

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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2

SENATE BILL 88

Appropriations Committee Substitute Adopted 6/3/91 With Amendments

Short Title: 1991 Current Operations/Expansion/Capital.

(Public)

Sponsors:

Referred to:

February 18, 1991

A BILL TO BE ENTITLED

AN ACT TO MAKE BASE BUDGET AND EXPANSION BUDGET
APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE
DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND TO MAKE
APPROPRIATIONS FOR CAPITAL IMPROVEMENTS FOR STATE
DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND TO MAKE
APPROPRIATIONS FOR OTHER PURPOSES.

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.

Requested by: Senators Basnight, Plyler

—TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations, Expansion, and Capital Improvements Appropriations Act of 1991."

TITLE 1. - CURRENT OPERATIONS

PART I.—GENERAL FUND APPROPRIATIONS

—CURRENT OPERATIONS/GENERAL FUND

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 biennium ending June 30, 1993, according to the following schedule:

<u>Current Operations-General Fund</u>	<u>1991-92</u>	<u>1992-93</u>
General Assembly	\$ 17,938,648	\$ 21,171,406
Judicial Department	203,401,275	210,005,066
Department of the Governor		
01. Office of the Governor	5,085,181	5,164,624
02. Office of State Budget and Management	3,795,573	3,981,781
Lieutenant Governor's Office		541,379 552,511
Department of Secretary of State		4,254,420 4,005,938
Department of State Auditor		12,852,231 13,007,984
Department of State Treasurer		4,825,761 4,893,424
Department of Public Education	3,161,206,190	3,269,268,868
Department of Justice		49,222,973 49,303,234
Department of Administration		
01. Administration	47,434,501	50,791,738
02. State Controller	4,955,179	5,043,694
Department of Agriculture		38,812,322 39,340,164
Department of Labor		7,912,145 8,118,628
Department of Insurance		11,922,216 12,092,877

1	Department of Transportation		
2	01. Aeronautics	8,316,571	8,116,571
3	02. Aid to Railroads	128,406	100,000
4			
5	Total Department of		
6	Transportation		8,444,977 8,216,571
7			
8	Department of Environment, Health, and		
9	Natural Resources		167,575,194 169,527,407
10			
11	Office of Administrative Hearings		1,272,359 -
12			
13	Administrative Rules Review Commission		249,502 253,456
14			
15	Department of Human Resources		
16	01. Alcohol Drug Abuse Treatment Center -		
17	Black Mountain	3,818,978	3,894,651
18	02. Alcohol Drug Abuse Treatment Center -		
19	Butner	3,220,812	3,291,907
20	03. Alcohol Drug Abuse Treatment Center -		
21	Greenville	3,252,498	3,322,256
22	04. N.C. Special Care Center	566,162	740,867
23	05. Black Mountain Center	1,617,857	2,118,827
24	06. DHR - Secretary	7,664,349	7,794,666
25	07. Division of Aging	8,497,571	8,504,844
26	08. Schools for the Deaf and		
27	Hard of Hearing	19,037,762	19,476,528
28	09. Social Services	130,243,525	137,823,654
29	10. Medical Assistance	522,379,259	602,098,277
30	11. Social Services-State Aid to		
31	Non-State Agencies	5,440,669	5,440,669
32	12. Division of Services for the		
33	Blind	11,940,736	12,097,043
34	13. Division of Mental Health,		
35	Developmental Disabilities and		
36	Substance Abuse Services	185,096,353	186,201,187
37	14. Dorothea Dix Hospital	34,979,050	38,060,051
38	15. Broughton Hospital	28,991,032	31,417,835
39	16. Cherry Hospital	30,318,690	32,300,196
40	17. John Umstead Hospital	30,352,135	34,473,823
41	18. Western Carolina Center	1,368,159	2,168,421
42	19. O'Berry Center	1,854,136	2,605,180
43	20. Murdoch Center	8,353,462	9,357,233
44	21. Caswell Center	5,321,035	8,176,636

1	22.	Division of Facility Services	28,239,036	29,416,980
2	23.	Division of Vocational		
3		Rehabilitation Services	21,678,859	21,857,361
4	24.	Division of Youth Services	45,522,280	46,099,663
5		Total Department of		
6		Human Resources		1,139,754,405 1,248,738,755
7				
8		Department of Correction		470,589,931 493,265,549
9				
10		Department of Economic and Community		
11		Development		
12	01.	Economic and Community		
13		Development	24,459,147	24,767,977
14	02.	Biotechnology	7,157,547	7,157,547
15	03.	MCNC	16,525,140	16,000,000
16				
17		Department of Revenue		52,328,356 53,136,369
18				
19		Department of Cultural Resources		38,207,489 39,275,697
20				
21		Department of Crime Control		
22		and Public Safety		26,950,909 27,426,012
23				
24		University of North Carolina - Board		
25		of Governors		
26	01.	General Administration	13,406,444	17,285,121
27	02.	University Institutional		
28		Program	5,405,651	5,805,651
29	03.	Related Educational Programs	44,699,531	44,468,531
30	04.	University of North Carolina		
31		at Chapel Hill		
32		a. Academic Affairs	129,222,504	140,702,013
33		b. Health Affairs	99,075,483	104,972,130
34		c. Area Health Education		
35		Centers	31,257,577	31,286,910
36	05.	North Carolina State University		
37		at Raleigh		
38		a. Academic Affairs	168,482,944	174,857,482
39		b. Agricultural Research		
40		Service	35,427,862	35,770,197
41		c. Agricultural Extension		
42		Service	27,490,759	28,064,099
43	06.	University of North Carolina at		
44		Greensboro	54,140,779	55,122,732

1	07.	University of North Carolina at		
2		Charlotte	55,192,082	55,971,497
3	08.	University of North Carolina at		
4		Asheville	16,531,596	16,826,241
5	09.	University of North Carolina at		
6		Wilmington	32,230,277	32,831,643
7	10.	East Carolina University		
8		a. Academic Affairs	71,769,472	73,100,251
9		b. Division of Health Affairs	50,648,257	53,493,127
10	11.	North Carolina Agricultural and		
11		Technical State University	35,504,057	36,476,642
12	12.	Western Carolina University	34,192,276	34,916,550
13	13.	Appalachian State University	52,422,646	53,331,666
14	14.	Pembroke State University	15,733,902	15,943,282
15	15.	Winston-Salem State University	15,611,823	16,010,714
16	16.	Elizabeth City State		
17		University	14,522,105	14,739,514
18	17.	Fayetteville State University	16,646,168	16,923,999
19	18.	North Carolina Central		
20		University	26,233,350	26,808,026
21	19.	North Carolina School of the		
22		Arts	8,254,361	8,382,728
23	20.	North Carolina School of		
24		Science and Mathematics	7,162,981	7,152,941
25	21.	UNC Hospitals at Chapel Hill	37,755,275	47,092,624
26	Total University of North			
27	Carolina		1,099,020,162	1,148,336,311
28				
29	Department of Community			
30		Colleges	352,774,407	359,510,097
31				
32	State Board of Elections		470,005	435,187
33				
34	Contingency and Emergency		1,125,000	1,125,000
35				
36	Reserve for Salary Adjustments		500,000	500,000
37				
38	Reserve for Lowest Paid Employees		750,000	750,000
39				
40	Reserve for Data Processing Equipment		2,500,000	1,500,000
41				
42	Reserve for State Employees Health			
43		Benefit Plan	79,700,000	95,000,000
44				

1	Reserve for Reimbursements to		
2	Local Governments and for		
3	Shared Tax Revenues	474,606,174	474,606,174
4			
5	Debt Service		<u>76,028,270</u> <u>73,049,578</u>
6			
7			
8	GRAND TOTAL CURRENT OPERATIONS –		
9	GENERAL FUND	\$7,615,148,968	\$7,939,319,624

PART II.—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 biennium ending June 30, 1993, according to the following schedule:

		<u>1991-92</u>	<u>1992-93</u>
19	<u>Current Operations-Highway Fund</u>		
20			
21	Department of Transportation		
22	01. Administration	\$ 34,009,810	\$ 34,473,967
23	02. Division of Highways		
24	a. Administration and		
25	Operations	32,579,409	33,151,051
26	b. State Construction		
27	(01) Primary Construction	-	-
28	(02) Secondary		
29	Construction		66,121,926 66,717,023
30	(03) Urban Construction	10,805,664	9,828,266
31	(04) Access and Public		
32	Service Roads		2,000,000 2,000,000
33	(05) Special Appropriation		
34	for Highways		5,000 5,000
35	(06) Spot Safety		
36	Improvements		9,100,000 9,100,000
37	c. State Funds to Match Federal		
38	Highway Aid		
39	(01) Construction	65,992,066	65,992,066
40	(02) Planning Survey and Highway		
41	Planning Research		2,959,649 2,959,649
42	d. State Maintenance		
43	(01) Primary	85,882,433	85,882,433
44	(02) Secondary	151,355,630	151,355,630

1	(03) Urban	22,714,972	22,714,972	
2	(04) Contract Resurfacing	100,000,000	102,500,000	
3	e. Ferry Operations	16,547,896	16,547,896	
4	03. Division of Motor Vehicles	74,250,105	75,416,064	
5	04. Governor's Highway Safety Program	286,279	290,617	
6	05. State Aid to Municipalities			66,121,926 66,717,023
7	06. State Aid for Public			
8	Transportation	5,038,766	5,046,001	
9	07. Salary Adjustments for Highway			
10	Fund Employees	200,000	200,000	
11	08. Reserve to Correct Occupational			
12	Safety and Health Conditions	425,000	425,000	
13	09. Reserve to Continue DOT			
14	Merit Salary Increases	4,510,383	4,510,383	
15	10. Debt Service	38,227,230	38,018,250	
16	11. Reserve for State Employees			
17	Health Benefit Plan	6,300,000	7,500,000	
18				
19	Appropriations for Other State Agencies			
20	01. Crime Control and Public			
21	Safety	82,960,977	85,402,398	
22	02. Other Agencies			
23	a. Department of Agriculture	2,892,001	2,790,013	
24	b. Department of Revenue	1,921,279	1,923,941	
25	c. Department of Environment,			
26	Health, and Natural			
27	Resources:			
28	LUST Trust Fund			5,186,720 5,586,046
29	Chemical Test Program			376,176 380,176
30	d. Department of Correction	4,591,856	4,633,856	
31	e. Department of Justice	240,250	240,250	
32	f. Department of Public			
33	Education	<u>22,930,662</u>	<u>22,868,826</u>	
34				
35	GRAND TOTAL CURRENT OPERATIONS –			
36	HIGHWAY FUND			\$ 916,534,065 \$ 925,176,797
37				
38				
39	PART III.—HIGHWAY TRUST FUND			
40				
41	Sec. 5.			
42	<u>1991-92</u> <u>1992-93</u>			
43	01. Intrastate System	\$ 201,279,015	\$ 203,941,317	
44	02. Secondary Roads Construction	46,099,293	46,878,630	

1	03.	Urban Loops	81,313,427	82,389,951	
2	04.	State Aid - Municipalities	21,099,293	21,378,630	
3	05.	Program Administration	15,108,972	15,311,472	
4	06.	Transfer to General Fund	<u>170,000,000</u>	<u>170,000,000</u>	
5					
6		GRAND TOTAL/HIGHWAY TRUST FUND			\$ 534,900,000 \$ 539,900,000

PART IV.—BLOCK GRANT APPROPRIATIONS

Requested by: Senators Richardson, Martin of Pitt

—BLOCK GRANT PROVISIONS

Sec. 6. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1992, according to the following schedule:

16	TOTAL JOB TRAINING PARTNERSHIP ACT				\$
17	35,316,871				

COMMUNITY SERVICES BLOCK GRANT

20	01.	Community Action Agencies	\$ 8,906,905		
22	02.	Limited Purpose Agencies	494,305		
24	03.	Department of Human Resources to			
25		administer and monitor the activities			
26		of the Community Services Block Grant	484,890		

28	TOTAL COMMUNITY SERVICES BLOCK GRANT				\$
29	9,886,100				

COMMUNITY DEVELOPMENT BLOCK GRANT

33	01.	State Administration	\$ 913,140		
35	02.	Urgent Needs/Contingency	1,987,193		
37	03.	Development Planning/Housing	1,987,193		
39	04.	Economic Development	7,948,772		
41	05.	Community Revitalization	27,820,702		

TOTAL COMMUNITY DEVELOPMENT

1	BLOCK GRANT		\$
2	40,657,000		
3			
4	PREVENTIVE HEALTH BLOCK GRANT		
5			
6	01. Emergency Medical Services	\$ 451,915	
7			
8	02. Basic Public Health Services	928,395	
9			
10	03. Hypertension Programs	590,230	
11			
12	04. Health Education/Risk Reduction Programs and		
13	Health Promotion/Local Health Departments	1,013,371	
14			
15	05. Fluoridation of Water Supplies	158,134	
16			
17	06. Rape Prevention and Rape		
18	Crisis Programs	91,269	
19			
20	07. AIDS/HIV Education, Counseling,		
21	and Testing	290,577	
22			
23	08. TB Control Program	61,787	
24			
25	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
26	3,585,678		
27			
28	MATERNAL AND CHILD HEALTH SERVICES		
29			
30	01. Healthy Mother/Healthy Children		
31	Block Grants to Local Health		
32	Departments	\$ 11,788,781	
33			
34	02. High Risk Maternity Clinic Services,		
35	Perinatal Education, and Consultation		
36	to Local Health Departments		
37	and Other Health Care Providers	1,554,303	
38			
39	03. Services to Disabled Children	5,367,054	
40			
41	04. Reimbursements for Local Health		
42	Departments for Contracted		
43	Nutritional Services	120,530	
44			

1	TOTAL MATERNAL AND CHILD	
2	HEALTH SERVICES	\$
3	18,830,668	
4		
5	SOCIAL SERVICES BLOCK GRANT	
6		
7	01. County Departments of Social Services	\$ 42,846,858
8		
9	02. Allocation for In-Home Services provided	
10	by County Departments of	
11	Social Services	1,184,524
12		
13	03. Division of Mental Health, Developmental	
14	Disabilities, and Substance Abuse	5,514,782
15		
16	04. Division of Services for the Blind	3,162,920
17		
18	05. Division of Youth Services	1,037,868
19		
20	06. Division of Facility Services	330,573
21		
22	07. Division of Aging	333,656
23		
24	08. Day Care Services	12,158,899
25		
26	09. Volunteer Services	55,086
27		
28	10. State Administration and State Level	
29	Contracts	3,392,468
30		
31	11. Voluntary Sterilization Funds	98,710
32		
33	12. Transfer to Maternal and Child	
34	Health Block Grant	1,670,089
35		
36	13. Adult Day Care Services	652,889
37		
38	14. County Departments of Social Services for	
39	Child Abuse/Prevention and	
40	Permanency Planning	394,841
41		
42	15. Allocation to Division of Maternal and	
43	Child Health for Grants-in-Aid to Prevention	
44	Programs	439,261

1			
2	16.	Transfer to Preventive Health	
3		Block Grant for Emergency Medical Services	
4		and Basic Public Health Services	486,258
5			
6	17.	Allocation to Preventive Health Block	
7		Grant for AIDS Education	290,577
8			
9	18.	Allocation to Department of Administration	
10		for North Carolina Fund for Children	45,270
11			
12	19.	Allocation to the Division of Economic	
13		Opportunity for Head Start,	
14		Elderly and Handicapped Services	197,421
15			
16	TOTAL SOCIAL SERVICES BLOCK GRANT		
17			\$
18			74,292,950
19	LOW INCOME ENERGY BLOCK GRANT		
20			
21	01.	Energy Assistance Programs	\$ 18,407,453
22			
23	02.	Crisis Intervention	4,441,897
24			
25	03.	Administration	1,981,400
26			
27	04.	Weatherization Program	1,737,187
28			
29	05.	Indian Affairs	27,222
30			
31	06.	Transfer to Preventive Health Block Grant	
32		for Emergency Medical Services Program	209,116
33			
34	07.	Transfer to Social Services	
35		Block Grant for Adult	
36		Day Care Services	417,648
37			
38	08.	Transfer to Social Services Block	
39		Grant for State Administration	
40		& Contract Service	192,748
41			
42	09.	Transfer to Maternal and Child Health	
43		Block Grant in the Division of	
44		Maternal and Child Health	

1	for Healthy Mothers and Children	1,696,362	
2			
3	10. Transfer to SSBG for allocation to the		
4	Department of Administration for		
5	the North Carolina Fund for Children	45,270	
6			
7	TOTAL LOW INCOME ENERGY BLOCK GRANT		\$
8	29,156,303		
9			
10	ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH		
11	SERVICES BLOCK GRANT		
12			
13	01. Allocate funds to the four regional		
14	offices on a per capita basis		
15	for mental health services	\$ 1,866,556	
16			
17	02. Programs for the Chronically		
18	Mentally Ill	3,336,748	
19			
20	03. Continuation of child mental health		
21	nonresidential services in		
22	accordance with the Child Mental		
23	Health Plan	315,013	
24			
25	04. Continuation of child mental health		
26	residential services including group		
27	homes, specialized foster care,		
28	therapeutic homes, professional		
29	parenting programs, and respite care,		
30	with an emphasis on children under		
31	the age of 12	359,703	
32			
33	05. Continuation and expansion of community-		
34	based alcohol and drug services		
35	including prevention, early		
36	intervention, treatment, rehabilitation,		
37	nonhospital medical detoxification,		
38	and training	6,121,682	
39			
40	06. Continuation and expansion of services		
41	to female substance abusers,		
42	including specialized services at		
43	the ADATCS	2,652,698	
44			

1	07.	Continuation and expansion of services to		
2		IV drug abusers, including increased		
3		capacity for drug screens and IV		
4		services at the ADATCS	3,518,950	
5				
6	08.	Services to adolescents, including		
7		continuation and expansion of services		
8		in accordance with the Youth Substance		
9		Abuse Plan	3,140,864	
10				
11	09.	Funding to support the provision of		
12		Treatment Alternatives to Street		
13		Crimes (TASC) programs for adults		
14		and four demonstration projects with		
15		local jails	462,104	
16				
17	10.	Continuing of funding for detoxification		
18		services in the Eastern Region	1,048,110	
19				
20	11.	Administration	1,085,098	
21				
22	TOTAL ALCOHOL, DRUG ABUSE AND			
23	MENTAL HEALTH SERVICES			
24	BLOCK GRANT			
25				\$
26			23,907,526	
27	MENTAL HEALTH SERVICES FOR THE HOMELESS			
28	BLOCK GRANT			
29				
30	01.	Specialized Community Services for the		
31		Chronically Mentally Ill	\$ 420,000	
32	02.	Community-Based Services for Chronically		
33		Mentally Ill Youth	97,656	
34	03.	Administration	13,344	
35				
36	TOTAL MENTAL HEALTH SERVICES FOR THE			
37	HOMELESS BLOCK GRANT			
38				\$
39			531,000	
40	COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT			
41				
42	01.	Development of Community-Based Substance		
43		Abuse Prevention Programs		
44		for Youth	\$ 92,091	

1
2 TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM
3 BLOCK GRANT \$
4 92,091

5
6 CHILD CARE AND DEVELOPMENT BLOCK GRANT

7
8 01. Child Day Care Services 14,752,146
9
10 02. Head Start Wrap-Around 3,337,000
11
12 03. Revolving Loans/Grants 500,000
13
14 04. County Day Care Coordinators 467,167
15
16 05. Staff/Child Ratio Reduction 208,300
17
18 06. Study of Day Care Salaries 100,000
19
20 07. Child Care Worker Credentials 100,000
21
22 08. Resource and Referral Programs 650,000
23
24 09. Facility Services Administration 202,054
25

26 TOTAL CHILD CARE AND DEVELOPMENT
27 BLOCK GRANT \$
28 20,316,667
29

30 (b) Decreases in Federal Fund Availability

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

34 (c) Increases in Federal Fund Availability

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

- 37 (1) For the Community Development Block Grant or for the Preventive
38 Health Block Grant – each program category under the Community
39 Development Block Grant or the Preventive Health Block Grant, as
40 applicable, shall be increased by the same percentage as the increase in
41 federal funds.
42 (2) For the Maternal and Child Health Services Block Grant – these
43 additional funds shall be allocated to local health departments to assist
44 in the reduction of infant mortality.

- 1 (3) For other block grants – these additional funds may be budgeted by the
2 appropriate department, with the approval of the Office of State
3 Budget and Management, provided the resultant increases are in
4 accordance with federal block grant requirements and are within the
5 scope of the block grant plan approved by the General Assembly. All
6 these budgeted increases shall be reported to the Joint Legislative
7 Commission on Governmental Operations and to the Director of the
8 Fiscal Research Division.

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

10 (d) Education Setaside of JTPA Funds

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

16
17
18 PART V.—GENERAL PROVISIONS

19
20 Requested by: Senators Basnight, Plyler

21 —SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL
22 RECEIPTS/AUTHORIZATION FOR EXPENDITURES

23 Sec. 7. There is appropriated out of the cash balances, federal receipts, and
24 departmental receipts available to each department, sufficient amounts to carry on
25 authorized activities included under each department's operations. All these cash
26 balances, federal receipts, and departmental receipts shall be expended and reported in
27 accordance with provisions of the Executive Budget Act, except as otherwise provided
28 by statute. The Director of the Budget shall develop necessary budget controls,
29 regulations, and systems to ensure that these funds and other State funds subject to the
30 Executive Budget Act, may not be spent in a manner which would cause a deficit in
31 expenditures.

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

38
39 Requested by: Senators Basnight, Plyler

40 —INSURANCE AND FIDELITY BONDS

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

1
2
3 Requested by: Senators Basnight, Plyler

4 ---CONTINGENCY AND EMERGENCY FUND ALLOCATION

5 Sec. 9. Of the funds appropriated in this Title to the Contingency and
6 Emergency Fund, \$900,000 for the 1991-92 fiscal year and \$900,000 for the 1992-93
7 fiscal year shall be designated for emergency allocations, which are for the purposes
8 outlined in G.S. 143-23(a1). \$225,000 for the 1991-92 fiscal year and \$225,000 for the
9 1992-93 fiscal year shall be designated for other allocations from the Contingency and
10 Emergency Fund.

11
12 Requested by: Senators Basnight, Plyler

13 ---BUDGETING OF PILOT PROGRAMS

14 Sec. 10. (a) Any program designated by the General Assembly as experimental,
15 model, or pilot shall be shown as a separate budget item and shall be considered as an
16 expansion item until a succeeding General Assembly reapproves it.

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

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

22
23 Requested by: Senators Basnight, Plyler

24 ---AUTHORIZED TRANSFERS

25 Sec. 11. The Director of the Budget may transfer to General Fund budget
26 codes from the General Fund salary adjustment appropriation, and may transfer to
27 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
28 amounts required to support approved salary adjustments made necessary by difficulties
29 in recruiting and holding qualified employees in State government. The funds may be
30 transferred only when the use of salary reserve funds in individual operating budgets is
31 not feasible.

32
33 Requested by: Senators Basnight, Plyler

34 ---EXPENDITURES OF FUNDS IN RESERVES LIMITED

35 Sec. 12. All funds appropriated by this act into reserves may be expended
36 only for the purposes for which the reserves were established.

37
38 Requested by: Senator Martin of Pitt

39 ---NONPROFITS MAY RELINQUISH FUNDS

40 Sec. 13. G.S. 143-6.1 reads as rewritten:

41 **"§ 143-6.1. Information from private organizations receiving State funds.**

42 Every private person, corporation, organization, and institution which receives, uses
43 or expends any State funds shall use or expend such funds only for the purposes for

1 which such State funds were appropriated by the General Assembly or collected by the
2 State.

3 Each private person, corporation, organization, and institution which uses or
4 expends State funds in the amount of twenty-five thousand dollars (\$25,000) or more
5 annually, except when the funds are compensation for goods or services, shall file
6 annually with the State Auditor and with the Joint Legislative Commission on
7 Governmental Operations a financial statement in such form and on such schedule as
8 shall be prescribed by the State Auditor, and shall furnish to the State Auditor for audit
9 all books, records and other information as shall be necessary for the State Auditor to
10 account fully for the use and expenditure of State funds. Each such private person,
11 corporation, organization, and institution shall furnish such additional financial or
12 budgetary information as shall be requested by the State Auditor or by the Joint
13 ~~Committee~~ Legislative Commission on Governmental Operations. The State shall not
14 disburse State funds appropriated by the General Assembly or collected by the State for
15 use by any private person, corporation, organization, or institution unless that person,
16 corporation, organization, or institution has provided all the reports and financial
17 information required by this section. All financial statements furnished to the State
18 Auditor or to the Joint Legislative Commission on Governmental Operations pursuant
19 to this section, and any audits or other reports prepared by the State Auditor, shall be
20 public records.

21 The receipt, use or expenditure of State funds by a private person, corporation,
22 organization, and institution shall not, in and of itself, make or constitute such person,
23 corporation, organization, or institution a State agency."
24

25 Requested by: Senator Martin of Pitt

26 ~~—~~STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY

27 Sec. 14. Each private, nonprofit entity eligible to receive State funds, either
28 by General Assembly appropriation, or by grant, loan, or other allocation from a State
29 agency, before funds may be disbursed to the entity, shall file with the disbursing
30 agency a notarized copy of that entity's policy addressing conflicts of interest that may
31 arise involving the entity's management employees and the members of its board of
32 directors or other governing body. The policy shall address situations where any of
33 these individuals may directly or indirectly benefit, except as the entity's employees or
34 members of the board or other governing body, from the entity's disbursing of State
35 funds, and shall include actions to be taken by the entity or the individual, or both, to
36 avoid conflicts of interest and the appearance of impropriety.
37
38

39 PART VI.—STATE BOARD OF ELECTIONS
40

41 Requested by: Senator Martin of Guilford

42 ~~—~~CHANGE THE DATE OF THE PRESIDENTIAL PRIMARY TO THE DATE OF
43 THE REGULAR STATEWIDE PRIMARY, AND ELIMINATE REIMBURSEMENT
44 TO THE COUNTIES OF THE EXPENSE OF HOLDING A SEPARATE PRIMARY

1 Sec. 15. (a) G.S. 163-213.2 reads as rewritten:

2 **"§ 163-213.2. Primary to be held; date; qualifications and registration of voters.**

3 On the ~~second Tuesday in March, 1988, Tuesday after the first Monday in May,~~
4 ~~1992,~~ and every four years thereafter, the voters of this State shall be given an
5 opportunity to express their preference for the person to be the presidential candidate of
6 their political party.

7 Any person otherwise qualified who will become qualified by age to vote in the
8 general election held in the same year of the presidential preference primary shall be
9 entitled to register and vote in the presidential preference primary. Such persons may
10 register not earlier than 60 days nor later than the 21st day prior to the said primary. In
11 addition, persons who will become qualified by age to register and vote in the general
12 election for which the primary is held, who do not register during the special period may
13 register to vote after such period as if they were qualified on the basis of age, but until
14 they are qualified by age to vote, they may vote only in primary elections."

15 (b) G.S. 163-213.3 reads as rewritten:

16 **"§ 163-213.3. Conduct of election.**

17 The presidential preference primary election shall be conducted and canvassed by
18 the same authority and in the manner provided by law for the conduct and canvassing of
19 the primary election for the office of Governor and all other offices enumerated in G.S.
20 163-187 and under the same provisions stipulated in G.S. ~~163-188, 163-188.~~ ~~except that~~
21 ~~the earliest date by which absentee ballots shall be available shall be 35 days prior to the~~
22 ~~date of the primary.~~ The State Board of Elections shall have authority to promulgate
23 reasonable rules and regulations, not inconsistent with provisions contained herein,
24 pursuant to the administration of this Article."

25 (c) G.S. 163-213.4 reads as rewritten:

26 **"§ 163-213.4. Nomination by State Board of Elections.**

27 The State Board of Elections shall convene in Raleigh on the first Tuesday in
28 ~~January-February~~ preceding the presidential preference primary election. At the meeting
29 required by this section, the State Board of Elections shall nominate as presidential
30 primary candidates all candidates affiliated with a political party, recognized pursuant to
31 the provisions of Article 9 of Chapter 163 of the General Statutes, who have become
32 eligible to receive payments from the Presidential Primary Matching Payment Account,
33 as provided in section 9033 of the U.S. Internal Revenue Code of 1954, as amended.
34 Immediately upon completion of these requirements, the Board shall release to the news
35 media all such nominees selected. Provided, however, nothing shall prohibit the partial
36 selection of nominees prior to the meeting required by this section, if all provisions
37 herein have been complied with."

38 (d) G.S. 163-213.11 is repealed.

39

40

41 PART VII.—OFFICE OF STATE AUDITOR

42

43 Requested by: Senator Martin of Guilford

44 —DEPARTMENT OF REVENUE PERFORMANCE AUDIT

1 Sec. 16. The State Auditor shall conduct an operations performance audit of
2 the Department of Revenue with particular attention to auditing the efficiency of
3 information systems and the effectiveness of tax collection systems. The State Auditor
4 shall report the results of the audit to the General Assembly on or before May 1, 1992.

5
6
7 PART VIII.—DEPARTMENT OF ADMINISTRATION

8
9 Requested by: Senator Martin of Guilford

10 —BOARD OF SCIENCE AND TECHNOLOGY LIMITATION

11 Sec. 17. All funds appropriated in the 1991-92 fiscal year and the 1992-93
12 fiscal year for research grants for the Board of Science and Technology shall be used
13 only for research grants and shall not be transferred to any other objects of expenditure.

14
15 Requested by: Senator Martin of Guilford

16 —OFFICE OF STATE PERSONNEL DECENTRALIZATION

17 Sec. 18. (a) Effective January 1, 1993, the Office of State Personnel shall
18 have decentralized the classification and salary administration functions of all State
19 departments with more than 500 permanent full-time employees, subject to criteria and
20 standards set by the State Personnel Commission. The Commission may suspend
21 decentralization when agencies violate State Personnel Commission criteria and
22 standards.

23 The Office of State Personnel shall report annually to the Joint Legislative
24 Commission on Governmental Operations and the Fiscal Research Division by
25 December 1 of each year, beginning on December 1, 1991, on its progress towards this
26 decentralization.

27 (b) The Office of State Personnel shall present its plan for decentralization of
28 the classification and salary administration functions to the State Personnel Study
29 Commission or its successor. The State Personnel Study Commission shall consider
30 those statutory changes as may facilitate decentralization and report its
31 recommendations to the General Assembly by April 1, 1992.

32
33 Requested by: Senator Martin of Guilford

34 —COUNCIL OF GOVERNMENT FUNDS

35 Sec. 19. (a) Of the funds appropriated in this Title to the Department of
36 Administration, \$480,160 for the 1991-92 fiscal year and \$480,160 for the 1992-93
37 fiscal year shall only be used as provided by this section. Each regional council of
38 government or lead regional organization is allocated up to \$26,675 each fiscal year,
39 with the actual amount calculated as provided in subsection (b) of this section.

40 (b) The funds shall be allocated as follows: A share of the maximum \$26,675
41 each fiscal year shall be allocated to each county and smaller city based on the most
42 recent annual estimate of the Office of State Budget and Management of the population
43 of that county (less the population of any larger city within that county) or smaller city,
44 divided by the sum of the total population of the region (less the population of larger

1 cities within that region) and the total population of the region living in smaller cities.
2 Those funds shall be paid to the regional council of government for the region in which
3 that city or county is located upon receipt by the Department of Administration of a
4 resolution of the governing board of the county or city requesting release of the funds.
5 If any city or county does not so request payment of funds by June 30 of a State fiscal
6 year, that share of the allocation for that fiscal year shall revert to the General Fund.

7 (c) A regional council of government may use funds appropriated by this section
8 only to assist local governments in grant applications, economic development,
9 community development, support of local industrial development activities, and other
10 activities as deemed appropriate by the member governments.

11 (d) Funds appropriated by this section may not be used for payment of dues or
12 assessments by the member governments, and may not supplant funds appropriated by
13 the member governments.

14 (e) As used in this section "Larger City" means an incorporated city with a
15 population of 50,000 or over. "Smaller City" means any other incorporated city.

16
17 Requested by: Senator Martin of Guilford

18 ---ALLOCATION OF RAPE CRISIS CENTER FUNDS

19 Sec. 20. All funds for the Rape Crisis Centers appropriated to the
20 Department of Administration, Council of the Status of Women, for the 1991-92 fiscal
21 year and the 1992-93 fiscal year shall be available to Rape Crisis Centers providing
22 direct services to victims of sexual assault and rape prevention services. Funds shall be
23 awarded according to criteria established by the Department of Administration. In
24 reviewing grant applications, the Department shall consider the impact of discontinued
25 federal funding on those centers that received funding through Section 41 of Chapter
26 1086 of the 1987 Session Laws, Regular Session 1988. Grants shall be awarded by
27 September 1 each fiscal year and the funds disbursed on a quarterly basis.

28
29 Requested by: Senator Martin of Guilford

30 ---DOMESTIC VIOLENCE CENTER FUNDS

31 Sec. 21. The funds appropriated to the Department of Administration,
32 Council on the Status of Women, for fiscal years 1991-92 and 1992-93 for domestic
33 violence centers, shall be allocated equally among all of the 61 domestic violence
34 centers in operation on July 1, 1989, that offered services including a hotline,
35 transportation services, community education programs, daytime services, and call
36 forwarding during the night. For the 1991-92 fiscal year and for the 1992-93 fiscal
37 year, each grant shall be \$17,100. Grants shall be awarded based on criteria established
38 by the Department of Administration and disbursed on a quarterly basis. The North
39 Carolina Coalition Against Domestic Violence, Incorporated, is eligible for a grant of
40 \$10,000 under this section.

41
42 Requested by: Senator Martin of Guilford

43 ---APPALACHIAN REGIONAL FUNDS SUBGRANTS

1 Sec. 22. Of the federal funds received by the Department of Administration
2 for the fiscal biennium 1991-93 under the Appalachian Regional Commission
3 Consolidated Technical Assistance Grant, the Department shall subgrant no less than
4 fifty percent (50%) to eligible applicants whose service area or jurisdiction is wholly
5 located within counties of the Appalachian Region.

6
7 Requested by: Senator Martin of Guilford

8 —MOTOR FLEET MANAGEMENT/RETURN OF GENERAL FUND
9 INVESTMENT

10 Sec. 23. On April 1, 1992, the Department of Administration shall credit to
11 the Office of State Treasurer, Nontax Revenues, the sum of \$2,000,000 and on June 15,
12 1992, the sum of \$1,500,000, unless the Department chooses to make a total payment of
13 \$3,500,000 on April 1, 1992. These funds represent a partial return to the General Fund
14 of its investment of \$5,100,000 in capital funds for the upgrading of the State motor
15 fleet appropriated in Section 57 of Chapter 757 of the 1985 Session Laws.

16
17 Requested by: Senator Martin of Guilford

18 —MOTOR FLEET MANAGEMENT CHANGES/EFFICIENCY
19 MEASURES/COMMUTING AND SPECIAL USE VEHICLE RESTRICTIONS

20 Sec. 24. G.S. 143-341(8)i. reads as rewritten:

21 "i. To establish and operate a central motor pool and such
22 subsidiary related facilities as the Secretary may deem
23 necessary, and to that end:

- 24 1. To establish and operate central facilities for the
25 maintenance, repair, and storage of state-owned
26 passenger motor vehicles for the use of State agencies; to
27 utilize any available State facilities for that purpose; and
28 to establish such subsidiary facilities as the Secretary
29 may deem necessary.
- 30 2. To acquire passenger motor vehicles by transfer from
31 other State agencies and by purchase. All motor vehicles
32 transferred to or purchased by the Department shall
33 become part of a central motor pool.
- 34 3. To require on a schedule determined by the Department
35 all State agencies to transfer ownership, custody or
36 control of any or all passenger motor vehicles within the
37 ownership, custody or control of that agency to the
38 Department, except those motor vehicles under the
39 ownership, custody or control of the Highway Patrol or
40 the State Bureau of Investigation which are used
41 primarily for law-enforcement purposes, and except
42 those motor vehicles under the ownership, custody or
43 control of the Department of Crime Control and Public

- 1 Safety for Butner Public Safety which are used primarily
2 for law-enforcement, fire, or emergency purposes.
- 3 4. To maintain, store, repair, dispose of, and replace state-
4 owned motor vehicles under the control of the
5 Department. The Department shall ensure that State-
6 owned vehicles are not normally replaced until they have
7 been driven for 90,000 miles or more.
- 8 5. Upon proper requisition, proper showing of need for use
9 on State business only, and proper showing of proof that
10 all persons who will be driving the motor vehicle have
11 valid drivers' licenses, to assign suitable transportation,
12 either on a temporary or permanent basis, to any State
13 employee or agency. An agency assigned a motor
14 vehicle may not allow a person to operate that motor
15 vehicle unless that person displays to the agency and
16 allows the agency to copy that person's valid driver's
17 license. Notwithstanding G.S. 20-30(6), persons or
18 agencies requesting assignment of motor vehicles may
19 photostat or otherwise reproduce drivers' licenses for
20 purposes of complying with this subpart.
- 21 As used in this subpart, 'suitable transportation'
22 means the standard vehicle in the State motor fleet,
23 unless special towing provisions are required by the
24 employee or agency. The Department may not assign
25 any employee or agency a motor vehicle that is not
26 suitable. The Department shall not assign 'special use'
27 vehicles, such as four-wheel drive vehicles or law
28 enforcement vehicles, to any agency or individual
29 except upon written justification, verified by historical
30 data, and accepted by the Secretary.
- 31 6. To allocate and charge against each State agency to
32 which transportation is furnished, on a basis of mileage
33 or of rental, its proportionate part of the cost of
34 maintenance and operation of the motor pool.
- 35 The amount allocated and charged by the Department of
36 Administration to State agencies to which transportation
37 is furnished shall be at least as follows:
- 38 I. Pursuit vehicles and full size ~~4-wheel~~four-wheel
39 drive vehicles – \$.24/mile.
- 40 II. Vans and compact ~~4-wheel~~four-wheel drive
41 vehicles – \$.22/mile.
- 42 III. All other vehicles – \$.20/mile.
- 43 7. To adopt, with the approval of the Governor, reasonable
44 rules for the efficient and economical operation,

1 maintenance, repair, and ~~replacement~~ replacement, as
2 limited in paragraph 4. of this subdivision, of all state-
3 owned motor vehicles under the control of the
4 Department, and to enforce those rules; and to adopt,
5 with the approval of the Governor, reasonable rules
6 regulating the use of private motor vehicles upon State
7 business by the officers and employees of State agencies,
8 and to enforce those rules. The Department, with the
9 approval of the Governor, may delegate to the respective
10 heads of the agencies to which motor vehicles are
11 permanently assigned by the Department the duty of
12 enforcing the rules adopted by the Department pursuant
13 to this paragraph. Any person who violates a rule
14 adopted by the Department and approved by the
15 Governor is guilty of a misdemeanor, and upon
16 conviction is punishable in the discretion of the court.

17 7a. To adopt with the approval of the Governor and to
18 enforce rules and to coordinate State policy regarding (i)
19 the permanent assignment of state-owned passenger
20 motor vehicles and (ii) the use of and reimbursement for
21 those vehicles for ~~commuting~~ the limited commuting
22 permitted by this subdivision. For the purpose of this
23 subdivision 7a, 'state-owned passenger motor vehicle'
24 includes any state-owned passenger motor vehicle,
25 whether or not owned, maintained or controlled by the
26 Department of Administration, and regardless of the
27 source of the funds used to purchase it. Notwithstanding
28 the provisions of G.S. 20-190 or any other provisions of
29 law, all state-owned passenger motor vehicles are subject
30 to the provisions of this subdivision 7a; no permanent
31 assignment shall be made and no one shall be exempt
32 from payment of reimbursement for commuting or from
33 the other provisions of this subdivision 7a except as
34 provided by this subdivision 7a. Commuting, as defined
35 and regulated by this subdivision, is limited to those
36 specific cases in which the Secretary has received and
37 accepted written justification, verified by historical data.
38 The Department shall not assign any state-owned motor
39 vehicle that may be used for commuting other than those
40 authorized by the procedure prescribed in this
41 subdivision.

42 A State-owned passenger motor vehicle shall not be
43 permanently assigned to an individual who is likely to
44 drive it on official business at a rate of less than ~~12,600~~

1 ~~miles per year 3,150 miles per quarter~~ unless (i) the
2 individual's duties are routinely related to public safety
3 or (ii) the individual's duties are likely to expose him
4 routinely to life-threatening situations. A State-owned
5 passenger motor vehicle shall also not be permanently
6 assigned to an agency that is likely to drive it on
7 official business at a rate of less than ~~12,600 miles per~~
8 ~~year 3,150 miles per quarter~~ unless the agency can
9 justify to the Division of Motor Fleet Management the
10 need for permanent assignment because of the unique
11 use of the vehicle. The Department of Administration
12 shall verify, on a quarterly basis, that each motor
13 vehicle has been driven at the minimum allowable rate.
14 If it has not and if the department by whom the
15 individual to which the car is assigned is employed or
16 the agency to which the car is assigned cannot justify
17 the lower mileage for the quarter in view of the
18 minimum annual rate, the permanent assignment shall
19 be revoked immediately.

20 Every individual who uses a State-owned passenger motor
21 vehicle, pickup truck, or van to drive between his official
22 work station and his home, shall reimburse the State for
23 these trips at a rate computed by the Department. This
24 rate shall approximate the benefit derived from the use of
25 the vehicle as prescribed by federal law. Reimbursement
26 shall be for 20 days per month regardless of how many
27 days the individual uses the vehicle to commute during
28 the month. Reimbursement shall be made by payroll
29 deduction. Funds derived from reimbursement on
30 vehicles owned by the Motor Fleet Management
31 Division shall be deposited to the credit of the Division;
32 funds derived from reimbursements on vehicles initially
33 purchased with appropriations from the Highway Fund
34 and not owned by the Division shall be deposited in a
35 Special Depository Account in the Department of
36 Transportation, which shall revert to the Highway Fund;
37 funds derived from reimbursement on all other vehicles
38 shall be deposited in a Special Depository Account in the
39 Department of Administration which shall revert to the
40 General Fund. Commuting, for purposes of this
41 paragraph, does not include those individuals whose
42 office is in their home, as determined by the Department
43 of Administration, Division of Motor Fleet Management.
44 Also, this paragraph does not apply to the following

1 vehicles: (i) clearly marked police and fire vehicles, (ii)
2 delivery trucks with seating only for the driver, (iii)
3 flatbed trucks, (iv) cargo carriers with over a 14,000
4 pound capacity, (v) school and passenger buses with
5 over 20 person capacities, (vi) ambulances, (vii) hearses,
6 (viii) bucket trucks, (ix) cranes and derricks, (x) forklifts,
7 (xi) cement mixers, (xii) dump trucks, (xiii) garbage
8 trucks, (xiv) specialized utility repair trucks (except vans
9 and pickup trucks), (xv) tractors, (xvi) unmarked law-
10 enforcement vehicles that are used in undercover work
11 and are operated by full-time, fully sworn law-
12 enforcement officers whose primary duties include
13 carrying a firearm, executing search warrants, and
14 making arrests, and (xvii) any other vehicle exempted
15 under Section 274(d) of the Internal Revenue Code of
16 1954, and Federal Internal Revenue Services regulations
17 based thereon. The Department of Administration,
18 Division of Motor Fleet Management, shall report
19 quarterly to the Joint Legislative Commission on
20 Governmental Operations and to the Fiscal Research
21 Division of the Legislative Services Office on
22 individuals who use State-owned passenger motor
23 vehicles, pickup trucks, or vans between their official
24 work stations and their homes, who are not required to
25 reimburse the State for these trips.

