on-site subsurface sewage systems and may provide engineering support to local health departments.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter
PARKS RECEIPTS

Sec. 171. The Department of Environment, Health, and Natural Resources shall use any overrealized receipts from the Division of Parks and Recreation's sale of pine straw, timber, or any other forest products for the maintenance of the State parks and State reservoirs.

Requested by: Senator Martin of Pitt, Representatives Ethridge, H. Hunter
WILDLIFE RESOURCES COMMISSION LONG-RANGE BUDGET PLAN

Sec. 172. (a) The Wildlife Resources Commission shall prepare a long-range budget plan for review and consideration by the General Assembly. The budget plan shall include:

- (1) An analysis of revenues and expenditures from the 1986-87 fiscal year through the 1991-92 fiscal year identifying: (i) the major revenue sources and expenditure items within each program or division; (ii) the major increases or decreases in revenues and expenditures over the period and the rationale for these changes; and (iii) those wildlife programs or divisions that have experienced significant growth in expenditures since the 1986-87 fiscal year;
- (2) An inventory and analysis of all revenue sources, including the North Carolina Wildlife Endowment Fund, that identifies: (i) funds that may be used only for specific purposes; and (ii) funds that may be used for general program purposes;
- (3) Revenue and expenditure projections for the 1992-93 through 1996-97 fiscal years, by program and major budget objects; and
- (4) Long-term options for funding the operations of the Wildlife Resources Commission, including: (i) revenue increases, including increased license fees, subscription fees, and registration fees; use of interest from the North Carolina Wildlife Endowment Fund; and increases in the General Fund from sales tax and any other General Fund monies; and (ii) operating and capital expenditure reductions.

(b) The Wildlife Resources Commission shall prepare a report incorporating its long-range budget plan, including all components of this plan as set forth in subsection (a) of this section, and shall transmit this report to the General Assembly and the Fiscal Research Division by January 12, 1993.

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

DARE BOAT ACCESS FUNDS

Sec. 173. The Wildlife Resources Commission may use up to four hundred thousand dollars (\$400,000) in funds available to the Commission for the 1992-93 fiscal year for construction of a boating access area at the Washington Baum Bridge in Dare County.

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

PILOT PROGRAM/COUNTY JAIL INMATES WORK IN STATE PARKS

Sec. 174. Of the funds appropriated to the Department of Environment, Health, and Natural Resources, Division of Parks and Recreation, for the 1992-93 fiscal year in this act, the sum of one hundred thousand dollars (\$100,000) shall be allocated for a pilot program for county sheriffs' departments to provide supervision for county inmates to provide primarily repair and maintenance services to the State parks. The Division shall select five State parks to participate in this program. Each county sheriff's department in a county in which one of the five selected State parks is located shall receive up to twenty thousand dollars (\$20,000) for the cost of providing supervision of the county jail inmates.

PART 25. DEPARTMENT OF AGRICULTURE

Requested by: Senators Martin of Pitt, Johnson, Kaplan, Representatives Ethridge, H. Hunter

AGRICULTURAL MUSEUM PROPERTY DISPOSITION

Sec. 175. Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ 106-22.2. Museum of Natural Sciences; Maritime Museum; disposition of objects.

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of Agriculture may sell or exchange any object from the collections of the Museum of Natural Sciences and the Maritime Museum when it would be in the best interests of the Museums to do so. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an object is sold, the net proceeds of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museums' collections or exhibits."

Requested by: Senators Martin of Pitt, Kaplan, Representatives Ethridge, H. Hunter

EXTEND TIME PERIOD THAT GRAPE COUNCIL FUNDS DO NOT REVERT

Sec. 176. (a) Section 8 of Chapter 812 of the 1991 Session Laws is repealed.

(b) Section 12(b) of Chapter 1036 of the 1987 Session Laws reads as rewritten:

"(b) This section ~~shall remain in effect until July 1, 1991.~~ shall terminate June 30, 1997."

(c) This section is effective on and after June 30, 1992.

PART 26. MISCELLANEOUS PROVISIONS

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

EXECUTIVE BUDGET ACT APPLIES

Sec. 177. The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

COMMITTEE REPORT

Sec. 178. (a) The Joint Appropriations Committee Senate/House 1992-93 Budget Conference Report, dated July 8, 1992, which was distributed in the House of Representatives and the Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act.

(b) The line item budget enacted by the General Assembly for the maintenance of the various departments, institutions, and other spending agencies of the State for the 1991-93 fiscal biennium is described in Section 351 of Chapter 689 of the 1991 Session Laws, as amended by Section 6 of Chapter 812 of the 1991 Session Laws, in which the General Assembly amended the budget enacted by the 1991 Regular Session of the General Assembly for the 1992-93 fiscal year by making modifications including the base budget cuts and expansion budget additions that are set out in the Joint Appropriations Committee Senate/House 1992-93 Budget Conference Report, dated July 8, 1992. The line item detail in the budget enacted by the General Assembly for the 1992-93 fiscal year may be derived accordingly.

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

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont

MOST TEXT APPLIES ONLY TO 1992-93

Sec. 179. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1992-93 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1992-93 fiscal year.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
1991-92 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

Sec. 180. (a) Except where expressly repealed or amended by this act, the provisions of Chapters 689, 761, and 812 of the 1991 Session Laws remain in effect.

(b) Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 1992-93 fiscal year in Chapters 689, 761, and 812 of the 1991 Session Laws that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations and budget reductions of this act for those same particular purposes.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
EFFECT OF HEADINGS

Sec. 181. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
SEVERABILITY CLAUSE

Sec. 182. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senators Basnight, Plyler, Representatives Nesbitt, Diamont
EFFECTIVE DATE

Sec. 183. Except as otherwise provided, this act becomes effective July 1, 1992.

In the General Assembly read three times and ratified this the 8th day of July, 1992.
The General Assembly of North Carolina enacts:

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives