

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 975*

Short Title: Governor's Operating Budget/'93.

(Public)

Sponsors: Senators Daniel and Plyler.

Referred to: Appropriations.

April 27, 1993

A BILL TO BE ENTITLED

AN ACT TO MAKE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND 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.

TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1993."

PART 1. 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, 1995, according to the following schedule:

GENERAL ASSEMBLY OF NORTH CAROLINA

1993

| | <u>1993-94</u> | <u>1994-95</u> |
|--|----------------|-------------------------|
| 1 <u>Current Operations - General Fund</u> | | |
| 2 | | |
| 3 General Assembly | \$ 21,135,599 | \$ 24,732,877 |
| 4 | | |
| 5 Judicial Department | 230,837,163 | 231,500,639 |
| 6 | | |
| 7 Office of the Governor | | |
| 8 01. Office of the Governor | 4,564,889 | 4,584,165 |
| 9 02. Office of State Budget | | |
| 10 and Management | 3,311,982 | 3,434,483 |
| 11 03. Office of State Planning | 1,462,453 | 1,459,767 |
| 12 04. Reserve for New Initiatives | 993,396 | 1,267,196 |
| 13 | | |
| 14 Office of the Lieutenant Governor | | 540,395 542,236 |
| 15 | | |
| 16 Department of Secretary of State | | 4,763,248 4,727,201 |
| 17 | | |
| 18 Department of State Auditor | | 7,972,318 8,414,317 |
| 19 | | |
| 20 Department of State Treasurer | | |
| 21 01. State Treasurer | 5,483,662 | 5,489,524 |
| 22 02. Special Contributions | 5,203,930 | 5,203,521 |
| 23 | | |
| 24 Department of Public Education | 3,562,840,140 | 3,620,114,205 |
| 25 | | |
| 26 Department of