26 The Department of Administration shall revoke the
27 assignment or require the Department owning the vehicle
28 to revoke the assignment of a State-owned passenger
29 motor vehicle, pick-up truck or van to any individual
30 who:

- 31 I. Uses the vehicle for other than official
32 business except in accordance with the
33 commuting rules;
- 34 II. Fails to supply required reports to the
35 Department of Administration, or supplies
36 incomplete reports, or supplies reports in a form
37 unacceptable to the Department of
38 Administration and does not cure the deficiency
39 within 30 days of receiving a request to do so;
- 40 III. Knowingly and willfully supplies false
41 information to the Department of Administration
42 on applications for permanent assignments,
43 commuting reimbursement forms, or other
44 required reports or forms;

- 1 IV. Does not personally sign all reports on forms
2 submitted for vehicles permanently assigned to
3 him and does not cure the deficiency within 30
4 days of receiving a request to do so;
5 V. Abuses the vehicle; or
6 VI. Violates other rules or policy promulgated by the
7 Department of Administration not in conflict with
8 this act.

9 A new requisition shall not be honored until the Secretary of the
10 Department of Administration is assured that the
11 violation for which a vehicle was previously revoked
12 will not recur.

13 The Department of Administration, with the approval of the
14 Governor, may delegate, or conditionally delegate, to the
15 respective heads of agencies which own passenger motor
16 vehicles or to which passenger motor vehicles are
17 permanently assigned by the Department, the duty of
18 enforcing all or part of the rules adopted by the
19 Department of Administration pursuant to this
20 subdivision 7a. The Department of Administration, with
21 the approval of the Governor, may revoke this delegation
22 of authority.

23 Prior to adopting rules under this paragraph, the Secretary of
24 Administration may consult with the Advisory Budget
25 Commission.

- 26 8. To adopt and administer rules for the control of all state-owned
27 passenger motor vehicles and to require State agencies to keep all
28 records and make all reports regarding motor vehicle use as the
29 Secretary deems necessary.
30 9. To acquire motor vehicle liability insurance on all State-owned motor
31 vehicles under the control of the Department.
32 10. To contract with the appropriate State prison authorities for the
33 furnishing, upon such conditions as may be agreed upon from time to
34 time between such State prison authorities and the Secretary, of prison
35 labor for use in connection with the operation of a central motor pool
36 and related activities.
37 11. To report annually to the General Assembly on any rules adopted,
38 amended or repealed under paragraphs 3, 7, or 7a of this subdivision."
39
40

41 **PART IX.—DEPARTMENT OF STATE TREASURER**

42
43 Requested by: Senator Martin of Guilford

1 —LOCAL GOVERNMENTS FUND COST OF LOCAL GOVERNMENT
2 COMMISSION

3 Sec. 25. G.S. 105-213 reads as rewritten:

4 **"§ 105-213. Appropriation to counties and municipalities; use of appropriation.**

5 (a) There is annually appropriated from the General Fund to counties and
6 municipalities the amount of revenue collected under this Article during the preceding
7 fiscal year, plus an amount equal to forty percent (40%) of the tax collected on accounts
8 receivable during the preceding fiscal year and less an amount equal to the costs during
9 the preceding fiscal year of:

- 10 (1) Refunds made during the fiscal year of taxes levied under this Article.
- 11 (2) The Department of Revenue to collect and administer the taxes levied
12 under this Article.
- 13 (3) The Department of Revenue in performing the duties imposed by
14 Article 15 of this Chapter.
- 15 (4) The Property Tax Commission.
- 16 (5) The Institute of Government in operating a training program in
17 property tax appraisal and assessment.
- 18 (6) The personnel and operations provided by the Department of State
19 Treasurer for the Local Government Commission.

20 The appropriation shall be distributed by August 30 of each year. The appropriation
21 shall be included in the Current Operations Appropriations Act.

22 To distribute the appropriation, the Secretary of Revenue shall keep a separate
23 record by counties of the taxes collected under this Article and shall certify to the State
24 Controller and to the State Treasurer the amount to be distributed to each county and
25 municipality in the State. The State Controller shall then issue a warrant on the State
26 Treasurer to each county and municipality in the amount certified.

27 The Secretary shall allocate the amount appropriated under this Article to the
28 counties according to the county in which the taxes were collected. The Secretary shall
29 then increase the amount allocable to each county by a sum equal to forty percent (40%)
30 of the amount of tax on accounts receivable allocated to the county on the basis of
31 collections. The amounts so allocated to each county shall in turn be divided between
32 the county and the municipalities in the county in proportion to the total amount of ad
33 valorem taxes levied by each during the fiscal year preceding the distribution. For the
34 purpose of computing the distribution of the intangibles tax to any county and the
35 municipalities located in the county for any year with respect to which the property
36 valuation of a public service company is the subject of an appeal pursuant to the
37 provisions of the Machinery Act, or to applicable provisions of federal law, and the
38 Department of Revenue is restrained by operation of law or by a court of competent
39 jurisdiction from certifying such valuation to the county and municipalities therein, the
40 Department shall use the last property valuation of such public service company which
41 has been so certified in order to determine the ad valorem tax levies applicable to such
42 public service company in the county and the municipalities therein.

43 The chairman of each board of county commissioners and the mayor of each
44 municipality shall report to the Secretary of Revenue information requested by the

1 Secretary to enable the Secretary to distribute the amount appropriated by this section.
2 If a county or municipality fails to make a requested report within the time allowed, the
3 Secretary may disregard the county or municipality in distributing the amount
4 appropriated by this section. The amount distributed to each county and municipality
5 shall be used by the county or municipality in proportion to property tax levies made by
6 it for the various funds and activities of the county or municipality, unless the county or
7 municipality has pledged the amount to be distributed to it under this section in payment
8 of a loan agreement with the North Carolina Solid Waste Management Capital Projects
9 Financing Agency. A county or municipality that has pledged amounts distributed
10 under this section in payment of a loan agreement with the Agency may apply the
11 amount the loan agreement requires.

12 (b) For purposes of this section, the term 'municipality' includes any urban
13 service district defined by the governing board of a consolidated city-county, and the
14 amounts due thereby shall be distributed to the government of the consolidated city-
15 county."

16

17

18 PART X.—DEPARTMENT OF REVENUE

19

20 Requested by: Senator Martin of Guilford

21 —NO GAS TAX ON GAS FOR STATE VEHICLES

22 Sec. 26. (a) Article 36 of Chapter 105 of the General Statutes is amended by
23 adding a new section to read:

24 "**§ 105-449A. Exemption of motor fuel used in State vehicles.**

25 (a) Motor fuel purchased by the State for use in State-owned motor vehicles for
26 State business is exempt from the excise tax levied by this Article if an invoice for the
27 fuel stating the agency to whom the fuel was delivered, the price per gallon of the fuel
28 excluding the tax, and the kind and quantity of fuel sold is furnished to the Secretary of
29 Revenue. A person who holds a State contract for the sale of motor fuel to be used in
30 State-owned motor vehicles for State business shall invoice motor fuel sold to the State
31 for this purpose at the prevailing contract price, excluding the tax, and a person who
32 does not hold a State contract for the sale of motor fuel to be used in State-owned motor
33 vehicles for State business but who sells motor fuel for this purpose in quantities not
34 sufficient to require a State contract shall invoice motor fuel sold to the State at the
35 lowest informal bid price, excluding the tax.

36 (b) A person authorized to sell motor fuel to the State who paid the tax levied by
37 this Article on fuel sold to the State for use in State-owned motor vehicles for State
38 business may obtain a refund of the tax paid on the fuel upon filing an application for
39 refund with the Secretary of Revenue and attaching an invoice, containing the
40 information required in subsection (a) of this section, to the refund application. Upon
41 receipt of a proper application and invoice, the Secretary shall refund the amount of tax
42 paid.

1 (c) A person who makes a false invoice or application for refund under this
2 section shall be guilty of a misdemeanor, punishable by a fine of up to five hundred
3 dollars (\$500.00), imprisonment for up to two years, or both."

4 (b) This section becomes effective July 1, 1991, and applies to sales made on
5 or after that date.

6
7
8 PART XI.—OFFICE OF THE GOVERNOR

9
10 Requested by: Senators Basnight, Plyler

11 —RESERVE FOR LOCAL TAX REIMBURSEMENTS

12 Sec. 27. (a) There is created in the Office of State Budget and Management a
13 special reserve to be known as the Local Government Tax Reimbursement Reserve.
14 Funds in the reserve shall be distributed to local governments as provided by statute.
15 There is appropriated from the General Fund to the Local Government Tax
16 Reimbursement Reserve the sum of \$237,779,454 for the 1991-92 fiscal year and the
17 sum of \$237,779,454 for the 1992-93 fiscal year for reimbursements as provided in G.S.
18 105-164.44C, 105-213, 105-213.1, 105-275.1, 105-277A, and 105-277.1A.

19 (b) There is created in the Office of State Budget and Management a special
20 reserve to be known as the Local Government Tax Sharing Reserve. Funds in the
21 reserve shall be distributed to local governments as provided by statute. There is
22 appropriated from the General Fund to the Local Government Tax Sharing Reserve the
23 sum of \$236,826,720 for the 1991-92 fiscal year and the sum of \$236,826,720 for the
24 1992-93 fiscal year to be distributed as provided in G.S. 105-113.82, 105-116(d), 105-
25 120(c), and 105-213.

26 (c) G.S. 105-113.82 reads as rewritten:

27 "**§ 105-113.82. Appropriation of amount equal to part of beer and wine taxes.**

28 (a) Amount, Method. – An amount equal to the following percentages of the net
29 amount of excise taxes collected, during the period that ~~begins the preceding October 1~~
30 ~~and ends September 30, began October 1, 1989, and ended September 30, 1990,~~ on the
31 sale of malt beverages and wine, less the amount of the net proceeds credited to the
32 Department of Agriculture under G.S. 105-113.81A, is annually appropriated from the
33 General Fund to the counties and cities in which the retail sale of these beverages is
34 authorized:

- 35 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), twenty-
36 three and three-fourths percent (23 3/4%);
37 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-
38 two percent (62%); and
39 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-
40 two percent (22%).

41 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at
42 retail in both a county and a city located in the county, both the county and city shall
43 receive a portion of the amount appropriated, that portion to be determined on the basis
44 of population. If one of these beverages may be licensed to be sold at retail in a city

1 located in a county in which the sale of the beverage is otherwise prohibited, only the
2 city shall receive a portion of the amount appropriated, that portion to be determined on
3 the basis of population. The amount of the appropriation to be distributed under
4 subdivisions (1), (2), and (3) shall be computed separately.

5 (b) Reduction in Appropriation. – Where the sale of malt beverages, unfortified
6 wine, or fortified wine is prohibited in a defined area of a city or county in which the
7 sale of the beverage is authorized, the amount that would otherwise be appropriated to
8 the city or county on the basis of population under subsection (a) shall be reduced in the
9 same ratio that the area of the defined area bears to the total area of the city or county,
10 unless the defined area is a city. If the defined area in a county is a city, the reduction in
11 the amount that would otherwise be appropriated to the county under subsection (a)
12 shall be based on population instead of area.

13 (c) Exception. – Notwithstanding subsection (a), in a county in which ABC stores
14 have been established by petition, the amount appropriated shall be distributed as
15 though the entire county had approved the retail sale of a beverage whose retail sale is
16 authorized in part of the county.

17 (d) Time. – The appropriation shall be distributed to cities and counties within 60
18 days after September 30 of each year.

19 (e) Population Estimates. – To determine the population of a city or county for
20 purposes of the distribution required by this section, the Secretary shall use the most
21 recent annual estimate of population certified by the State Budget Officer.

22 (f) City Defined. – As used in this section, the term 'city' means a city as defined
23 in G.S. 153A-1(1) or an urban service district defined by the governing body of a
24 consolidated city-county.

25 (g) Use of Funds. – Funds appropriated to a county or city under this section may
26 be used for any public purpose.

27 ~~(h) Act. – The appropriation made by this section shall be included in the Current
28 Operations Appropriations Act."~~

29 (d) G.S. 105-116(d) reads as rewritten:

30 "(d) Appropriation. There is annually appropriated from the General Fund to each
31 municipality an amount that equals three and nine hundredths percent (3.09%) of the
32 taxable gross receipts derived, from ~~April 1 of the preceding fiscal year to the following~~
33 ~~March 31, April 1, 1990, to March 31, 1991,~~ by an electric power company and a
34 natural gas company from sales within the municipality of the commodities and services
35 described in subsection (a). The Secretary of Revenue shall transfer the amount
36 appropriated to a municipality in quarterly installments on or before September 15,
37 December 15, March 15, and June 15 ~~based on~~ in proportion to the taxable gross
38 receipts derived within the municipality during the preceding calendar quarter. If a
39 company's report does not state the company's taxable gross receipts derived within a
40 municipality, the Secretary of Revenue shall determine a practical method of allocating
41 part of the company's taxable gross receipts to the municipality. Before transferring the
42 amount appropriated by this subsection, the Secretary of Revenue shall certify the
43 amount to be transferred distributed to the State Controller. ~~The appropriation made by
44 this subsection shall be included in the Current Operations Appropriations Act.~~

1 As used in this subsection, the term 'municipality' includes an urban service district
2 defined by the governing board of a consolidated city-county. The amount due an urban
3 service district shall be distributed to the governing board of the consolidated city-
4 county."

5 (e) G.S. 105-120(c) reads as rewritten:

6 "(c) Appropriation. There is annually appropriated from the General Fund to each
7 municipality an amount that equals three and nine hundredths percent (3.09%) of the
8 taxable gross receipts derived, from ~~April 1 of the preceding fiscal year to the following~~
9 ~~March 31, April 1, 1990, to March 31, 1991,~~ from local telecommunications service
10 provided within the municipality. The Secretary of Revenue shall transfer the amount
11 appropriated to a municipality in quarterly installments on or before September 15,
12 December 15, March 15, and June 15 ~~based on in proportion to~~ the taxable gross
13 receipts derived within the municipality during the preceding calendar quarter. If a
14 company's report does not state the company's taxable gross receipts derived within a
15 municipality, the Secretary of Revenue shall determine a practical method of allocating
16 part of the company's taxable gross receipts to the municipality. Before transferring the
17 amount appropriated by this subsection, the Secretary of Revenue shall certify the
18 amount to be transferred to the State Controller. ~~The appropriation made by this~~
19 ~~subsection shall be included in the Current Operations Appropriations Act.~~

20 As used in this subsection, the term 'municipality' includes an urban service district
21 defined by the governing board of a consolidated city-county. The amount due an urban
22 service district shall be distributed to the governing board of the consolidated city-
23 county."

24 (f) G.S. 105-164.44C reads as rewritten:

25 **"§ 105-164.44C. Reimbursement for sales taxes on food stamp foods and**
26 **supplemental foods.**

27 ~~As soon as practicable after July 1 of each year, the Secretary shall determine from~~
28 ~~available information~~ There is annually appropriated to each county and the cities in the
29 county an amount equal to the amount of local sales taxes that would have been
30 collected in each the county during the preceding 1989-90 fiscal year on foods
31 purchased with food stamp coupons or supplemental food instruments in the county,
32 had these foods not been exempt from tax under G.S. 105-164.13(38). The Secretary
33 shall then distribute the amounts determined to be due each county between the county
34 and the cities located in the county in accordance with the method by which local sales
35 and use taxes are distributed in that county. In order to pay for the reimbursement under
36 this section and the cost to the Department of Revenue for administering the
37 reimbursement, the Secretary of Revenue shall draw from the Local Government Tax
38 Reimbursement Reserve an amount equal to the amount of the reimbursement and the
39 cost of administration."

40 (g) G.S. 105-198 reads as rewritten:

41 **"§ 105-198. Intangible personal property.**

42 The intangible personal properties enumerated and defined in this Article are
43 classified under authority of Section 2(2), Article V of the North Carolina Constitution.
44 The taxes are levied for the purposes stated in this ~~Article~~ Subchapter."

1 (h) G.S. 105-213 reads as rewritten:

2 **"§ 105-213. Appropriation to counties and municipalities; use of appropriation.**

3 (a) There is annually appropriated from the General Fund to counties and
4 municipalities the net amount of revenue collected under this Article during the
5 ~~preceding 1989-90~~ fiscal year, plus an amount equal to forty percent (40%) of the tax
6 collected on accounts receivable during the ~~preceding 1989-90~~ fiscal year and less an
7 amount equal to the costs during the preceding fiscal year of:

8 (1) Refunds made during the fiscal year of taxes levied under this Article.

9 (2) The Department of Revenue to collect and administer the taxes levied
10 under this Article.

11 (3) The Department of Revenue in performing the duties imposed by
12 Article 15 of this Chapter.

13 (4) The Property Tax Commission.

14 (5) The Institute of Government in operating a training program in
15 property tax appraisal and assessment.

16 The appropriation shall be distributed by August 30 of each year. ~~The appropriation~~
17 ~~shall be included in the Current Operations Appropriations Act.~~

18 The appropriation shall be allocated among the counties in proportion to the amount
19 of taxes collected under this Article in each county during the preceding fiscal year. To
20 distribute the appropriation, the ~~The~~ Secretary of Revenue shall keep a separate record
21 by counties of the taxes collected under this Article and shall certify to the State
22 Controller and to the State Treasurer the amount to be distributed to each county and
23 municipality in the State. The State Controller shall then issue a warrant on the State
24 Treasurer to each county and municipality in the amount certified. ~~Article.~~ The
25 Secretary shall allocate the amount appropriated under this Article ~~section~~ to the
26 counties according to the county in which the taxes were collected. The Secretary shall
27 then increase the amount allocable to each county by a sum equal to forty percent (40%)
28 of the amount of tax on accounts receivable allocated to the county on the basis of
29 collections. ~~The amounts so allocated to each county shall in turn be divided~~ allocated
30 between the county and the municipalities in the county in proportion to the total
31 amount of ad valorem taxes levied by each during the fiscal year preceding the
32 distribution. After making these allocations, the Secretary of Revenue shall certify to
33 the State Controller and to the State Treasurer the amount to be distributed to each
34 county and municipality in the State. The State Controller shall then issue a warrant on
35 the State Treasurer to each county and municipality in the amount certified. The
36 amount based on forty percent (40%) of the tax collected on accounts receivable shall
37 be drawn from the Local Government Tax Reimbursement Reserve and the amount
38 based on the net amount of revenue collected under this Article shall be drawn from the
39 Local Government Tax Sharing Reserve.

40 For the purpose of computing the distribution of the intangibles tax to any county
41 and the municipalities located in the county for any year with respect to which the
42 property valuation of a public service company is the subject of an appeal pursuant to
43 the provisions of the Machinery Act, or to applicable provisions of federal law, and the
44 Department of Revenue is restrained by operation of law or by a court of competent

1 jurisdiction from certifying such valuation to the county and municipalities therein, the
2 Department shall use the last property valuation of such public service company which
3 has been so certified in order to determine the ad valorem tax levies applicable to such
4 public service company in the county and the municipalities therein.

5 The chairman of each board of county commissioners and the mayor of each
6 municipality shall report to the Secretary of Revenue information requested by the
7 Secretary to enable the Secretary to ~~distribute~~allocate the amount appropriated by this
8 section. If a county or municipality fails to make a requested report within the time
9 allowed, the Secretary may disregard the county or municipality in ~~distributing~~
10 allocating the amount appropriated by this section. The amount distributed to each
11 county and municipality shall be used by the county or municipality in proportion to
12 property tax levies made by it for the various funds and activities of the county or
13 municipality, unless the county or municipality has pledged the amount to be distributed
14 to it under this section in payment of a loan agreement with the North Carolina Solid
15 Waste Management Capital Projects Financing Agency. A county or municipality that
16 has pledged amounts distributed under this section in payment of a loan agreement with
17 the Agency may apply the amount the loan agreement requires.

18 (b) For purposes of this section, the term 'municipality' includes any urban
19 service district defined by the governing board of a consolidated city-county, and the
20 amounts due thereby shall be distributed to the government of the consolidated city-
21 county."

22 (i) G.S. 105-213.1 reads as rewritten:

23 "**§ 105-213.1. Additional appropriation to counties and municipalities.**

24 (a) Appropriation. – As soon as practicable after July 1 of 1986, the Secretary of
25 Revenue shall allocate for distribution to each county and the municipalities located in
26 the county the amount allocated to that county from taxes levied under G.S. 105-199,
27 105-200, and 105-205 for the last taxable year in which these taxes were levied, plus or
28 minus a sum that equals the product of this amount and the percentage by which State
29 disposable personal income has increased or decreased during the most recent 12-month
30 period for which State personal income data has been compiled by the Bureau of
31 Economic Analysis of the United States Department of Commerce.

32 Thereafter, by August 30 of ~~each year, 1987, 1988, 1989, and 1990,~~ the Secretary
33 shall allocate to each county the amount of funds allocated to the county under this
34 section the preceding year, plus or minus a sum that equals the product of this amount
35 and the percentage by which State disposable personal income has increased or
36 decreased during the most recent 12-month period for which State personal income data
37 has been compiled by the Bureau of Economic Analysis of the United States
38 Department of Commerce.

39 Thereafter, by August 30 of each year, the Secretary shall allocate to each county the
40 amount of funds allocated to the county under this section in 1990.

41 Amounts allocated to a county under this section shall in turn be divided and
42 distributed between the county and the municipalities located in the county in
43 accordance with the method of allocating intangible tax revenue between a county and
44 the municipalities located in the county provided in G.S. 105-213.

1 (b) Restrictions on Use. – Amounts distributed to a county or a municipality
2 under this section are subject to the same restrictions as amounts distributed under G.S.
3 105-213.

4 (c) Municipality Defined. – As used in this section, the term 'municipality' has
5 the same meaning as in G.S. 105-213.

6 (d) Source. – Funds distributed under this section shall be drawn from the Local
7 Government Tax Reimbursement Reserve."

8 (j) G.S. 105-277A(b) reads as rewritten:

9 "(b) First Per Capita Distribution. – As soon as practicable after January 1 of
10 1989, the Secretary shall distribute to each taxing unit the unit's per capita share of the
11 sum of fifteen million seven hundred forty-five thousand dollars (\$15,745,000).
12 Thereafter, as soon as practicable after January 1 of ~~each year 1990 and 1991~~, the
13 Secretary shall distribute to each taxing unit the unit's per capita share of an amount
14 equal to the sum distributed to all taxing units the previous year under this subsection
15 plus or minus the product of the sum distributed the previous year and the percentage by
16 which State personal income has increased or decreased during the most recent 12-
17 month period for which State personal income data has been compiled by the Bureau of
18 Economic Analysis of the United States Department of Commerce.

19 Thereafter, as soon as practicable after January 1 of each year the Secretary shall
20 distribute to each taxing unit the unit's per capita share of the sum that this subsection
21 provided was to be distributed to all taxing units in 1991.

22 To make the per capita distributions required by this subsection, the Secretary shall
23 first allocate the sum to be distributed among the counties on a per capita basis. The
24 Secretary shall then compute a per capita distributable amount for each county by
25 dividing the amount allocated to a county by the total population of the county, plus the
26 population of any incorporated towns and cities located in the county. Each taxing unit
27 in a county, including the county itself, shall receive the product of the population of the
28 taxing unit and the per capita distributable amount for that county.

29 A city or county that receives funds under this subsection and that collects taxes for
30 another taxing unit shall distribute part of the taxes received by it to the taxing unit for
31 which it collects tax. The distribution shall be made on the basis of the proportionate
32 amount of ad valorem taxes levied, for the most recent fiscal year beginning July 1, by
33 the city or county and by all the taxing units for which the city or county collects tax.
34 This distribution shall be made as soon as practicable after a city or county receives
35 funds from the State under this section."

36 (k) G.S. 105-277A(f) reads as rewritten:

37 "(f) Source of Funds. —~~The Secretary of Revenue shall~~ To pay for the distribution
38 required by this section and the cost of making the ~~distribution as follows:~~

39 (1) ~~For the distribution made in 1989, the Secretary shall draw an amount~~
40 ~~equal to the amount distributed and the cost of making the distribution~~
41 ~~first from the Inventory Tax Reimbursement Fund created in Section~~
42 ~~15.1 of the School Facilities Finance Act of 1987, until it is exhausted,~~
43 ~~and then the remainder of that amount from collections received by the~~
44 ~~Department under Division I of Article 4 of this Chapter.~~

1 ~~(2) For distributions made in subsequent years,~~
 2 distribution, the Secretary shall draw from the Local Government Tax Reimbursement
 3 Reserve ~~for the distribution required by this section~~ an amount equal to the amount
 4 distributed and the cost of making the distribution."

5 (1) G.S. 105-277.1A reads as rewritten:

6 **"§ 105-277.1A. Property classified for taxation at reduced valuation; duties of tax**
 7 **collectors; reimbursement of localities for portion of tax lost.**

8 (a) On September ~~1 of each year,~~ 1, 1990, the tax collector of each county and
 9 the tax collector of each city shall furnish to the Secretary of Revenue a list containing
 10 the name and address of each person who has qualified in that year for the exemption
 11 provided in G.S. 105-277.1. The list shall also contain for each name the total amount
 12 of property exempted, the tax rate the property is subject to, and the product obtained by
 13 multiplying those two numbers by each other. The lists shall be accompanied by an
 14 affidavit attesting to the accuracy of the list, and shall all be on a form prescribed by the
 15 Secretary of Revenue.

16 (b) In addition to the list required by subsection (a) of this section, the county or
 17 city may provide a supplemental list on December 1.

18 (c) The Secretary of Revenue may, for cause, grant an extension for the
 19 submission of the list required by this section.

20 ~~(d) After receiving a certified list under subsections (a) through (c) of this~~
 21 ~~section, Before May 31, 1991,~~ the Secretary of Revenue ~~shall, within 60 days, pay shall~~
 22 distribute to the county or city fifty percent (50%) of the total for the entire list of the
 23 product obtained by multiplying the tax exemption for each taxpayer times the
 24 applicable tax rate. Each year thereafter, on or before May 31, the Secretary of Revenue
 25 shall pay to each county and city that was entitled to receive a distribution under this
 26 section in 1991 the amount it was entitled to receive in 1991.

27 (e) Any funds received by any county or city pursuant to this section because the
 28 county or city was collecting taxes for another unit of government or special district
 29 shall be credited to the funds of that other unit or district in accordance with regulations
 30 issued by the Local Government Commission.

31 (f) In order to pay for the reimbursement under this section and the cost to the
 32 Department of Revenue ~~for~~ of administering the reimbursement, the Secretary of
 33 Revenue shall draw from the Local Government Tax Reimbursement Reserve an
 34 amount equal to the reimbursement and the cost of administration."

35 (m) This section becomes effective July 1, 1991, and expires June 30, 1993.

36
 37 Requested by: Senators Basnight, Plyler

38 —COMPUTER RESERVE FUND

39 Sec. 28. (a) The funds appropriated in this Title to the Office of State Budget
 40 and Management for a Computer Reserve shall be used by the Office of State Budget
 41 and Management to address critical computer needs when no alternative source of funds
 42 are available. Critical computer needs for which Computer Reserve funds may be used
 43 pursuant to this section are defined as those needs that involve one or more of the
 44 following factors:

- 1 (1) An explicit provision in federal or State law or rule, or a federal grant-
2 in-aid condition, that can only be satisfied through investment in
3 additional data processing equipment or software;
- 4 (2) A failure or breakdown of existing equipment that substantially
5 degrades current operations, when repair of existing equipment is
6 uneconomical;
- 7 (3) A direct relationship between the proposed acquisition to ongoing
8 maintenance or continued operation of existing minicomputers,
9 minicomputer networks, mainframes, or mainframe networks, which
10 renders the proposed acquisition essential to the existing system.

11 The Office of State Budget and Management shall submit a report showing
12 disbursements from or encumbrances upon the Computer Reserve and the reasons for
13 the disbursement or encumbrance to the Joint Legislative Commission on Governmental
14 Operations, the Fiscal Research Division, and the Information Technology Commission
15 at the conclusion of each quarter of each fiscal year of the 1991-93 fiscal biennium.

16 At the end of each fiscal year, unexpended funds in the Computer Reserve
17 shall revert to the General Fund.

18 (b) Notwithstanding the provisions of G.S. 143-16.3, and G.S. 143-23(a1),
19 State departments may use funds from any source available to them and may transfer
20 funds from other line items in their budgets to purchase additional data processing
21 equipment and software that meet the critical needs factors defined in subsection (a) of
22 this section.

23
24
25 PART XII.—OFFICE OF THE STATE CONTROLLER

26
27 Requested by: Senator Martin of Guilford

28 —STATE INFORMATION PROCESSING SYSTEMS' AMENDED RATE
29 SCHEDULE.

30 Sec. 29. The Office of the State Controller shall adopt an amended rate
31 schedule that will reduce rates for the 1991-93 fiscal biennium to agencies for data
32 processing and data processing related services by five percent (5%) below what the
33 same agencies were charged for the 1990-91 fiscal year.

34 The rates set by this amended rate schedule shall not be increased during the
35 1991-93 fiscal biennium.

36
37
38 PART XIII.—PUBLIC SCHOOLS

39
40 Requested by: Senator Ward

41 —CONSOLIDATE SCHOOL ADMINISTRATOR ALLOTMENTS

42 Sec. 30. The State Board of Education shall consolidate the allotment of
43 assistant and associate superintendents and supervisors and shall convert the allotment
44 from a position allotment to a dollar allotment.

1

2 Requested by: Senator Ward

3 —DRIVER TRAINING PROGRAM

4 Sec. 31. (a) G.S. 20-88.1 reads as rewritten:

5 **"§ 20-88.1. Driver training and safety education.**

6 (a) In accordance with criteria and standards approved by the State Board of
7 Education, the State Superintendent of Public Instruction shall organize and administer
8 a program of driver education to be offered at the public high schools of this State for
9 all persons of provisional license age. This program shall be made available to all
10 physically and mentally qualified persons of provisional license age, including public
11 school students, nonpublic school students and out-of-school youths under 18 years of
12 age who (i) are older than 14 years and six months, (ii) are approved by the principal of
13 the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled
14 in a public or private high school within the State, and (iv) have not previously enrolled
15 in the program. The State Board of Education shall use for such purpose all funds
16 appropriated to it for said purpose, and may use all other funds that become available
17 for its use for said purpose. The ~~drivers'~~ driver education program established pursuant
18 to this section shall include instructions on the rights and privileges of the handicapped
19 and the signs and symbols used to assist the handicapped relative to motor vehicles,
20 including the 'international symbol of accessibility' and other symbols and devices as
21 provided in Article 2A of this Chapter. In addition, this program shall include at least
22 six hours of instruction on the offense of driving while impaired and related subjects.

23 (b) The State Board of Education shall adopt a salary ~~schedule range~~ for Driver's
24 Education Training Instructors. driver education instructors who are public school
25 employees and who do not hold teacher certificates.

26 Driver education instructors who are public school employees and who hold teacher
27 certificates shall be paid on the teacher salary schedule. The workday for driver
28 education instructors who hold teacher certificates shall be the same as for other
29 teachers who hold teacher certificates. No educational degree requirement may be a
30 criterion used in setting salaries. The State Board of Education shall report the salary
31 schedule and criteria developed for a drivers' education program to the 1983 General
32 Assembly, Second Session 1984.

33 (b1) The State Board of Education shall adopt rules to permit local boards of
34 education to enter contracts with public or private entities to provide a program of driver
35 education at public high schools. All driver education instructors shall meet the
36 requirements established by the State Board of Education; provided, however, driver
37 education instructors shall not be required to hold teacher certificates.

38 (c) All expenses incurred by the State in carrying out the provisions of this
39 section shall be paid out of the ~~General Highway~~ Fund."

40 (b) G.S. 115C-215 reads as rewritten:

41 **"§ 115C-215. Instruction in driver training and safety education.**

42 There shall be organized and administered under the general supervision of the
43 Superintendent of Public Instruction a program of driver training and safety education in
44 the public schools of this State, said courses to be noncredit courses taught by

1 ~~instructors approved by the Department of Public Instruction, who meet the~~
2 ~~requirements established by the State Board of Education. Instructors shall not be~~
3 ~~required to hold teacher certificates."~~

4 (c) G.S. 115C-216 reads as rewritten:

5 **"§ 115C-216. Boards of education required to provide courses in operation of**
6 **motor vehicles.**

7 (a) ~~Course of Training and Instruction Required in Public High Schools. – The~~
8 ~~State Board of Education and local boards of education are hereby required to provide~~
9 ~~as a part of the program of the public high schools in this State a course of training and~~
10 ~~instruction in the operation of motor vehicles and to make such courses available for all~~
11 ~~persons of provisional license age, including public school students, nonpublic school~~
12 ~~students and out-of-school youths under 18 years of age whose physical and mental~~
13 ~~qualifications meet license requirements, in conformance with course requirements and~~
14 ~~funds made available under the provisions of G.S. 20-88.1 or as hereinafter provided or~~
15 ~~both vehicles, in accordance with G.S. 20-88.1.~~

16 (b) ~~Inclusion of Expense in Budget. – The local boards of education of every~~
17 ~~local school administrative unit are hereby authorized to include as an item of~~
18 ~~instructional service and as a part of the current expense fund of the budget of the~~
19 ~~several high schools under their supervision, the expense necessary to install and~~
20 ~~maintain such a course of training and instructing eligible persons in such schools in the~~
21 ~~operation of motor vehicles.~~

22 (c) ~~Appropriations. – The boards of county commissioners in the several counties~~
23 ~~of the State and the governing bodies of all municipalities having power to appropriate~~
24 ~~and raise money by taxation and otherwise are hereby authorized to appropriate funds~~
25 ~~necessary to pay the expenses necessary to install and maintain in any public high~~
26 ~~school under their supervision a course of training and instruction for eligible students~~
27 ~~in such schools in the operation of motor vehicles, whether or not the county board of~~
28 ~~education or administrative unit shall have included the cost of the same in its budget~~
29 ~~request when submitted for approval.~~

30 (d) ~~How Moneys Appropriated May Be Provided. – The board of county~~
31 ~~commissioners and the governing bodies of all municipalities having power to~~
32 ~~appropriate money and to levy taxes and raise money are hereby authorized to allocate~~
33 ~~and expend the moneys appropriated pursuant to this section or other acts of the General~~
34 ~~Assembly and the moneys provided by taxation, by sale or rental of any real or personal~~
35 ~~property owned by such county or other taxing unit, or by use of any surplus funds on~~
36 ~~hand or acquired from any source, for the purpose of funding any such course of~~
37 ~~instruction and training in any public high school. The special approval of the General~~
38 ~~Assembly is hereby given for the levying of taxes for such purpose and for providing~~
39 ~~funds for such purpose by the other means herein mentioned.~~

40 (e) ~~Content of Course; What Persons Eligible. – The words "a course of training~~
41 ~~and instruction for eligible persons in the operation of motor vehicles" as applied to this~~
42 ~~section means such course of instruction in the operation of motor vehicles prescribed~~
43 ~~or approved by the Department of Public Instruction, provided that every such course~~
44 ~~shall include actual operation of motor vehicles by the persons eligible for same, under~~

1 ~~the supervision of a qualified instructor. Only such persons older than 14 years and six~~
2 ~~months, who are approved by the principal of the school, shall be eligible for such~~
3 ~~course of instruction, subject to rules and regulations prescribed by the Department of~~
4 ~~Public Instruction.~~

5 ~~(f) Acts Ratified and Confirmed. — The acts of all boards of county~~
6 ~~commissioners and the governing bodies of all municipalities, the acts of all local~~
7 ~~boards of education, and the acts of the State Board of Education heretofore done in~~
8 ~~connection with providing courses of training and instruction in the operation of motor~~
9 ~~vehicles in this State, including the appropriation and expenditure of funds for such~~
10 ~~purpose, are hereby ratified and confirmed."~~

11 (d) The State Board of Education shall convert the allotments of funds for
12 months of employment for driver education instructors and for loan car fees to dollar
13 allotments.

14
15 Requested by: Senator Ward

16 —COMMUNITY SCHOOLS FUNDS

17 Sec. 32. The State Board of Education shall allocate community schools
18 funds on a per county school administrative unit basis.

19
20 Requested by: Senator Ward

21 —DROPOUT PREVENTION/IN-SCHOOL SUSPENSION

22 Sec. 33. Of the funds appropriated to the Department of Public Education for
23 aid to local school administrative units for the Dropout Prevention/In-School
24 Suspension Program, the sum of \$200,000 for each fiscal year of the 1991-93 fiscal
25 biennium may be used to fund eight pilot public/private educational compacts to bring
26 together on an ongoing basis representatives from public education, community
27 colleges, higher education, and business and industry to determine how to improve
28 attendance, prevent dropping out of school, increase academic performance, and
29 increase participation in higher education and the work force by at-risk students. The
30 funds may also be used to fund eight parental involvement pilot programs, and to
31 provide for operating costs, workshops, and committee meetings for the State
32 Department of Public Instruction's dropout prevention staff.

33 The State Board of Education may adopt rules governing the use of these
34 funds. These funds are to be part of the continuation budget in the next fiscal biennium.

35
36 Requested by: Senator Ward

37 —DROPOUT PREVENTION COORDINATORS

38 Sec. 34. Of the funds appropriated to the Department of Public Education for
39 aid to local school administrative units for dropout prevention, the State Board of
40 Education shall allocate to the Department of Public Instruction up to \$225,000 for the
41 1991-92 fiscal year and up to \$225,000 for the 1992-93 fiscal year for the three dropout
42 prevention coordinators. The State Superintendent shall assign the dropout prevention
43 coordinators to designated areas within the State and shall develop job descriptions for
44 them. These funds are to be part of the continuation budget in the next biennium.

1

2 Requested by: Senator Ward

3 —PROJECT TEACH FUNDS

4 Sec. 35. Of the funds appropriated to the Department of Public Education for
5 the 1991-93 fiscal biennium for aid to local school administrative units, the State Board
6 of Education shall allocate to the Department of Public Instruction \$73,000 for the
7 1991-92 fiscal year and \$73,000 for the 1992-93 fiscal year to be used to:

8 (1) Maintain the Project Teach Initiative in the Robeson, Pitt,
9 Cumberland, Warren, Halifax, Guilford, Vance, Northampton, Anson
10 and Bertie County Schools, and the Durham, High Point, and
11 Greensboro City Schools.

12 (2) Expand the project in at least two school systems to focus on parents
13 of students in the seventh grade so as to involve parents in the
14 coaching and support of promising minority young people.

15 These funds are to be part of the continuation budget in the next fiscal biennium.

16

17 Requested by: Senator Ward

18 —ADVANCED TRAINING FOR FOREIGN LANGUAGE TEACHERS

19 Sec. 36. Of the funds appropriated to the Department of Public Education for
20 aid to local school administrative units, the State Board of Education may allocate to the
21 Department of Public Instruction \$300,000 each year of the 1991-93 biennium for two
22 positions, support expenses, and workshops to provide intensive advanced training for
23 teachers who teach foreign languages.

24

25 Requested by: Senator Ward

26 —FUNDING FOR CITY SCHOOL SYSTEMS

27 Sec. 37. (a) Funds appropriated to the Department of Public Education in
28 Section 3 of this act reflect a permanent reduction in the State funding for city school
29 administrative units. State funds shall not be used for the positions of (i)
30 superintendents, (ii) associate and assistant superintendents, (iii) directors, supervisors,
31 and coordinators, and (iv) maintenance supervisors, for city school administrative units.
32 The county or counties in which any city school administrative unit is located shall be
33 responsible for the funding of these positions for the city unit. The county may use any
34 funds lawfully available, whether from county funds or funds from any supplemental
35 school tax, to fund these positions.

36 (b) Notwithstanding subsection (a) of this section, the allotments of State
37 funds for the positions of (i) superintendents, (ii) associate and assistant
38 superintendents, (iii) directors, supervisors, and coordinators, and (iv) maintenance
39 supervisors shall not be reduced for a particular city school administrative unit for two
40 full fiscal years, retroactive to the first day of the fiscal year in which, prior to
41 December 31:

42 (1) In the case of any county in which there is more than one local school
43 administrative unit, but none of them is located in more than one
44 county, the State Board of Education approves in accordance with G.S.

- 1 115C-67 a plan of consolidation and merger of all local school
2 administrative units located in that county, if:
- 3 a. In the case a referendum is required on the plan, it is approved
4 by the voters; and
- 5 b. The effective date of the consolidation and merger is on or
6 before the first day of the next school year;
- 7 (1a) In the case of a county in which there is more than one city school
8 administrative unit, the State Board of Education approves in
9 accordance with G.S. 115C-67 a plan of consolidation and merger of
10 one city school administrative unit with the county unit, if the effective
11 date of that merger is on or before July 1, 1991;
- 12 (2) In the case of any pair of counties in which there are more than two
13 local school administrative units and one of them is located partly in
14 each county, the State Board of Education approves in accordance with
15 G.S. 115C-67 or G.S. 115C-68 a plan of consolidation and merger of
16 all local school administrative units located in those counties, if:
- 17 a. The result is there will be not more than two local school
18 administrative units in the total of the two counties;
- 19 b. In the case a referendum is required on the plan, it is approved
20 by the voters; and
- 21 c. The effective date of the consolidation and merger is on or
22 before the first day of the next school year;
- 23 (3) In the case of any county in which there is more than one local school
24 administrative unit, but none of them is located in more than one
25 county, a plan of consolidation and merger under a local act of all the
26 local school administrative units located in that county is approved as
27 provided under the act and the effective date of the consolidation and
28 merger is on or before the first day of the next school year;
- 29 (4) In the case of any pair of counties in which there are more than two
30 local school administrative units and one of them is located partly in
31 each county, a plan of consolidation and merger under a local act or
32 local acts is approved as provided under the act or acts where:
- 33 a. The result is there will be not more than two local school
34 administrative units in the total of the two counties; and
- 35 b. The effective date of the consolidation and merger is on or
36 before the first day of the next school year;
- 37 (5) In the case of any county in which there is more than one local school
38 administrative unit, but none of them is located in more than one
39 county, the board of county commissioners approves in accordance
40 with G.S. 115C-68.1 a plan of consolidation and merger of all local
41 school administrative units located in the county, if the effective date
42 of the consolidation and merger is on or before the first day of the next
43 school year;

- 1 (6) In the case of any pair of counties in which there are more than two
2 local school administrative units and one of them is located partly in
3 each county, the boards of county commissioners approve in
4 accordance with G.S. 115C-68.1 a plan of consolidation and merger of
5 local school administrative units located in whole or in part within the
6 two counties, such that the resulting total number in the two counties is
7 not more than two, if the effective date of the consolidation and merger
8 is on or before the first day of the next school year;
- 9 (7) In the case of any county in which there is more than one local school
10 administrative unit, but none of them is located in more than one
11 county, the local board or boards of education of all city school
12 administrative units located in that county notify the State Board of
13 Education that they are dissolving themselves in accordance with G.S.
14 115C-68.2, if the effective date of the resulting consolidation and
15 merger is on or before the first day of the next school year; and
- 16 (8) In the case of any pair of counties in which there are more than two
17 local school administrative units and one of them is located partly in
18 each county, the local board or boards of education of all city school
19 administrative units located in those counties notify the State Board of
20 Education that they are dissolving themselves in accordance with G.S.
21 115C-68.2, if the effective date of the resulting consolidation and
22 merger is on or before the first day of the next school year.

23 (c) Chapter 115C of the General Statutes is amended by adding a new section to
24 read:

25 **§ 115C-68.1. Merger of units by the board of county commissioners.**

26 (a) The board of county commissioners of a county in which two or more local
27 school administrative units are located, but all are located wholly within the county,
28 may adopt a plan for the consolidation and merger of the units into a single countywide
29 unit.

30 The board of county commissioners shall forward a copy of the plan it adopts to the
31 boards of education of all local school administrative units located within the county,
32 immediately upon adoption.

33 (b) The boards of county commissioners of two counties in which one of the
34 local school administrative units is located in both counties may jointly adopt plans for
35 each of their counties, including a plan of consolidation and merger for such unit which
36 is located in more than one county. The results of such consolidation and merger shall
37 be that there is only one countywide local school administrative unit in each county, or
38 that the entirety of the unit located within two counties is merged and consolidated with
39 the county unit of one of the two counties. Such plans shall also merge and consolidate
40 any other city school administrative unit located wholly within one of the two counties.
41 Within the two county area, all the plans shall take effect on the same day.

42 The boards of county commissioners of the two counties shall forward copies of the
43 plans they adopt to the boards of education of all local school administrative units
44 located within the counties, immediately upon adoption.

1 (c) The plans under this section shall be prepared and approved in accordance
2 with G.S. 115C-67 or G.S. 115C-68, as applicable, except that the county and city
3 boards of education shall not participate by preparing, entering into, submitting, or
4 agreeing to a plan and except that no supplemental school tax shall be continued under
5 the plan.

6 (d) If the State Board of Education fails to approve a plan submitted to it under
7 this section, such failure to approve does not preclude the approval of the plan by the
8 General Assembly by local act."

9 (d) Chapter 115C of the General Statutes is amended by adding a new section
10 to read:

11 **"§ 115C-68.2. Merger of units by the local boards of education.**

12 If all of the city boards of education in a county notify the State Board of Education
13 that they are dissolving themselves, the State Board of Education shall adopt a plan of
14 consolidation and merger of all local school administrative units in the county into a
15 single countywide unit; provided, however, if one or more of the local school
16 administrative units is located in more than one county, all of the city school
17 administrative units in both counties shall notify the State Board of Education, the State
18 Board shall adopt a plan that results in a single countywide unit for each county, and the
19 plans shall take effect on the same day. The plans shall be prepared and approved in
20 accordance with G.S. 115C-67 and G.S. 115C-68, as applicable, except that the county
21 and city boards of education and the boards of commissioners shall not participate by
22 preparing, entering into, submitting, or agreeing to a plan and except that no
23 supplemental school tax shall be continued under the plan."

24 (e) G.S. 115C-430 reads as rewritten:

25 **"§ 115C-430. Apportionment of county appropriations among local school**
26 **administrative units.**

27 If there is more than one local school administrative unit in a county, all
28 appropriations by the county to the local current expense funds of the units, except
29 appropriations funded by supplemental taxes levied less than countywide pursuant to a
30 local act ~~of~~ or G.S. 115C-501 to 115C-511, and except appropriations for
31 superintendents, associate and assistant superintendents, directors, supervisors, and
32 coordinators, and maintenance supervisors, for city school administrative units, must be
33 appportioned according to the membership of each unit. County appropriations are
34 properly appportioned when the dollar amount obtained by dividing the amount so
35 appropriated to each unit by the total membership of the unit is the same for each unit.
36 The total membership of the local school administrative unit is the unit's average daily
37 membership for the budget year to be determined by and certified to the unit and the
38 board of county commissioners by the State Board of Education."

39 (f) No liability for any supplemental school tax levied under local act or G.S.
40 115C-501 to G.S. 115C-511 that attached prior to the date on which a levy is
41 discontinued pursuant to a plan for merger for local school administrative units under
42 G.S. 115C-68.1 or G.S. 115C-68.2 is discharged as a result of the repeal, and no right to
43 a refund of tax that accrued prior to the effective date on which a levy is discontinued
44 may be denied as a result of the repeal.

1

2 Requested by: Senator Ward

3 —ALLOCATION OF FUNDS FOR MERGED CAREER LADDER PILOT
4 PROJECTS

5 Sec. 38. Any career ladder pilot project in a school unit that has resulted
6 from a merger of school units, subsequent to July 1, 1991, may be modified by the local
7 school board, upon the recommendation of the State Superintendent of Public
8 Instruction and with the approval of the State Board of Education. For the fiscal year of
9 the merger through the 1993-94 fiscal year, the merged unit shall receive (i) the amount
10 of funds that was previously allocated to the particular pilot project by the State Board
11 of Education and (ii) the amount of funds it is entitled to receive pursuant to G.S. 115C-
12 238.4(c)(1), for the portion of the merged unit that did not participate in the pilot
13 project.

14

15 Requested by: Senators Ward, Johnson

16 —ADDITIONAL FUNDS FOR TEACHERS

17 Sec. 39. If additional funds become available for the 1991-93 fiscal
18 biennium, the General Assembly may use these funds to restore funds cut from the base
19 budget for teachers for the 1991-93 fiscal biennium.

20

21 Requested by: Senators Ward, Martin of Guilford

22 —ADDITIONAL FUNDS FOR COUNSELORS

23 Sec. 40. If additional funds become available for the 1991-93 fiscal
24 biennium, the General Assembly may use these funds to restore funds cut from the base
25 budget for counselors for the 1991-93 fiscal biennium.

26

27 Requested by: Senator Ward

28 —REMOVE LIMITATION ON UNIFORM EDUCATION REPORTING SYSTEM
29 FINES

30

31 Sec. 41. G.S. 115C-438 reads as rewritten:

32 **"§ 115C-438. Provision for disbursement of State money.**

33 The deposit of money in the State treasury to the credit of local school
34 administrative units shall be made in monthly installments, and additionally as
35 necessary, at such time and in such a manner as may be most convenient for the
36 operation of the public school system. Before an installment is credited, the school
37 finance officer shall certify to the State Board of Education the expenditures to be made
38 by the local school administrative unit from the State Public School Fund during the
39 month. This certification shall be filed on or before the fifth day following the end of
40 the month preceding the period in which the expenditures will be made. The State
41 Board of Education shall determine whether the moneys requisitioned are due the local
42 school administrative unit, and upon determining the amount due, shall cause the
43 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

1 administrative unit, the finance officer may issue State warrants up to the amount so
2 certified.

3 The State Board of Education may withhold money for payment of salaries for
4 administrative officers of local school administrative units if any report required to be
5 filed with State school authorities is more than 30 days overdue. The State Board of
6 Education shall withhold money for payment of salaries for the superintendent, finance
7 officer, and all other administrative officers charged with providing payroll information
8 pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the
9 payroll information to the State Board in a timely fashion and substantially in
10 accordance with the standards set by the State Board; ~~provided, however, the maximum~~
11 ~~amount withheld from any local school administrative unit shall be twenty-five~~
12 ~~thousand dollars (\$25,000).~~ Board.

13 Money in the State Public School Fund and State bond moneys shall be released
14 only on warrants drawn on the State Treasurer, signed by such local official as may be
15 required by the State Board of Education."
16

17 Requested by: Senator Ward

18 ~~---~~PAYMENT OF TEACHERS IN YEAR-ROUND SCHOOLS

19 Sec. 42. (a) G.S. 115C-302(a) reads as rewritten:

20 "(a) Teachers shall be paid promptly when their salaries are due provided the legal
21 requirements for their employment and service have been met. All teachers employed
22 by any local school administrative unit who are to be paid from local funds shall be paid
23 promptly as provided by law and as state-allotted teachers are paid.

24 Teachers paid State funds shall be paid as follows:

- 25 (1) Academic Teachers. – Regular state-allotted teachers shall be
26 employed for a period of 10 calendar months. Salary payments to
27 regular state-allotted teachers shall be made monthly at the end of each
28 calendar month of service: Provided, that teachers employed for a
29 period of 10 calendar months in year-round schools shall be paid in 12
30 equal installments: ~~Provided, Provided further,~~ that any individual
31 teacher who is not employed in a year-round school may be paid in 12
32 monthly installments if the teacher so requests on or before the first
33 day of the school year. Such request shall be filed in the local school
34 administrative unit which employs the teacher. The payment of the
35 annual salary in 12 installments instead of 10 shall not increase or
36 decrease said annual salary nor in any other way alter the contract
37 made between the teacher and the said local school administrative unit;
38 nor shall such payment apply to any teacher who is employed for a
39 period of less than 10 months. Included within the 10 calendar months
40 employment shall be annual vacation leave at the same rate provided
41 for State employees, computed at one twelfth (1/12) of the annual rate
42 for State employees for each calendar month of employment; which
43 shall be provided by each local board of education at a time when
44 students are not scheduled to be in regular attendance. Included within

1 the 10 calendar months employment each local board of education
2 shall designate the same or an equivalent number of legal holidays
3 occurring within the period of employment for academic teachers as
4 those designated by the State Personnel Commission for State
5 employees; on a day that employees are required to report for a
6 workday but pupils are not required to attend school due to inclement
7 weather, a teacher may elect not to report due to hazardous travel
8 conditions and to take one of his annual vacation days or to make up
9 the day at a time agreed upon by the employee and his immediate
10 supervisor or principal. Within policy adopted by the State Board of
11 Education, each local board of education shall develop rules and
12 regulations designating what additional portion of the 10 calendar
13 months not devoted to classroom teaching, holidays, or annual leave
14 shall apply to service rendered before the opening of the school term,
15 during the school term, and after the school term and to fix and
16 regulate the duties of state-allotted teachers during said period, but in
17 no event shall the total number of workdays exceed 200 days. Local
18 boards of education shall consult with the employed public school
19 personnel in the development of the 10-calendar-months schedule.

- 20 (2) Occupational Education Teachers. – State-allotted months of
21 employment to local boards of education as provided by the State
22 Board of Education shall be used for the employment of teachers of
23 occupational education for a term of employment as determined by the
24 local boards of education. Salary payments to these occupational
25 education teachers shall be made monthly at the end of each calendar
26 month of service: Provided, that local boards shall not reduce the term
27 of employment for any vocational agriculture teacher personnel
28 position that was 12 calendar months for the 1982-83 school year for
29 any school year thereafter: Provided further, that teachers employed
30 for a term of 10 calendar months in year-round schools shall be paid in
31 12 equal installments: ~~Provided,~~ ~~Provided further,~~ that any individual
32 teacher employed for a term of 10 calendar months who is not
33 employed in a year-round school may be paid in 12 monthly
34 installments if the teacher so requests on or before the first day of the
35 school year. Such request shall be filed in the administrative unit
36 which employs the teacher. The payment of the annual salary in 12
37 installments instead of 10 shall not increase or decrease said annual
38 salary nor in any other way alter the contract made between the teacher
39 and the said administrative unit. Included within their term of
40 employment shall be the same rate of annual vacation leave and legal
41 holidays provided under the same conditions as set out in subdivision
42 (1) above, but in no event shall the total workdays for a 10-month
43 employee exceed 200 days in a 10-month schedule and the workweek

1 shall constitute five days for all occupational teachers regardless of the
2 employment period.

3 Occupational education teachers who are employed for 11 or 12
4 months may, with prior approval of the principal, work on annual
5 leave days designated in the school calendar and take those annual
6 leave days during the 11th or 12th month of employment.

7 No deductions shall be made from salaries of teachers of vocational
8 agriculture and home economics whose salaries are paid in part from
9 State and federal vocational funds while in attendance upon
10 community, county and State meetings called for the specific purpose
11 of promoting the agricultural interests of North Carolina, when such
12 attendance is approved by the superintendent of the administrative unit
13 and the State Director of Vocational Education.

14 (3) Notwithstanding any provisions of this section to the contrary no
15 person shall be entitled to pay for any vacation day not earned by that
16 person. The first 10 days of annual vacation leave earned by a teacher
17 during any fiscal year period shall be scheduled to be used in the
18 school calendar adopted by the respective local boards of education.
19 Vacation days shall not be used for extending the term of employment
20 of individuals. Teachers may accumulate annual vacation leave days as
21 follows: annual leave may be accumulated without any applicable
22 maximum until June 30 of each year. On June 30 of each year, any
23 teachers with more than 30 days of accumulated leave shall have the
24 excess accumulation cancelled so that only 30 days are carried forward
25 to July 1 of the same year. All vacation leave taken by the teacher will
26 be upon the authorization of his immediate supervisor and under
27 policies established by the local board of education. An employee
28 shall be paid in a lump sum for accumulated annual leave not to
29 exceed a maximum of 240 hours when separated from service due to
30 resignation, dismissal, reduction in force, death, or service retirement.
31 If the last day of terminal leave falls on the last workday in the month,
32 payment shall be made for the remaining nonworkdays in that month.
33 Employees retiring on disability retirement may exhaust annual leave
34 rather than be paid in a lump sum. The provisions of this subdivision
35 shall be accomplished without additional State and local funds being
36 appropriated for this purpose. The State Board of Education shall
37 adopt rules and regulations for the administration of this subdivision.

38 (4) Each local board of education shall sustain any loss by reason of an
39 overpayment to any teacher paid from State funds.

40 (5) All of the foregoing provisions of this section shall be subject to the
41 requirement that at least fifty dollars (\$50.00), or other minimum
42 amount required by federal social security laws, of the compensation
43 of each school employee covered by the Teachers' and State

1 Employees' Retirement System or otherwise eligible for social security
2 coverage shall be paid in each of the four quarters of the calendar year.

- 3 (6) The State Board of Education, in fixing the State standard salary
4 schedule of teachers as authorized by law, shall provide that teachers
5 who entered the armed or auxiliary forces of the United States after
6 September 16, 1940, and who left their positions for such service shall
7 be allowed experience increments for the period of such service as
8 though the same had not been interrupted thereby, in the event such
9 persons return to the position of teachers, principals and
10 superintendents in the public schools of the State after having been
11 honorably discharged from the armed or auxiliary forces of the United
12 States."

13 (b) G.S. 115C-316(a) reads as rewritten:

14 "(a) School officials and other employees shall be paid promptly when their
15 salaries are due provided the legal requirements for their employment and service have
16 been met. All school officials and other employees employed by any local school
17 administrative unit who are to be paid from local funds shall be paid promptly as
18 provided by law and as state-allotted school officials and other employees are paid.

19 Public school employees paid from State funds shall be paid as follows:

- 20 (1) Employees Other than Superintendents, Supervisors and Classified
21 Principals on an Annual Basis. – Salary payments to employees other
22 than superintendents, supervisors, and classified principals employed
23 on an annual basis shall be made monthly at the end of each calendar
24 month of service. Included within their term of employment shall be
25 annual vacation leave at the same rate provided for State employees,
26 computed at one-twelfth (1/12) of the annual rate for state employees
27 for each calendar month of employment. On a day that employees are
28 required to report for a workday but pupils are not required to attend
29 school due to inclement weather, an employee may elect not to report
30 due to hazardous travel conditions and to take one of his annual
31 vacation days or to make up the day at a time agreed upon by the
32 employee and his immediate supervisor or principal. Included within
33 their term of employment each local board of education shall designate
34 the same or an equivalent number of legal holidays as those designated
35 by the State Personnel Commission for State employees.

- 36 (2) School Employees Paid on an Hourly or Other Basis. – Salary
37 payments to employees other than those covered in G.S. 115C-
38 272(b)(1), 115C-285(a)(1) and (2), 115C-302(a)(1) and (2), and 115C-
39 316(a)(1) shall be made at a time determined by each local board of
40 education. Expenditures for the salary of these employees from State
41 funds shall be within allocations made by the State Board of Education
42 and in accordance with rules and regulations approved by the State
43 Board of Education concerning allocations of State funds: Provided,
44 that school employees employed for a term of 10 calendar months in

1 year-round schools shall be paid in 12 equal installments: ~~Provided,~~
2 ~~Provided further,~~ that any individual school employee employed for a
3 term of 10 calendar months who is not employed in a year-round
4 school may be paid in 12 monthly installments if the employee so
5 requests on or before the first day of the school year. Such request
6 shall be filed in the administrative unit which employs the employee.
7 The payment of the annual salary in 12 installments instead of 10 shall
8 not increase or decrease said annual salary nor in any other way alter
9 the contract between the employee and the said administrative unit.
10 Included within the term of employment shall be provided for full-time
11 employees annual vacation leave at the same rate provided for State
12 employees, computed at one-twelfth (1/12) of the annual rate for State
13 employees for each calendar month of employment, to be taken under
14 policies determined by each local board of education. On a day that
15 employees are required to report for a workday but pupils are not
16 required to attend school due to inclement weather, an employee may
17 elect not to report due to hazardous travel conditions and to take one of
18 his annual vacation days or to make up the day at a time agreed upon
19 by the employee and his immediate supervisor or principal. Included
20 within their term of employment, each local board of education shall
21 designate the same or an equivalent number of legal holidays
22 occurring within the period of employment as those designated by the
23 State Personnel Commission for State employees.

- 24 (3) Notwithstanding any provisions of this section to the contrary no
25 person shall be entitled to pay for any vacation day not earned by that
26 person. The first 10 days of annual leave earned by a 10- or 11-month
27 employee during any fiscal year period shall be scheduled to be used
28 in the school calendar adopted by the respective local boards of
29 education. Vacation days shall not be used for extending the term of
30 employment of individuals. Ten- or 11-month employees may
31 accumulate annual vacation leave days as follows: annual leave may
32 be accumulated without any applicable maximum until June 30 of each
33 year. On June 30 of each year, any of these employees with more than
34 30 days of accumulated leave shall have the excess accumulation
35 cancelled so that only 30 days are carried forward to July 1 of the same
36 year. All vacation leave taken by these employees will be upon the
37 authorization of their immediate supervisor and under policies
38 established by the local board of education. An employee shall be paid
39 in a lump sum for accumulated annual leave not to exceed a maximum
40 of 240 hours when separated from service due to resignation,
41 dismissal, reduction in force, death or service retirement. If the last
42 day of terminal leave falls on the last workday in the month, payment
43 shall be made for the remaining nonworkdays in that month.
44 Employees retiring on disability retirement may exhaust annual leave

1 rather than be paid in a lump sum. The provisions of this subdivision
2 shall be accomplished without additional State and local funds being
3 appropriated for this purpose. The State Board of Education shall
4 adopt rules and regulations for the administration of this subdivision.

5 (4) Twelve-month school employees other than superintendents,
6 supervisors and classified principals paid on an hourly or other basis
7 whether paid from State or from local funds may accumulate annual
8 vacation leave days as follows: annual leave may be accumulated
9 without any applicable maximum until June 30 of each year. On June
10 30 of each year, any employee with more than 30 days of accumulated
11 leave shall have the excess accumulation cancelled so that only 30
12 days are carried forward to July 1 of the same year. All vacation leave
13 taken by the employee will be upon the authorization of his immediate
14 supervisor and under policies established by the local board of
15 education. An employee shall be paid in a lump sum for accumulated
16 annual leave not to exceed a maximum of 240 hours when separated
17 from service due to resignation, dismissal, reduction in force, death, or
18 service retirement. If the last day of terminal leave falls on the last
19 workday in the month, payment shall be made for the remaining
20 nonworkdays in that month. Employees retiring on disability
21 retirement may exhaust annual leave rather than be paid in a lump
22 sum. The provisions of this subdivision shall be accomplished without
23 additional State and local funds being appropriated for this purpose.
24 The State Board of Education shall adopt rules and regulations for the
25 administration of this subdivision.

26 (5) All of the foregoing provisions of this section shall be subject to the
27 requirement that at least fifty dollars (\$50.00), or other minimum
28 amount required by federal social security laws, of the compensation
29 of each school employee covered by the Teachers' and State
30 Employees' Retirement System or otherwise eligible for social security
31 coverage shall be paid in each of the four quarters of the calendar year.

32 (6) Each local board of education shall sustain any loss by reason of an
33 overpayment to any school official or other employee paid from State
34 funds."
35

36 Requested by: Senator Ward

37 ---APPROPRIATION OF FUNDS FROM STATE LITERARY FUND

38 Sec. 42.1. There is appropriated from the State Literary Fund to the
39 Department of Public Education the sum of \$2,500,000 for the 1991-92 fiscal year for
40 aid to local school administrative units.
41

42
43 PART XIV.—COMMUNITY COLLEGES
44

1 Requested by: Senator Ward

2 ---MAINTENANCE OF PLANT

3 Sec. 43. (a) Notwithstanding any provision of law to the contrary, any
4 community college that has an out-of-county student head count served on the main
5 campus of the college in excess of fifty percent (50%) of the total student head count as
6 defined by the State Board of Community Colleges shall be provided funds for the
7 purpose of "operations of plant". These funds shall not exceed eighty-five percent
8 (85%) of the funds allocated to these colleges during the 1990-91 fiscal year for this
9 purpose.

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

11

12 Requested by: Senator Ward

13 ---BUDGET FLEXIBILITY

14 Sec. 44. The State Board of Community Colleges shall establish budget
15 guidelines that grant to the individual institutions maximum budget flexibility to
16 accomplish the budget reductions assigned to them by the State Board for the 1991-93
17 fiscal biennium. These guidelines shall allow transfers of all operating funds, except
18 from literacy funds and the Human Resources Development Program, between line
19 items and program areas. These guidelines shall also require that, to the extent possible,
20 reductions shall be taken in administrative costs rather than from instructional costs.

21 The State Board is not required to make budget reduction allocations on a pro
22 rata basis and may specify various programs for reduction.

23 The State Board shall require each college to submit a plan assuring a
24 balanced educational program that meets statewide priorities.

25 The State Board shall report to the Regular 1992 Session of the 1991 General
26 Assembly on these guidelines and on the implementation of these guidelines by each
27 institution.

28

29 Requested by: Senator Ward

30 ---OPERATING APPROPRIATIONS/NOT USED FOR RECREATION
31 EXTENSION

32 Sec. 45. Funds appropriated for the 1991-93 fiscal biennium to the
33 Department of Community Colleges as operating expenses for allocation to the
34 institutions comprising the Community College System shall not be used to support
35 recreation extension courses. The financing of these courses by any institution shall be
36 on a self-supporting basis, and membership hours produced from these activities shall
37 not be counted when computing full-time equivalent students for use in budget-funding
38 formulas at the State level.

39

40 Requested by: Senator Ward

41 ---FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY
42 COLLEGES

43 Sec. 46. For the purpose of determining the community college system-wide
44 number of full-time equivalent (FTE) teaching positions each year, the total curriculum

1 full-time equivalent student enrollment shall be divided by 22 for the 1991-92 fiscal
2 year and by 22 for the 1992-93 fiscal year; the occupational extension full-time
3 equivalent student enrollment shall be divided by 23 for the 1991-92 fiscal year and by
4 23 for the 1992-93 fiscal year.

5

6 Requested by: Senator Ward

7 —TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY COLLEGE
8 COURSES

9 Sec. 47. G.S. 115D-5(b) reads as rewritten:

10 "(b) In order to make instruction as accessible as possible to all citizens, the
11 teaching of curricular courses and of noncurricular extension courses at convenient
12 locations away from institution campuses as well as on campuses is authorized and shall
13 be encouraged. A pro rata portion of the established regular tuition rate charged a full-
14 time student shall be charged a part-time student taking any curriculum course. In lieu
15 of any tuition charge, the State Board of Community Colleges shall establish a uniform
16 registration fee, or a schedule of uniform registration fees, to be charged students
17 enrolling in extension courses for which instruction is financed primarily from State
18 funds; provided, however, that the State Board of Community Colleges may provide by
19 general and uniform regulations for waiver of tuition and registration fees for persons
20 not enrolled in elementary or secondary schools taking courses leading to a high school
21 diploma or equivalent certificate, for training courses for volunteer firemen, local fire
22 department personnel, volunteer rescue and lifesaving department personnel, local
23 rescue and lifesaving department personnel, Radio Emergency Associated Citizens
24 Team (REACT) members when the REACT team is under contract to a county as an
25 emergency response agency, local law-enforcement officers, patients in State alcoholic
26 rehabilitation centers, all full-time custodial employees of the Department of Correction,
27 employees of the Department of Correction's Division of Adult Probation and Parole
28 and employees of the Division of Youth Services of the Department of Human
29 Resources required to be certified pursuant to Chapter 17C of the General Statutes and
30 the rules of the Criminal Justice and Training Standards Commission, trainees enrolled
31 in courses conducted under the New and Expanding Industry Program, clients of
32 sheltered workshops, clients of adult developmental activity programs, students in
33 Human Resources Development Programs, juveniles of any age committed to the
34 Division of Youth Services of the Department of Human Resources by a court of
35 competent jurisdiction, and prison inmates. Provided further, tuition shall be waived for
36 senior citizens attending institutions operating pursuant to this Chapter as set forth in
37 Chapter 115B of the General Statutes, Tuition Waiver for Senior Citizens. Provided
38 further, tuition shall also be waived for all courses taken by high school students at
39 community colleges in accordance with G.S. 115D-20(4) and this section."

40

41 Requested by: Senator Ward

42 —BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

43 Sec. 48. Appropriations to the Department of Community Colleges for
44 equipment and library books are made for each year of the fiscal biennium. All

1 unencumbered appropriations shall revert to the General Fund 12 months after the close
2 of each fiscal year for which they were appropriated. Encumbered balances outstanding
3 at the end of each period shall be handled in accordance with existing State Budget
4 policies. The Department shall be able to identify to the Office of State Budget and
5 Management which appropriations will revert at the end of the 12 months after the close
6 of each fiscal year.

7
8 Requested by: Senator Ward

9 —" TECH PREP"IMPLEMENTATION

10 Sec. 49. Of the funds available to the Department of Public Education for
11 vocational education, \$50,000 for the 1991-92 fiscal year and \$50,000 for the 1992-93
12 fiscal year, shall be allocated to the North Carolina Tech Prep Leadership Development
13 Center at Richmond Community College for assistance to local education agencies and
14 community colleges in planning and implementing "Tech Prep"across the State. The
15 Department of Community Colleges shall allocate \$50,000 each year from funds
16 available to it for the 1991-92 fiscal year and for the 1992-93 fiscal year for the North
17 Carolina "Tech Prep"Leadership Development Center at Richmond Community
18 College.

19
20
21 PART XV.—COLLEGES AND UNIVERSITIES

22
23 Requested by: Senator Ward

24 —TEACHING HOSPITAL REIMBURSEMENT

25 Sec. 50. Reimbursement to Pitt County Memorial Hospital for
26 uncompensated care provided to non-Pitt County residents admitted by East Carolina
27 Medical School faculty shall be limited to the unreimbursed portion of actual costs as
28 determined in the Medicare Cost Report.

29
30 Requested by: Senator Ward

31 —SMALL BUSINESS PROGRAMS

32 Sec. 51. The Board of Governors of The University of North Carolina shall
33 make whatever changes are necessary in the administrative structures of the economic
34 development programs in The University of North Carolina to ensure that adequate
35 State appropriations from these programs can be used to match federal funding for small
36 business development programs.

37 The Board of Governors of The University of North Carolina and the State
38 Board of Community Colleges shall develop, to the extent necessary, a consolidated
39 administrative structure for their Small Business Assistance Programs to increase the
40 State funds available to match federal funding for small business development
41 programs.

42
43 Requested by: Senator Ward

1 —AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT
2 LIMITATIONS

3 Sec. 52. (a) The amount of a tuition grant awarded to a student enrolled in a
4 degree program at a site away from the main campus of the approved private institution,
5 as defined in G.S. 116-22(1), may be no more than the result of the ratio of the cost per
6 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
7 full-time on-campus instruction, multiplied by the maximum grant award, or the
8 maximum grant award allowable under Section 53(b) of this act, whichever is less.

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

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

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

24

25 Requested by: Senator Ward

26 —AID TO PRIVATE COLLEGES/PROCEDURE

27 Sec. 53. (a) Funds appropriated in this Title to the Board of Governors of The
28 University of North Carolina for aid to private colleges shall be disbursed in accordance
29 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
30 to \$450.00 per full-time equivalent North Carolina undergraduate student enrolled at a
31 private institution as of October 1 each year.

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

38 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
39 to all other financial assistance made available to private educational institutions located
40 within the State, or to students attending these institutions, there is granted to each full-
41 time North Carolina undergraduate student attending an approved institution as defined
42 in G.S. 116-22, a sum, not to exceed \$1,150 per academic year, which shall be
43 distributed to the student as hereinafter provided.

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

9 In the event a student on whose behalf a grant has been paid is not enrolled
10 and carrying a minimum academic load as of October 1 of the first academic term or on
11 the tenth classroom day following the beginning of the second school term for which the
12 grant was paid, the institution shall refund the full amount of the grant to the State
13 Education Assistance Authority. Each approved institution shall be subject to
14 examination by the State Auditor for the purpose of determining whether the institution
15 has properly certified eligibility and enrollment of students and credited grants paid on
16 the behalf of the students.

17 In the event there are not sufficient funds to provide each eligible student
18 with a full grant:

- 19 (1) The Board of Governors of The University of North Carolina, with the
20 approval of the Office of State Budget and Management, may transfer
21 available funds to meet the needs of the programs provided by
22 subsections (a) and (b) of this section; and
- 23 (2) Each eligible student shall receive a pro rata share of funds then
24 available for the remainder of the academic year within the fiscal
25 period covered by the current appropriation.

26 Any remaining funds shall revert to the General Fund.

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

29
30 Requested by: Senator Ward

31 —WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING
32 FORMULAE

33 Sec. 54. Funds appropriated in this act to the Board of Governors of The
34 University of North Carolina for continuation of financial assistance to the medical
35 schools of Duke University and Wake Forest University shall be disbursed on
36 certifications of the respective schools of medicine that show the number of North
37 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
38 medical school as of November 1, 1991, and November 1, 1992. Disbursement to
39 Wake Forest University shall be made in the amount of \$8,000 for each medical student
40 who is a North Carolina resident, \$1,000 of which shall be placed by the school in a
41 fund to be used to provide financial aid to needy North Carolina students who are
42 enrolled in the medical school. The maximum aid given to any student from this fund
43 in a given year may not exceed the amount of the difference in tuition and academic

1 fees charged by the school and those charged at the School of Medicine at the
2 University of North Carolina at Chapel Hill.

3 Disbursement to Duke University shall be made in the amount of \$5,000 for
4 each medical student who is a North Carolina resident, \$500.00 of which shall be placed
5 by the school in a fund to be used to provide student financial aid to financially needy
6 North Carolina students who are enrolled in the medical school. No individual student
7 may be awarded assistance from this fund in excess of \$2,000 each year. In addition to
8 this basic disbursement for each year of the biennium, a disbursement of \$1,000 shall be
9 made for each medical student who is a North Carolina resident in the first-year,
10 second-year, third-year, and fourth-year classes to the extent that enrollment of each of
11 those classes exceeds 30 North Carolina students.

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

22

23 Requested by: Senator Ward

24 ~~UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL~~
25 ~~HILL/NURSING~~

26 Sec. 55. Notwithstanding the provisions of G.S. 126-4(1), G.S. 126-4(2),
27 and Section 9 of Chapter 738 of the 1987 Session Laws, as amended by Section 100(a)
28 of the 1987 Session Laws, and as further amended by Section 54 of Chapter 500 of the
29 1989 Session Laws, the Current Operations Appropriations Act of 1989, the Board of
30 Directors of the University of North Carolina Hospitals at Chapel Hill shall establish
31 policies and rules governing the study and implementation of competitive position
32 classification and compensation plans for registered and licensed practical nurse
33 positions that have been approved by the Board of Directors. These plans shall provide
34 for minimum, maximum, and intermediate rates of pay, and may include provisions for
35 range revisions and shift premium pay and for salary adjustments to address internal
36 inequities, job performance, and market conditions. The Office of State Personnel shall
37 review the classification and compensation plans on an annual basis, and all changes in
38 compensation plans for these registered and licensed practical nursing positions shall be
39 submitted to the Office of State Personnel upon implementation.

40

41 Requested by: Senators Ward, Conder

42 ~~COMMUNITY SERVICES REDUCTIONS LIMITATION/SMALL BUSINESS~~
43 ~~AND TECHNOLOGY DEVELOPMENT CENTERS~~

1 Sec. 56. None of the reductions made by this act in the community services
2 budgets for economic development activities of The University of North Carolina shall
3 be taken in the Small Business and Technology Development Centers programs.

4
5 Requested by: Senators Ward, Conder

6 ---COMMUNITY SERVICES REDUCTIONS LIMITATION/INSTITUTE OF
7 GOVERNMENT PROGRAMS

8 Sec. 57. None of the reductions made by this act in the community services
9 budgets of The University of North Carolina shall be taken in the programs of the
10 Institute of Government at Chapel Hill.

11
12
13 PART XVI.—DEPARTMENT OF TRANSPORTATION

14
15 Requested by: Senator Goldston

16 ---MOWING ROAD SHOULDERS

17 Sec. 58. The Board of Transportation shall review its policy of requiring
18 private contractors to mow the State highway system. The Board shall look at the
19 comparative costs between mowing with State forces versus private contractors. The
20 Board shall explore the costs of returning mowing work, especially of secondary roads,
21 to the 14 Highway Divisions. This study shall also consider the savings derived from
22 reducing the width of the shoulder to be mowed. A report of the Board's findings shall
23 be submitted to the House Appropriations Subcommittee on Transportation, the Senate
24 Appropriations Committee on Natural and Economic Resources, and to the Fiscal
25 Research Division 30 days prior to the scheduled convening date of the 1992 Session of
26 the General Assembly.

27
28 Requested by: Senator Goldston

29 ---DOT PERSONNEL ACTIONS REPORTED

30 Sec. 59. The Department of Transportation shall submit a list of personnel
31 actions every six months to the Joint Legislative Highway Oversight Committee and to
32 the Fiscal Research Division. This list shall include positions reallocated, reclassified,
33 abolished, and created. The report shall give the status of the Department's salary
34 reserves and how they were used during the reporting period.

35
36 Requested by: Senator Goldston

37 ---PLAN TO REDUCE LABOR VARIANCE

38 Sec. 60. The Department of Transportation shall submit to the House
39 Appropriations Subcommittee on Transportation and the Senate Appropriations
40 Committee on Natural and Economic Resources during the 1992 Session of the General
41 Assembly, a plan to reduce labor variance in highway planning and design from the
42 current nineteen and two-tenths percent (19.2%) to the pre-Trust Fund 1985 level of ten
43 and six-tenths percent (10.6%). The Plan shall list all activities that are charged to labor
44 variance and the reasons why the work has not been assigned to job orders.

1

2 Requested by: Senator Goldston

3 —PERFORMANCE AUDIT COMPARING COST OF ENGINEERING SERVICES
4 BETWEEN DEPARTMENT OF TRANSPORTATION AND PRIVATE
5 ENGINEERING FIRMS

6 Sec. 61. The State Auditor shall conduct a performance audit comparing the
7 cost, quality, and timeliness of engineering services provided by outside consultants
8 versus Department of Transportation personnel. This audit shall include an analysis of
9 overhead costs, labor variance, the impact of newly hired employees on Department of
10 Transportation efficiency and the cost of supervising consultants. The State Auditor
11 shall report his findings, by April 1, 1992, to the Chairmen of the Senate and House
12 Appropriations Committees, the Chairmen of the House Appropriations Subcommittee
13 on Transportation, and the Chairman of the Senate Appropriations Committee on
14 Natural and Economic Resources.

15

16 Requested by: Senator Goldston

17 —REDUCTION OF HIGHWAY TRUST FUND REVENUE USED FOR
18 ADMINISTRATIVE EXPENSES

19 Sec. 62. G.S. 136-176(b) reads as rewritten:

20 "(b) Funds in the Trust Fund are annually appropriated to the Department of
21 Transportation to be allocated and used as provided in this subsection. A sum, not to
22 exceed ~~five percent (5%)~~ four and one-half percent (4.5%) of the amount of revenue
23 deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may
24 be used each fiscal year by the Department for expenses to administer the Trust Fund.
25 The rest of the funds in the Trust Fund shall be allocated and used as follows:

- 26 (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design,
27 and construct the projects of the Intrastate System described in G.S.
28 136-179.
- 29 (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
30 construct the urban loops described in G.S. 136-180.
- 31 (3) Six and one-half percent (6.5%) to supplement the appropriation to
32 cities for city streets under G.S. 136-181.
- 33 (4) Six and one-half percent (6.5%) for secondary road construction as
34 provided in G.S. 136-182."

35

36 Requested by: Senator Goldston

37 —BRANCH AGENT TRANSACTION RATE

38 Sec. 63. The Division of Motor Vehicles of the Department of Transportation
39 shall compensate a contractor with whom it has a contract under G.S. 20-63(h) at the
40 rate of ninety-two cents (92¢) for each transaction performed in accordance with the
41 requirements set by the Division. A transaction is any of the following activities:

- 42 (1) Issuance of a registration plate, a registration card, a registration
43 renewal sticker, or a certificate of title.
- 44 (2) Issuance of a handicapped placard or handicapped identification card.

- 1 (3) Acceptance of an application for a personalized registration plate.
- 2 (4) Acceptance of a surrendered registration plate, registration card, or
- 3 registration renewal sticker, or acceptance of an affidavit stating why a
- 4 person cannot surrender a registration plate, registration card, or
- 5 registration renewal sticker.
- 6 (5) Cancellation of a title because the vehicle has been junked.
- 7 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
- 8 tax, other than the highway use tax.
- 9 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
- 10 financial responsibility or receipt of the restoration fee imposed by that
- 11 statute.
- 12 (8) Acceptance of a notice of failure to maintain financial responsibility
- 13 for a motor vehicle.
- 14 (9) Collection of the highway use tax.

15 Performance at the same time of any combination of the items that are listed
16 within each subdivision or are listed within subdivisions (1) through (8) is a single
17 transaction. Performance of the item listed in subdivision (9) in combination with any
18 other items listed in this section is a separate transaction.

19
20 Requested by: Senator Goldston

21 ---BIDS FOR COMPUTER SERVICES

22 Sec. 64. In requests for bids, requests for quotes, requests for proposals, or
23 other procurement actions issued through the Department of Administration, Division of
24 Purchase and Contract, or through any other State agency, for vendors to develop a
25 strategic plan, conduct a feasibility study, or prepare a needs assessment for a computer
26 system, information system, data communications network, data processing application,
27 or other information technology application, there shall be a provision that reads as
28 follows:" Eligibility for Future Requirements: The successful offeror on this project
29 will not be considered for an award on subsequent hardware, software, software
30 support, and related procurements which are based on specifications or
31 recommendations resulting from this procurement."The Division of Purchase and
32 Contract and the State agency or agencies involved in the procurement may delete this
33 provision in a procurement request by jointly (i) filing a written request with the
34 Director of the Office of State Budget for authorization to delete this provision from the
35 procurement effort, (ii) sending a copy of this written request for authorization to the
36 Director of the Fiscal Research Division at the time it is filed with the Office of State
37 Budget, (iii) receiving written authorization to delete the provision from the Director of
38 the Office of State Budget, and (iv) reporting the authorization, if it is granted, to the
39 Director of the Fiscal Research Division and to the next meeting of the Joint Legislative
40 Commission on Governmental Operations.

41
42 Requested by: Senator Goldston

43 ---NORTH CAROLINA RAILROAD DIVIDENDS APPROPRIATED TO THE
44 HIGHWAY FUND FOR RAILROAD PURPOSES

1 Sec. 65. G.S. 136-16.6 reads as rewritten:

2 **"§ 136-16.6. Continuing rail appropriations.**

3 There is annually ~~appropriated, beginning with the 1987-88 fiscal year, from the~~
4 ~~General Fund to the Department of Transportation for rail purposes the greater of one~~
5 ~~hundred thousand dollars (\$100,000) or appropriated~~ one hundred percent (100%) of the
6 annual dividends received in the prior fiscal year ~~(less any amounts that are required by~~
7 ~~Section 13-18 of Chapter 792, Session Laws of 1985 to be paid for the expenses of the~~
8 ~~Railroad Negotiating Commission)~~ by the State from its ownership of stock in the North
9 Carolina Railroad Company and the Atlantic and North Carolina Railroad ~~Company.~~
10 Company to the Highway Fund for use by the Department of Transportation for railroad
11 purposes."

12
13 Requested by: Senator Goldston

14 —HIGHWAY FUND ALLOCATIONS BY CONTROLLER

15 Sec. 66. The Controller of the Department of Transportation shall allocate at
16 the beginning of each fiscal year from the various appropriations made to the
17 Department of Transportation in this act, Titles:

18 State Construction

19 State Funds to Match Federal Highway Aid

20 State Maintenance

21 Ferry Operations,

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

24
25 Requested by: Senator Goldston

26 —CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND
27 APPROPRIATIONS

28 Sec. 67. The General Assembly authorizes and certifies anticipated revenues
29 of the Highway Fund as follows:

30 For Fiscal Year 1993-94 \$971,000,000

31 For Fiscal Year 1994-95 \$990,000,000.

32 Sec. 68. The General Assembly authorizes and certifies anticipated revenues
33 of the Highway Trust Fund as follows:

34 For Fiscal Year 1993-94 \$394,900,000

35 For Fiscal Year 1994-95 \$402,800,000.

36
37 Requested by: Senator Goldston

38 —HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

39 Sec. 69. (a) Overexpenditures from Section 4 of this act may be made by
40 authorization of the Director of the Budget, Titles:

41 State Construction Primary Construction

42 State Construction Urban Construction

43 State Construction Access and Public Service Roads

44 State Funds to Match Federal Highway Aid

1 State Maintenance
2 Ferry Operations,
3 provided that there are corresponding underexpenditures from these same titles.
4 Overexpenditures or underexpenditures in any titles may not vary by more than ten
5 percent (10%) without prior consultation with the Advisory Budget Commission.
6 Written reports covering overexpenditures or underexpenditures of more than ten
7 percent (10%) shall be made to the Joint Legislative Highway Oversight Committee.
8 The reports shall be delivered to the Director of the Fiscal Research Division not less
9 than 96 hours prior to the beginning of the Committee's full meeting.

10 (b) Overexpenditures from Section 4 of this act, Titles:
11 State Construction Primary Construction
12 State Construction Urban Construction
13 State Construction Access and Public Service Roads
14 State Funds to Match Federal Highway Aid
15 State Maintenance
16 Ferry Operations,

17 for the purpose of providing additional positions shall be approved by the Director of
18 the Budget and shall be reported on a quarterly basis to the Joint Legislative Highway
19 Oversight Committee and to the Fiscal Research Division.

20

21 Requested by: Senator Goldston

22 ---RESURFACED ROADS MAY BE WIDENED

23 Sec. 70. Of the contract maintenance resurfacing program funds appropriated
24 in this act to the Department of Transportation, an amount not to exceed fifteen percent
25 (15%) of the Board of Transportation's allocation of these funds may be used for
26 widening existing narrow pavements that are scheduled for resurfacing. The
27 Department of Transportation shall report on the use of these funds to the Joint
28 Legislative Highway Oversight Committee and the Fiscal Research Division by May
29 15, 1992.

30

31 Requested by: Senator Goldston

32 ---SMALL URBAN CONSTRUCTION PROGRAM FUNDS

33 Sec. 71. Of the funds appropriated in this Title to the Department of
34 Transportation, \$10,805,664 shall be allocated in the 1991-92 fiscal year and
35 \$9,828,266 in the 1992-93 fiscal year for small urban construction projects. \$7,000,000
36 of these funds shall be allocated equally in each fiscal year of the biennium among the
37 14 Highway Divisions for the small Urban Construction program for small urban
38 construction projects that are located within the area covered by a one-mile radius of the
39 municipal corporate limits. Of the remaining funds, \$3,805,664 for the 1991-92 fiscal
40 year and \$2,828,266 for the 1992-93 fiscal year shall be used statewide for rural or
41 small urban highway improvements as approved by the Secretary of the Department of
42 Transportation.

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

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

6
7 Requested by: Senator Goldston

8 ---HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE

9 Sec. 72. Any unreserved credit balance in the Highway Fund on June 30 of
10 each of the fiscal years shall support appropriations in the succeeding fiscal year. If all
11 of the balance is not needed for these appropriations, the Director of the Budget may use
12 the remaining excess to establish a reserve for access and public roads, a reserve for
13 unforeseen happening of a state of affairs requiring prompt action as provided by G.S.
14 136-44.1, and other required reserves. Actual revenue in excess of estimated revenue
15 shall be placed in the reserve for highway maintenance. If all of the remaining excess is
16 not used to establish these reserves, the remainder shall be allocated to the State-funded
17 maintenance appropriations in the manner approved by the Board of Transportation.
18 The Board of Transportation shall report monthly to the Joint Legislative Highway
19 Oversight Committee and the Fiscal Research Division about the use of the reserve for
20 highway maintenance.

21
22 Requested by: Senator Plyler

23 ---SIGNING OF STATE-MAINTAINED COUNTY ROADS

24 Sec. 73. \$500,000 of the funds to be allocated pursuant to G.S. 136-44.2A for
25 secondary road construction during the 1991-92 fiscal year shall be exempt from the
26 county formula allocation in G.S. 136-44.5. The Department of Transportation shall
27 utilize the funds so excluded for the county road name-signing program in the 30
28 counties where signing has not already been funded.

29
30
31 PART XVII.—DEPARTMENT OF CORRECTION

32
33 Requested by: Senator Marvin

34 ---PRIVATE CONFINEMENT FACILITIES

35 Sec. 74. No for-profit, privately owned or operated confinement facilities
36 may be added to the State prison system unless approved by the General Assembly.
37 The State may contract with private, nonprofit firms to provide or operate work and
38 study release centers for women.

39
40 Requested by: Senator Marvin

41 ---NEGOTIATED RATES FOR MEDICAL SERVICES

42 Sec. 75. The Department of Correction shall negotiate for rates as close to
43 Medicaid rates as possible for all medical services rendered to that Department by
44 providers who are not State employees. The Department shall report the results of its

1 negotiations to the Chairmen of the Senate Appropriations Committee and the Senate
2 Base Budget Appropriations Committee, the Chairmen of the House Appropriations
3 Committee, and the Chairmen of the Senate and the House Appropriations Committees
4 on Justice and Public Safety prior to March 15, 1992.

5
6 Requested by: Senator Marvin

7 —LIMIT USE OF OPERATIONAL FUNDS

8 Sec. 76. Funds appropriated in this act to the Department of Correction for
9 operational costs for additional facilities shall be used for the personnel and operating
10 expenses set forth in the budget approved by the General Assembly in this act. These
11 funds may not be expended for any other purpose, and may not be expended for
12 additional prison personnel positions until the new facilities are within 90 days of
13 completion, except as authorized for the facilities at Nash, Pender, South Mountain, and
14 Brown Creek.

15
16
17 PART XVIII.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

18
19 Requested by: Senator Marvin

20 —REPORT ON COMMUNITY SERVICE WORKERS

21 Sec. 77. The Department of Crime Control and Public Safety shall report
22 quarterly in the 1991-92 fiscal year and the 1992-93 fiscal year to the Joint Legislative
23 Commission on Governmental Operations and the Fiscal Research Division on the
24 number of community service workers who were available during each month of the
25 time period preceding that report to perform repairs and maintenance of the parks and
26 when and where they were available.

27
28 Requested by: Senator Marvin

29 —REPORTS ON THE COMMUNITY PENALTIES PROGRAM AND THE CRIME
30 VICTIMS COMPENSATION FUND

31 Sec. 78. The Department of Crime Control and Public Safety shall report
32 annually to the Senate and House Appropriations Base Budget Committees on Justice
33 and Public Safety and the Fiscal Research Division on the administrative expenditures
34 of the Community Penalties Program and the North Carolina Crime Victims
35 Compensation Fund.

36
37 Requested by: Senator Marvin

38 —LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER
39 GRANTS

40 Sec. 79. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets
41 Act of 1968 provides that State applications for drug law enforcement grants are subject
42 to review by the State legislature or its designated body.

43 (b) The North Carolina General Assembly hereby provides that State applications
44 for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M

1 of the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of
2 P.L. 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint
3 Legislative Commission on Governmental Operations if at the time of review the
4 General Assembly is not in session.

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

10

11 Requested by: Senator Marvin

12 ---REPORT ON MOTOR VEHICLE REPLACEMENT COST

13 Sec. 80. The Department of Crime Control and Public Safety shall report to
14 the 1991 General Assembly, 1992 Regular Session, regarding the reduction in the
15 number of motor vehicles replaced by the Highway Patrol for the 1991-92 fiscal year
16 and the effect, if any, of that reduction on the Highway Patrol, and shall also review and
17 report on the projected cost of replacing motor vehicles for the 1992-93 fiscal year. The
18 Department of Justice shall report to the 1991 General Assembly, 1992 Regular Session,
19 regarding the reduction in the number of motor vehicles replaced by the State Bureau of
20 Investigation for the 1991-92 fiscal year and the effect, if any, of that reduction on the
21 State Bureau of Investigation, and shall also review and report on the projected cost of
22 replacing motor vehicles for the 1992-93 fiscal year.

23

24 Requested by: Senator Marvin

25 ---REPORT ON HIGHWAY PATROL FURNITURE AND EQUIPMENT
26 REPLACEMENT SCHEDULE

27 Sec. 81. The Highway Patrol, Department of Crime Control and Public
28 Safety, shall report to the 1991 General Assembly, 1992 Regular Session, regarding the
29 reductions in the replacement schedule for furniture and equipment for the Highway
30 Patrol for the 1991-92 fiscal year and the effect, if any, of those reductions. The
31 Highway Patrol shall also report on the projected cost of the replacement schedule for
32 equipment and furniture for the 1992-93 fiscal year.

33

34 Requested by: Senator Marvin

35 ---HIGHWAY PATROL SALARIES

36 Sec. 82. G.S. 20-187.3 reads as rewritten:

37 "**§ 20-187.3. Quotas prohibited; prohibited; pay and promotion.**

38 (a) The Secretary of Crime Control and Public Safety shall not make or permit to
39 be made any order, rule, or regulation requiring the issuance of any minimum number of
40 traffic citations, or ticket quotas, by any member or members of the State Highway
41 Patrol.

42 (a1) Pay and promotions of members of the Highway Patrol shall be based on
43 their overall job performance and not on the basis of the volume of citations issued or
44 arrests made. The provisions of G.S. 126-7 shall ~~not~~ apply to members of the State

1 Highway Patrol. Members of the Highway Patrol shall, ~~however,~~ shall be subject to
2 salary classes, ranges and longevity pay for service as are applicable to other State
3 employees generally. ~~Beginning July 1, 1985, and annually thereafter, each member of~~
4 ~~the Highway Patrol shall be granted a salary increase in an amount corresponding to the~~
5 ~~increments between steps within the salary range established for the class to which the~~
6 ~~member's position is assigned by the State Personnel Commission, not to exceed the~~
7 ~~maximum of each applicable salary range.~~

8 (b) ~~The Secretary of Crime Control and Public Safety, subject to the availability~~
9 ~~of funds as authorized by the Director of the Budget, may place a member of the State~~
10 ~~Highway Patrol in any step in the salary range for the class to which the member is~~
11 ~~assigned based on the member's rank so that no member is in a step lower than others of~~
12 ~~the same rank who have held that rank for less time than that member."~~

13
14 Requested by: Senator Marvin

15 ~~—CRIME VICTIMS COMPENSATION/SOFTWARE FUNDS~~

16 Sec. 83. (a) The Office of State Budget and Management shall designate
17 \$10,080 of the Computer Reserve Fund created in the Office of State Budget and
18 Management for the 1991-92 fiscal year for the critical computer needs of the Crime
19 Victims Compensation Program in the Department of Crime Control and Public Safety.

20 (b) Effective January 1, 1992, the Department of Crime Control and Public
21 Safety shall eliminate one position for a claims examiner and one position for an
22 investigator.

23
24
25 PART XIX.—JUDICIAL DEPARTMENT

26
27 Requested by: Senator Marvin

28 ~~—COMMISSIONERS ON UNIFORM STATE LAWS~~

29 Sec. 84. From funds appropriated to the Judicial Department in the certified
30 budget for the 1991-93 biennium, the Administrative Office of the Courts may transfer
31 within its budget up to \$19,000 for the 1991-92 fiscal year and up to \$19,000 for the
32 1992-93 fiscal year to reimburse the expenses of travel of the North Carolina delegation
33 of the National Conference of Commissioners on Uniform State Laws.

34
35 Requested by: Senator Marvin

36 ~~—INDIGENT PERSONS' ATTORNEY FEE FUND~~

37 Sec. 85. (a) Effective July 1, 1991, the Administrative Office of the Courts
38 shall each year of the biennium place the sum of \$3,249,236 from the Indigent Persons'
39 Attorney Fee Fund in a reserve for capital cases and for transcripts, professional
40 examinations, and expert witness fees. The Administrative Office of the Courts shall
41 allot these funds as needed for these purposes and for unanticipated demands on the
42 fund.

43 (b) Effective July 1, 1991, the Administrative Office of the Courts shall, for
44 each year of the biennium, allot the sum of \$11,500,000 from the Indigent Persons'

1 Attorney Fee Fund for adult, juvenile, and guardian **ad litem** cases for the 1991-92 and
2 1992-93 fiscal years to each judicial district where the superior and district court
3 districts are coterminous, and otherwise by county, according to the caseload of indigent
4 persons who were not represented by the public defender in the districts or counties
5 during 1990-91 and 1991-92, respectively.

6 The Administrative Office of the Courts shall notify all senior resident
7 superior court judges, all chief district court judges, and the clerk of superior court
8 within the district or county immediately after the allotment is made and shall regularly
9 notify them how much remains for the district or county.

10 The senior resident superior court judge and the chief district court judge of
11 each district or county shall ask all judges holding court within the district or county: (i)
12 to take into consideration the amount of money allotted at the beginning of the fiscal
13 year and the amount of money remaining in the allotment when they award counsel fees
14 to attorneys of indigent persons, and (ii) to make an effort to award fees equally and
15 justly for legal services provided. The clerk of superior court for each county shall
16 assure that all judges holding court within the county receive this request from the
17 senior resident superior court judge and the chief district court judge.

18 (c) If the funds allotted pursuant to subsection (b) of this section are depleted
19 in a district or county prior to the end of the fiscal year, the Administrative Office of the
20 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
21 the same manner as provided in subsection (b) of this section, provided, however, if
22 necessary and appropriate due to unusual and unanticipated circumstances occurring in
23 the current year, the Administrative Office of the Courts may allocate funds to a district
24 or county in a manner calculated to result in the reasonably fair distribution of the
25 remaining funds. Such funds shall be subject to the limitations and directions set out in
26 subsection (b) of this section.

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

32
33 Requested by: Senator Marvin

34 —CURRENT OPERATING EXPENSES

35 Sec. 86. From funds appropriated to the Judicial Department in the certified
36 budget for the 1991-92 fiscal year, the Administrative Office of the Courts may transfer
37 within its budget up to \$2,500,000 to meet additional current operating expenses for
38 supplies and materials, current obligations, fixed charges, other expenses, equipment
39 and books, and indigent persons' attorney fees. The Administrative Office of the Courts
40 shall make quarterly reports on transfers made pursuant to this section to the Joint
41 Legislative Commission on Governmental Operations and the Chairmen of the Senate
42 and the House Appropriations Committees on Justice and Public Safety.

43
44 Requested by: Senator Marvin

1 ---RAPE VICTIM WITNESS COUNSELLOR PROGRAM

2 Sec. 87. From funds appropriated to the Judicial Department in the certified
3 budget for the 1991-93 biennium, the Administrative Office of the Courts may transfer
4 within its budget up to \$25,000 for the 1991-92 fiscal year and up to \$25,000 for the
5 1992-93 fiscal year to support the existing Rape Victim Witness Counsellor Program.

6
7 Requested by: Senator Marvin

8 ---ASSIGNED COUNSEL/PUBLIC DEFENDER COST COMPARISON REPORTS
9 FOR DISTRICTS 4A, 5, AND 10; INTENT TO ESTABLISH PUBLIC DEFENDER
10 OFFICES WHERE ASSIGNED COUNSEL COSTS EXCESSIVE

11 Sec. 88. (a) Before the 1992 Regular Session of the General Assembly
12 convenes, the Administrative Office of the Courts shall submit to the House and Senate
13 Appropriations Committees on Justice and Public Safety and to the Joint Legislative
14 Commission on Governmental Operations two reports which compare the amount
15 actually spent on private assigned counsel for indigent persons in Superior Court
16 District or Set of Districts 4A (Sampson, Duplin, and Jones Counties), 5 (New Hanover
17 and Pender Counties), and 10 (Wake County), with the estimated amount which would
18 have been incurred had there been a public defender in each of those districts. The first
19 report shall be submitted on or before January 1, 1992, and shall cover the period May
20 1, 1991, through October 31, 1991; the second report shall be submitted on or before
21 May 20, 1992, and shall cover the period May 1, 1991, through April 30, 1992. Each
22 report shall be based on methods and shall be presented in a format substantially similar
23 to those of the "Comparative Cost Estimates for Establishing Additional Public
24 Defender Offices in Certain Judicial Districts" which are prepared annually by the
25 Administrative Office of the Courts.

26 (b) It is the intent of the General Assembly to establish, effective July 1, 1992, a
27 public defender office for a defender district coterminous with any of the three superior
28 court districts or set of districts designated in subsection (a) of this section in which the
29 amount actually spent on private assigned counsel between May 1, 1991, and April 30,
30 1992, exceeds the estimated amount which would have been incurred in the same period
31 had there been a public defender office in that district or set of districts, as shown in the
32 reports submitted pursuant to subsection (a) of this section.

33
34 Requested by: Senator Marvin

35 ---JUDICIAL DEPARTMENT PURCHASES OF SUPPLIES, MATERIALS, AND
36 EQUIPMENT

37 Sec. 89. During the 1991-93 biennium, the Administrative Office of the
38 Courts is authorized to make direct purchases of supplies, materials, and equipment for
39 the Judicial Department without complying with Article 3 of Chapter 143 of the General
40 Statutes (Purchases and Contracts) provided that (1) all purchases shall be made
41 pursuant to an open competitive bidding process substantially similar to that provided
42 for in that Article, and (2) no purchases may be made under the authority of this section
43 except at a price which is less than that for the same item or items under any State
44 contract in effect at the time of the purchase.

1 The Administrative Office of the Courts shall report to the Joint Legislative
2 Commission on Governmental Operations and the Fiscal Research Division regarding
3 these purchases by December 31, 1991, and by May 1, 1992, for the 1991-92 fiscal year
4 and by May 1, 1993, for the 1992-93 fiscal year.

5
6 Requested by: Senator Marvin

7 ---APPELLATE DEFENDER – DEATH PENALTY CASES

8 Sec. 90. (a) Report on Appellate Defender's Office. The Judicial Department
9 shall submit reports on March 15 of each year of the 1991-93 biennium to the House
10 and Senate Appropriation Committees on Justice and Public Safety and to the Joint
11 Legislative Commission on Governmental Operations on:

12 (1) The purpose and activities of that part of the Appellate Defender's
13 Office devoted to death penalty cases, and

14 (2) An accounting of General Fund expenditures on assistance provided to
15 paid counsel, State-appointed counsel, and **pro bono** attorneys.

16 (b) No Lobbying by Appellate Defender's Office. The Appellate Defender's
17 Office shall not lobby any entity, organization, or legislative body to urge either
18 abolition or retention of the death penalty. If the Appellate Defender's Office or any of
19 its employees fail to comply with this section or any of the duties of the Appellate
20 Defender's Office related to death penalty cases, the Director of the Administrative
21 Office of the Courts may refuse to seek continued State funding for that part of the
22 Appellate Defender's Office devoted to death penalty cases, or take such other actions as
23 the Director considers appropriate.

24 (c) Clarify Responsibilities of Appellate Defender. G.S. 7A-486.3 reads as
25 rewritten:

26 "**§ 7A-486.3. Duties.**

27 The appellate defender shall:

28 (1) Represent indigent persons subsequent to conviction in trial courts
29 pursuant to assignment by trial court judges under the general
30 supervision of the Chief Justice of the Supreme Court. The Chief
31 Justice may, following consultation with the appellate defender and
32 consistent with the resources available to the appellate defender to
33 ensure quality criminal defense services by the appellate defender's
34 office, authorize the appellate defender not to accept assignments of
35 certain appeals but instead to cause those appeals to be assigned either
36 to a local public defender's office or to private assigned counsel.

37 (2) Maintain a clearinghouse of materials and a repository of briefs
38 prepared by the appellate defender to be made available to private
39 counsel representing indigents in criminal cases.

40 (3) Provide continuing legal education training to assistant appellate
41 defenders and to private counsel representing indigents in criminal
42 cases, including capital cases, as resources are available.

43 (4) Provide consulting services to attorneys representing defendants in
44 capital cases.

- 1 (5) Recruit qualified members of the private bar who are willing to
2 provide representation in State and federal death penalty
3 postconviction proceedings.
4 (6) In his discretion, serve as counsel of record for indigent defendants in
5 capital cases in State court.
6 (7) Undertake direct representation and consultation in capital cases
7 pending in federal court only to the extent that such work is fully
8 federally funded."
9

10 Requested by: Senator Marvin

11 —TERMINATION OF AUTOMATIC DISMISSAL PROGRAMS

12 Sec. 91. Effective July 1, 1991, the programs in Prosecutorial Districts 5, 25,
13 26, 27A, and 27B for dismissing all minor traffic citation court cases and forgiving the
14 payment of all court costs upon the completion by the offender of a "defensive driving
15 course" or "traffic safety school" shall be terminated. No such program may be
16 established or operated in any judicial or prosecutorial district except by express
17 enactment of the General Assembly.
18
19

20 PART XX.—DEPARTMENT OF JUSTICE
21

22 Requested by: Senator Marvin

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

25 Sec. 92. (a) Assets transferred to the Department of Justice during the 1991-93
26 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
27 Department and shall result in an increase of law enforcement resources for the
28 Department. Assets transferred to the Department of Crime Control and Public Safety
29 during the 1991-93 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
30 budget of that Department and shall result in an increase of law enforcement resources
31 for the Department. The departments shall report to the Joint Legislative Commission
32 on Governmental Operations upon the receipt of these assets and before using these
33 assets shall report the intended use of these assets and the departmental priorities on
34 which the assets may be expended.

35 The General Assembly finds that the use of these assets for new projects,
36 the acquisition of real property, repair of buildings where such repair includes structural
37 change, and construction of or additions to buildings may result in additional expenses
38 for the State in future fiscal periods; therefore, the Department of Justice and the
39 Department of Crime Control and Public Safety are prohibited from using these assets
40 for such purposes without the prior approval of the General Assembly.

41 (b) This section does not apply to the extent that it prevents North Carolina law
42 enforcement agencies from receiving funds from the U.S. Department of Justice
43 pursuant to 19 U.S.C. § 1616a.
44

1 Requested by: Senator Marvin

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

4 Sec. 93. (a) The Department of Justice shall study the feasibility of charging
5 local governments for legal services rendered to those governments by the Office of the
6 Attorney General. The Department of Justice shall consider the number of requests for
7 legal assistance received from local governments, the type of legal assistance requested,
8 the time required to respond to the requests, and any other matters related to the issue of
9 charging local governments for legal assistance. The Department of Justice shall also
10 consider what fee, if any, is appropriate to charge local governments for such legal
11 services. The Department of Justice shall report its findings and recommendations to
12 the 1991 General Assembly, 1992 Regular Session.

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

20

21 Requested by: Senator Marvin

22 ---DEPARTMENT OF TRANSPORTATION TO PAY COMPENSATION OF
23 ATTORNEYS ASSIGNED TO MOTOR VEHICLES DIVISION BY THE
24 ATTORNEY GENERAL

25 Sec. 94. The Department of Transportation shall pay the compensation,
26 including salaries and benefits, of the attorneys assigned to the Division of Motor
27 Vehicles by the Attorney General. The funds to pay the compensation for those legal
28 positions shall be taken from the Highway Fund.

29

30 Requested by: Senator Marvin

31 ---JUSTICE ACADEMY STUDY/STUDENT REGISTRATION FEE

32 Sec. 95. The North Carolina Justice Academy shall study the possibility of
33 requiring a student registration fee. The study shall include consideration of the actual
34 cost for a student to attend the Justice Academy, the merits of charging a registration
35 fee, and the amount, if any, that should be charged as a registration fee. The North
36 Carolina Justice Academy shall report its findings and recommendations to the 1991
37 General Assembly, 1992 Regular Session.

38

39 Requested by: Senator Marvin

40 ---SBI USE OF COURT-ORDERED RESTITUTION FUNDS

41 Sec. 96. The State Bureau of Investigation (SBI) may use funds available
42 from court-ordered restitution in undercover drug operations.

43

44 Requested by: Senator Marvin

1 —PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING
2 BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES

3 Sec. 97. The Private Protective Services and Alarm Systems Licensing
4 Boards shall pay the appropriate State agency for the use of physical facilities and
5 services provided to those boards by the State.

6
7 REQUESTED BY: Senator Marvin

8 —TRANSFER LEGAL AND SUPPORT STAFF POSITIONS FROM VARIOUS
9 DEPARTMENTS TO THE DEPARTMENT OF JUSTICE

10 Sec. 98. (a) The following positions are transferred to the Department of Justice
11 from the Department of Administration:

13 Dept	Position	Position	
14 Agency	Number	Title	Grade

15
16
17 ADMINISTRATION

19 Radioactive			
20 Waste	0095	Paralegal II	67

21
22 (b) The following positions are transferred to the Department of Justice from the
23 Department of Agriculture:

25 Dept	Position	Position	
26 Agency	Number	Title	Grade

27
28
29 AGRICULTURE

31 Administration			
32 Legal Staff		Agency Legal	
	0105	Specialist II	75
35 Support Staff	0145	Court Reporter	67
	0142	Secretary	59

38
39 (c) The following positions are transferred to the Department of Justice from the
40 Department of Community Colleges:

42 Dept	Position	Position	
43 Agency	Number	Title	Grade

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COMMUNITY COLLEGES

Legal Staff	0180		
	(to 1160)	Paralegal I	65

(d) The following positions are transferred to the Department of Justice from the Department of Correction:

Dept Agency	Position Number	Position Title	Grade
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CORRECTION

Legal Staff		Agency Legal Specialist III	77
	0074		
		Agency Legal Specialist II	75
	0078		
		Agency Legal Specialist II	75
	0080		
		Agency Legal Specialist II	75
	0079		
		Paralegal III (Employee Title = Paralegal II)	70 67
0084			
Support Staff		Administrative Secretary IV	61
	0088		
	0090	Clerk-Typist IV	59
	0092	Clerk-Typist III	57

(e) The following positions are transferred to the Department of Justice from the Department of Environment, Health, and Natural Resources:

Dept	Position	Position
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Agency	Number	Title	Grade
<u>ENVIRONMENT, HEALTH, AND NATURAL RESOURCES</u>			
Legal Staff Administration	1902	Agency Legal Specialist III	77
	1903	Agency Legal Specialist III	77
	1906	Agency Legal Specialist I	73
	1907	Agency Legal Specialist III	77
	1909	Agency Legal Specialist III	77
	1911	Agency Legal Specialist II	75
	1912	Agency Legal Specialist III	77
	1915	Agency Legal Specialist III	77
	1916	Agency Legal Specialist III	77
	1918	Agency Legal Specialist I	73
Marine Fisheries	8442	Paralegal II	67
	8443	Paralegal II	67
	8444	Paralegal II	67
Solid Waste	4523	Attorney II	79

1		4524	Paralegal II	67
2				
3	Support Staff	1914	Clerk-Steno V	61
4				
5		1917	Clerk-Typist IV	59
6				
7		1908	Clerk-Typist IV	59
8				
9		1905	Clerk-Typist IV	59
10				
11		4035	Secretary III	57
12				

(f) The following positions are transferred to the Department of Justice from the Department of Human Resources:

16	Dept	Position	Position	
17	Agency	Number	Title	Grade
20	<u>HUMAN RESOURCES</u>			
21				
22	Legal Staff			
23				
24	Office of the		Agency Legal	
25	Secretary	0713	Specialist II	75
26				
27	Division of		Agency Legal	
28	Youth Services		Specialist I	
29		0003		73
30				

(g) The following positions are transferred to the Department of Justice from the Department of Insurance:

34	Dept	Position	Position	
35	Agency	Number	Title	Grade
38	<u>INSURANCE</u>			
39				
40	Legal Services			
41	Division	0114	Attorney II	79
42				
43		0117	Attorney II	79
44				

1		0120	Attorney II	79
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3		0122	Attorney II	79
4				
5		0123	Attorney II	79
6				
7		0124	Attorney II	79
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9		0125	Attorney II	75
10				
11			Agency Legal	
12		0126	Specialist III	77
13				
14		0133	Paralegal II	67
15				
16	Field Audit	0420	Attorney II	79
17				
18	Support Staff	0134	Clerk-Typist IV	59
19				
20		0138	Clerk-Typist IV	59
21			Administrative	
22		0139	Secretary V	61
23				
24		0144	Clerk-Typist IV	59
25				

(h) The following positions are transferred to the Department of Justice from the Department of Revenue:

29	Dept	Position	Position	
30	Agency	Number	Title	Grade
31				
32				
33	<u>REVENUE</u>			
34				
35	Legal Staff			
36	Field Operations		Agency Legal	
37		8210	Specialist II	75
38				

(i) The following positions are transferred to the Department of Justice from the Department of the Secretary of State:

42	Dept	Position	Position	
43	Agency	Number	Title	Grade
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SECRETARY OF STATE

Legal Staff

Corporations		Attorney-	
Division	0200	Corporations Filing	75
Support Staff	0420	Clerk-Steno III	57

(j) The equipment, supplies, records and other property to support the positions transferred by this section are also transferred from the appropriate departments to the Department of Justice.

(k) Funds are transferred in this Title to the Department of Justice for the positions, equipment, supplies, and other property transferred to the Department of Justice by this section. Funds for the 1992-93 fiscal year for those positions, equipment, supplies, and other property shall be reduced by fifteen percent (15%). To achieve the fifteen percent (15%) reduction required by this section, the Attorney General shall identify specific reductions relating to equipment, supplies, and other property transferred under this section and shall identify the positions transferred to the Department of Justice by this section to be eliminated. The Attorney General shall report to the Legislative Commission on Governmental Operations and the Fiscal Research Division by March 15, 1992, regarding those reductions and positions to be eliminated. By July 1, 1992, the Attorney General shall permanently make reductions relating to equipment, supplies, and other property transferred by this section and shall eliminate the positions transferred to the Department of Justice by this section to achieve the fifteen percent (15%) reduction.

(l) Any department from which a position is transferred under this section to the Department of Justice shall continue to provide adequate office space for legal and support staff assigned to that department by the Attorney General.

(m) Any disputes arising out of this transfer shall be resolved by the Director of the Budget.

PART XXI.—DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Richardson
—MEDICAID

Sec. 99. (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 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
2 prescribed in the State Plan as established by the Department of
3 Human Resources. Administrative days for any period of
4 hospitalization shall be limited to a maximum of three days.
- 5 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
6 prospective reimbursement plan as established by the Department of
7 Human Resources.
- 8 (3) Nursing Facilities - As prescribed under the reimbursement plan for
9 Nursing Facilities. Nursing facilities providing services to Medicaid
10 recipients who also qualify for Medicare, must be enrolled in the
11 Medicare program as a condition of participation in the Medicaid
12 program, subject to phase-in certification for those nursing facilities
13 not already enrolled in Medicare. State facilities are not subject to the
14 requirement to enroll in the Medicare Program.
- 15 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
16 under the State Plan for reimbursing intermediate care facilities for the
17 mentally retarded.
- 18 (5) Drugs - Drug costs as allowed by federal regulations plus a
19 professional services fee per month excluding refills for the same drug
20 or generic equivalent during the same month. Reimbursement shall be
21 available for up to six prescriptions per recipient, per month, including
22 refills. Payments for drugs are subject to the provisions of subsection
23 (h) of this section and to the provisions at the end of subsection (a) of
24 this section, or in accordance with a plan adopted by the Department of
25 Human Resources consistent with federal reimbursement regulations.
26 Payment of the professional services fee shall be made in accordance
27 with the plan adopted by the Department of Human Resources,
28 consistent with federal reimbursement regulations. Adjustments to the
29 professional services fee shall be increased by the lower of the Gross
30 National Price (GNP) deflator or the percentage increase approved by
31 the General Assembly.
- 32 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
33 Nurse Midwife Services - Fee schedules as developed by the
34 Department of Human Resources. Payments for dental services are
35 subject to the provisions of subsection (g) of this section.
- 36 (7) Community Alternative Program, EPSDT Screens - Payment to be
37 made in accordance with rate schedule developed by the Department
38 of Human Resources.
- 39 (8) Home Health, Private Duty Nursing, Clinic Services, Prepaid Health
40 Plans - Payment to be made according to reimbursement plans
41 developed by the Department of Human Resources.
- 42 (9) Medicare Buy-In - Social Security Administration premium.
- 43 (10) Ambulance Services - Uniform fee schedules as developed by the
44 Department of Human Resources.

- 1 (11) Hearing Aids - Actual cost plus a dispensing fee.
2 (12) Rural Health Clinic Services - Provider based - reasonable cost;
3 nonprovider based - single cost reimbursement rate per clinic visit.
4 (13) Family Planning - Negotiated rate for local health departments. For
5 other providers - see specific services, for instance, hospitals,
6 physicians.
7 (14) Independent Laboratory and X-Ray services - Uniform fee schedules
8 as developed by the Department of Human Resources.
9 (15) Optical Supplies - One hundred percent (100%) of reasonable
10 wholesale cost of materials.
11 (16) Ambulatory Surgical Centers - Payment as prescribed in the
12 reimbursement plan established by the Department of Human
13 Resources.
14 (17) Medicare Crossover Claims - An amount up to the actual coinsurance
15 or deductible or both, in accordance with the plan, as approved by the
16 Department of Human Resources.
17 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
18 eligible children. Payments are to be made only to the Children's
19 Special Health Services program at rates negotiated by the Department
20 of Human Resources.
21 (19) Personal Care Services - Payment in accordance with plan approved
22 by the Department of Human Resources.
23 (20) Case Management Services - Reimbursement in accordance with the
24 availability of funds to be transferred within the Department of Human
25 Resources.
26 (21) Hospice - Services may be provided in accordance with plan
27 developed by the Department of Human Resources.
28 (22) Other Mental Health Services - Unless otherwise covered by this
29 section, coverage is limited to agencies meeting the requirements of
30 the rules established by the Commission for Mental Health,
31 Developmental Disabilities, and Substance Abuse Services, and
32 reimbursement is made in accordance with a plan developed by the
33 Department of Human Resources not to exceed the upper limits
34 established in federal regulations.
35 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
36 Children - Reimbursement in accordance with plan approved by the
37 Department of Human Resources.
38 (24) Health Insurance Premiums - Payments to be made in accordance with
39 the plan adopted by the Department of Human Resources consistent
40 with federal regulations.

41 Reimbursement is available for up to 24 visits per recipient per year to any
42 one or combinations of the following: physicians, clinics, hospital outpatients,
43 optometrists, chiropractors, and podiatrists. Prenatal services, all ESPDT children, and
44 emergency rooms are exempt from the visit limitations contained in this paragraph.

1 Exceptions may be authorized by the Department of Human Resources where the life of
 2 the patient would be threatened without such additional care. Any person who is
 3 determined by the Department to be exempt from the 24-visit limitation may also be
 4 exempt from the six-prescription limitation.

5 (b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eight-five
 6 percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all
 7 applicable services listed in this section.

8 (c) Copayment for Medicaid Services. The Department of Human Resources
 9 may establish copayment up to the maximum permitted by federal law and regulation.

10 (d) Medicaid and Aid to Families with Dependent Children Income Eligibility
 11 Standards. Effective January 1, 1990, the maximum net family annual income
 12 eligibility standards for Medicaid and Aid to Families with Dependent Children, and the
 13 Standard of Need for Aid to Families with Dependent Children shall be as follows.

	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	<u>Family</u>	<u>Standard</u>	<u>AFDC Payment</u>	
	<u>Size</u>	<u>Of Need</u>	<u>Level*</u>	<u>AA,AB,AD*</u>
14				
15	1	\$ 4,344	\$ 2,172	\$ 2,900
16	2	5,664	2,832	3,800
17	3	6,528	3,264	4,400
18	4	7,128	3,564	4,800
19	5	7,776	3,888	5,200
20	6	8,376	4,188	5,600
21	7	8,952	4,476	6,000
22	8	9,256	4,680	6,300
23				
24				
25				
26				

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

29 The payment level for Aid to Families with Dependent Children shall be fifty percent
 30 (50%) of the standard of need.

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

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

39 (f) Dental Coverage Limits. Dental services will be provided on a restricted
 40 basis in accordance with regulations developed by the Department. Funds for dental
 41 services shall be disbursed only with prior approval by the Department of Human
 42 Resources, Division of Medical Assistance, as required by this subsection. No prior
 43 approval shall be required for emergency services or routine services. Routine services
 44 are defined as examinations, X rays, prophylaxes, nonsurgical tooth extractions,

1 amalgam fillings, and fluoride treatments. Prior approval shall be required for all other
2 services and for routine services performed more than two times during a consecutive
3 12-month period. The Department of Human Resources shall adopt rules, as provided
4 by the Administrative Procedure Act, to implement this subsection.

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

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

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

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

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

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

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

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

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

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

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

26

27 Requested by: Senator Richardson

28 ~~---~~REDUCTIONS FROM INFLATIONARY INCREASES

29 Sec. 100. The Department of Human Resources, Division of Medical
30 Assistance, shall effect the reductions of \$10,700,000 for the 1991-92 fiscal year and
31 \$10,700,000 for the 1992-93 fiscal year from inflationary increases in the following
32 categories of services:

- 33 (1) Inpatient Hospital;
- 34 (2) Specialty Hospital Inpatient;
- 35 (3) Mental Hospital Inpatient - Private;
- 36 (4) Skilled Nursing;
- 37 (5) Intermediate Nursing;
- 38 (6) Intermediate Care Facilities for the Mentally Retarded - Private;
- 39 (7) Physician, Dental, Chiropractor, Optometrist, and Podiatrist;
- 40 (8) Drugs - Profession Services Fee;
- 41 (9) Home Health;
- 42 (10) Personal Care Service;
- 43 (11) Community Alternative Program (CAP).

1 The Division of Medical Assistance shall implement these reductions and
2 shall adopt rules necessary to reflect these reductions and accomplish these savings at
3 the earliest appropriate date for each service type.

4
5 Requested by: Senator Richardson

6 ---GENERAL REDUCTIONS

7 Sec. 101. The Department of Human Resources, Division of Medical
8 Assistance, shall effect the reduction of \$3,200,000 for the 1991-92 fiscal year and of
9 \$3,200,000 for the 1992-93 fiscal year and shall adopt rules necessary to reflect these
10 reductions and accomplish these savings at the earliest appropriate date.

11
12 Requested by: Senator Richardson

13 ---FAMILY SUPPORT ACT

14 Sec. 102. (a) Section 229 of Chapter 1014 of the 1985 Session Laws is amended
15 by adding a new subsection to read:

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

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

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

33
34 Requested by: Senator Richardson

35 ---RETROSPECTIVE ACCOUNTING ADJUSTMENT

36 Sec. 103. The Department of Human Resources shall use funds appropriated
37 to it by this act to provide a State supplementary payment to Aid to Families with
38 Dependent Children households adversely affected by the retrospective accounting
39 procedure as allowed under section 403(a) of the Social Security Act as amended by
40 section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The amount of
41 the State supplement shall not exceed the maximum payment standard for the Aid to
42 Families with Dependent Children Program.

43
44 Requested by: Senator Richardson

1 ---AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT

2 Sec. 104. The Division of Social Services, Department of Human Resources,
3 shall provide Aid to Families with Dependent Children to women in their third trimester
4 of pregnancy regardless of whether these women have children, if they otherwise
5 qualify for these payments.

6
7 Requested by: Senator Richardson

8 ---ADOPTION SUBSIDY

9 Sec. 105. The adoption subsidy paid monthly by the Division of Social
10 Services, Department of Human Resources, to eligible families who adopt hard-to-place
11 children shall be established at \$150.00 per child per month.

12
13 Requested by: Senator Richardson

14 ---FOSTER CARE

15 Sec. 106. Funds appropriated to the Department of Human Resources by this
16 act for foster care assistance rates shall be used to set the rates at \$265.00 per child per
17 month.

18
19 Requested by: Senator Richardson

20 ---EMERGENCY ASSISTANCE

21 Sec. 107. The Division of Social Services, Department of Human Resources,
22 shall not expend more State funds than are appropriated for Emergency Assistance by
23 this act. Within this limit, Emergency Assistance benefits shall not exceed \$300.00 per
24 year per family, payable over a 30-day period. After this 30-day period, Emergency
25 Assistance benefits are not available to that family until 12 months have elapsed from
26 the initial authorization date. The family may have no more than a total of \$300.00 in
27 liquid assets in order to qualify for any Emergency Assistance pursuant to this section.

28 It is the intent of the General Assembly that these Emergency Assistance
29 funds shall only be used to provide assistance to persons to alleviate an emergency. In
30 evaluating whether an emergency exists, the county departments of social services shall
31 apply prudent judgment to evaluate each emergency on its own merits. Prudent
32 judgment will permit departments of social services to consider whether the client
33 created the emergency and whether the assistance will resolve the emergency.

34
35 Requested by: Senator Richardson

36 ---FOOD STAMP OUTREACH

37 Sec. 108. The Department of Human Resources shall continue a Food Stamp
38 Outreach Program. Under the Program, the Department shall inform public and private
39 agencies, community groups, potentially eligible persons, and the general public
40 regarding the eligibility requirements of the Food Stamp Program. The Department
41 shall maintain a referral list of public and private agencies, community groups, and
42 interested persons and organizations who serve low-income persons. The Department
43 shall inform these agencies and persons regarding the Food Stamp Program and changes
44 in the law that affect client eligibility or the extent of benefits. The Department shall

1 develop and distribute informational materials, such as public service announcements,
2 brochures, pamphlets, posters, and correspondence.

3
4 Requested by: Senator Richardson

5 ~~—CHILD PROTECTIVE SERVICES~~

6 Sec. 109. (a) Of the funds appropriated to the Department of Human Resources,
7 Division of Social Services for Child Protective Services, the Division shall use up to
8 \$175,900 in each fiscal year of the 1991-93 biennium to provide consultation and
9 technical assistance to county departments of social services to strengthen and support
10 local child protective services. The remaining funds shall be allocated to the county
11 departments of social services as follows:

- 12 (1) \$10,000 for the 1991-92 fiscal year and \$10,000 for the 1992-93 fiscal
13 year shall be allocated to each of the 15 county departments that did
14 not receive an allocation of the 1985 State appropriation for child
15 protective services;
- 16 (2) In addition, each of the 100 county departments shall receive an
17 allocation of \$10,000 for the 1991-92 fiscal year and \$10,000 for the
18 1992-93 fiscal year;
- 19 (3) The balance of available funds shall be allocated to each county
20 department based upon the percentage that the total number of abuse
21 and neglect reports within that county represents to the statewide total
22 number of abuse and neglect reports. These percentages shall be
23 computed from the reports received by the Central Registry of Abuse
24 and Neglect cases for the next two prior fiscal years.

25 (b) Funds allocated to county departments of social services pursuant to this
26 section shall be used for staff carrying out investigations of reports of child abuse or
27 neglect or providing protective or preventive services in cases in which the department
28 confirms neglect, abuse, or dependency. If a county department demonstrates that it has
29 adequate protective services staff, these funds may be used to purchase or provide
30 treatment and other support services to children and their families in confirmed cases.
31 All expenditures shall be directly in support of the department's program of protective
32 services for children. These funds shall not be used to supplant any Social Services
33 Block Grant funds or county appropriations previously budgeted for protective services
34 for children.

35 (c) The Department of Human Resources, Division of Social Services, shall
36 establish criteria and guidelines to assure that the allocations to county departments of
37 social services are used in accordance with the intent and purposes of this section.

38
39 Requested by: Senator Richardson

40 ~~—CHILD CARING INSTITUTION REIMBURSEMENT~~

41 Sec. 110. (a) Funds appropriated to the Department of Human Resources,
42 Division of Social Services, in this Title for the 1992-93 fiscal year for the monthly
43 payment of State funds to private residential child care agencies for the provision of
44 foster care shall be disbursed in accordance with rules established by the Social Services

1 Commission pursuant to G.S. 143B-153(2)d., and in accordance with the following
2 requirements:

- 3 (1) Only those child caring agencies that have been receiving funds from
4 the Division of Social Services that have been appropriated as grants-
5 in-aid to non-State agencies shall be included in the disbursement
6 unless additional State or federal funds are made available to permit
7 disbursement to new child caring agencies. A new child caring agency
8 may receive funds pursuant to this section only if the additional State
9 or federal funds made available are sufficient to allow disbursements
10 to the new agency without reducing the disbursement to the agencies
11 already receiving funds;
- 12 (2) The formula for the disbursement of these funds shall be based on the
13 assumption that the State is committed to paying allowable foster care
14 maintenance costs and shall do so, to the extent that State and federal
15 funds are available; and
- 16 (3) In any year that State and federal funds are not sufficient to pay each
17 agency's allowable foster care maintenance costs, each participating
18 agency's rate shall be reduced by the same percentage, so that each
19 agency receives the same percentage of its allowable costs.
- 20 (b) This section becomes effective July 1, 1992.

21
22 Requested by: Senators Richardson, Walker

23 —CHILD-PLACING AGENCIES CHANGE

24 Sec. 111. G.S. 143B-153(2) reads as rewritten:

- 25 "(2) The Social Services Commission shall have the power and duty to
26 establish standards and adopt rules and regulations:
- 27 a. For the programs of public assistance established by federal
28 legislation and by Article 2 of Chapter 108A of the General
29 Statutes of the State of North Carolina with the exception of the
30 program of medical assistance established by G.S. 108A-25(b);
- 31 b. To achieve maximum cooperation with other agencies of the
32 State and with agencies of other states and of the federal
33 government in rendering services to strengthen and maintain
34 family life and to help recipients of public assistance obtain
35 self-support and self-care;
- 36 c. For the placement and supervision of dependent and delinquent
37 children and payment of necessary costs of foster home care for
38 needy and homeless children as provided by G.S. 108A-48; and
- 39 d. For the payment of ~~grants in aid and other~~ State funds to
40 private ~~child caring institutions. The payment and distribution of~~
41 ~~grants in aid funds to private child caring institutions shall be~~
42 ~~regulated by the grant in aid (GIA) formula. This formula and~~
43 ~~any modifications of this formula shall be approved by the~~
44 ~~Advisory Budget Commission prior to its implementation.~~

1 child-placing agencies as defined in G.S. 131D-10.2(4) and
2 residential child care facilities as defined in G.S. 131D-10.2(13)
3 for care and services provided to children who are in the
4 custody or placement responsibility of a county department of
5 social services."
6

7 Requested by: Senator Richardson

8 ---LIMITATIONS ON STATE ABORTION FUND

9 Sec. 112. Section 93 of Chapter 479 of the 1985 Session Laws, as amended
10 by Section 75 of Chapter 738 of the 1987 Session Laws, as amended by Section 72 of
11 Chapter 500 of the 1989 Session Laws, as amended by Section 79 of Chapter 1066 of
12 the 1989 Session Laws, Regular Session 1990, shall remain in effect on and after July 1,
13 1991, with the following exception:

14 Any reference in Section 93 of Chapter 479 of the 1985 Session Laws, as
15 amended, to the 1985-86 fiscal year or the 1986-87 fiscal year applies to the 1991-92
16 fiscal year and the 1992-93 fiscal year.
17

18 Requested by: Senator Richardson

19 ---WILLIE M.

20 Sec. 113. (a) Legislative Findings. The General Assembly finds:

- 21 (1) That there is a need in North Carolina to provide appropriate treatment
22 and education programs to children under the age of 18 who suffer
23 from emotional, mental, or neurological handicaps accompanied by
24 violent or assaultive behavior;
- 25 (2) That children meeting these criteria have been identified as a class in
26 the case of Willie M., et al. vs. Martin, et al., formerly Willie M., et al.
27 vs. Hunt, et al.; and
- 28 (3) That these children have a need for a variety of services, in addition to
29 those normally provided, that may include but are not limited to
30 residential treatment services, educational services, and independent
31 living arrangements.

32 (b) Funds appropriated by the General Assembly to the Department of Human
33 Resources for serving members of the Willie M. Class shall be expended only for
34 programs serving members of the Willie M. Class identified in Willie M., et al. vs.
35 Martin, et al., formerly Willie M., et al. vs. Hunt, et al., including evaluations of
36 potential class members. The Department shall reallocate these funds among services to
37 Willie M. Class members during the year as it deems advisable in order to use the funds
38 efficiently in providing appropriate services to Willie M. Class children.

39 (c) Funds for Department of Public Education. Funds appropriated to the
40 Department of Public Education in this Title for members of the Willie M. Class, are to
41 establish a supplemental reserve fund to serve only members of the class identified in
42 Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al. These funds
43 shall be allocated by the State Board of Education to the local education agencies to
44 serve those class members who were not included in the regular average daily

1 membership and the census of children with special needs, and to provide the additional
2 program costs which exceed the per pupil allocation from the State Public School Fund
3 and other State and federal funds for children with special needs.

4 (d) The Department of Human Resources shall continue to implement its
5 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
6 reasonable costs by conducting cost center service type rate comparisons and cost center
7 line item budget reviews as may be necessary, and based upon these reviews and
8 comparisons, the Department shall reduce and/or cap rates to programs which are
9 significantly higher than those rates paid to other programs for the same service.

10 Any exception to this requirement shall be approved by the Director of the
11 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
12 and shall be reported in the Department's annual joint report to the Governor and the
13 General Assembly and in any periodic report the Department may make to the Joint
14 Legislative Commission on Governmental Operations.

15 (d1) The Department of Human Resources shall implement a process to
16 review those cases for whom treatment has been recommended whose annual cost is
17 anticipated to be in excess of one hundred fifty percent (150%) of the average annual
18 per client expenditure of the previous fiscal year and shall take actions to reduce these
19 treatment costs where appropriate.

20 (e) Reporting Requirements. The Department of Human Resources and the
21 Department of Public Education shall submit, by May 1 of each fiscal year, a joint
22 report to the Governor and the General Assembly on the progress achieved in serving
23 members of the Willie M. Class. The report shall include the following unduplicated
24 data for each county: (i) the number of children nominated for the Willie M. Class; (ii)
25 the number of children actually identified as members of the Class in each county; (iii)
26 the number of children served as members of the Class in each county; (iv) the number
27 of children who remain unserved or for whom additional services are needed in order to
28 be determined to be appropriately served; (v) the types and locations of treatment and
29 education services provided to Class members; (vi) the cost of services, by type, to
30 members of the Class and the maximum and minimum rates paid to providers for each
31 service; (vii) the number of cases whose treatment costs were in excess of one hundred
32 fifty percent (150%) of the average annual per client expenditure; (viii) information on
33 the impact of treatment and education services on members of the Class; (ix) an
34 explanation of, and justification for, any waiver of departmental rules that affect the
35 Willie M. program; and (x) the total State funds expended, by program, on Willie M.
36 class members, other than those funds specifically appropriated for the Willie M.
37 programs and services.

38 (e1) From existing funds available to it, the Department of Human Resources
39 shall begin a process to document and assess individual class members' progress
40 through the continuum of services. Standardized measures of functioning shall be
41 administered periodically:

- 42 (1) In the 1991-92 fiscal year, to a representative sample of class
43 members;

1 (2) In the 1992-93 fiscal year and thereafter, to each member of the class,
2 and the information generated from these measures shall be used to
3 assess client progress and program effectiveness,

4 (f) The Departments of Human Resources and Public Education shall
5 provide periodic reports of expenditures and program effectiveness on behalf of the
6 Willie M. Class to the Joint Legislative Commission on Governmental Operations and
7 to the Fiscal Research Division. As part of these reports, the Departments shall explain
8 measures they have taken to control and reduce program expenditures.

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

11 (1) That the General Assembly has evaluated the known needs of the
12 State and has endeavored to satisfy those needs in comparison to their
13 social and economic priorities; and

14 (2) That the funds appropriated will enable the development and
15 implementation of placement and services for the class members in
16 Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt,
17 et al., within a reasonable period of time considered within the context
18 of the needs of the class members, the other needs of the State and the
19 resources available to the State.

20 (h) The General Assembly supports the efforts of the responsible officials
21 and agencies of the State to meet the requirements of the court order in Willie M., et al.
22 vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al. To ensure that Willie M.
23 class members are appropriately served, no State funds shall be expended on placement
24 and services for Willie M. class members except:

25 (1) Funds specifically appropriated by the General Assembly for the
26 placement and services of Willie M. class members; and

27 (2) Funds for placement and services for which Willie M. class members
28 are otherwise eligible.

29 This limitation shall not preclude the use of unexpended Willie M. funds from prior
30 fiscal years to cover current or future needs of the Willie M. program subject to
31 approval by the Director of the Budget. These Willie M. expenditures shall not be
32 subject to the requirements of G.S. 143-18.

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

39 (j) The Department of Human Resources and the Department of Public
40 Instruction shall submit a plan to the General Assembly by April 1, 1992, which
41 outlines specific steps which are to be taken, within a specified time period, and within
42 existing resources, to meet its obligation of providing appropriate services to class
43 members. As part of this plan, the Department shall propose when and how the Willie
44 M. program shall become fully self-regulating and self-monitoring.

1

2 Requested by: Senators Richardson, Block

3 —WILLIE M. AUDIT CONTINUED

4 Sec. 114. The Office of State Auditor shall conduct a follow-up study of its
5 1990 performance audit of the Willie M. program to determine, along with other issues
6 the Auditor considers appropriate, the following:7 (1) To what extent the range of reimbursement rates paid to area programs
8 for similar types of services has been reduced;9 (2) To what extent the process implemented by the Department of Human
10 Resources to review high-cost Willie M. clients has been effective in
11 reducing the number of these clients and the costs of providing these
12 clients services; and13 (3) To what extent a client evaluation process has been implemented by
14 the Department of Human Resources and with what results.15 The Auditor may also conduct an analysis of costs associated with providing services to
16 a sample of clients, including high-cost clients, to determine the justification of the costs
17 incurred. The Auditor shall submit the findings of this follow-up study of the Willie M.
18 program to the General Assembly by February 15, 1993.

19

20 Requested by: Senator Richardson

21 —THOMAS S.

22 Sec. 115. (a) Funds appropriated to the Department of Human Resources in this
23 Title for the 1991-92 fiscal year and the 1992-93 fiscal year for members of the Thomas
24 S. Class as identified in Thomas S., et al. vs. Flaherty, shall be placed in a reserve in the
25 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
26 and shall be expended only for programs serving Thomas S. Class members or for
27 services for those clients who are likely to become class members. To ensure that
28 Thomas S. Class members are appropriately served, no State funds shall be expended on
29 placement and services for Thomas S. Class members except:30 (1) Funds specifically appropriated by the General Assembly for the
31 placement and services of Thomas S. Class members; and32 (2) Funds for placement and services for which Thomas S. Class members
33 are otherwise eligible.34 (b) The Department of Human Resources shall provide periodic reports of funds
35 expended and services performed on behalf of members of the Thomas S. Class and on
36 behalf of those clients who are likely to become class members to the Joint Legislative
37 Commission on Governmental Operations and to the Fiscal Research Division of the
38 Legislative Services Office.39 (c) Notwithstanding any other provision of law, if the Department of Human
40 Resources determines that a local program is not providing minimally adequate services
41 to members of the class identified in Thomas S., et al. vs. Flaherty, the Department may
42 ensure the provision of these services through contracts with public or private agencies
43 or by direct operation by the Department of such programs."

44

1 Requested by: Senator Richardson

2 ---TRANSFERS OF CERTAIN FUNDS AUTHORIZED

3 Sec. 116. In order to assure maximum utilization of funds in county
4 departments of social services, county or district health agencies, and area mental
5 health, mental retardation, and substance abuse authorities, the Director of the Budget is
6 authorized to transfer excess funds appropriated to a specific service or program or
7 fund, whether specified in a block grant plan or General Fund appropriation, into
8 another service or program or fund for local services within the budget of the respective
9 State agency.

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

13

14 Requested by: Senator Richardson

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

16 Sec. 117. Funds received by the Department of Human Resources for the tax
17 levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
18 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall
19 be matched by local funds in accordance with the State/local ratio established by the
20 current area mental health matching formula. These funds shall be allocated to the area
21 mental health programs for substance abuse services on a per capita basis as determined
22 by the Office of State Budget and Management's most recent estimates of county
23 populations.

24

25 Requested by: Senator Richardson

26 ---ADAP TRANSPORTATION FUNDS

27 Sec. 118. (a) Reimbursement of Adult Developmental Activity Programs for
28 transportation of clients shall be based on a cost per client basis. There shall be
29 different levels of reimbursement based on documented cost levels.

30 (b) In reimbursing Adult Developmental Activity Programs, the Department of
31 Human Resources shall base the reimbursement on the distribution by cost range
32 developed by the Division of Mental Health, Developmental Disabilities and Substance
33 Abuse Services, in accordance with its most recently conducted cost study.

34

35 Requested by: Senator Richardson

36 ---SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION

37 Sec. 119. Funds made available as a result of the conversion of State
38 supported beds in specialized residential centers to ICF/MR beds shall be used to
39 increase the State subsidy provided to centers. Funds made available to centers by this
40 section shall be used, as they become available, to increase the subsidy rate to sixty-five
41 percent (65%) of the statewide average cost of providing this service based on the most
42 recent Specialized Community Residential Cost Study.

1 Funds made available in addition to those needed to increase the subsidy rate
2 may be transferred to the Department of Human Resources, Division of Medical
3 Assistance, as needed to be used as a State match for the converted ICF/MR beds.

4
5 Requested by: Senator Richardson

6 —LIABILITY INSURANCE

7 Sec. 120. The Secretary of the Department of Human Resources, the
8 Secretary of the Department of Environment, Health, and Natural Resources, and the
9 Secretary of the Department of Correction may provide medical liability coverage not to
10 exceed \$1,000,000 on behalf of employees of the Departments licensed to practice
11 medicine or dentistry. This coverage may include commercial insurance or self-
12 insurance and shall cover these employees for their acts or omissions only while they
13 are engaged in providing medical and dental services pursuant to their State
14 employment.

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

20 The coverage provided pursuant to this section shall not require any
21 additional appropriations and shall not apply to any individual providing contractual
22 service to the Department of Human Resources, the Department of Environment,
23 Health, and Natural Resources, or the Department of Correction.

24
25 Requested by: Senator Richardson

26 —NON-MEDICAID REIMBURSEMENT

27 Sec. 121. Providers of medical services under the various State programs,
28 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at
29 rates no more than those under the North Carolina Medical Assistance Program.

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

36 Notwithstanding the provisions of paragraph one of this section, the
37 Department of Human Resources may negotiate with providers of medical services
38 under the various Department of Human Resources programs, other than Medicaid, for
39 rates as close as possible to Medicaid rates for the following purposes: contracts or
40 agreements for medical services and purchases of medical equipment and other medical
41 supplies. These negotiated rates are allowable only to meet the medical needs of its
42 non-Medicaid eligible patients, residents, and clients, who require these services that
43 cannot be provided when limited to the Medicaid rate.

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

3 Family	Medical Eye	All	
4 <u>Size</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
5 1			\$4,860\$
6			8,364
7			\$4,200
8 2			5,940
9			10,944
10			5,300
11 3			6,204
12			13,500
13			6,400
14 4			7,284
15			16,092
16			7,500
17 5			7,824
18			18,648
19			7,900
20 6			8,220
21			21,228
22			8,300
23 7			8,772
24			21,708
25			8,800
26 8			9,312
27			22,220
28			9,300

29 The eligibility level for children in the Medical Eye Care Program in the
 30 Division of Services for the Blind shall be one hundred percent (100%) of the federal
 31 poverty guidelines, as revised annually by the United States Department of Health and
 32 Human Services and in effect on July 1 of each fiscal year.

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

36
 37 Requested by: Senator Richardson
 38 ---JOHN UMSTEAD HOSPITAL - PLANNING

39 Sec. 122. The Department of Human Resources may use funds that become
 40 available to it through gifts, federal or private grants, receipts from federal programs, or
 41 any other source in the 1991-92 fiscal year, for advance planning through the working
 42 drawings phase for a psychiatric facility at John Umstead Hospital.

43
 44 Requested by: Senator Richardson

1 —DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
2 SUBSTANCE ABUSE SERVICES BUDGET CODE CONSOLIDATION

3 Sec. 123. Subject to the approval of the Office of State Budget and
4 Management, in order to operate more efficiently, the Department of Human Resources
5 may consolidate the appropriate budget codes of the Division of Mental Health,
6 Developmental Disabilities, and Substance Abuse Services and the institutions operated
7 by the Division. Any consolidation shall ensure that each institution budget is clearly
8 identifiable as a separate fund within the consolidated budget code or codes. To
9 implement this change, the General Assembly approves current budget code structure of
10 the Division's and institutions' budgets for the 1991-93 fiscal biennium and authorizes
11 the Department to proceed with appropriate consolidation of these budget codes during
12 the 1991-93 fiscal biennium.

13
14 Requested by: Senator Richardson

15 —DEVELOPMENTAL DAY CENTERS GRANT-IN-AID

16 Sec. 124. Of the funds appropriated in this Title, to the Department of
17 Human Resources, Division of Mental Health, Developmental Disabilities, and
18 Substance Abuse Services, the sum of \$2,260,470 for the 1991-92 fiscal year is
19 transferred to the Department of Public Instruction for handicapped children aged 3
20 through 4 years who have been identified through Division of Mental Health,
21 Developmental Disabilities, and Substance Abuse Services statewide services and who
22 are served in developmental day centers. These funds shall be used to contract with
23 area mental health, developmental disabilities, and substance abuse authorities or with
24 public or private nonprofit developmental day centers to continue to serve handicapped
25 children aged 3 through 4 years who are identified as needing developmental day
26 services.

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

30
31 Requested by: Senator Richardson

32 —CAREGIVER SUPPORT SHARING

33 Sec. 125. (a) Of the funds appropriated to the Division of Aging, Department of
34 Human Resources, in this Title for the 1991-93 fiscal biennium, the sum of \$1,008,000
35 for the 1991-92 fiscal year and the sum of \$1,008,000 for the 1992-93 fiscal year shall
36 be used for services that support family caregivers of elderly persons with functional
37 disabilities, whether physical or mental, who want to stay in their homes rather than be
38 institutionalized but who need assistance with the activities of daily living in order to
39 remain at home. The services that may be purchased from funds received under this
40 section include:

- 41 (1) Respite Care;
- 42 (2) Adult Day Care;
- 43 (3) Stipends and other related costs for senior companions, modeled after
44 the federal Senior Companion Program; and

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

4 (b) The Division of Aging shall expend funds for these services according to
5 the population of persons 70 years of age or older in each region. The Division of
6 Aging shall use a maximum of ninety-five percent (95%) of the funds it receives under
7 this section for the services described in subdivisions (1) through (4) of subsection (a) of
8 this section and may only use a maximum of five percent (5%) for technical assistance
9 as described in subsection (c) of this section. The Division of Aging shall choose
10 providers in accordance with procedures under the Older Americans Act. Funds
11 allocated by the Division pursuant to this section shall be allocated by October 1 of each
12 fiscal year. Effective July 1, 1992, local matching requirements shall be no less than ten
13 percent (10%). State funding shall not exceed ninety percent (90%) of the reimbursable
14 costs.

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

19
20 Requested by: Senator Richardson

21 ---IN-HOME AGING SERVICES

22 Sec. 126. Of the funds appropriated to the Division of Aging, Department of
23 Human Resources, in this Title for the 1991-93 fiscal biennium, the sum of \$720,000
24 for the 1991-92 fiscal year and the sum of \$720,000 for the 1992-93 fiscal year shall be
25 used to provide funds for additional in-home aide services that enable the frail elderly to
26 remain in their homes and avoid institutionalization.

27 The Division shall administer the in-home aide services and activities funded
28 by this section. The Division of Aging shall choose in-home service providers in
29 accordance with procedures under the Older Americans Act and shall include the
30 following criteria: documented capacity to provide care, adequacy of quality assurance,
31 training, supervision, abuse prevention complaint mechanisms, and costs. All funds
32 allocated by the Division pursuant to this section shall be allocated by October 1 of each
33 fiscal year on the same basis as funding under the Older Americans Act. Effective July
34 1, 1992, local matching requirements shall be no less than ten percent (10%). State
35 funding shall not exceed ninety percent (90%) of the reimbursable costs.

36
37 Requested by: Senator Richardson

38 ---SENIOR CENTER OUTREACH

39 Sec. 127. (a) Of the funds appropriated to the Department of Human
40 Resources, Division of Aging, in this Title for the 1991-93 fiscal biennium, \$403,800
41 for the 1991-92 fiscal year and \$403,800 for the 1992-93 fiscal year shall be used by the
42 Division of Aging to enhance senior center programs as follows:

43 (1) To test "satellite" services provided by existing senior centers to
44 unserved or underserved areas; or

1 (2) To provide start-up funds for new senior centers.

2 All of these funds shall be allocated by October 1 of each fiscal year.

3 (b) Prior to funds being allocated pursuant to this section for start-up funds
4 for a new senior center, the county commissioners of the county in which the new center
5 will be located shall:

6 (1) Formally endorse the need for such a center;

7 (2) Formally agree on the sponsoring agency for the center; and

8 (3) Make a formal commitment to use local funds to support the ongoing
9 operation of the center.

10 (c) Effective July 1, 1992, local matching requirements shall be no less than
11 ten percent (10%). State funding shall not exceed ninety percent (90%) of reimbursable
12 costs.

13

14 Requested by: Senator Richardson

15 —FUNDS TO MATCH FEDERAL FUNDS FOR AGING

16 Sec. 128. The Division of Aging, Department of Human Resources, may use
17 funds appropriated in this Title to provide the State matching requirement necessary to
18 draw down federal money available through Title III-D of the Older Americans Act for
19 in-home services for the frail elderly, including those with Alzheimer's Disease.

20

21 Requested by: Senator Richardson

22 —DAY CARE FUNDS MATCHING REQUIREMENT

23 Sec. 129. No local matching funds may be required by the Department of
24 Human Resources as a condition of any locality's receiving any State day care funds
25 appropriated by this act unless federal law requires such a match.

26

27 Requested by: Senator Richardson

28 —DAY CARE

29 Sec. 130. The Department of Human Resources shall distribute the funds
30 appropriated and otherwise available to it for the purchase of slots in day care for minor
31 children of needy families so as to serve the greatest number of children possible.

32

33 Requested by: Senator Richardson

34 —DAY CARE RATES

35 Sec. 131. (a) Rules for the monthly schedule of payments for the purchase of day
36 care services for low-income children shall be established by the Social Services
37 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
38 requirements:

39 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
40 than fifty percent (50%) of the enrollees are subsidized by State or
41 federal funds, the State shall continue to pay the same fee paid by
42 private paying parents for a child in the same age group in the same
43 facility.

- 1 (2) Facilities in which fifty percent (50%) or more of the enrollees are
2 subsidized by State or federal funds may choose annually one of the
3 following payment options:
4 a. The facility's payment rate for fiscal year 1985-86; or
5 b. The market rate, as calculated annually by the Division of
6 Facility Services' Child Day Care Section in the Department of
7 Human Resources.
- 8 (3) A market rate shall be calculated for each county and for each age
9 group or age category of enrollees and shall be representative of fees
10 charged to unsubsidized private paying parents for each age group of
11 enrollees within the county. The county market rates shall be
12 calculated from facility fee schedules collected by the Child Day Care
13 Section on a routine basis. The Section shall also calculate a statewide
14 market rate for each age category. The Social Services Commission
15 shall adopt rules to establish minimum county rates that use the
16 statewide market rates as a reference point.
- 17 (4) Child day care homes as defined in G.S. 110-86(4) and individual
18 child care arrangements may be paid the market rate for day care
19 homes which shall be calculated at least biennially by the Child Day
20 Care Section according to the method described in subsection (a)(3) of
21 this section.
- 22 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
23 Statutes may participate in the program that provides for the purchase of care in day
24 care facilities for minor children of needy families. No separate licensing requirements
25 may be used to select facilities to participate.
- 26 Day care homes from which the State purchases day care services shall meet
27 the standards established by the Child Day Care Commission pursuant to G.S. 110-101
28 and G.S. 110-105.1. Individual child care arrangements shall meet the requirements
29 established by the Social Services Commission.
- 30 (c) County departments of social services shall continue to negotiate with day
31 care providers for day care services below those rates prescribed by subsection (a) of
32 this section. County departments are directed to purchase day care services so as to
33 serve the greatest number of children possible with existing resources.
- 34 (d) To simplify current day care allocation methodology and more equitably
35 distribute State day care funds, the Department of Human Resources shall apply the
36 following allocation formula to all noncategorical federal and State day care funds used
37 to pay the costs of necessary day care for minor children of needy families:
- 38 (1) One-third of budgeted funds shall be distributed according to the
39 county's population in relation to the total population of the State;
- 40 (2) One-third of the budgeted funds shall be distributed according to the
41 number of children under 6 years of age in a county who are living in
42 families whose income is below the State poverty level in relation to
43 the total number of children under 6 in the State in families whose
44 income is below the poverty level; and

1 (3) One-third of budgeted funds shall be distributed according to the
2 number of working mothers with children under 6 years of age in a
3 county in relation to the total number of working mothers with
4 children under 6 in the State.

5 (e) Counties whose allocation, if based on previously used formulas, exceeds
6 the allocation produced by the formula prescribed by this section may not have their
7 allocations reduced to the level that results from application of the new formula.
8 Counties whose allocation, if based on previously used formulas, is less than the
9 allocation produced by the formula prescribed by this section shall continue to receive
10 the proportional share of those funds that they received pursuant to appropriations for
11 this purpose by the 1985 General Assembly. The formula prescribed by this section
12 shall not be implemented unless additional State or federal funds are made available.
13 The additional funds must be sufficient to apply the new formula without reducing any
14 county's allocation below the previous year's initial allocation for child day care.

15
16 Requested by: Senator Richardson

17 ---COMMUNITY ACTION PROGRAM FUNDS

18 Sec. 132. For the 1991-92 fiscal year and the 1992-93 fiscal year, all
19 agencies designated as eligible agencies pursuant to G.S. 108A-24 that receive
20 Community Service Block Grant Funds may use those funds for the administration of
21 agency programs. The amount of those funds used for administration of agency
22 programs shall be limited to ten percent (10%) of the total annual budget of the agency
23 as certified in the prior year's audit of the agency. The Department of Human Resources
24 shall report annually to the Joint Legislative Commission on Governmental Operations
25 and the Appropriations Committee on Human Resources beginning October 1, 1991, on
26 the use of Community Service Block Grant Funds for administration of agency
27 programs. The report shall show:

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

34
35 Requested by: Senator Richardson

36 ---DOMICILIARY RATE INCREASE

37 Sec. 133. Effective July 1, 1991, the maximum monthly rate for ambulatory
38 residents in domiciliary care facilities shall be \$766.00 and the maximum monthly rate
39 for semiambulatory residents shall be \$803.00. Effective July 1, 1992, the maximum
40 monthly rates for ambulatory residents shall be increased to \$777.00 and for
41 semiambulatory residents to \$814.00.

42
43 Requested by: Senator Richardson

44 ---DOMICILIARY STATE/COUNTY SHARE OF COSTS

1 Sec. 134. Article 3 of Chapter 143B of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143B-139.5. Department of Human Resources; domiciliary State/county share**
4 **of costs.**

5 State funds available to the Department of Human Resources shall pay fifty percent
6 (50%), and the counties shall pay fifty percent (50%) of the authorized rates for
7 domiciliary care in homes for the aged and for family care homes including area mental
8 health agency-operated or contracted-group homes."

9
10 Requested by: Senator Richardson

11 —DHR EMPLOYEES/IN-KIND MATCH

12 Sec. 135. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
13 of the Department of Human Resources may assign employees of the Office of Rural
14 Health and Resource Development to serve as in-kind match to nonprofit corporations
15 working to establish health care programs that will improve health care access while
16 controlling costs.

17
18 Requested by: Senator Richardson

19 —NO EYE CLINICS IN CERTAIN COUNTIES

20 Sec. 136. No funds may be expended by the Division of Services for the
21 Blind, Department of Human Resources, to hold eye clinics in any county in which an
22 optometrist or ophthalmologist is willing to perform the services that would otherwise
23 be performed by the clinic.

24
25 Requested by: Senator Richardson

26 —COMMUNITY-BASED ALTERNATIVES PARTICIPATION

27 Sec. 137. County governments participating in the Community-Based
28 Alternatives Program shall certify annually to the Division of Youth Services,
29 Department of Human Resources, that Community-Based Alternatives Aid to Counties
30 shall not be used to duplicate or supplant other programs within the county.

31
32 Requested by: Senator Richardson

33 —DEPARTMENT OF HUMAN RESOURCES PROGRAM FUNDS

34 Sec. 138. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
35 Department of Human Resources, with the approval of the Office of State Budget and
36 Management, may use, to the extent possible, any funds appropriated or otherwise
37 available to the Department in the 1991-92 fiscal year for the Mental Health Accounts
38 Receivable/Billing System.

39
40 Requested by: Senator Richardson

41 —CONVERSION OF MURDOCH CENTER BEDS TO INTERMEDIATE CARE
42 FACILITY/MENTAL RETARDATION UNITS

43 Sec. 139. The Division of Mental Health, Developmental Disabilities, and
44 Substance Abuse Services may use State funds made available from the conversion of

1 units at Murdoch Center to Intermediate Care Facility/Mental Retardation units in order
2 to expand community-based services as specified in the Mental Health Study
3 Commission plans adopted by the General Assembly.

4
5 Requested by: Senator Richardson

6 —SHORT-TERM LOAN FUND FOR INTERMEDIATE CARE
7 FACILITIES/MENTAL RETARDATION FACILITIES

8 Sec. 140. The Department of Human Resources may use funds that become
9 available to it through gifts, federal, or private grants, receipts from federal programs or
10 any other resource to develop a revolving short-term loan fund to assist area mental
11 health, developmental disabilities, and substance abuse programs and their nonprofit
12 contract agencies in establishing community ICF/MR facilities.

13
14 Requested by: Senator Richardson

15 —EXPANSION OF THE TARGET POPULATION FOR TASC SERVICES

16 Sec. 141. Treatment Alternatives to Street Crimes (TASC) services may
17 include mentally ill offenders as well as substance abusing offenders.

18
19
20 PART XXII.—DEPARTMENT OF AGRICULTURE

21
22 Requested by: Senator Martin of Pitt

23 —AGRICULTURE TO MARKET FOREST PRODUCTS

24 Sec. 142. The Department of Agriculture shall market forest products
25 through the Department's marketing programs.

26
27
28 PART XXIII.—DEPARTMENT OF ECONOMIC AND COMMUNITY
29 DEVELOPMENT

30
31 Requested by: Senator Martin of Pitt

32 —MAIN STREET PROGRAM RESTRICTIONS

33 Sec. 143. (a) G.S. 143B-472.35(e) reads as rewritten:

34 "(e) A Main Street City that is selected may not receive a grant plus any loans
35 pursuant to this act totaling less than ~~one hundred thousand dollars (\$100,000)~~ twenty
36 thousand dollars (\$20,000) or more than three hundred thousand dollars (\$300,000)."

37 (b) Notwithstanding G.S. 143B-472.35(b), the Department of Economic and
38 Community Development may transfer not more than \$40,000 of interest earnings
39 credited to the Main Street Financial Incentive Fund pursuant to G.S. 143B-472.35(a),
40 from the Fund to the North Carolina Main Street Center Program operating budget for
41 fiscal year 1991-92.

42 (c) Notwithstanding G.S. 143B-472.35, the Department of Economic and
43 Community Development shall transfer \$100,000 of interest earnings in the Main Street

1 Financial Incentive Fund from the Fund to the General Fund for fiscal year 1991-92.
2 The Department shall transfer funds pursuant to this subsection on July 1, 1991.

3

4 ~~---~~WORKER TRAINING TRUST FUND

5 Sec. 144. (a) There is appropriated from the Worker Training Trust Fund to the
6 Employment Security Commission of North Carolina the sum of \$6,059,673 for the
7 1991-92 fiscal year and the sum of \$6,059,673 for the 1992-93 fiscal year for the
8 operation of local offices at the 1986-87 level of service.

9 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
10 Employment Security Administration Fund to the Employment Security Commission of
11 North Carolina, the sum of \$2,000,000 for the 1991-92 fiscal year and the sum of
12 \$2,000,000 for the 1992-93 fiscal year for administration of the Veterans Employment
13 Program, Employment Services Program, and Unemployment Insurance Program.

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

17 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
18 Worker Training Trust Fund to the following agencies the following sums for the 1991-
19 92 and the 1992-93 fiscal years for the following purposes:

20 (1) \$2,400,000 for the 1991-92 fiscal year and \$2,400,000 for the 1992-93
21 fiscal year to the Department of Economic and Community
22 Development, Division of Employment and Training, for the
23 Employment and Training Grant Program.

24 (2) \$500,000 for the 1991-92 fiscal year and \$500,000 for the 1992-93
25 fiscal year to the North Carolina Department of Labor for customized
26 training of the unemployed and the working poor for specific jobs
27 needed by employers through the Department's Pre-Apprenticeship
28 Division.

29 (3) \$2,000,000 for the 1991-92 fiscal year and \$2,000,000 for the 1992-93
30 fiscal year to the North Carolina Department of Human Resources to
31 assist welfare recipients in gaining employment through the federally
32 funded Job Opportunities and Basic Skills program in such a way as to
33 gain the maximum match of federal funds for the State dollars
34 appropriated.

35 (4) \$1,250,000 for the 1991-92 fiscal year and \$1,250,000 for the 1992-93
36 fiscal year to the North Carolina Department of Community Colleges
37 to continue the Focused Industrial Training Program.

38

39 Requested by: Senator Martin of Pitt

40 ~~---~~WORKER TRAINING TRUST FUND/REVERSION OF FUNDS

41 Sec. 145. G.S. 96-5(f) reads as rewritten:

42 "(f) Employment Security Commission Reserve Fund. – There is created in the
43 State treasury a special trust fund, separate and apart from all other public moneys or
44 funds of this State, to be known as the Employment Security Commission Reserve

1 Fund, hereinafter 'Reserve Fund'. Except as provided herein and in G.S. 96-9(b)(3)j, all
2 proceeds from the tax as defined in G.S. 96-9(b)(3)j and collected pursuant to G.S. 96-
3 10 shall be paid into the Reserve Fund. The moneys in the Reserve Fund may be used
4 by the Commission for loans to the Unemployment Insurance Fund, as security for
5 loans from the federal Unemployment Insurance Trust Fund, and to pay any interest
6 required on advances under Title XII of the Social Security Act as required by G.S. 96-
7 6(f), and shall be continuously available to the Commission for expenditure in
8 accordance with the provisions of this section. The State Treasurer shall be ex officio
9 the treasurer and custodian and shall invest said moneys in accordance with existing law
10 as well as rules and regulations promulgated pursuant thereto. Furthermore, the State
11 Treasurer shall disburse the moneys in accordance with the directions of the
12 Commission and in accordance with such regulations as the Commission may prescribe.

13 Administrative costs for the collection of the tax and interest payable to the Reserve
14 Fund shall be borne by the Special Employment Administration Fund. Refunds of
15 interest and tax allowable under G.S. 96-9(b)(3)j shall be made from the Reserve Fund.
16 No taxes shall be collected or paid into this fund during a calendar year when, as of the
17 computation date (August 1) of the preceding calendar year, the balance of the fund
18 equals to or exceeds one percent (1%) of the taxable wages.

19 The interest earned from investment of the Reserve Fund moneys shall be deposited
20 in a fund hereby established in the State Treasurer's Office, to be known as the 'Worker
21 Training Trust Fund'. These moneys shall be used to:

- 22 (1) Fund programs, specifically for the benefit of unemployed workers or
23 workers who have received notice of long-term layoff or permanent
24 unemployment, which will enhance the employability of workers,
25 including, but not limited to, adult basic education, adult high school
26 or equivalency programs, occupational skills training programs,
27 assessment, job counseling and placement programs;
- 28 (2) Continue operation of local Employment Security Commission offices
29 throughout the State; or
- 30 (3) Provide refunds to employers.

31 The use of funds from the Worker Training Trust Fund, for the purposes set out in
32 the above paragraph, shall be pursuant to appropriations in the Current Operations
33 Appropriations Act. Funds deposited in the Worker Training Trust Fund prior to July 1,
34 1987, shall be used as provided in the Current Operations Appropriations Act for 1987-
35 89. Funds appropriated from the Worker Training Trust Fund that are unexpended and
36 unencumbered at the end of the fiscal year for which they are appropriated shall revert
37 to the State treasury to the credit of the Worker Training Trust Fund in accordance with
38 G.S. 143-18."

39
40 Requested by: Senator Martin of Pitt

41 ---UTILITIES REGULATORY FEE

42 Sec. 146. The percentage rate for the Utilities regulatory fee is set at nine
43 hundredths percent (0.09%) effective July 1, 1991.

44

1 Requested by: Senator Martin of Pitt
2 ---TOURISM PROMOTION FUNDS

3 Sec. 147. Funds appropriated in this act to the Department of Economic and
4 Community Development for tourism promotion grants shall be allocated according to
5 per capita income, unemployment, and population growth in an effort to direct funds to
6 counties most in need in terms of lowest per capita income, highest unemployment, and
7 slowest population growth, in the following manner:

- 8 (1) Counties 1 through 20 are each eligible to receive a maximum grant of
9 \$7,500 for each fiscal year, provided these funds are matched on the
10 basis of one non-State dollar for every four State dollars.
11 (2) Counties 21 through 50 are each eligible to receive a maximum grant
12 of \$3,500 for two of the next three fiscal years, provided these funds
13 are matched on the basis of one non-State dollar for every three State
14 dollars.
15 (3) Counties 51 through 100 are each eligible to receive a maximum grant
16 of \$3,500 for alternating fiscal years, beginning with the 1991-92
17 fiscal year, provided these funds are matched on the basis of four non-
18 State dollars for every State dollar.

19
20 Requested by: Senator Martin of Pitt
21 ---PETROLEUM OVERCHARGE ATTORNEYS' FEES

22 Sec. 148. (a) Unless prohibited by federal law, rule, or regulation or
23 preexisting settlement agreement, no later than October 1, 1989, the North Carolina
24 Attorney General shall direct the withdrawal of all funds received in the cases of United
25 States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-
26 State for payment of attorneys' fees and reasonable expenses incurred in connection
27 with oil overcharge litigation authorized by the Attorney General. The Attorney
28 General shall deposit these funds, and all funds to be received from petroleum
29 overcharge funds in the future for attorneys' fees and reasonable expenses, into the
30 Special Reserve for Oil Overcharge Funds.

31 (b) All attorneys' fees and reasonable expenses incurred in connection with oil
32 overcharge litigation shall be paid by the State Treasurer from petroleum overcharge
33 funds that have been received by this State and deposited into the Special Reserve for
34 Oil Overcharge Funds.

35 (c) Notwithstanding any other provision of law, the Attorney General may
36 authorize the payment of attorneys' fees and reasonable expenses from the Special
37 Reserve for Oil Overcharge Funds without further action of the General Assembly and
38 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for
39 the 1991-92 fiscal year and for the 1992-93 fiscal year for that purpose.

40
41 Requested by: Senator Martin of Pitt
42 ---NORTH CAROLINA MANUFACTURING DIRECTORY PROCEEDS

43 Sec. 149. (a) The Department of Economic and Community Development
44 may expend for industrial promotional advertising any amount collected from the sales

1 of the North Carolina Manufacturing Directory above the sum of \$155,000 already
2 budgeted for the 1991-92 and 1992-93 fiscal years.

3 (b) Beginning October 1, 1991, the Department shall submit quarterly reports to
4 the Joint Legislative Commission on Governmental Operations and the Fiscal Research
5 Division. These reports shall include the amount of proceeds collected from the sales of
6 the Directory and the amount spent on advertising pursuant to the provisions of this
7 section.

8

9 Requested by: Senator Martin of Pitt

10 —INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH

11 Sec. 150. Local governments requesting financial assistance from the
12 Industrial Development Fund shall demonstrate to the satisfaction of the Department of
13 Economic and Community Development that it would be an economic hardship for the
14 local government to match State assistance from the Fund with local funds. The
15 Department shall develop guidelines for determining hardship.

16

17 Requested by: Senator Martin of Pitt

18 —BIOTECHNOLOGY CENTER

19 Sec. 151. (a) The North Carolina Biotechnology Center may recapture funds
20 spent in support of successful research efforts in the nonacademic private sector.

21 (b) The North Carolina Biotechnology Center shall provide funding for
22 biotechnology and related bioscience applications under its Economic and Corporate
23 Development Program.

24 (c) Beginning October 1, 1991, the North Carolina Biotechnology Center shall
25 provide quarterly reports on all of the Center's programs to the Joint Legislative
26 Commission on Governmental Operations. The initial report shall include information
27 on the activities and accomplishments during the past fiscal year, itemized expenditures
28 during the past fiscal year with sources of funding, planned activities and
29 accomplishments for at least the next 12 months, and itemized anticipated expenditures
30 with sources of funding for the next 12 months. Subsequent reports shall include
31 quarterly updates of the initial report.

32 (d) The North Carolina Biotechnology Center shall provide a report containing
33 detailed budget, personnel, and salary information to the Office of State Budget and
34 Management and to the Fiscal Research Division in the same manner as State
35 departments and agencies in preparation for biennium budget requests.

36

37 Requested by: Senator Martin of Pitt

38 —MCNC

39 Sec. 152. (a) MCNC shall present a written report on the progress of the
40 supercomputer program on a quarterly basis to the Joint Legislative Commission on
41 Governmental Operations through fiscal years 1991-92 and 1992-93. The written
42 reports shall contain at least the following information: the major accomplishments
43 since the last report; the major activities expected for the project for the next 12 months
44 after the date of the report; the major applications and uses on the supercomputer in the

1 time since the last report; and, the major projected applications and uses on the
2 supercomputer in the next six months after the date of the report. The report shall
3 constitute a full management and status report on the supercomputer project.

4 (b) The Board of Directors of MCNC shall be the governing body for the
5 supercomputer program.

6 (c) If MCNC specifies a Technical Advisory Council to provide to the
7 supercomputer project, among other things:

8 (1) Technical policy and operating procedure advice,

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

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

14 (4) Advice and counsel to MCNC or anyone it employs or enters into
15 contract with related to the operation of the supercomputer project,

16 that Technical Advisory Council shall have an equal number of members appointed
17 from (i) public sector, academic, not-for-profit organizations and (ii) for-profit, private
18 companies by July 31, 1991. The intent of the General Assembly is for one-half of the
19 members of this Technical Advisory Council, or any group directly affiliated with the
20 supercomputer project management group that performs the functions of the technical
21 advisory council as listed in this section, to be current employees of private sector, for-
22 profit corporations by July 31, 1991.

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

27 (e) Beginning October 1, 1991, MCNC shall provide quarterly reports on all
28 of its programs to the the Joint Legislative Commission on Governmental Operations,
29 and the Fiscal Research Division. These reports shall include information on the
30 activities and accomplishments during the past fiscal year, itemized expenditures during
31 the past fiscal year with sources of funding, planned activities and accomplishments for
32 at least the next 12 months, and itemized anticipated expenditures with sources of
33 funding for the next 12 months.

34 (f) MCNC shall provide a report containing detailed budget information to
35 the Office of State Budget and Management in the same manner as State departments
36 and agencies in preparation for biennium budget requests. Specific salary information
37 will be provided upon written request by the Chairmen of the Joint Legislative
38 Commission on Governmental Operations or the Chairmen of the House Appropriations
39 Committee on Environment, Health, and Natural Resources and the Chairman of the
40 Senate Appropriations Committee on Natural and Economic Resources.

41
42 Requested by: Senator Martin of Pitt

43 —MCNC BUDGET LIMITS

1 Sec. 153. (a) The funds appropriated in this act to MCNC shall be used as
2 follows:

	<u>FY 1991-92</u>	<u>FY 1992-93</u>
3 Microelectronics Program	\$ 6,194,302	\$ 6,000,000
4 Grants Program	-0-	-0-
5 Administration & Support	2,204,804	2,000,000
6 Supercomputer	5,298,063	5,224,705
7 Telecommunications	2,827,971	2,775,295

8 (b) Of the funds appropriated to MCNC for the Microelectronics Program,
9 \$2,000,000 of the total appropriation in each fiscal year is contingent upon a dollar-for-
10 dollar match in non-State funds.
11

12 (c) If MCNC finds it necessary to make changes in the program allocations
13 specified in subsection (a) of this Section, MCNC shall report such changes to the Joint
14 Legislative Commission on Governmental Operations within 30 days of the
15 reallocation.
16

17 —FEDERAL FUNDS ADMINISTRATION

18 Sec. 154. G.S. 143B-431 is amended by adding the following new subsection
19 to read:

20 "(d) The Department of Economic and Community Development, with the
21 approval of the Governor, may apply for and accept grants from the federal government
22 and its agencies and from any foundation, corporation, association, or individual, and
23 may comply with the terms, conditions, and limitations of such grants in order to
24 accomplish the Department's purposes. Grant funds shall be expended pursuant to the
25 Executive Budget Act. In addition, the Department shall have the following powers and
26 duties with respect to its duties in administering federal programs:

27 (1) To negotiate, collect, and pay reasonable fees and charges regarding
28 the making or servicing of grants, loans, or other evidences of
29 indebtedness.

30 (2) To establish and revise by regulation, in accordance with Chapter
31 150B of the General Statutes, schedules of reasonable rates, fees, or
32 charges for services rendered, including but not limited to, reasonable
33 fees or charges for servicing applications. Schedules of rates, fees, or
34 charges may vary according to classes of service, and different
35 schedules may be adopted for public entities, non-profit entities,
36 private for-profit entities, and individuals."
37

38 Requested by: Senator Martin of Pitt

39 —EMPLOYMENT AND TRAINING PROGRAM

40 Sec. 155. Chapter 143B is amended by adding the following new section to
41 read:

42 "**§ 143B-438.6. Employment and Training Grant Program.**

43 (a) There is established in the Department of Economic and Community
44 Development, Division of Employment and Training, an Employment and Training

1 Grant Program. The purpose of the program is to make grants available to local
2 agencies operating on behalf of the Private Industry Council serving Job Training
3 Partnership Act service delivery areas. Grant funds shall be allocated for the purpose of
4 enabling recipient agencies to implement local employment and training programs in
5 accordance with existing resources, local needs, local goals, and selected training
6 occupations. The Department shall adopt rules in accordance with Chapter 150B of the
7 General Statutes for administering the Employment and Training Grant Program, which
8 rules shall include procedures for review and approval of grant applications by local
9 agencies and for monitoring use of grant funds by recipient agencies. A State-
10 administered program of performance standards shall be used to measure grant program
11 outcomes.

12 (b) Use of grant funds: Local agencies may use funds received under this section
13 only for the purpose of upgrading the foundation of basic skills of the adult population
14 and the existing work force in North Carolina. Services that may be provided include
15 participant programs currently available under the federal Job Training Partnership Act
16 that are appropriate for adults; on-the-job training; work experience; adult basic
17 education; skills training, upgrading, and retraining; counseling and screening for job
18 placement; service corps; and related support services. Local agencies may use grant
19 funds to provide services only to individuals who are 18 years of age or older and who
20 either (i) meet the current Federal Job Training Partnership Act definition of
21 'economically disadvantaged', or (ii) meet the current definition for eligibility under
22 Title III of the Federal Job Training Partnership Act.

23 (c) Allocation of grants: The Department may reserve and allocate up to five
24 percent (5%) of funds available to the Employment and Training Grant Program for
25 State and local administrative costs to implement the program. The Division of
26 Employment and Training shall allocate employment and training grants to local
27 agencies operating on behalf of the Private Industry Council serving Job Training
28 Partnership Act service delivery areas based on the following formula:

29 (1) One half of the funds shall be allocated on the basis of the relative
30 excess number of unemployed individuals residing in each county as
31 compared to the total excess number of unemployed individuals in all
32 counties in the State.

33 'Excess number of unemployed' is defined as the number of
34 unemployed individuals in excess of four and one-half percent (4.5%)
35 of the civilian labor force in each county or the number of unemployed
36 individuals in excess of four and one-half percent (4.5%) of the
37 civilian labor force in each census tract within the county. The
38 following methodology is used to determine the excess number of
39 unemployed:

40 a. For counties classified as having excess unemployment, the
41 excess number of unemployed is determined by subtracting four
42 and one-half percent (4.5%) of the civilian labor force from the
43 number of unemployed individuals within the county. The
44 difference equals the number of excess unemployed.

1 b. In situations where the entire county is not classified as having
2 excess unemployment, the excess number of unemployed is
3 determined by census tract unemployment within the county.
4 Census tract data is used to determine which subcounty areas
5 qualify as areas of excess unemployment. In those subcounty
6 areas classified as having excess unemployment (census tracts
7 with four and one-half percent (4.5%) or higher unemployment
8 rates), four and one-half percent (4.5%) of the census tract labor
9 force is subtracted from the number of unemployed individuals
10 within the area of excess unemployment. The subcounty
11 figures of excess number of unemployed within the county are
12 then added together to determine the total excess number of
13 unemployed within the county.

14 (2) One half of the funds shall be allocated on the basis of the relative
15 number of economically disadvantaged individuals within each county
16 compared to the total number of economically disadvantaged
17 individuals in the State. To determine the number of economically
18 disadvantaged individuals within each county, data from the State Data
19 Center in the Office of State Budget and Management, or from the
20 federal decennial census, whichever is most recent, shall be used.

21 (d) Reports, Coordination: The Department of Economic and Community
22 Development shall report quarterly to the Governor and to the Speaker of the House of
23 Representatives and the President Pro Tempore of the Senate on the North Carolina
24 Employment and Training Grant Program. The Department shall also provide a copy of
25 these quarterly reports to the State Job Training Coordinating Council. The Council
26 shall advise the Department on the merger of the funds provided to implement this
27 section with other employment and training funds to develop comprehensive work-force
28 preparedness initiatives for the State.

29 (e) Funds appropriated to the Department of Economic and Community
30 Development for the Employment and Training Grant Program that are not expended at
31 the end of the fiscal year shall not revert but shall remain available to the Department
32 for the purposes established in this section."

34 Requested by: Senator Martin of Pitt

35 —FIRST FLIGHT SYSTEM

36 Sec. 156. (a) G.S. 143B-471.3A reads as rewritten:

37 "**§ 143B-471.3A. Powers.**

38 In order to enable it to carry out the purposes of this Part, the Authority may:

- 39 (1) Exercise the powers granted corporations under G.S. 55-17;
- 40 (2) Employ an executive director, whose salary shall be set by the General
41 Assembly in the Current Operations Appropriations Act. The
42 Authority may employ such other professional staff and clerical and
43 secretarial staff as it deems necessary within the funds available to it.

1 The salaries of such other personnel shall be set under the State
2 Personnel Act;

3 (3) Establish an office for the transaction of its business at Raleigh;

4 (4) Apply for and accept grants of money from the State of North
5 Carolina, or any political subdivision thereof, from the United States,
6 or from any person, corporation, foundation, trust, or business or from
7 any foreign government for any of the purposes authorized by this
8 Part;

9 (5) Establish and administer the incubator facilities program;

10 (6) Administer the North Carolina Innovation Research Fund; ~~and~~

11 (7) Adopt reasonable rules to effectuate the purposes of this ~~Part.~~ Part; ~~and~~

12 (8) Establish and administer the First Flight System, a network of business
13 incubators across the State to transfer technologies into commercial
14 applications by private industry."

15 (b) The North Carolina Biotechnology Center shall allocate, from funds
16 appropriated to it in this Title, \$75,000 for the 1991-92 fiscal year and \$75,000 for the
17 1992-93 fiscal year to the North Carolina Technological Development Authority to
18 implement and administer the First Flight System.

19 (c) MCNC shall allocate, from funds appropriated to it in this Title, \$75,000
20 for the 1991-92 fiscal year and \$75,000 for the 1992-93 fiscal year to the North Carolina
21 Technological Development Authority to implement and administer the First Flight
22 System.

23 (d) The North Carolina Technological Development Authority shall enter into
24 a memorandum of understanding with the North Carolina Biotechnology Center and
25 with MCNC that establishes the North Carolina Biotechnology Center and MCNC as
26 sponsors of the First Flight System.

27 (e) Effective September 1, 1991, the statutory unexpended balances of
28 appropriations, allocations, or other funds and all assets of the Technological
29 Development Authority created in G.S. 143B-471 shall be transferred to the North
30 Carolina Technological Development Authority, Inc., a private, nonprofit corporation.
31 The North Carolina Technological Development Authority, Inc., shall use the funds and
32 other assets transferred to it pursuant to this act for (i) an incubator facilities program,
33 (ii) an innovation research fund, and (iii) the First Flight System, a network of
34 incubators across the State to transfer technologies into commercial applications. The
35 incubator facilities program shall be administered in accordance with the provisions of
36 former G.S. 143B-471.4, repealed by this act. The innovation research fund shall be
37 administered in accordance with the provisions of former G.S. 143B-471.5, repealed by
38 this act.

39 (f) Effective September 1, 1991, Part 12 of Article 10 of Chapter 143B of the
40 General Statutes is repealed.

41 (g) Effective September 1, 1991:

42 (1) The below described land and improvements, formerly known as the
43 "Science and Technology Research Center", together with property
44 installed in the building and other movable equipment and supplies

1 shall be transferred by the State of North Carolina to The North
 2 Carolina Technological Development Authority, Inc.: BEGINNING at
 3 an iron pin located at North Carolina Grid Coordinate, north
 4 783,348.879 east 2,041,863.310; runs thence South 9 degrees 17
 5 minutes West 261.50 feet to an iron pin; runs thence North 67 degrees
 6 54 minutes West 698 feet to an iron pipe; runs thence North 37 degrees
 7 50 minutes East 48.50 feet to an iron pin; runs thence North 45 degrees
 8 50 minutes East 340.00 feet to an iron pin; runs thence North 13
 9 degrees 18 minutes East 345.72 feet to an iron pin in the southern line
 10 of Cornwallis Road; runs thence along the southern line of Cornwallis
 11 Road along a slight curve having a diameter of 4 degrees 00 minutes, a
 12 tangent of 411.55 feet to a radius of 1,432.69 feet a distance of 363.82
 13 feet to an iron pin located in the southern line of Cornwallis Road;
 14 thence continuing along the southern line of Cornwallis Road South 65
 15 degrees 52 minutes East 63.47 feet to a concrete monument; thence
 16 along the right of way of Cornwallis Road and Davis Drive South 26
 17 degrees 42 minutes East 72.60 feet to a concrete monument; thence
 18 along the western line of the right of way of Davis Drive along a slight
 19 curve having a diameter of 1 degree 00 minutes a tangent of 351.27
 20 feet and a radius of 5,730.34 feet a distance of 342.05 feet to an iron
 21 pin at the point and place of BEGINNING and containing 8 acres
 22 according to a deed recorded in the Office of the Register of Deeds of
 23 Durham County, North Carolina, in Book 30, pages 378-380.

24 (2) The transfer made by this section shall be evidenced by a deed
 25 executed under G.S. 146-75 and registered in accordance with G.S.
 26 146-77. The deed shall provide that the property transferred by this
 27 section shall automatically revert to the State of North Carolina if the
 28 property is used for any purposes other than the purposes set forth in
 29 subdivision (3).

30 (3) The transfer made by this section is made on the condition that the
 31 North Carolina Technological Development Authority, Inc., shall use
 32 the property described in subdivision (1) solely as a business incubator
 33 serving technology research-based entrepreneurial companies in the
 34 Research Triangle Park. If the North Carolina Technological
 35 Development Authority, Inc., ceases to use the property for the
 36 purposes described in this section, then the property shall
 37 automatically revert to the State of North Carolina.

38 (h) Subsections (e), (f), and (g) of this section become effective September 1,
 39 1991. The remainder of this section becomes effective July 1, 1991.

40
 41 Requested by: Senator Basnight

42 —EMPLOYMENT SECURITY COMMISSION/DEVIATION FROM STATE
 43 INFORMATION PROCESSING SERVICES

44 Sec. 157. G.S. 143B-426.40 reads as rewritten:

1 **"§ 143B-426.40. State Information Processing Services.**

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

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

30 (b) The Department of Revenue is authorized to deviate from this section's
31 requirements that departments or agencies consolidate information processing functions
32 on equipment owned, controlled or under custody of the State Information Processing
33 Services. All deviations from this section's requirements shall be reported in writing
34 within 15 days by the Department of Revenue to the Information Technology
35 Commission and shall be consistent with available funding. The Department of
36 Revenue is authorized to adopt and shall adopt plans, policies, procedures, requirements
37 and rules for the acquisition, management, and use of information processing
38 equipment, information processing programs, data communications capabilities, and
39 information systems personnel in the Department of Revenue. If the plans, policies,
40 procedures, requirements, rules, or standards adopted by the Department of Revenue
41 deviate from the policies, procedures, or guidelines adopted by the State Information
42 Processing Services or the Information Technology Commission, those deviations shall
43 be allowed and shall be reported in writing within 15 days by the Department of
44 Revenue to the Information Technology Commission. The Department of Revenue and

1 the State Information Processing Services shall develop data communications
2 capabilities between the two computer centers utilizing the North Carolina Integrated
3 Network, subject to a security review by the Secretary of Revenue.

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

12 (c) The Employment Security Commission is authorized to deviate from this
13 section's requirements that departments or agencies consolidate information processing
14 functions on equipment owned, controlled or under custody of the State Information
15 Processing Services. All deviations from this section's requirements shall be reported in
16 writing within 15 days by the Employment Security Commission to the Information
17 Technology Commission and shall be consistent with available funding. The
18 Employment Security Commission shall adopt plans, policies, procedures, requirements
19 and rules for the acquisition, management, and use of information processing
20 equipment, information processing programs, data communications capabilities, and
21 information systems personnel of the Employment Security Commission. If the plans,
22 policies, procedures, requirements, rules, or standards adopted by the Employment
23 Security Commission deviate from the policies, procedures, or guidelines adopted by
24 the State Information Processing Services or the Information Technology Commission,
25 those deviations shall be allowed and shall be reported in writing within 15 days by the
26 Employment Security Commission to the Information Technology Commission. The
27 Employment Security Commission and the State Information Processing Services shall
28 develop data communications capabilities between the two computer centers utilizing
29 the North Carolina Integrated Network, subject to a security review by the Chairman of
30 the Employment Security Commission.

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

39 (d) No data of a confidential nature, as defined in the General Statutes or federal
40 law, may be entered into or processed through any cost-sharing information resource
41 center or network established under this ~~subdivision~~ section until safeguards for the
42 data's security satisfactory to the department head and the State Controller have been
43 designed and installed and are fully operational. Nothing in this section may be
44 construed to prescribe what programs to satisfy a department's objectives are to be

1 undertaken, nor to remove from the control and administration of the departments the
2 responsibility for program efforts, regardless whether these efforts are specifically
3 required by statute or are administered under the general program authority and
4 responsibility of the department. This ~~subdivision~~ section does not affect the provisions
5 of G.S. 147-64.6, G.S. 147-64.7, or G.S. 143B-426.39(14). Notwithstanding any other
6 provision of law, the Office of the State Controller shall provide information technology
7 services on a cost-sharing basis to the General Assembly and its agencies as requested
8 by the Legislative Services Commission."
9

10
11 PART XXIV.—DEPARTMENT OF LABOR
12

13 Requested by: Senator Martin of Pitt

14 —FUNDING FOR OSHA ENFORCEMENT POSITIONS

15 Sec. 158. The Department of Labor may use funds appropriated to the
16 Department of Labor for the Occupational Safety and Health Act of North Carolina
17 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
18 the OSHANC program, provided the Department of Labor certifies to the Office of
19 State Budget and Management that no federal match is available for the 1991-92 fiscal
20 year and for the 1992-93 fiscal year.
21

22
23 PART XXV.—DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
24 RESOURCES
25

26 Requested by: Senator Martin of Pitt

27 —REDUCTION IN ADMINISTRATIVE SERVICES

28 Sec. 159. The Department of Environment, Health, and Natural Resources
29 shall consider abolishing positions in each of the following administrative services
30 areas:

- 31 (1) Computer Systems,
- 32 (2) Fiscal Management,
- 33 (3) Office of the General Counsel,
- 34 (4) General Services,
- 35 (5) Personnel, and
- 36 (6) Planning & Assessment

37 in order to reduce the budget of administrative services by the sum of \$200,000 for the
38 1991-92 fiscal year and by the sum of \$400,000 for the 1992-93 fiscal year.
39

40 Requested by: Senator Martin of Pitt

41 —SEPTAGE MANAGEMENT FEES

42 Sec. 160. Receipts collected by the Department of Environment, Health, and
43 Natural Resources pursuant to G.S. 130A-291.1 are appropriated to the Department to
44 establish and operate the North Carolina Septage Management Program.

1

2 Requested by: Senator Martin of Pitt

3 —AUTHORIZE USE OF WATER QUALITY FEES

4

5 Sec. 161. There is appropriated from the nonreverting account established in
6 G.S. 143-215.3A to the Department of Environment, Health, and Natural Resources a
7 sum not to exceed \$2,124,142 for the 1991-92 fiscal year and a sum not to exceed
8 \$2,148,017 for the 1992-93 fiscal year for the salaries and the necessary support for up
9 to 49 positions for the 1991-92 fiscal year and the 1992-93 fiscal year in the water
10 quality program. Water quality fees shall be the only source of funds for these positions
11 and all necessary support. These positions shall be used to reduce the backlog of permit
12 applications and to improve the rate of compliance of facilities with environmental
13 standards for toxic substances.

13

14 Requested by: Senator Martin of Pitt

15 —AUTHORIZE USE OF AIR QUALITY FEES

16

17 Sec. 162. There is appropriated from the nonreverting account established in
18 G.S. 143-215.3A to the Department of Environment, Health, and Natural Resources a
19 sum not to exceed \$1,193,340 for the 1991-92 fiscal year and a sum not to exceed
20 \$1,487,506 for the 1992-93 fiscal year for the salaries and the necessary support:

20

(1) For up to 24 positions for the 1991-92 fiscal year; and

21

(2) For up to 29 positions for the 1992-93 fiscal year

22

23 in the air quality program. Air quality fees shall be the only source of funds for these
24 positions and all necessary support. These positions shall be used to conduct air quality
25 permitting, compliance, and monitoring activities.

25

26 Requested by: Senator Martin of Pitt

27 —SUPERFUND PROGRAM

28

29 Sec. 163. (a) The Department of Environment, Health, and Natural Resources
30 may use available funds, with the approval of the Office of State Budget and
31 Management, in order to provide the ten percent (10%) cost share required for
32 Superfund cleanups on National Priority List sites. These funds may be in addition to
33 those appropriated for this purpose.

33

34 (b) The Department of Environment, Health, and Natural Resources and the
35 Office of State Budget and Management shall report to the Joint Legislative
36 Commission on Governmental Operations the amount and the source of the funds used
37 pursuant to subsection (a) of this section within 30 days of the expenditure of these
38 funds.

38

39 Requested by: Senator Martin of Pitt

40 —FOREST DEVELOPMENT ACT FUNDS

41

42 Sec. 164. Notwithstanding the provisions of G.S. 113A-192, the assessment
43 from the primary forest product processors shall be collected for the 1991-92 fiscal year
44 and the 1992-93 fiscal year. Notwithstanding the provisions of G.S. 113A-180 and G.S.
113A-183(c), all funds accrued to the Forest Development Fund, from whatever source,

1 may be expended pursuant to the provisions of G.S. 113A-193(c) and Article 11 of
2 Chapter 113A of the General Statutes for the 1991-92 fiscal year and the 1992-93 fiscal
3 year.

4

5 Requested by: Senator Martin of Pitt

6 ---STUDY TERMINATING LEASE WITH FEDERAL GOVERNMENT

7 Sec. 165. The Parks and Recreation Division, Department of Environment,
8 Health, and Natural Resources, shall study the desirability and the feasibility of
9 terminating any longterm lease that the State entered into, whereby the State leases
10 federal reservoirs. The Department shall report its findings and recommendations to the
11 1991 General Assembly (1992 Regular Session) no later than April 1, 1992.

12

13 Requested by: Senator Martin of Pitt

14 ---REVISION OF PARKS FEE SCHEDULE

15 Sec. 166. (a) The Parks and Recreation Division, Department of Environment,
16 Health, and Natural Resources may amend its fee schedule such that an additional sum
17 of \$392,300 is raised by such fees.

18 (b) Notwithstanding the provisions of G.S. 150B-13, the Department may adopt
19 temporary rules to implement subsection (a) of this section.

20 (c) If the Division amends its fee schedule under subsection (a) of this section,
21 the amended fee schedule becomes effective July 1, 1991.

22

23 Requested by: Senator Martin of Pitt

24 ---TECHNICAL REVIEW COMMITTEE APPOINTMENTS

25 Sec. 167. The Soil and Water Conservation Commission shall include the
26 Executive Director of the Wildlife Resources Commission, or his designee, and the
27 Director of the Marine Fisheries Division of the Department of Environment, Health,
28 and Natural Resources, or his designee, among its appointments to the Technical
29 Review Committee, which reviews the technical specifications for the best management
30 practices specified for the Agricultural Cost Share Program for Nonpoint Source
31 Pollution Control.

32

33 Requested by: Senator Martin of Pitt

34 ---AGRICULTURE COST SHARE PROGRAM

35 Sec. 168. Of the funds appropriated in this Title to the Department of
36 Environment, Health, and Natural Resources for the Agriculture Cost Share Program for
37 Nonpoint Source Pollution Control, a sum not to exceed \$40,000 for the 1991-92 fiscal
38 year and a sum not to exceed \$40,000 for the 1992-93 fiscal year shall be used to fund
39 tide gates in Hyde County in accordance with the match requirements specified in G.S.
40 143-215.74(b)(6).

41

42 Requested by: Senator Martin of Pitt

43 ---AUDITS OF SOIL AND WATER DISTRICT BOARDS

44 Sec. 169. G.S. 139-7 reads as rewritten:

1 **"§ 139-7. District board of supervisors – appointive members; organization of**
2 **board; certain powers and duties.**

3 The governing body of a soil and water conservation district shall consist of the
4 three elective supervisors from the county or counties in the district, together with the
5 appointive members appointed by the Soil and Water Conservation Commission
6 pursuant to this section, and shall be known as the district board of supervisors. When a
7 district is composed of less than four counties, the board of supervisors of each county
8 shall on or before October 31, 1978, and on or before October 31 as the terms of the
9 appointive supervisors expire, recommend in writing two persons from the district to the
10 Commission to be appointed to serve with the elective supervisors. If the names are not
11 submitted to the Commission as required, the office shall be deemed vacant on the date
12 the term is set to expire and the Commission shall appoint two persons of the district to
13 the district board of supervisors to serve with the elected supervisors. The Commission
14 shall make its appointments prior to or at the November meeting of the Commission.
15 Appointive supervisors shall take office on the first Monday in December following
16 their appointment. Such appointive supervisors shall serve for a term of four years, and
17 thereafter, as their terms expire, their successors shall serve for a term of four years. The
18 terms of office of all appointive supervisors who have heretofore been lawfully
19 appointed for terms the final year of which presently extends beyond the first Monday
20 in December are hereby terminated on the first Monday in December of the final year of
21 appointment. Vacancies for any reason in the appointive supervisors shall be filled for
22 the unexpired term by the appointment of a person by the Commission from the district
23 in which the vacancy occurs. Vacancies for any reason in the elected supervisors shall
24 be filled for the unexpired term by appointment by the Commission of a person from the
25 county in the district in which the vacancy occurs.

26 In those districts composed of four or more counties, the Commission may, but is
27 not ~~required, to~~ required to, appoint two persons from the district without
28 recommendation from the board of supervisors, to serve as district supervisors along
29 with the elected members of the board of supervisors. Such appointments shall be made
30 at the same time other appointments are made under this section, and the persons
31 appointed shall serve for a term of four years.

32 The supervisors shall designate a chairman and may, from time to time, change such
33 designation. A simple majority of the board shall constitute a quorum for the purpose of
34 transacting the business of the board, and approval by a majority of those present shall
35 be adequate for a determination of any matter before the board, provided at least a
36 quorum is present. Supervisors of soil and water conservation districts shall be
37 compensated for their services at the per diem rate and allowed travel, subsistence and
38 other expenses, as provided for State boards, commissions and committees generally,
39 under the provisions of G.S. 138-5; provided, that when per diem compensation and
40 travel, subsistence, or other expense is claimed by any supervisor for services performed
41 outside the district for which such supervisor ordinarily may be appointed or elected to
42 serve, the same may not be paid unless prior written approval is obtained from the
43 Department of Environment, Health, and Natural Resources.

1 The supervisors may employ a secretary, technical experts, whose qualifications
2 shall be approved by the Department, and such other employees as they may require,
3 and shall determine their qualifications, duties and compensation. The supervisors may
4 call upon the Attorney General of the State for such legal services as they may require.
5 The supervisors may delegate to their chairman, to one or more supervisors, or to one or
6 more agents, or employees such powers and duties as they may deem proper. The
7 supervisors shall furnish to the Soil and Water Conservation Commission, upon request,
8 copies of such ordinances, rules, regulations, orders, contracts, forms, and other
9 documents as they shall adopt or employ, and such other information concerning their
10 activities as it may require in the performance of its duties under this Chapter.

11 The supervisors shall provide for the execution of surety bonds for all employees
12 and officers who shall be entrusted with funds or property; shall provide for the keeping
13 of a full and accurate record of all proceedings and of all resolutions, regulations, and
14 orders issued or adopted; and shall provide for an annual audit of the accounts of
15 receipts and disbursements. In any given year, if the supervisors provide for an internal
16 audit, the supervisor serving as chairman shall certify, under oath, that this internal audit
17 is a true and accurate reflection of the accounts of receipts and disbursements, then the
18 supervisors shall not be required, notwithstanding the provisions of G.S. 159-34, to
19 provide for an audit of the accounts of receipts and disbursements by a certified public
20 accountant or by an accountant certified by the Local Government Commission. Any
21 supervisor may be removed by the Soil and Water Conservation Commission upon
22 notice and hearing, for neglect of duty, incompetence or malfeasance in office, but for
23 no other reason.

24 The supervisors may invite the legislative body of any municipality or county
25 located near the territory comprised within the district to designate a representative to
26 advise and consult with the supervisors of the district on all questions of program and
27 policy which may affect the property, water supply, or other interests of such
28 municipality or county.

29 All district supervisors whose terms of office expire prior to the first Monday in
30 January, 1948, shall hold over and remain in office until supervisors are elected or
31 appointed and qualify as provided in this Chapter, as amended. The terms of office of
32 all district supervisors, who have heretofore been elected or appointed for terms
33 extending beyond the first Monday in January, 1948, are hereby terminated on the first
34 Monday in January, 1948."

35
36 Requested by: Senator Basnight

37 ---INTEREST ON WILDLIFE RESOURCES FUND/PRESERVE FEDERAL
38 FUNDING

39 Sec. 170. (a) G.S. 143-250 reads as rewritten:

40 "**§ 143-250. Wildlife Resources Fund.**

41 All moneys in the game and fish fund or any similar State fund when this Article
42 becomes effective shall be credited forthwith to a special fund in the office of the State
43 Treasurer, and the State Treasurer shall deposit all such moneys in said special fund,
44 which shall be known as the Wildlife Resources Fund.

1 All unexpended appropriations made to the Department of Conservation and
2 Development, the Board of Conservation and Development, the Division of Game and
3 Inland Fisheries or to any other State agency for any purpose pertaining to wildlife and
4 wildlife resources shall also be transferred to the Wildlife Resources Fund.

5 Except as otherwise specifically provided by law, all moneys derived from hunting,
6 fishing, trapping, and related license fees, exclusive of commercial fishing license fees,
7 including the income received and accruing from the investment of license revenues,
8 and all funds thereafter received from whatever sources shall be deposited to the credit
9 of the Wildlife Resources Fund and made available to the Commission until expended
10 subject to the provisions of this Article. License revenues include the proceeds from the
11 sale of hunting, fishing, trapping, and related licenses, from the sale, lease, rental, or
12 other granting of rights to real or personal property acquired or produced with license
13 revenues, and from federal aid project reimbursements to the extent that license
14 revenues originally funded the project for which the reimbursement is being made. For
15 purposes of this section, real property includes lands, buildings, minerals, energy
16 resources, timber, grazing, and animal products. Personal property includes equipment,
17 vehicles, machines, tools, and annual crops. The Wildlife Resources Fund herein
18 created shall be subject to the provisions of the Executive Budget Act, Chapter 143,
19 Article 1 of the General Statutes of North Carolina as amended, and the provisions of
20 the General Statutes of North Carolina as amended, and the provisions of the Personnel
21 Act, Chapter 143, Article 2 of the General Statutes of North Carolina as amended.

22 All moneys credited to the Wildlife Resources Fund shall be made available to carry
23 out the intent and purposes of this Article in accordance with plans approved by the
24 North Carolina Wildlife Resources Commission, and all such funds are hereby
25 appropriated, reserved, set aside and made available until expended, for the enforcement
26 and administration of this Article, Chapter 75A, Article 1, and Chapter 113, Subchapter
27 IV of the General Statutes of North Carolina. The Wildlife Resources Commission
28 shall report to the Joint Legislative Commission on Governmental Operations before
29 expending from the Wildlife Resources Fund more than the amount authorized in the
30 budget enacted by the General Assembly for the fiscal period.

31 In the event any uncertainty should arise as to the funds to be turned over to the
32 North Carolina Wildlife Resources Commission the Governor shall have full power and
33 authority to determine the matter and his recommendation shall be final and binding to
34 all parties concerned."

35 (b) This section becomes effective January 1, 1992.

36
37 Requested by: Senator Martin of Pitt

38 ---ABOLISH PERINATAL COUNCIL

39 Sec. 171. G.S. 130A-128 is repealed.

40
41 Requested by: Senator Martin of Pitt

42 ---CONTINUE PUBLIC DENTAL HEALTH PROGRAM EMPHASIS

43 Sec. 172. From the funds available to the Department of Environment,
44 Health, and Natural Resources, the Department shall administer the public dental health

1 program the primary emphasis of which shall continue to be the delivery of preventive,
2 educational, and dental care services to preschool children and school-age children.

3
4 Requested by: Senator Martin of Pitt

5 ---MATERNAL AND CHILD HEALTH CARE

6 Sec. 173. (a) The Department of Environment, Health, and Natural Resources
7 shall ensure that local health departments do not reduce county appropriations for
8 maternal and child health services provided by the local health departments because
9 they have received State appropriations pursuant to this act.

10 (b) All income earned by local health departments for Maternal and Child
11 Health programs supported in whole or in part from State or federal funds, received
12 from the Department of Environment, Health, and Natural Resources, shall be budgeted
13 and expended by local health departments to further the objectives of the program that
14 generated the income.

15
16 Requested by: Senator Martin of Pitt

17 ---HEALTH PROMOTION FUNDS

18 Sec. 174. The Department of Environment, Health, and Natural Resources
19 shall ensure that local health departments do not reduce county appropriations for health
20 promotion services provided by local health departments if they have received State
21 appropriations for this purpose pursuant to this act.

22
23 Requested by: Senator Martin of Pitt

24 ---NON-MEDICAID REIMBURSEMENT

25 Sec. 175. Providers of medical services under the various State programs
26 other than Medicaid offering medical care to citizens of the State shall be reimbursed at
27 rates no more than those under the North Carolina Medical Assistance Program.

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

34 Notwithstanding the provisions of paragraph one of this section, the
35 Department of Environment, Health, and Natural Resources may negotiate with
36 providers of medical services under the various Environment, Health, and Natural
37 Resources programs, other than Medicaid, for rates as close as possible to Medicaid
38 rates for the following purposes: contracts or agreements for medical services and
39 purchases of medical equipment and other medical supplies. These negotiated rates are
40 allowable only to meet the medical needs of its non-Medicaid eligible patients, residents
41 and clients who require such services which cannot be provided when limited to the
42 Medicaid rate.

43 Maximum net family annual income eligibility standards for services in these
44 programs with the exception of Migrant Health, School Health, AIDS Drug

1 Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome,
2 and Home Health shall be as follows:

	Family		All
	<u>Size</u>	<u>Kidney</u>	<u>Other</u>
3	1	\$ 6,400	\$ 4,200
4	2	8,000	5,300
5	3	9,600	6,400
6	4	11,000	7,500
7	5	12,000	7,900
8	6	12,800	8,300
9	7	13,600	8,800
10	8	14,400	9,300

11 The eligibility level each fiscal year for outpatient services for all clients and
12 for inpatient services for children under the age of 5, in the Children's Special Health
13 Services Program shall be one hundred percent (100%) of the federal poverty guidelines
14 as revised annually by the United States Department of Health and Human Services, in
15 effect on July 1 of each fiscal year.
16
17

18 Requested by: Senator Martin of Pitt

19 —ASBESTOS HAZARD MANAGEMENT FUNDS

20 Sec. 176. The fees established and collected pursuant to Article 19 of
21 Chapter 130A of the General Statutes are appropriated to the Department of
22 Environment, Health, and Natural Resources to support the Asbestos Hazard
23 Management Program.
24
25

26 Requested by: Senator Martin of Pitt

27 —ADOLESCENT PREGNANCY PREVENTION PROJECTS

28 Sec. 177. (a) Of the funds appropriated this Title to the Division of Maternal and
29 Child Health, Department of Environment, Health, and Natural Resources, \$982,768 for
30 the 1991-92 fiscal year and \$982,768 for the 1992-93 fiscal year shall be used to fund
31 adolescent pregnancy prevention projects.

32 (b) Beginning in fiscal year 1991-92, the Division shall evaluate all of the
33 adolescent pregnancy projects funded as a result of this program at least yearly and shall
34 report its findings to the Commission for Health Services, the Joint Legislative
35 Commission on Governmental Operations, and the Chairmen of the House
36 Appropriations Committee on Environment, Health, and Natural Resources, and the
37 Senate Appropriations Committee on Natural and Economic Resources by April 1 of
38 each year. Any evaluation of these projects shall include a study of the effectiveness of
39 the project in reducing the pregnancy rate within the target population.

40 (c) The Commission for Health Services shall be responsible for monitoring the
41 Division's administration of the Adolescent Pregnancy Prevention Program. The
42 Division shall implement the following changes in the management and funding of the
43 Adolescent Pregnancy Prevention Program for projects funded from General Fund
44 appropriations and federal block grants:

- 1 (1) Applications. Any local agency or organization or combination of
2 agencies and organizations may apply to the Division of Maternal and
3 Child Health for an allocation of money to operate a project aimed at
4 preventing adolescent pregnancy. The application shall contain an
5 analysis of the adolescent pregnancy and related problems in the
6 locality the project would serve, and a description of how the project
7 would attempt, over a period of at least five years, to prevent the
8 problems. The application shall state how much money is needed to
9 operate the project and how the money shall be spent. The Division
10 shall conduct annually a proposal-writing session that shall be attended
11 by a representative of any project that wishes to apply for funding; that
12 session shall define the criteria for accountability and evaluation that
13 the Division requires of projects. That session shall also provide
14 information about additional funding sources to which projects might
15 turn to satisfy the matching requirements of subdivision (5) of this
16 section.
- 17 (2) Proposal Requirements. The Division shall apply the following
18 minimum standards to projects applying for first-year funding:
19 a. Each project shall have a plan of action that extends for at least
20 five years for prevention of adolescent pregnancy.
21 b. Each project shall have realistic, specific, and measurable goals
22 and objectives for the prevention of adolescent pregnancy.
23 c. Each project, before submitting its proposal, shall send a
24 representative to the proposal-writing session held by the
25 Division.
- 26 (3) Operating Standards. The Division shall apply the following
27 minimum operating standards:
28 a. Each project shall have a Board of Advisors composed of
29 members from outside the sponsoring agency of the project.
30 The Board of Advisors shall include representatives from at
31 least four of the following: media, government, charitable
32 organizations, private business, medical institutions. The
33 Boards of Advisors shall meet at least quarterly and advise
34 project staff on project policies and operations.
35 b. Each project shall comply with reporting, contracting, and
36 evaluation requirements of the Division.
37 c. Each project shall define and maintain cooperative ties with
38 other community institutions.
39 d. Each project shall demonstrate its ability to attract financial
40 support from sources other than the State, including sources in
41 the local community.
- 42 (4) Criteria for Selection. For first-year funding, the Division shall choose
43 from among the applicants that meet the minimum standards in

1 subdivision (2) of this subsection the best selection of projects
2 according to the following criteria:

- 3 a. Adequacy of proposed staff to meet project objectives,
- 4 b. Appropriateness of project strategies to reduce adolescent
5 pregnancy,
- 6 c. Level of community support, including documentation from the
7 appropriate local government entity that opportunity has been
8 given for citizen input into the proposed program, and that there
9 is community support for the proposal,
- 10 d. Degree of need of the locality, including that the county has a
11 significant adolescent pregnancy problem as evidenced by its
12 attributable risk score developed by the Division of Statistics
13 and Information Services, and
- 14 e. Other appropriate criteria.

15 The Division shall make its recommendations for funding to the
16 Commission for Health Services. The Commission shall make the
17 final determination of which projects are to be funded. The
18 Commission shall consider the recommendations of the Division but
19 shall not be bound by them. The Commission shall notify the projects
20 that are to be funded by June 1 of each year.

21 (5) Schedule of Funding. If the Commission, upon consultation with the
22 Division, finds that a project it has chosen for first-year funding
23 continues to meet the operating standards of subdivisions (2) and (3) of
24 this subsection, funding for that project shall continue, to the extent of
25 available money, for an additional four years. The level of funding
26 provided by the Division to approved projects shall be set according to
27 the following schedule:

- 28 a. First year, eighty percent (80%) of the project's annual budget
29 not to exceed the maximum award established by the
30 Commission for Health Services,
- 31 b. Second year, ninety percent (90%) of the State appropriations
32 or federal block grant funds awarded in the first year,
- 33 c. Third year, seventy-five percent (75%) of the State
34 appropriations or federal block grant funds awarded in the first
35 year,
- 36 d. Fourth year, sixty-five percent (65%) of the State appropriations
37 or federal block grant funds awarded in the first year, and
- 38 e. Fifth year, fifty percent (50%) of the State appropriations or
39 federal block grant funds awarded in the first year.

40 The portion of a project's budget that must come from sources other
41 than State or federal block grant funds may be provided as in-kind
42 contributions as well as cash.

43 (6) Five-Year Limit on Funding. No project shall receive State funding if
44 it has previously received State funding for five full years. Any

project that has received State funding before July 1, 1990, will be eligible for consideration for an additional five years' State support, according to the schedule. The Commission may fund any such project that meets the minimum standards if it determines, after considering the experience and impact of the project and measuring its application against those of other applicants, that it should be funded.

(7) Maximum Level of Funding. The Commission for Health Services shall by rule determine the maximum annual amount that may be made to any one project.

Requested by: Senator Martin of Pitt

---INFECTION CONTROL PROGRAM/FUNDS TRANSFER

Sec. 178. Of the funds appropriated to the Department of Environment, Health, and Natural Resources, Division of Epidemiology, for the 1991-93 biennium, \$85,274 shall be transferred in each fiscal year to the University of North Carolina at Chapel Hill for the School of Medicine of the University of North Carolina at Chapel Hill. Funds transferred pursuant to this section shall be used to support the Health Care Facilities Infection Control Program in investigating and controlling nosocomial infections in hospitals, long-term care facilities, and other medical facilities in cooperation with the Division of Epidemiology. Funds transferred shall also be used to provide training and consultation to hospitals, long-term care facilities, and other medical facilities to prevent and control nosocomial infections.

TITLE 2. - EXPANSION

PART XXVI.---CURRENT OPERATIONS/GENERAL FUND

Sec. 179. 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 biennium ending June 30, 1993, according to the following schedule:

<u>Current Operations-General Fund</u>	<u>1991-92</u>	<u>1992-93</u>
Department of Public Education	\$ 9,000,000	\$ 9,000,000
Department of Justice		229,627 229,627
Department of Administration		
01. Administration	303,945	306,620
02. State Controller	1,037,280	1,037,280

1	Department of Agriculture	205,000	205,000
2			
3	Department of Insurance	924,893	925,349
4			
5	Department of Environment, Health, and		
6	Natural Resources	1,012,656	1,882,095
7			
8	Office of Administrative Hearings	619,776	1,916,466
9			
10	Department of Human Resources		
11	01. DHR - Secretary	140,000	121,108
12	02. Social Services	12,381,586	7,313,258
13	03. Medical Assistance	57,093,075	65,473,005
14	04. Social Services-State Aid to		
15	Non-State Agencies	645,960	645,960
16	05. Division of Services for the		
17	Blind	112,572	112,572
18	06. Division of Mental Health,		
19	Developmental Disabilities, and		
20	Substance Abuse Services	14,248,898	18,635,640
21	07. Division of Youth Services	60,000	
22	Total Department of		
23	Human Resources	84,622,091	92,361,543
24			
25	Department of Correction	-	10,246,368
26			
27	Department of Economic and Community		
28	Development	150,461	393,989
29			
30	Department of Crime Control		
31	and Public Safety	447,262	197,262
32			
33	University of North Carolina - Board		
34	of Governors		
35	01. University Institutional		
36	Program	945,000	1,345,000
37	Total University of North		
38	Carolina	945,000	1,345,000
39			
40	Department of Community		
41	Colleges	10,000,000	10,000,000
42	Savings Reserve Account	62,955,300	-
43			
44	Debt Service	<u>3,655,500</u>	<u>15,970,900</u>

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GRAND TOTAL CURRENT OPERATIONS –
GENERAL FUND \$176,108,791 \$197,182,524

PART XXVII.—CURRENT OPERATIONS/HIGHWAY FUND

Sec. 180. 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 biennium ending June 30, 1993, according to the following schedule:

<u>Current Operations-Highway Fund</u>	<u>1991-92</u>	<u>1992-93</u>
Department of Transportation		
01. Administration \$ 552,800 \$ 55,440		
02. Division of Highways		
a. Administration and		
Operations 153,657 228,974		
b. State Maintenance		
(01) Primary 6,392,598 3,815,501		
(02) Secondary 10,835,476 6,706,033		
(03) Urban 1,743,436 1,040,591		
03. Division of Motor Vehicles 778,720 1,141,341		
04. Reserve for Asphalt Cleanup 1,000,000 1,000,000		
05. Reserve for Air Cargo Authority <u>2,612,400 3,955,250</u>		
GRAND TOTAL CURRENT OPERATIONS— HIGHWAY FUND	\$ 24,069,087	\$17,943,130

PART XXVIII.—GENERAL GOVERNMENT PROVISIONS

Requested by: Senator Basnight
—SEAFOOD & AQUACULTURE COMMISSION MEMBERSHIP

Sec. 181. G.S. 120-70.61 reads as rewritten:

"§ 120-70.61. Membership; cochairmen; vacancies; quorum.

The Joint Legislative Commission on Seafood and Aquaculture shall consist of ~~eleven~~15 members: ~~three~~four Senators appointed by the President Pro Tempore of the Senate; ~~three~~four Representatives appointed by the Speaker of the House of Representatives; ~~three~~four members appointed by the Governor; and ~~two~~three members appointed by the Commissioner of Agriculture. The members shall serve at

1 the pleasure of their appointing officer. The President Pro Tempore of the Senate shall
2 designate one Senator to serve as cochairman and the Speaker of the House of
3 Representatives shall designate one Representative to serve as cochairman. Vacancies
4 occurring on the Commission shall be filled in the same manner as initial appointments.
5 A quorum of the Commission shall consist of ~~six~~eight members."

6
7 Requested by: Senator Basnight

8 —LRC STUDY OF TUITION AND ENROLLMENT AT THE UNC SYSTEM

9 Sec. 182. The Legislative Research Commission may study tuition, fees, and
10 enrollment at The University of North Carolina. If the Commission conducts this study,
11 it shall consider the following:

- 12 (1) Comparison of tuition and fees at each of the constituent institutions
13 for resident and nonresident students, with tuition charged for resident
14 and nonresident students at comparable institutions in other states;
- 15 (2) Feasibility of charging nonresident students at the constituent
16 institutions a tuition rate comparable to that charged to nonresident
17 students enrolled at comparable institutions in the nonresident students'
18 home states;
- 19 (3) Comparison of current tuition rates with the actual cost of educating
20 students;
- 21 (4) Number and percentage of resident and nonresident students enrolled
22 at each constituent institution at the undergraduate and at the graduate
23 levels of study; and
- 24 (5) Any other issues related to charges for tuition and fees that the
25 Commission deems appropriate.

26 If the Commission conducts the study authorized under this section, it may
27 report its findings together with recommended legislation, to the 1992 Session of the
28 1991 General Assembly, or to the 1993 General Assembly, or to both.

29
30
31 PART XXIX.—OFFICE OF THE GOVERNOR

32
33 Requested by: Senators Basnight, Plyler

34 —SAVINGS RESERVE ACCOUNT

35 Sec. 183. There is established in the Office of State Budget and Management
36 a nonreverting Savings Reserve Account. The purpose of the Savings Reserve Account
37 is to provide a mechanism to stabilize the annual funding availability for carrying out
38 State programs. The Savings Reserve Account shall be financed from General Fund
39 revenues that would otherwise be expended, and monies placed in the Savings Reserve
40 Account shall be used to offset unanticipated reductions in funding availability resulting
41 from changes in the economic outlook, federal tax changes, corporate financial actions,
42 judicial decisions, federal spending mandates, and natural disasters. Except as needed
43 by the Governor in order to perform his constitutional duty to balance the State budget,
44 funds in the Savings Reserve Account shall not be spent without the prior approval of

1 the General Assembly. Notwithstanding any other provision of law, funds in the
2 Savings Reserve Account shall not revert to the State Treasury at the end of each fiscal
3 year but shall remain in the Savings Reserve Account and be carried forward for the
4 next succeeding fiscal year, unless the funds are needed by the Governor to carry out his
5 constitutional duty to balance the State budget.

6
7
8 **PART XXX.—SALARIES AND BENEFITS**

9
10 Requested by: Senators Basnight, Plyler

11 **—SALARIES/GOVERNMENT EMPLOYEES**

12 Sec. 184. The salaries of those individuals whose annual salaries for the
13 1989-90 and 1990-91 fiscal years were set in Sections 23, 24, 25, 26, 27, 28, 30(a), 31,
14 32, and 39 of Chapter 752 of the 1989 Session Laws, are set for the 1991-92 and 1992-
15 93 fiscal years at the level set in those sections for the 1990-91 fiscal year.

16
17 Requested by: Senators Basnight, Plyler

18 **—SALARY RELATED CONTRIBUTIONS/EMPLOYERS**

19 Sec. 185. (a) Required employer salary-related contributions for employees
20 whose salaries are paid from department, office, institution, or agency receipts shall be
21 paid from the same source as the source of the employee's salary. If an employee's
22 salary is paid in part from the General Fund or Highway Fund and in part from
23 department, office, institution, or agency receipts, required employer salary-related
24 contributions may be paid from the General Fund or Highway Fund only to the extent of
25 the proportionate part paid from the General Fund or Highway Fund in support of the
26 salary of the employee, and the remainder of the employer's requirements shall be paid
27 from the source that supplies the remainder of the employee's salary. The requirements
28 of this section as to source of payment are also applicable to payments on behalf of the
29 employee for hospital-medical benefits, longevity pay, unemployment compensation,
30 accumulated leave, workers' compensation, severance pay, separation allowances, and
31 applicable disability income and disability salary continuation benefits.

32 (b) Effective July 1, 1991, the State's employer contribution rates budgeted
33 for retirement and related benefits as a percentage of covered salaries for the 1991-92
34 fiscal year are (i) nine and sixty-three hundredths percent (9.63%) - Teachers and State
35 Employees; (ii) fourteen and sixty-three hundredths percent (14.63%) - State Law
36 Enforcement Officers; (iii) eight and sixty-six hundredths percent (8.66%) - University
37 Employees' Optional Retirement Program; (iv) twenty-seven and twenty-two
38 hundredths percent (27.22%) - Consolidated Judicial Retirement System; and (v) thirty-
39 two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of
40 the foregoing contribution rates includes two percent (2%) for hospital and medical
41 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for
42 the Supplemental Retirement Income Plan. The rates for Teachers and State
43 Employees, State Law Enforcement Officers, and for the University Employees'

1 Optional Retirement Program include forty-two hundredths percent (0.42%) for the
2 Disability Income Plan.

3 (c) Effective July 1, 1992, the State's employer contribution rates budgeted
4 for retirement and related benefits as a percentage of covered salaries for the 1992-93
5 fiscal year are (i) twelve and nine hundredths percent (12.09%) - Teachers and State
6 Employees; (ii) seventeen and nine hundredths percent (17.09%) - State Law
7 Enforcement Officers; (iii) eight and seventy-six hundredths percent (8.76%) -
8 University Employees' Optional Retirement Program; (iv) thirty-one and seventy-one
9 hundredths percent (31.71%) - Consolidated Judicial Retirement System; and (v) thirty-
10 two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of
11 the foregoing contribution rates includes two percent (2%) for hospital and medical
12 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for
13 the Supplemental Retirement Income Plan. The rates for Teachers and State
14 Employees, State Law Enforcement Officers, and for the University Employees'
15 Optional Retirement Program include fifty-two hundredths percent (0.52%) for the
16 Disability Income Plan.

17 (d) The maximum annual employer contributions, payable monthly, by the
18 State for each covered employee or retiree for the 1991-92 fiscal year to the Teachers'
19 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible
20 employees and retirees - \$1,260; and (ii) Non-Medicare eligible employees and retirees
21 - \$1,655.

22 (e) The maximum annual employer contributions, payable monthly, by the
23 State for each covered employee or retiree for the 1992-93 fiscal year to the Teachers'
24 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible
25 employees and retirees - \$1,351; and (ii) Non-Medicare eligible employees and retirees
26 - \$1,774.

27
28 Requested by: Senators Basnight, Plyler

29 —PURCHASE OF RETIREMENT SERVICE

30 Sec. 186. (a) G.S. 128-26(h1) reads as rewritten:

31 "(h1) Any member may purchase creditable service for service as a member of the
32 General Assembly not otherwise creditable under this section, ~~provided the service is~~
33 ~~not credited in the Legislative Retirement Fund nor the Legislative Retirement System,~~
34 ~~and further~~ provided the member pays a lump sum amount equal to the full cost of the
35 additional service credits calculated on the basis of the assumptions used for the
36 purposes of the actuarial valuation of the System's liabilities, taking into account the
37 additional retirement allowance arising on account of the additional service credits
38 commencing at the earliest age at which a member could retire on an unreduced
39 retirement allowance as determined by the Board of Trustees upon the advice of the
40 consulting actuary, plus an administrative fee to be set by the Board of Trustees.
41 Notwithstanding the foregoing provisions of this subsection that provide for the
42 purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost'
43 include assumed annual post-retirement allowance increases, as determined by the

1 Board of Trustees, from the earliest age at which a member could retire on an unreduced
2 service allowance."

3 (b) G.S. 135-4(j1) reads as rewritten:

4 "(j1) Any member may purchase creditable service for service as a member of the
5 General Assembly not otherwise creditable under this section, ~~provided the service is~~
6 ~~not credited in the Legislative Retirement Fund nor the Legislative Retirement System,~~
7 ~~and further~~ provided the member pays a lump sum amount equal to the full cost of the
8 additional service credits calculated on the basis of the assumptions used for the
9 purposes of the actuarial valuation of the System's liabilities, taking into account the
10 additional retirement allowance arising on account of the additional service credits
11 commencing at the earliest age at which a member could retire on an unreduced
12 retirement allowance as determined by the Board of Trustees upon the advice of the
13 consulting actuary, plus an administrative fee to be set by the Board of Trustees.
14 Notwithstanding the foregoing provisions of this subsection that provide for the
15 purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost'
16 include assumed annual post-retirement allowance increases, as determined by the
17 Board of Trustees, from the earliest age at which a member could retire on an unreduced
18 service allowance."

19 (c) G.S. 135-56(e) reads as rewritten:

20 "(e) Any member may purchase creditable service for service as a member of the
21 General Assembly not otherwise creditable under this section, ~~provided the service is~~
22 ~~not credited in the Legislative Retirement Fund nor the Legislative Retirement System,~~
23 ~~and further~~ provided the member pays a lump sum amount equal to the full cost of the
24 additional service credits calculated on the basis of the assumptions used for the
25 purposes of the actuarial valuation of the System's liabilities, taking into account the
26 additional retirement allowance arising on account of the additional service credits
27 commencing at the earliest age at which a member could retire on an unreduced
28 retirement allowance as determined by the Board of Trustees upon the advice of the
29 consulting actuary, plus an administrative fee to be set by the Board of Trustees.
30 Notwithstanding the foregoing provisions of this subsection that provide for the
31 purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost'
32 include assumed annual post-retirement allowance increases, as determined by the
33 Board of Trustees, from the earliest age at which a member could retire on an unreduced
34 service allowance."
35

36 Requested by: Senators Basnight, Plyler

37 —LEGISLATIVE RETIREMENT OPTION

38 Sec. 187. G.S. 120-4.12 is amended to add a new subsection to read:

39 "(c1) Any member of the Retirement System who was a member of the General
40 Assembly as of January 1985 may purchase prior service credit for the month of
41 January 1985 based upon seven percent (7%) of the compensation received for that
42 period."
43
44

1 PART XXXI.—DEPARTMENT OF INSURANCE

2
3 Requested by: Senator Perdue

4 —MEDICAL DATABASE/DATA FROM ALL HEALTH CARE PROVIDERS

5 Sec. 188. (a) G.S. 131E-212(b) is amended by adding the following new
6 subdivision to read:7 "(9) The Commission shall implement plans for the submission of data
8 from all health care providers beginning with the free-standing
9 ambulatory surgery centers."10 (b) The Medical Database Commission shall report its progress on expanding
11 its database by June 1, 1992, to the General Assembly and to the Fiscal Research
12 Division.13
14
15 PART XXXII.—DEPARTMENT OF REVENUE16
17 Requested by: Senators Basnight, Plyler

18 —GOVERNMENT SALES TAX REFUND

19 Sec. 189. (a) G.S. 105-164.3 is amended by adding a new subdivision to
20 read:21 "(16b) 'State agency' means a unit of the executive, legislative, or judicial
22 branch of State government, such as a department, a commission, a
23 board, a council, or a constituent institution of The University of North
24 Carolina. The term does not include a local board of education."

25 (b) G.S. 105-164.14 reads as rewritten:

26 "**§ 105-164.14. Certain refunds authorized.**27 (a) Interstate Carriers. Any person engaged in transporting persons or property in
28 interstate commerce for compensation who is subject to regulation by, and to the
29 jurisdiction of, the Interstate Commerce Commission or the United States Department
30 of Transportation and who is required by either such federal agency to keep records
31 according to its standard classification of accounting or, in the case of a small
32 certificated air carrier, is required by the U.S. Department of Transportation to make
33 reports of financial and operating statistics, may secure a refund from the Secretary of
34 Revenue with respect to sales or use tax paid by such person on purchases or
35 acquisitions of lubricants, repair parts and accessories in this State for motor vehicles,
36 railroad cars, locomotives, and airplanes operated by such person, upon the conditions
37 described below. The Secretary of Revenue shall prescribe the periods of time, whether
38 monthly, quarterly, semiannually or otherwise, with respect to which refunds may be
39 claimed, and shall prescribe the time within which, following such periods, an
40 application for refund may be made. An applicant for refund shall furnish such
41 information as the Secretary may require, including detailed information as to
42 lubricants, repair parts and accessories wherever purchased, whether within or without
43 the State, acquired during the period with respect to which a refund is sought, and the
44 purchase price thereof, detailed information as to sales and use tax paid in this State

1 thereon, and detailed information as to the number of miles such motor vehicles,
2 railroad cars, locomotives, and airplanes were operated both within this State, and
3 without this State, during such period, together with satisfactory proof thereof. The
4 Secretary shall thereupon compute the tax which would be due with respect to all
5 lubricants, repair parts and accessories acquired during the refund period as though all
6 such purchases were made in this State, but only on such proportion of the total
7 purchase prices thereof as the total number of miles of operation of such applicants'
8 motor vehicles, railroad cars, locomotives, and airplanes within this State bears to the
9 total number of miles of operation of such applicants' motor vehicles, railroad cars,
10 locomotives and airplanes within and without this State, and such amount of sales and
11 use tax as the applicant has paid in this State during said refund period in excess of the
12 amounts so computed shall be refunded to the applicant.

13 (b) Nonprofit Corporations. The Secretary of Revenue shall make refunds
14 semiannually to hospitals not operated for profit (including hospitals and medical
15 accommodations operated by an authority created under the Hospital Authorities Law,
16 Article 2 of Chapter 131E), educational institutions not operated for profit, churches,
17 orphanages and other charitable or religious institutions and organizations not operated
18 for profit of sales and use taxes paid under this Article, except under G.S. 105-164.4(4a)
19 and G.S. 105-164.4(4c), by such institutions and organizations on direct purchases of
20 tangible personal property for use in carrying on the work of such institutions or
21 organizations. Sales and use tax liability indirectly incurred by such institutions and
22 organizations on building materials, supplies, fixtures and equipment which shall
23 become a part of or annexed to any building or structure being erected, altered or
24 repaired for such institutions and organizations for carrying on their nonprofit activities
25 shall be construed as sales or use tax liability incurred on direct purchases by such
26 institutions and organizations, and such institutions and organizations may obtain
27 refunds of such taxes indirectly paid. The Secretary of Revenue shall also make refunds
28 semiannually to all other hospitals (not specifically excluded herein) of sales and use tax
29 paid by them on medicines and drugs purchased for use in carrying out the work of such
30 hospitals. This subsection does not apply to organizations, corporations, and institutions
31 that are owned and controlled by the United States, the State, or a unit of local
32 government, except hospital facilities created under Article 2 of Chapter 131E of the
33 General Statutes and nonprofit hospitals owned and controlled by a unit of local
34 government that elect to receive semiannual refunds under this subsection instead of
35 annual refunds under subsection (c). In order to receive the refunds herein provided for,
36 such institutions and organizations shall file a written request for refund covering the
37 first six months of the calendar year on or before the fifteenth day of October next
38 following the close of said period, and shall file a written request for refund covering
39 the second six months of the calendar year on or before the fifteenth day of April next
40 following the close of that period. Such requests for refund shall be substantiated by
41 such proof as the Secretary of Revenue may require, and no refund shall be made on
42 applications not filed within the time allowed by this section and in such manner as the
43 Secretary may require. ~~Notwithstanding the foregoing provisions of this subsection, the~~
44 ~~constituent institutions of The University of North Carolina may obtain in the manner~~

1 ~~prescribed by this Article the refund of sales and use tax paid by them on or after~~
2 ~~January 1, 1992, for tangible personal property acquired by them through the~~
3 ~~expenditure of contract and grant funds.~~

4 (c) Certain Governmental Entities. Upon receipt of timely applications for
5 refund, the Secretary of Revenue shall make refunds annually to all governmental
6 entities, as hereinafter defined, of sales and use tax paid under this Article, except under
7 G.S. 105-164.4(4a) and G.S. 105-164.4(4c), by said governmental entities on direct
8 purchases of tangible personal property. Sales and use tax liability indirectly incurred by
9 such governmental entities on building materials, supplies, fixtures and equipment
10 which shall become a part of or annexed to any building or structure being erected,
11 altered or repaired which is owned or leased by such governmental entities shall be
12 construed as sales or use tax liability incurred on direct purchases by such governmental
13 entities, and such entities may obtain refunds of such taxes indirectly paid. The refund
14 provisions contained in this subsection shall not apply to any governmental entities not
15 specifically named herein. In order to receive the refund herein provided for,
16 governmental entities shall file a written request for said refund within six months of the
17 close of the fiscal year of the governmental entities seeking said refund, and such
18 request for refund shall be substantiated by such records, receipts and information as the
19 Secretary may require. No refunds shall be made on applications not filed within the
20 time allowed by this section and in such manner as the Secretary may otherwise require.
21 The term 'governmental entities,' for the purposes of this subsection, shall mean all
22 counties, incorporated cities and towns, water and sewer authorities created and existing
23 under the provisions of Chapter 162A of the General Statutes, lake authorities created
24 by a board of county commissioners pursuant to an act of the General Assembly,
25 sanitary districts, regional councils of governments created pursuant to G.S. 160A-470,
26 area mental health, mental retardation, and substance abuse authorities (other than
27 single-county area authorities) established pursuant to Article 4 of Chapter 122C of the
28 General Statutes, district health departments, regional planning and economic
29 development commissions created pursuant to G.S. 158-14, regional sports authorities
30 created pursuant to G.S. 160A-479, regional economic development commissions
31 created pursuant to G.S. 158-8, regional planning commissions created pursuant to G.S.
32 153A-391, metropolitan sewerage districts and metropolitan water districts in this State,
33 the North Carolina Low-Level Radioactive Waste Management Authority created
34 pursuant to Chapter 104G of the General Statutes, the North Carolina Hazardous Waste
35 Management Commission created pursuant to Chapter 130B of the General Statutes,
36 and the Rockingham County Airport Authority. Notwithstanding the foregoing
37 provisions of this subsection, the constituent institutions of The University of North
38 Carolina may obtain in the manner prescribed by this subsection a refund of sales and
39 use tax paid by them on or after January 1, 1992, for tangible personal property acquired
40 by them through the expenditure of contract and grant funds.

41 (d) Penalties for Late Applications. Refunds made pursuant to applications filed
42 after the dates specified in subsections (b) and (c) above shall be subject to the
43 following penalties for late filing: applications filed within 30 days after said dates,
44 twenty-five percent (25%); applications filed after 30 days but within six months after

1 said dates, fifty percent (50%). However, refunds which are applied for after six months
2 following said dates shall be barred.

3 (e) State Agencies. The State is allowed quarterly refunds of local sales and use
4 taxes paid by a State agency on direct purchases of tangible personal property and local
5 sales and use taxes paid indirectly by the State agency on building materials, supplies,
6 fixtures, and equipment that become a part of or annexed to a building or structure that
7 is being erected, altered, or repaired and is owned or leased by the State agency. This
8 subsection does not apply to purchases for which a State agency is allowed a refund
9 under subsection (c) of this section.

10 A person who pays local sales and use taxes on building materials or other tangible
11 personal property for a State building project shall give the State agency for whose
12 project the property was purchased a signed statement containing all of the following
13 information:

14 (1) The date the property was purchased.

15 (2) The type of property purchased.

16 (3) The project for which the property was used.

17 (4) If the property was purchased in this State, the county in which it was
18 purchased.

19 (5) If the property was not purchased in this State, the county in which the
20 property was used.

21 (6) The amount of sales and use taxes paid.

22 If the property was purchased in this State, the person shall attach a copy of the sales
23 receipt to the statement. A State agency to whom a statement is submitted shall verify
24 the accuracy of the statement.

25 Within 15 days after the end of each calendar quarter, every State agency shall file
26 with the Secretary a written application for a refund of taxes to which this subsection
27 applies paid by the agency during the quarter. The application shall contain all
28 information required by the Secretary. The Secretary shall credit the local sales and use
29 tax refunds directly to the General Fund."

30 (c) This section becomes effective July 1, 1991. G.S. 105-164.14(e), as enacted
31 by this section, applies to property purchased on or after April 1, 1991.

32
33 Requested by: Senators Basnight, Plyler

34 —DEPARTMENT OF REVENUE AUTOMATION PROPOSAL

35 Sec. 190. (a) The Department of Revenue shall present a written and verbal
36 report not later than July 15, 1991, to a full meeting of the Information Technology
37 Commission and to the Office of State Budget and Management on the emergency
38 conditions that exist in its information systems operations. The Information Technology
39 Commission shall make a recommendation to the Office of State Budget and
40 Management concerning the nature of the emergency and a recommendation on whether
41 funds should be expended from the Reserve for Data Processing Equipment in the
42 Office of State Budget and Management to meet the emergency situation.

43 (b) The Information Technology Commission shall appoint from its
44 membership a five-member subcommittee to analyze the Department of Revenue's

1 proposal to acquire a mainframe computer and install tax administration software to
 2 enhance its integrated tax administration system. One of the five members of the
 3 subcommittee shall be the State Auditor, who shall serve as its chairman. The
 4 subcommittee shall rely on staff expertise from the Office of State Controller, State
 5 Information Processing Services (SIPS), the Department of Revenue, and management
 6 information systems staff in the other departments represented on the Information
 7 Technology Commission to prepare the analysis. This analysis shall address (i) whether
 8 the Department of Revenue's proposal is practical, (ii) the amount by which the
 9 proposal will increase tax collections, (iii) the amount of savings to the State the
 10 proposal will produce by improving tax efficiency, (iv) the amount of savings to the
 11 State that would result from the receipt of tax payments by electronic funds transfer
 12 pursuant to the enhanced automation system based on increased investment earnings on
 13 these payments due to the reduced time lag in receiving and processing the payments,
 14 and (v) any other relevant issues. The subcommittee's written analytic report, and any
 15 relevant materials obtained or prepared by the subcommittee, shall be presented to a full
 16 meeting of the Information Technology Commission not later than October 31, 1991.
 17 The Information Technology Commission shall deliver a report, incorporating the
 18 subcommittee's analysis and containing specific recommendations concerning the
 19 Department of Revenue's proposal, to the Fiscal Research Division and the Automated
 20 Systems Division of the General Assembly not later than December 31, 1991. The
 21 Information Technology Commission shall present its report and analysis to the Joint
 22 Legislative Commission on Governmental Operations on or before March 1, 1992.

23
 24
 25 PART XXXIII.—PUBLIC SCHOOLS

26
 27 Requested by: Senator Conder

28 —SCHOOL ACCOUNTABILITY

29 Sec. 191. Senate Bill 3, introduced in the 1991 Session of the General
 30 Assembly, clarifies the intent of Senate Bill 2, The School Improvement and
 31 Accountability Act of 1989, and is intended to streamline the administration of that Act.
 32 Senate Bill 3 is intended to ensure that the concepts of accountability and flexibility are
 33 given an opportunity to bring about demonstrable improvements in education, and sets
 34 forth procedures for providing State assistance and intervention in low-performing
 35 school units.

36
 37 Requested by: Senator Ward

38 —TEACHER SALARY SCHEDULE

39 Sec. 192. (a) The following monthly salary schedule shall apply to certified
 40 personnel of the public schools who are classified as "A" teachers for the 1991-92 fiscal
 41 year. The schedule contains 30 steps with each step corresponding to one year of
 42 teaching experience.

43	Years	1991-92
44	<u>Experience</u>	<u>Salary</u>

1	0	\$1,981
2	1	1,981
3	2	2,021
4	3	2,111
5	4	2,141
6	5	2,172
7	6	2,204
8	7	2,263
9	8	2,332
10	9	2,366
11	10	2,400
12	11	2,458
13	12	2,494
14	13	2,530
15	14	2,598
16	15	2,636
17	16	2,706
18	17	2,746
19	18	2,819
20	19	2,897
21	20	2,939
22	21	3,021
23	22	3,065
24	23	3,149
25	24	3,195
26	25	3,241
27	26	3,288
28	27	3,336
29	28	3,386
30	29+	3,436

31 Notwithstanding the salary schedule set out in this subsection, certified personnel of the
 32 public schools who are classified as "A" teachers for the 1991-92 fiscal year and who
 33 had 29 or more years of experience during the 1990-91 fiscal year, shall receive a salary
 34 of \$3,487.

35 (b) The following monthly salary schedule shall apply to certified personnel
 36 of the public schools who are classified as "G" teachers for the 1991-92 fiscal year. The
 37 schedule contains 30 steps with each step corresponding to one year of teaching
 38 experience.

39	Years	1991-92
40	<u>Experience</u>	<u>Salary</u>
41	0	\$2,105
42	1	2,105
43	2	2,147
44	3	2,241

1	4	2,273
2	5	2,306
3	6	2,339
4	7	2,404
5	8	2,469
6	9	2,505
7	10	2,541
8	11	2,609
9	12	2,647
10	13	2,685
11	14	2,724
12	15	2,798
13	16	2,875
14	17	2,916
15	18	2,998
16	19	3,042
17	20	3,125
18	21	3,170
19	22	3,259
20	23	3,306
21	24	3,399
22	25	3,447
23	26	3,497
24	27	3,548
25	28	3,600
26	29+	3,652

27 Notwithstanding the salary schedule set out in this subsection, certified personnel of the
 28 public schools who are classified as "G" teachers for the 1991-92 fiscal year and who
 29 had 29 or more years of experience during the 1990-91 fiscal year, shall receive a salary
 30 of \$3,706.

31 (c) The rules adopted by the State Board for allocating funds to individuals
 32 shall provide for (i) a seven and one-half percent (7.5%) salary increase for teachers
 33 with certification based on academic preparation at the six-year degree level; (ii) a ten
 34 percent (10%) salary increase for teachers with certification based on academic
 35 preparation at the doctoral degree level; and (iii) annual longevity pay at two and one-
 36 half percent (2.5%) of base salary only upon the completion of 25 years of State service.

37

38 Requested by: Senator Ward

39 —DIFFERENTIATED PAY

40 Sec. 193. If the funds appropriated for differentiated pay for the 1991-92
 41 fiscal year are inadequate to satisfy fully all obligations incurred during the fiscal year
 42 for differentiated pay, the Director of the Budget shall transfer from the Savings
 43 Reserve or from reversions adequate funds to satisfy fully the obligations incurred
 44 during the fiscal year: Provided, however, the State Superintendent of Public Instruction

1 shall not permit modifications to local differentiated pay plans for the 1991-92 fiscal
2 year that result in (i) an increase in the percentage of differentiated pay funds paid out
3 during the current fiscal year or (ii) total expenditures of State funds for differentiated
4 pay in excess of two percent (2%) of teacher and administrator salaries and the
5 employer's contributions for social security and retirement.

6
7 Requested by: Senators Basnight, Plyler

8 —SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

9 Sec. 194. (a) The State Board of Education shall allocate funds appropriated for
10 small school system supplemental funding (i) to each county school administrative unit
11 with an average daily membership of less than 3,000 students and (ii) to each county
12 school administrative unit with an average daily membership of from 3,000 to 4,000
13 students if the county in which the local school administrative unit is located has a
14 county adjusted property tax base per student that is below the State adjusted property
15 tax base per student. The allocation formula shall:

- 16 (1) Round all fractions of positions to the next whole position;
- 17 (2) Provide four additional regular classroom teachers;
- 18 (3) Provide additional program enhancement teachers adequate to offer
19 the standard course of study;
- 20 (4) Change the duty-free period allocation to one teacher assistant per 400
21 average daily membership;
- 22 (5) Provide a base for the consolidated funds allotment of at least
23 \$150,000, excluding textbooks; and
- 24 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

25 If funds appropriated for each fiscal year for small school system supplemental funding
26 are not adequate to fund fully the program, the State Board of Education shall reduce
27 the amount allocated to each county school administrative unit on a pro rata basis.

28 (b) A county in which a local school administrative unit receives funds under
29 this section shall use the funds to supplement and not supplant existing State and local
30 funding for public schools.

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

39 (c) As used in this section:

- 40 (1) "Average daily membership" means the final average daily
41 membership in the most recent year for which county current expense
42 appropriations and adjusted property tax valuations are available.
- 43 (2) "County adjusted property tax base per student" means the total
44 assessed property valuation for each county, adjusted using a weighted

1 average of the three most recent annual sales assessment ratio studies,
2 divided by the total number of students in average daily membership
3 who reside within the county.

4 (3) " Sales assessment ratio studies" means sales assessment ratio studies
5 performed by the Department of Revenue under G.S. 105-289(h).

6 (4) " State adjusted property tax base per student" means the sum of all
7 county adjusted property tax bases divided by the total number of
8 students in average daily membership who reside within the State.

9 (5) " Weighted average of the three most recent annual sales assessment
10 ratio studies" means the weighted average of the three most recent
11 annual sales assessment ratio studies in the most recent years for which
12 county current expense appropriations and adjusted property tax
13 valuations are available. If real property in a county has been revalued
14 one year prior to the most recent sales assessment ratio study, a
15 weighted average of the two most recent sales assessment ratios shall
16 be used. If property has been revalued the year of the most recent
17 sales assessment ratio study, the sales assessment ratio for the year of
18 revaluation shall be used.

19
20
21 PART XXXIV.—COMMUNITY COLLEGES

22
23 Requested by: Senator Ward

24 —HOLD HARMLESS/COMMUNITY COLLEGES SERVING MILITARY BASES

25 Sec. 195. The State Board of Community Colleges may use funds available
26 to it for the 1991-92 fiscal year to allot funds at the 1990-91 budget level to institutions
27 whose enrollments were adversely affected by Operation Desert Storm so that those
28 institutions can serve the returning troops. If the institutions do not need these
29 additional funds to serve returning troops, the additional funds allotted pursuant to this
30 section shall revert at the end of the 1991-92 fiscal year.

31
32 Requested by: Senator Ward

33 —COMMUNITY COLLEGE TUITION INCREASE

34 Sec. 196. The State Board of Community Colleges shall adopt tuition rates
35 beginning in the fall quarter of 1991 in the amount of eleven dollars and seventy-five
36 cents (\$11.75) per credit hour up to a cap of 14 credit hours for in-State students and
37 one hundred nine dollars and seventy-five cents (\$109.75) per credit hour with a cap of
38 14 hours for out-of-State students.

39 The State Board of Community Colleges shall adopt tuition rates beginning in
40 the fall quarter of 1991 in the amount of thirty dollars (\$30.00) a course for occupational
41 extension courses.

42
43
44 PART XXXV.—COLLEGES AND UNIVERSITIES

1

2 Requested by: Senator Basnight

3 —UNIVERSITY OF NORTH CAROLINA EVENT FEES AUTHORITY

4

5 Sec. 197. The Chancellor and Board of Trustees of each of the constituent
6 institutions of The University of North Carolina may adopt rules to allow each
7 constituent institution to charge an admission fee of up to one dollar (\$1.00) for any
8 extra-curricular event that takes place in any facility of the institution. Funds generated
9 from these fees shall be used by each institution for books and other materials for the
10 libraries at that institution.

10

11 Requested by: Senator Lee

12 —UNC FISCAL ACCOUNTABILITY

13

14 Sec. 198. (a) Chapter 116 of the General Statutes is amended by adding new
15 sections to read:

15

16 **"§ 116-44.6. Special responsibility constituent institutions.**

16

17 The Board of Governors of The University of North Carolina, acting on
18 recommendation made by the President of The University of North Carolina after
19 consultation by him with the State Auditor, may designate one or more constituent
20 institutions of The University as special responsibility constituent institutions. That
21 designation shall be based on an express finding by the Board of Governors that each
22 institution to be so designated has the management staff and internal financial controls
23 that will enable it to administer competently and responsibly all additional management
24 authority and discretion to be delegated to it. The Board of Governors, on
25 recommendation of the President, shall adopt rules prescribing management staffing
26 standards and internal financial controls and safeguards, including the lack of any
27 significant exceptions or audit findings in the annual financial audit by the State
28 Auditor's Office, that must be met by a constituent institution before it may be
29 designated a special responsibility constituent institution and must be maintained in
30 order for it to retain that designation.

30

31 **"§ 116-44.7. Appropriations to special responsibility constituent institutions.**

31

32 All General Fund appropriations made by the General Assembly for continuing
33 operations of a special responsibility constituent institution of The University of North
34 Carolina shall be made in the form of a single sum to each budget code of the institution
35 for each year of the fiscal period for which the appropriations are being made.
36 Notwithstanding G.S. 143-23(a1), each special responsibility constituent institution may
37 expend the General Fund monies so appropriated to it in the manner deemed by the
38 Chancellor to be calculated to maintain and advance the programs and services of the
39 institutions, consistent with the directives and policies of the Board of Governors. The
40 preparation, presentation, and review of General Fund budget requests of special
41 responsibility constituent institutions shall be conducted in the same manner as are
42 requests of other constituent institutions. The quarterly allotment procedure established
43 pursuant to G.S.143-17 shall apply to the General Fund appropriations made for the
44 current operations of each special responsibility constituent institution. All General
Fund monies so appropriated to each special responsibility constituent institution shall

1 be recorded, reported, and audited in the same manner as are General Fund
2 appropriations to other constituent institutions.

3 **"§ 116-44.8. Transfer between budget codes.**

4 The Chancellor of a special responsibility constituent institution may authorize the
5 transfer of monies between the academic affairs budget code and the health affairs
6 budget code, or among the academic affairs budget code and the agricultural programs
7 budget codes, to be used only for one-time expenditures, where the Chancellor finds
8 that the transfer will help to maintain and advance the programs and services of the
9 institution.

10 **"§ 116-44.9. Reversions.**

11 Of the General Fund current operations appropriations credit balance remaining in
12 each budget code of a special responsibility constituent institution at the close of a fiscal
13 year, any amount greater than two and one-half percent (2 1/2%) of the General Fund
14 appropriations for the budget code shall be carried forward by the institution to the next
15 fiscal year and may be used for one-time expenditures that will not impose additional
16 financial obligations on the State. This carry forward is subject to a maximum amount
17 equal to two and one-half percent (2 1/2 %) of the General Fund appropriations for that
18 budget code.

19 **"§ 116-44.10. Position management.**

20 The Chancellor of a special responsibility constituent institution, when he finds that
21 to do so would help to maintain and advance the programs and services of the
22 institution, may establish and abolish positions, acting in accordance with:

- 23 (1) State Personnel policies and procedures if these positions are subject to
24 the State Personnel Act and if the institution is operating under the
25 terms of a Performance Agreement or a Decentralization Agreement
26 authorized under Chapter 126 of the General Statutes; or
27 (2) Policies and procedures of the Board of Governors if these positions
28 are exempt from the State Personnel Act.

29 The results achieved by establishing and abolishing positions pursuant to the conditions
30 set forth in subdivision (1) of this section shall be subject to postauditing by the Office
31 of State Personnel. Implementation of personnel actions shall be subject to the
32 availability of funds within the institution's current budget to fund the full annualized
33 costs of these actions.

34 **"§ 116-44.11. Impact on education.**

35 The Board of Governors shall require each special responsibility constituent
36 institution to include in its institutional effectiveness plan those assessment measures
37 that are determined by the Board to be measures that will assure some standard measure
38 of student learning and development in general undergraduate education at the special
39 responsibility constituent institutions. The intent of this requirement is to measure the
40 impact of G.S. 116-44.6 through G.S. 116-44.11, establishing and administering special
41 responsibility constituent institutions, and their implementation on undergraduate
42 student learning and development."

43 (b) G.S. 143-53.1 reads as rewritten:

44 **"§ 143-53.1. Setting of benchmarks; increase by Secretary.**

1 On and after July 1, 1990, the expenditure benchmark prescribed by G.S. 143-52
2 with respect to competitive bid procedures and the bid value benchmark authorized by
3 G.S. 143-53(2) with respect to rule making by the Secretary of Administration for
4 competitive bidding shall be ten thousand dollars (\$10,000); provided, the Secretary of
5 Administration may, in his discretion, increase the benchmarks effective as of the
6 beginning of any fiscal biennium of the State commencing after June 30, 1992, in an
7 amount whose increase, expressed as a percentage, does not exceed the rise in the
8 Consumer Price Index during the fiscal biennium next preceding the effective date of
9 the benchmark increase. For a special responsibility constituent institution of The
10 University of North Carolina, the benchmark prescribed in this section shall be twenty-
11 five thousand dollars (\$25,000) on and after July 1, 1991."

12 (c) Report of Results. The Board of Governors shall report to the 1993 General
13 Assembly by March 31, 1994, on the fiscal savings, management initiatives, increased
14 efficiency and effectiveness, and other outcomes made possible by the flexibility
15 provided by this section to the special responsibility constituent institutions. The report
16 shall include documentation of any reallocation of resources, the use of nonreverted
17 appropriations, and any additional costs incurred. The Board shall require annual
18 reports from the special responsibility constituent institutions, and shall recommend any
19 changes needed in this section to the 1991 General Assembly, Regular Session 1992, or
20 to the 1993 General Assembly.

21 (d) Rules. The Board of Governors shall study the feasibility of updating the
22 accounting systems and of providing alternatives and options to the systems of all of the
23 special responsibility institutions of The University of North Carolina. The Board shall
24 propose this study by using one of these institutions as a model and report their proposal
25 for a pilot test of these alternatives, including any legislative proposals, policy
26 recommendations, and costs involved in making any changes, to the 1991 General
27 Assembly by March 31, 1992.

28 (e) This section becomes effective July 1, 1991, except for G.S. 116-44.9 as
29 written in subsection (a) of this section, which becomes effective July 1, 1992.

30
31 Requested by: Senator Daniel

32 —UNC EDUCATIONAL CONSORTIA

33 Sec. 199. Of the funds appropriated to the UNC Board of Governors in this
34 Title, \$450,000 shall be allocated by the Board to establish cooperative educational
35 consortia at Western Carolina University, the University of North Carolina at
36 Greensboro, and the University of North Carolina at Wilmington. These consortia shall
37 link elementary and secondary education, higher education, and leadership in the
38 business sector to:

- 39 (1) Improve education practices and enhance economic development;
- 40 (2) Focus research capabilities on educational issues and economic
41 problems;
- 42 (3) Provide momentum for restructuring of public education to meet the
43 requirements of the modern era;

- 1 (4) Seek grants and other funds for model projects on promising
2 educational practices;
3 (5) Provide training, educational, and leadership development
4 opportunities; and
5 (6) Other initiatives leading to improvements in education and economic
6 development.

7
8
9 PART XXXVI.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

10
11 Requested by: Senators Seymour, Marvin, and Parnell
12 —SUMMIT HOUSE

13 Sec. 200. Of the funds appropriated to the Department of Crime Control and
14 Public Safety for the 1991-92 fiscal year the sum of \$250,000 shall be used to support
15 the program at Summit House, a community-based residential alternative to
16 incarceration for mothers and pregnant women convicted of nonviolent crimes. Summit
17 House shall report quarterly to the Joint Legislative Commission on Governmental
18 Operations on the expenditure of State appropriations and on the effectiveness of the
19 program, including information on the number of clients served, the number of clients
20 who have their probation revoked, and the number of clients who successfully complete
21 the program while housed at Summit House.

22
23
24 PART XXXVII.—JUDICIAL DEPARTMENT

25
26 Requested by: Senator Simpson
27 —SALARIES/ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT

28 Sec. 201. Notwithstanding the provisions of G.S. 7A-102(c), assistant clerks
29 and deputy clerks of superior court shall not receive any automatic increment or merit
30 increase during the 1991-92 fiscal year or the 1992-93 fiscal year.

31
32
33 PART XXXVIII.—DEPARTMENT OF JUSTICE

34
35 Requested by: Senator Marvin
36 —DEPARTMENT OF JUSTICE/DRUG INFORMATION SYSTEM

37 Sec. 202. The North Carolina Drug Information System proposed in the
38 State's 1991 Criminal Justice Improvement and Drug Control Grant application
39 submitted to the United States Department of Justice, Bureau of Justice Assistance shall
40 be housed in the Department of Justice and shall be under the supervision and control of
41 the Attorney General.

42
43
44 PART XXXIX.—DEPARTMENT OF HUMAN RESOURCES

1

2 Requested by: Senators Basnight, Plyler

3 —REDUCE INFANT MORTALITY

4 Sec. 203. (a) Effective October 1, 1991, the Department of Human
5 Resources, Division of Medical Assistance, shall provide medical coverage for
6 nutritional counselling, psycho-social counselling, and predelivery and post partum
7 home visits by maternity care coordinators and public health nurses, for Medicaid-
8 eligible pregnant women.

9 (b) Of the funds appropriated in this Title to the Department of Human
10 Resources, Division of Medical Assistance, the sum of \$356,648 for the 1991-92 fiscal
11 year and the sum of \$499,310 for the 1992-93 fiscal year shall be used to provide the
12 State share of the increased coverage for services mandated by this section.

13

14 Requested by: Senator Richardson

15 —DOMICILIARY RATE INCREASE/EXPANSION

16 Sec. 204. Section 133 of Title 1 of this act reads as rewritten:

17 "—DOMICILIARY RATE INCREASE

18 Sec. 133. Effective July 1, 1991, the maximum monthly rate for ambulatory
19 residents in domiciliary care facilities shall be ~~\$766.00~~ \$832.00 and the maximum
20 monthly rate for semiambulatory residents shall be ~~\$803.00~~ \$871.00. Effective July 1,
21 1992, the maximum monthly rates for ambulatory residents shall be increased to
22 ~~\$777.00~~ \$843.00 and for semiambulatory residents to ~~\$814.00~~ \$882.00."

23

24 Requested by: Senator Richardson

25 —WILLIE M. SECURE TREATMENT FACILITY AUTHORIZATION

26 Sec. 205. G.S. 122C-181(a) reads as rewritten:

27 "(a) Except as provided in subsection (b) of this section, the Secretary shall
28 operate the following facilities:

29

(1) For the mentally ill:

30

a. Cherry Hospital;

31

b. Dorothea Dix Hospital;

32

c. John Umstead Hospital; and

33

d. Broughton Hospital; and

34

(2) For the mentally retarded:

35

a. Caswell Center;

36

b. O'Berry Center;

37

c. Murdoch Center;

38

d. Western Carolina Center; and

39

e. Black Mountain Center; and

40

(3) For substance abusers:

41

a. Walter B. Jones Alcohol and Drug Abuse Treatment Center at
42 Greenville;

42

b. Alcohol and Drug Abuse Treatment Center at Butner; and

43

- 1 c. Alcohol and Drug Abuse Treatment Center at Black Mountain;
 2 and
 3 (4) As special care facilities:
 4 a. Wilson Special Care Center;
 5 b. Whitaker School; ~~and~~
 6 c. ~~Wright School~~; School; and
 7 d. Butner Adolescent Treatment Center."
 8

9 Requested by: Senator Royall

10 —MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE
 11 ABUSE SERVICES FUNDS

12 Sec. 206. (a) Of the funds appropriated in this Title to the Department of
 13 Human Resources, Division of Mental Health, Developmental Disabilities, and
 14 Substance Abuse Services, \$6,000,000 for the 1991-92 fiscal year and \$6,000,000 for
 15 the 1992-93 fiscal year shall be expended in accordance with the Mental Health Study
 16 Commission Plans adopted by the General Assembly, in the following amounts:

- 17 (1) Services for the mentally ill \$1,730,000
 18 (2) Services for the developmentally
 19 disabled \$1,960,000
 20 (3) Services for substance abusers \$2,310,000

21 (b) Of the funds allocated in subsection (a) of this section for Services for the
 22 developmentally disabled, \$230,000 shall be transferred in the 1991-92 fiscal year and
 23 \$230,000 in the 1992-93 fiscal year to the Department of Environment, Health, and
 24 Natural Resources, Division of Maternal and Child Health, for the United Cerebral
 25 Palsy therapeutic preschools.
 26

27 Requested by: Senators Basnight, Plyler

28 —CHILD SUPPORT FUNDS

29 Sec. 207. (a) Notwithstanding G.S. 114-2.1, the State may enter into a
 30 consent judgment in the case of Cassell, et al. v. Flaherty, et al., C-C-90-0010-M,
 31 United States District Court for the Western District of North Carolina, Charlotte
 32 Division.

33 (b) The consent judgment authorized under subsection (a) of this section is
 34 subject to G.S. 114-2.2.

35 (c) In the event a consent agreement is reached, funds appropriated to enable
 36 the Child Support Enforcement Section, Division of Social Services, Department of
 37 Human Resources to distribute child support collections based upon the date the
 38 payment is withheld from an obligor's disposable income may be used to implement that
 39 consent judgment. Implementation costs may include:

- 40 (1) Quarterly notices to clients;
 41 (2) Toll-free telephone number;
 42 (3) Four Account Technician II positions;
 43 (4) System enhancements; and
 44 (5) Court-ordered costs.

1 (d) The Office of State Budget and Management and the Department of
2 Human Resources shall provide quarterly reports on expenditures authorized under this
3 section to the Joint Legislative Commission on Governmental Operations and to the
4 Fiscal Research Division.

5 (e) The Office of State Budget and Management and the Department of
6 Human Resources shall report annually on expenditures and progress in achieving
7 necessary improvements in the distribution of child support collection. Reports shall be
8 submitted to the Governor, the Joint Legislative Commission on Governmental
9 Operations, and the Fiscal Research Division not later than May 1, 1992, and annually
10 thereafter.

11 (f) Funds appropriated to the Department of Human Resources in this Title
12 for covering expenses incurred as a result of the Cassell, et al. v. Flaherty, et al. lawsuit
13 shall be deposited in a nonreverting fund account in the Department of Human
14 Resources, Division of Social Services, that the Department shall establish for this
15 purpose. Any unexpended and unencumbered funds remaining in the nonreverting
16 account on July 1, 1995, shall revert to the General Fund on that date. If the State has
17 not entered into a consent judgment as authorized under this section by September 1,
18 1991, then this section shall expire on September 1, 1991, and all funds appropriated in
19 this act for this purpose shall revert to the General Fund.

20
21 Requested by: Senators Plyler, Walker

22 ---HIGHWAY VENDING PROFITS/MEDICAL EYE CARE

23 Sec. 208. G.S. 111-43 reads as rewritten:

24 "**§ 111-43. Installation of coin-operated vending machines.**

25 In locations where the Department determines that a vending facility may not be
26 operated or should not continue to operate due to insufficient revenues, the Department
27 shall have the first opportunity to secure, by negotiation of a contract with one or more
28 licensed commercial vendors, coin-operated vending machines for the location. Profits
29 from coin-operated vending machines secured by the Department shall be used by the
30 Department for the support of vending facilities operated by the visually ~~handicapped~~
31 handicapped, except for up to \$300,000 of the highway vending profits each fiscal year
32 that may be used to support the Medical Eye Care Program and to provide needed
33 technological equipment and related activities within the Division."

34
35
36 PART XL.—DEPARTMENT OF ECONOMIC AND COMMUNITY
37 DEVELOPMENT

38
39 Requested by: Senator Basnight

40 ---VISITOR AND WELCOME CENTER FUNDS

41 Sec. 209. (a) Before any other transfers are made pursuant to G.S. 20-81.3(c) or
42 (g), the Secretary of Transportation shall allocate and reserve from the "Personalized
43 Registration Plate Fund" \$50,000 for the 1991-92 fiscal year and \$150,000 for the 1992-
44 93 fiscal year for personnel to staff Visitor and Welcome Centers as follows:

- 1 (1) \$50,000 for the 1991-92 fiscal year and \$50,000 for the 1992-93 fiscal
2 year for the Visitor and Welcome Center on U.S. Highway 17 in
3 Camden County, to be administered by the Albemarle Regional
4 Planning and Development Office in the Town of Hertford;
- 5 (2) \$50,000 for the 1992-93 fiscal year for the Visitor and Welcome
6 Center on U.S. Highway 441 in Macon County, to be administered by
7 a State chartered nonprofit organization or local government agency
8 under contract with the Department of Transportation; and
- 9 (3) \$50,000 for the 1992-93 fiscal year for the Visitor and Welcome
10 Center on U.S. Highway 17 South in Brunswick County, to be
11 administered by the Region O Council of Governments.
- 12 (b) This section expires June 30, 1993.

13
14 Requested by: Senator Martin of Pitt

15 —PETROLEUM OVERCHARGE FUNDS ALLOCATION

16 Sec. 210. (a) The funds and interest thereon received from the case of United
17 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
18 is appropriated from the Special Reserve to the Department of Economic and
19 Community Development the sum of \$10,900,000 for the 1991-92 fiscal year and the
20 sum of \$6,001,511 for the 1992-93 fiscal year to be allocated as follows:

- 21 (1) \$2,200,000 for the 1991-92 fiscal year and \$1,200,302 for the 1992-93
22 fiscal year shall be used for projects under the State Energy
23 Conservation Plan and Energy Extension Service Program:
- 24 (2) \$2,500,000 for the 1991-92 fiscal year and \$1,380,348 for the 1992-93
25 fiscal year shall be used for energy conservation programs for
26 hospitals and schools:
- 27 (3) \$3,200,000 for the 1991-92 fiscal year and \$1,740,438 for the 1992-93
28 fiscal year shall be used for the Low Income Weatherization Program:
- 29 (4) \$3,000,000 for the 1991-92 fiscal year and \$1,680,423 for the 1992-93
30 fiscal year shall be used for the Low Income Home Energy Assistance
31 Program (LIHEAP).

32 (b) There is appropriated from the funds and interest thereon received from the
33 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
34 in the Special Reserve for Oil Overcharge Funds to the Department of Economic and
35 Community Development the sum of \$4,898,489 for the 1992-93 fiscal year to be
36 allocated as follows:

- 37 (1) \$999,698 shall be used for projects under the State Energy
38 Conservation Plan and Energy Extension Service Program;
- 39 (2) \$1,119,652 shall be used for energy conservation programs for
40 hospitals and schools;
- 41 (3) \$1,459,562 shall be used for the Low Income Weatherization Program;
42 and
- 43 (4) \$1,319,577 shall be used for the Low Income Home Energy Assistance
44 Program (LIHEAP).

1 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after
2 the allocations made pursuant to subsections (a) and (b) of this section may be expended
3 only as authorized by the General Assembly. All interest or income accruing from all
4 deposits or investments of cash balances shall be credited to the Special Reserve for Oil
5 Overcharge Funds.

6 (d) The funds and interest thereon received from the Diamond Shamrock
7 Settlement which remain in a reserve in the Office of State Budget and Management for
8 the Division of Energy to administer the petroleum overcharge funds pursuant to
9 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
10 the Division of Energy in the Department of Economic and Community Development
11 on an as-needed basis.

12 (e) The Department of Economic and Community Development shall submit
13 comprehensive annual reports to the General Assembly by May 15, 1992, and January
14 31, 1993, which detail the use of all petroleum overcharge funds. Any State department
15 or agency that has received petroleum overcharge funds shall provide all information
16 requested by the Department of Economic and Community Development for the
17 purpose of preparing these reports.

18
19
20 PART XLI.—DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
21 RESOURCES

22
23 Requested by: Senator Martin of Pitt

24 —EHNR USE OF FEES

25 Sec. 211. (a) If the revenues received pursuant to G.S. 113A-119.1 exceed the
26 amount in anticipated revenues from this source for the 1991-92 fiscal year or for the
27 1992-93 fiscal year, then the Department of Environment, Health, and Natural
28 Resources may use up to \$30,000 of this revenue for the 1991-92 fiscal year and up to
29 \$50,000 of this revenue for the 1992-93 fiscal year for permitting, education, and
30 compliance activities, including salaries and necessary support, in the Division of
31 Coastal Management. These funds are in addition to any other funds appropriated for
32 this purpose.

33 (b) If the revenues received pursuant to G.S. 113A-54.2 exceed the amount in
34 anticipated revenues from this source for the 1991-92 fiscal year for the 1992-93 fiscal
35 year, then the Department of Environment, Health, and Natural Resources may use up
36 to \$140,000 of this revenue for the 1991-92 fiscal year and up to \$160,000 of this
37 revenue for the 1992-93 fiscal year for education, erosion control plan approval, and
38 compliance activities in the Sedimentation Control Program, including salaries and
39 necessary support, in the Division of Land Resources. These funds are in addition to
40 any other funds appropriated for this purpose.

41 (c) If the revenues received pursuant to G.S. 143-215.28A exceed the amount in
42 anticipated revenues from this source for the 1991-92 fiscal year or for the 1992-93
43 fiscal year, then the Department of Environment, Health, and Natural Resources may
44 use up to \$20,000 of this revenue for the 1991-92 fiscal year and up to \$20,000 of this

1 revenue for the 1992-93 fiscal year for permitting, education, and compliance activities
2 in the Dam Safety Program, including salaries and necessary support, in the Division of
3 Land Resources. These funds are in addition to any other funds appropriated for this
4 purpose.

5 (d) If the revenues received pursuant to G.S. 143B-290 exceed the amount in
6 anticipated revenues from this source for the 1991-92 fiscal year or for the 1992-93
7 fiscal year, then the Department of Environment, Health, and Natural Resources may
8 use up to \$40,000 of this revenue for the 1991-92 fiscal year and up to \$70,000 of this
9 revenue for the 1992-93 fiscal year for permitting, education, and compliance activities
10 in the Mining Program, including salaries and necessary support, in the Division of
11 Land Resources. These funds are in addition to any other funds appropriated for this
12 purpose.

13
14 Requested by: Senator Martin of Pitt

15 ---COMMUNITY WATER SYSTEMS PERMIT FEES

16 Sec. 212. If Senate Bill 449, 1991 Session, is ratified, then there is
17 appropriated from the General Fund to the Department of Environment, Health, and
18 Natural Resources the sum of \$258,938 for the 1991-92 fiscal year and the sum of
19 \$621,450 for the 1992-93 fiscal year to support the public water systems program;
20 provided, however, if the revenues raised from Senate Bill 449, 1991 Session, as
21 ratified, are less than \$258,938 for the 1991-92 fiscal year or are less than \$621,450 for
22 the 1992-93 fiscal year, then the appropriation is reduced accordingly.

23
24 Requested by: Senator Martin of Pitt

25 ---HAZARDOUS WASTE INSPECTORS

26 Sec. 213. As industry is permitted that is subject to G.S. 130A-295.02
27 requiring the establishment of resident inspectors, the Department of Environment,
28 Health, and Natural Resources may request through the Office of State Budget and
29 Management the authorization to establish new positions and support costs necessary to
30 comply with G.S. 130A-295.02. The Department shall report these positions as a
31 continuation item in its next biennial budget request.

32
33 Requested by: Senator Martin of Pitt

34 ---CLEAN AIR ACT PERMIT FEES

35 Sec. 214. If House Bill 551, 1991 Session, is ratified, then there is
36 appropriated from the Title V nonreverting account established in G.S. 143-215.3A, as
37 written in House Bill 551, 1991 Session, to the Department of Environment, Health, and
38 Natural Resources the sum of \$999,855 for the 1991-92 fiscal year and the sum of
39 \$3,992,390 for the 1992-93 fiscal year to be used for the development *and
40 implementation of the Title V program in accordance with G.S. 143-215.3A, as enacted
41 by House Bill 551, 1991 Session; provided, however, if the revenues raised from House
42 Bill 551, 1991 Session, as ratified, are less than \$999,855 for the 1991-92 fiscal year or
43 are less than \$3,992,390 for the 1992-93 fiscal year, then the appropriation is reduced
44 accordingly.

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Requested by: Senator Tally

—LAKE RIM FISH HATCHERY REPAIRS

Sec. 215. The Wildlife Resources Commission may use no more than \$390,297 for the 1991-92 fiscal year to repair the dam at the Lake Rim Fish Hatchery in Cumberland County.

Requested by: Senator Basnight

—COASTAL BOATING GUIDE

Sec. 216. The Wildlife Resources Commission shall use funds available to it for the 1991-92 fiscal year to publish and distribute the North Carolina Coastal Boating Guide.

Requested by: Senator Martin of Pitt

—ASBESTOSIS/SILICOSIS EXAMS FEES

Sec. 217. If Senate Bill 359, 1991 Session, is ratified, then there is appropriated from the General Fund to the Department of Environment, Health, and Natural Resources the sum of \$112,124 for the 1991-92 fiscal year and the sum of \$119,479 for the 1992-93 fiscal year for defraying the cost of examinations for screening for asbestosis or silicosis conducted by the Department; provided, however, if the revenues raised from Senate Bill 359, 1991 Session, as ratified, are less than \$112,124 for the 1991-92 fiscal year or are less than \$119,479 for the 1992-93 fiscal year, then the appropriation is reduced accordingly.

Requested by: Senator Martin of Pitt

—VITAL RECORDS FEES

Sec. 218. If Senate Bill 341, 1991 Session, is ratified, then there is appropriated from the Vital Records Automation Fund established under G.S. 130A-93.1 as written in Senate Bill 341, to the Department of Environment, Health, and Natural Resources the sum of \$800,000 for the 1991-92 fiscal year and the sum of \$800,000 for the 1992-93 fiscal year for defraying the cost of automating the vital records system; provided, however, if the revenues raised from Senate Bill 341, 1991 Session, as ratified, are less than \$800,000 for the 1991-92 fiscal year or are less than \$800,000 for the 1992-93 fiscal year, then the appropriation is reduced accordingly.

TITLE 3. - CAPITAL IMPROVEMENTS

Sec. 219. The appropriations made by the 1991 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

PART XLII.—PROCEDURES FOR DISBURSEMENTS

1
2 Sec. 220. The appropriations made by the 1989 General Assembly for capital
3 improvements shall be disbursed for the purposes provided by this act. Expenditure of
4 funds shall not be made by any State department, institution, or agency, until an
5 allotment has been approved by the Governor as Director of the Budget. The allotment
6 shall be approved only after full compliance with the Executive Budget Act, Article 1 of
7 Chapter 143 of the General Statutes. Prior to the award of construction contracts for
8 projects to be financed in whole or in part with self-liquidating appropriations, the
9 Director of the Budget shall approve the elements of the method of financing of those
10 projects including the source of funds, interest rate, and liquidation period. Provided,
11 however, that if the Director of the Budget approves the method of financing a project,
12 he shall report that action to the Joint Legislative Commission on Governmental
13 Operations at its next meeting.

14 Where direct capital improvement appropriations include the purpose of
15 furnishing fixed and movable equipment for any project, those funds for equipment
16 shall not be subject to transfer into construction accounts except as authorized by the
17 Director of the Budget. The expenditure of funds for fixed and movable equipment and
18 furnishings shall be reviewed and approved by the Director of the Budget prior to
19 commitment of funds.

20 Capital improvement projects authorized by the 1989 General Assembly shall
21 be completed, including fixed and movable equipment and furnishings, within the limits
22 of the amounts of the direct or self-liquidating appropriations provided, except as
23 otherwise provided in this act.

24
25 PART XLIII.—CAPITAL IMPROVEMENTS/GENERAL FUND

26 Sec. 221. Allocations are made from The State Capital Facilities Legislative
27 Bond Fund of 1991 for the 1991-92 fiscal year to provide for capital improvement
28 projects according to the following schedule:

29
30 State Capital Facilities Legislative

<u>Bond Fund of 1991</u>	<u>1991-92</u>
Department of Administration	
New Central Heat Plant (restores 1990-91 funds)	\$ 6,594,500
Department of Human Resources	
Murdoch Center - Parkview Cottage Renovation (restores 1990-91 funds)	1,400,000
John Umstead Hospital: Alum Sludge Treatment Facility	1,100,000
Black Mountain Center Renovations	1,300,000
Department of Crime Control & Public Safety	
Replace Underground Storage Tanks	

1	to comply with EPA requirements	
2	(National Guard)	92,000
3	Goldsboro Armory	371,750
4	Clinton Armory	362,150
5		
6	Office of State Budget	
7	Clean Water Revolving Loan	
8	and Grant Program	6,600,000
9		
10	Reserve for Repairs and Renovations	<u>27,179,600</u>
11		
12	GRAND TOTAL/GENERAL FUND	\$ 45,000,000

14 Sec. 221.1. Allocations made in Section 221 of this Title to the Department
 15 of Crime Control and Public Safety for the Armory at Goldsboro and the Armory at
 16 Clinton are contingent upon federal funds being available.

18 **PART XLIV.—CAPITAL IMPROVEMENTS/HIGHWAY FUND**

20 Sec. 222. Appropriations are made from the Highway Fund for the 1991-92
 21 fiscal year and the 1992-93 fiscal year for use of the Department of Transportation to
 22 provide for capital improvement projects according to the following schedule:

24 **DIVISION OF HIGHWAYS**

26 1991-92 1992-93

- 28 01. Bridge Maintenance Office Complex
- 29 Supplemental - Brunswick County \$ 224,000 \$ -
- 30
- 31 02. Equipment Shop - Carthage - 2,247,000
- 32
- 33 03. Bridge Maintenance Complex -
- 34 Wadesboro 26,000 439,000
- 35
- 36 04. Gas Pump Canopies - Statewide 398,000 311,000
- 37
- 38 05. Fencing - Statewide 171,000 -
- 39
- 40 06. Land Acquisition - Siler City 54,000 -
- 41
- 42 07. Land Acquisition/Maintenance
- 43 Yard - Halifax 13,000 -
- 44

1 08. Land Acquisition/Maintenance
 2 Yard - Trenton 27,000 -
 3
 4 09. Water and Sewer Connections
 5 - Statewide 308,000 -
 6
 7 09A. Water and Sewer Lines to the
 8 Department of Transportation
 9 facility in Greene County 400,000 -
 10
 11 10. Division Office Complex Phase
 12 II - Fayetteville - 1,688,000
 13
 14 11. Division Office Addition
 15 - Greensboro
 16 Requirements 589,000
 17 Less Receipts (Sale of Land) -589,000
 18 Appropriation - -
 19
 20 12. Landscape Office, Warehouse
 21 and Truck Shed - Asheville
 22 Requirements 472,000
 23 Less Receipts (Sale of Land) -472,000
 24 Appropriation - -
 25
 26 13. Salt Storage Buildings
 27 - Statewide 405,000 67,000
 28
 29 14. Equipment Shop - Mocksville 511,000 -
 30
 31 15. District Office Building
 32 - Albemarle 49,000 247,000
 33
 34 16. Division of Highways/Division
 35 of Motor Vehicles Office
 36 Complex - Graham 67,000 -
 37
 38 17. Sign Shop - Union County - 725,000
 39
 40 18. Design Equipment Shop - Meadows - 41,000
 41
 42 19. Design Equipment Shop - Spindale - 24,000
 43
 44 20. Design Equipment Shop - Washington - 40,000

1			
2	21.	Design Equipment Shop - Wentworth - 44,000	
3			
4	22.	Bridge Maintenance Warehouse/Shed	
5		- Union County - 81,000	
6			
7	23.	Design Sign Shop - Carthage - 33,000	
8			
9	24.	Design Resident Engineer Office	
10		- Marion - 18,000	
11			
12	25.	Design Equipment Shop - Kinston - 43,000	
13			
14	TOTAL DIVISION OF HIGHWAYS		\$2,653,000 \$6,048,000

DIVISION OF MOTOR VEHICLES

1991-92 1992-93

19			
20			
21	01.	Upgrade Electrical Power,	
22		Communication and Computer	
23		Circuits - Raleigh Division	
24		of Motor Vehicles Building \$ 216,200 \$ -	
25			
26	02.	Building Addition - Wilmington 221,900 -	
27			
28	03.	Building Addition - Statesville 170,075 -	
29			
30	04.	New Office Building - Asheville 635,100 -	
31			
32	05.	Roof Replacement (7 Locations) 100,500 -	
33			
34	06.	Resurface Parking Lots	
35		(6 Locations) 107,500 -	
36			
37	07.	Roof Replacement (7 Locations) - 103,100	
38			
39	08.	Resurface Parking Lots (6 Locations) - 111,900	
40			
41	09.	Building Addition - Goldsboro - 167,630	
42			
43	10.	Building Addition - Whiteville - 164,770	
44			

1	11.	Building Addition - Hillsborough	- 179,200	
2				
3	12.	Building Addition - Kinston	- 179,200	
4				
5	13.	Building Addition - Jacksonville	- 174,800	
6				
7				
8		TOTAL DIVISION OF MOTOR VEHICLES		\$1,451,275 \$1,080,600
9				
10		CRIME CONTROL AND PUBLIC SAFETY		
11				
12	01.	State Highway Patrol - Troop H		
13		Headquarters - New Building	\$ 190,000	\$1,348,900
14				
15		TOTAL CRIME CONTROL AND		
16		PUBLIC SAFETY		\$190,000 \$1,348,900
17				
18		GRAND TOTAL HIGHWAY FUND		\$3,894,275 \$8,477,500
19				
20				

21 PART XLV.—SPECIAL PROVISIONS

22
23 Requested by: Senators Basnight, Plyler

24 —STATE OFFICE AND LEGISLATIVE BUILDING ALTERATIONS

25 Sec. 223. Renovations, repairs, alterations, or other modifications to the State
26 office building on the northwest corner of Wilmington and Lane Streets, commonly
27 known as the New Education Building, and to its grounds necessitated by the occupancy
28 of that building by members and staff of the General Assembly, and renovations,
29 repairs, alterations, or other modifications to the Legislative Building and its grounds,
30 including the mall between the Legislative Building and the New Education Building,
31 shall be paid for out of funds appropriated for the 1991-92 fiscal year to the Reserve for
32 Repairs and Renovations in the Office of State Budget and Management.

33
34 Requested by: Senators Basnight, Plyler

35 —PRISON BOND APPROPRIATIONS

36 Sec. 224. (a) **General Purposes.** The appropriations hereby made by the 1991
37 General Assembly for capital improvements from the proceeds of the \$200,000,000
38 State of North Carolina Prison and Youth Services Facilities Bonds authorized by
39 Chapter 935 of the 1989 Session Laws (the "bond act") and approved by the qualified
40 voters of the State who voted thereon on November 6, 1990, as said bonds may be
41 issued from time to time (the "bonds"), are for the purposes of financing the cost of
42 \$120,000,000 of State prison facilities and youth services facilities, including, without
43 limitation, the cost of constructing capital facilities, renovating or reconstructing
44 existing facilities, acquiring equipment related thereto, purchasing land, paying costs of

1 issuance of bonds and notes and paying contractual services necessary for the partial
 2 implementation of the purposes of the bond act, all as defined in and authorized by the
 3 bond act and as more particularly described in this section.

4 The particular projects within the purposes under the bond act to be financed
 5 by the \$80,000,000 balance of the \$200,000,000 bond authorization may, as authorized
 6 by the bond act, be determined by legislative action of the General Assembly during the
 7 1991 Session or any subsequent session.

8 (b) **Appropriation Procedures.** The appropriations hereby made by the 1991
 9 General Assembly for the purposes under the bond act shall be disbursed for the
 10 particular projects authorized by this section. Expenditure of funds shall not be made
 11 by any State department, institution or agency, until an allotment has been approved by
 12 the Governor as Director of the Budget. The allotment shall be approved only after full
 13 compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General
 14 Statutes.

15 Where direct capital improvement appropriations include furnishing fixed and
 16 movable equipment for any project, funds for equipment shall not be subject to transfer
 17 into construction accounts except as authorized by the Director of the Budget. The
 18 expenditure of funds for fixed and movable equipment and furnishings shall be
 19 reviewed and approved by the Director of the Budget prior to commitment of funds.

20 Capital improvement projects authorized by this section shall be completed,
 21 including fixed and movable equipment and furnishings, within the limits of the
 22 amounts of the appropriations provided, except as otherwise provided in this section.

23 (c) **Descriptions, Custodial Levels, Beds, Projected Allocations.**
 24 Appropriations are made from bond proceeds for use by the Departments of Correction
 25 and Human Resources to provide for capital improvement projects as herein provided.

26 The proceeds of bonds and notes shall be expended for paying the cost, as
 27 defined in the bond act, of prison and youth services facilities, to the extent and as
 28 provided in this section and subject to change as herein provided, for the following
 29 projects:

30
 31 DEPARTMENT OF CORRECTION

<u>Project Description</u>	<u>Custodial</u>	<u>Beds</u>
<u>Level</u>		
35 Nash Correctional Institution	Med	128
36 Marion Correctional Center	Med	906
37 Cherry Correctional Center	Min	500
38 Central Prison	Close	144
39 Pasquotank Youth Institution	Med	440
40 Robeson Correctional Center	Min	100
41 NCCIW	Close/Med	256
42 NCCIW - DART and Repairs 43 and Renovations	Med	52
44 Lumberton Correctional Center	Med	312

1	Eastern Youth Center	Min	300
2	Fountain Correctional Center	Min	100
3	Greene Correctional Center	Min	200
4	Hyde Correctional Center	Med	312
5	Brown Creek Sewing Plant		
6	Pender Furniture Refurbishing		
7	Facility		
8	Columbus Sewing Facility		
9	Caswell Sewing and Tailoring		
10	Equipment		
11	Harnett Dining Hall		
12	Subtotal	3,750	\$105,693,163
13			
14	Contingencies		
15			
16	<u>.187,147</u>		
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\$110,880,310

The Eastern Youth Center shall be located in Craven County, provided the county provides a suitable site.

DEPARTMENT OF HUMAN RESOURCES-DIVISION OF YOUTH SERVICES

24	7 Secure/nonsecure group homes		
25	9 beds added to Pitt Detention Ctr.		
26	Renovate unused dorms & upgrade		
27	to meet American Correctional		
28	Association Standards		
29	Dillon secure unit, counseling		
30	space, & fencing at 5 facilities		
31	Conversion of dorms to individual		
32	rooms		
33	Increase number of transition		
34	beds - step down & independent		
35	living for Training Schools		
36			\$9,119,690

(d) **Increases in Projected Allocations.** Projected allocations set forth above may be increased to reflect the availability of other funds, including, without limitation, contingency funds, income earned on the investment of bond and note proceeds, funds provided by the issuance of bonds under the remaining \$80,000,000 authorization, and the proceeds of any grants.

(e) **Contingency Funds.** The amount allocated for contingencies set forth above shall be placed by the State Treasurer in a special account in the State Prison and

1 Youth Services Facilities Bond Fund to be designated the "State Prison and Youth
2 Services Facilities Contingency Account." The funds in the State Prison and Youth
3 Services Facilities Contingency Account shall be disbursed in accordance with the
4 procedures herein established for disbursements from the State Prison and Youth
5 Services Facilities Bond Fund. The funds in the State Prison and Youth Services
6 Facilities Contingency Account shall be expended for paying the cost of projects,
7 including, without limitation, the costs of issuance of bonds and notes, increased project
8 costs resulting from construction costs exceeding projected costs, inflationary factors
9 and changes in projects and allocations. Any balance in the State Prison and Youth
10 Services Facilities Contingency Account may be used for the particular projects to be
11 financed by the issuance of bonds under the remaining \$80,000,000 authorization.

12 (f) **Administration.** With respect to facilities authorized for the Department
13 of Correction, the Office of State Budget and Management may contract for and
14 supervise all aspects of administration, technical assistance, design, construction or
15 demolition of prison facilities in order to implement the providing of prison facilities
16 under the provisions of this act without being subject to the requirements of the
17 following statutes and rules implementing those statutes: G.S. 143-135.26(1), 143-128,
18 143-129, 143-131, 143-132, 143-134, 143-135.26, 143-64.10 through 143-64.13, 113A-
19 1 through 113A-10, 113A-50 through 113-66, 133-1.1(b), 133-1.1(g), and 143-408.1;
20 provided, however, of the funds allocated under the provisions of this act for the
21 construction of prison facilities, the Office of State Budget and Management shall have
22 a verifiable ten percent (10%) goal for participation by minority and women-owned
23 businesses. All contracts for the design, construction, or demolition of prison facilities
24 shall include a penalty for failure to complete the work by a specified date.

25 The proposals for prison facilities authorized in this section shall be invited
26 by advertisement in newspapers having general circulation in the State. The form of
27 advertisement shall be prepared in the form of Section 301 of the State Construction
28 Manual of the Department of Administration, and shall be published in one issue of the
29 newspaper. A minimum of at least seven full days shall lapse between the date of
30 publication and the date of the opening of bids. Initiation of the advertisement shall be
31 by the Office of State Budget and Management.

32 The Office of State Budget and Management shall consider alternative
33 delivery systems that could expedite the delivery of prison facilities. Such delivery
34 systems as design-build, using modular or conventional building systems, shall be
35 considered. However, in order for such alternatives to be used, the Department of
36 Correction must approve the proposed design for operational programming and cost of
37 operations and maintenance.

38 (g) **Changes.** To the extent that funds are not required to be expended for
39 the specific projects described in this section, appropriations authorized herein may be
40 used to construct, reconstruct or renovate prison industrial and forestry enterprises
41 facilities, as mentioned in G.S. 148-2, at prison facilities statewide, as replacement
42 projects, but no such funds may be used for operating expenditures. Prior to taking any
43 action under subsection (g), the Governor may consult with the Advisory Budget
44 Commission. In considering taking any action under subsection (g) in respect to funds

1 not required to be expended for specific projects described in this act, the Governor may
2 consider the particular projects to be financed by the issuance of bonds under the
3 remaining \$80,000,000 bond authorization and may use any such funds for the cost of
4 any such particular projects to be financed.

5 (h) **Quarterly Reports.** The Office of State Budget and Management in
6 respect to prison facilities and the Department of Human Resources in respect to youth
7 services facilities shall provide quarterly reports to the Chairman of the Appropriations
8 Committee and the Base Budget Committee in the Senate, the Chairman of the
9 Appropriations Committee in the House, the Joint Legislative Commission on
10 Governmental Operations, and the Fiscal Research Division as to any changes in
11 projects and allocations made under this section.

12
13 Requested by: Senators Basnight, Plyler

14 ---RESERVE FOR ADMINISTRATION AND OPERATION OF NEW UNITS

15 Sec. 225. There is appropriated from the General Fund to the Department of
16 Correction for the 1992-93 fiscal year a reserve of \$6,902,493 to administer and operate
17 the new prison units being constructed with the bond proceeds appropriated in this Title.
18 The positions shall not become effective more than 90 days prior to the completion date
19 of the facilities with the exception of Department of Correction administrative staff,
20 Division of Prisons administrative staff, superintendents, assistant superintendents,
21 administrative services managers, plant maintenance supervisors, and secretaries at the
22 Marion Correctional Institution, Cherry Correctional Center, Pasquotank Youth
23 Institution, Lumberton Correctional Center, and Eastern Youth Center.

24
25 Requested by: Senators Basnight, Plyler

26 ---PITT COUNTY DETENTION CENTER ADDITION/RESERVE FUND

27 Sec. 226. Of the funds appropriated to The Department of Human Resources
28 for the 1992-93 fiscal year, \$60,000 shall be used for a reserve to administer and operate
29 the addition to the Pitt County Detention Center being constructed with the bond
30 proceeds appropriated in Title 2 of this act.

31
32 Requested by: Senators Basnight, Plyler

33 ---RESERVE FOR ADVANCE PLANNING

34 Sec. 227. The Office of State Budget and Management shall report to the
35 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
36 Division on how it intends to spend funds from the Reserve for Advance Planning at
37 least 45 days before it spends the funds.

38 The Office of State Budget and Management shall also report the results of
39 any project on which it uses funds from the Reserve for Advance Planning to the Joint
40 Legislative Commission on Governmental Operations and to the Fiscal Research
41 Division.

42
43 Requested by: Senators Basnight, Plyler

44 ---ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND

1 Sec. 228. When each capital improvement project appropriated by the 1991
2 General Assembly, other than those projects under the Board of Governors of The
3 University of North Carolina, is placed under construction contract, direct
4 appropriations shall be encumbered to include all costs for construction, design,
5 investigation, administration, movable equipment, and a reasonable contingency.
6 Unencumbered direct appropriations remaining in the project budget shall be placed in a
7 project reserve fund credited to the Office of State Budget and Management. Funds in
8 the project reserve may be used for emergency repair and renovation projects at State
9 facilities with the approval of the Director of the Budget. The project reserve fund may
10 be used, at the discretion of the Director of the Budget, to allow for award of contracts
11 where bids exceed appropriated funds, if those projects supplemented were designed
12 within the scope intended by the applicable appropriation or any authorized change in it,
13 and if, in the opinion of the Director of the Budget, all means to award contracts within
14 the appropriation were reasonably attempted. At the discretion of the Director of the
15 Budget, any balances in the project reserve fund shall revert to the original source.

16
17 Requested by: Senators Basnight, Plyler

18 ---PROJECT COST INCREASE

19 Sec. 229. Upon the request of the administration of a State department or
20 institution, the Director of the Budget may, when in his opinion it is in the best interest
21 of the State to do so, increase the cost of a capital improvement project. Provided,
22 however, that if the Director of the Budget increases the cost of a project, he shall report
23 that action to the Joint Legislative Commission on Governmental Operations at its next
24 meeting. The increase may be funded from gifts, federal or private grants, special fund
25 receipts, excess patient receipts above those budgeted at University of North Carolina
26 Hospitals at Chapel Hill, or direct capital improvement appropriations to that
27 department or institution.

28
29 Requested by: Senators Basnight, Plyler

30 ---NEW PROJECT AUTHORIZATION

31 Sec. 230. Upon the request of the administration of any State department or
32 institution, the Governor may authorize the construction of a capital improvement
33 project not specifically authorized by the General Assembly if such project is to be
34 funded by gifts, federal or private grants, special fund receipts, excess patient receipts
35 above those budgeted at University of North Carolina Hospitals at Chapel Hill, or self-
36 liquidating indebtedness. Provided, however, that if the Director of the Budget
37 authorizes the construction of such a capital improvement project, he shall report that
38 action to the Joint Legislative Commission on Governmental Operations at its next
39 meeting.

40
41 Requested by: Senators Basnight, Plyler

42 ---ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS

43 Sec. 231. Funds which become available by gifts, excess patient receipts
44 above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal

1 or private grants, receipts becoming a part of special funds by act of the General
2 Assembly or any other funds available to a State department or institution may be
3 utilized for advance planning through the working drawing phase of capital
4 improvement projects, upon approval of the Director of the Budget. The Director of the
5 Budget may make allocations from the Advance Planning Fund for advance planning
6 through the working drawing phase of capital improvement projects, except that this
7 revolving fund may not be utilized by the Board of Governors of The University of
8 North Carolina or the State Board of Community Colleges.

9
10 Requested by: Senators Basnight, Plyler

11 ---APPROPRIATIONS LIMITS/REVERSION OR LAPSE

12 Sec. 232. Except as permitted in previous sections of this act, the
13 appropriations for capital improvements made by the 1991 General Assembly may be
14 expended only for specific projects set out by the 1991 General Assembly and for no
15 other purpose. Construction of all capital improvement projects enumerated by the
16 1991 General Assembly shall be commenced, or self-liquidating indebtedness with
17 respect to them shall be incurred, within 12 months following the first day of the fiscal
18 year in which the funds are available. If construction contracts on those projects have
19 not been awarded or self-liquidating indebtedness has not been incurred within that
20 period, the direct appropriation for those projects shall revert to the original source, and
21 the self-liquidating appropriation shall lapse; except that direct appropriations may be
22 placed in a reserve fund as authorized in this act. This deadline with respect to both
23 direct and self-liquidating appropriations may be extended up to an additional 12
24 months if circumstances and conditions warrant such extension.

25
26
27 **TITLE 4. - OTHER**
28

29
30 PART XLVI.—MISCELLANEOUS PROVISIONS

31 Sec. 233. The sections under this Title apply to this act.

32
33 Requested by: Senators Basnight, Plyler

34 ---EFFECT OF HEADINGS

35 Sec. 234. The headings to the Parts, and Sections of this act are a
36 convenience to the reader and are for reference only. The headings do not expand,
37 limit, or define the text of this act.

38
39 Requested by: Senators Basnight, Plyler

40 ---EXECUTIVE BUDGET ACT REFERENCE

41 Sec. 235. The provisions of the Executive Budget Act, Chapter 143, Article 1
42 of the General Statutes, are reenacted and shall remain in full force and effect and are
43 incorporated in this act by reference.

1 Requested by: Senators Basnight, Plyler

2 ---COMMITTEE REPORT

3 Sec. 236. The Senate Appropriations Committee Report on Base Budget
4 Reductions and Expansion Budget, dated June 3, 1991, which was distributed in the
5 Senate and used to explain this act, shall indicate action by the General Assembly on
6 this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
7 Executive Budget Act, and for these purposes shall be considered a part of this act.

8

9 Requested by: Senators Basnight, Plyler

10 ---MOST TEXT APPLIES ONLY TO 1991-93

11 Sec. 237. Except for statutory changes or other provisions that clearly
12 indicate an intention to have effects beyond the 1991-93 biennium, the textual
13 provisions of this act shall apply only to funds appropriated for and activities occurring
14 during the 1991-93 biennium.

15

16 Requested by: Senators Basnight, Plyler

17 ---SEVERABILITY CLAUSE

18 Sec. 238. If any section or provision of this act is declared unconstitutional or
19 invalid by the courts, it does not affect the validity of the act as a whole or any part
20 other than the part so declared to be unconstitutional or invalid.

21

22 Requested by: Senators Basnight, Plyler

23 ---EFFECTIVE DATE

24 Sec. 239. Except as otherwise provided, this act becomes effective July 1,
25 1991. This act becomes effective if and only if a subsequent act or acts become effective
26 that raise sufficient revenue to balance the budget enacted in this act.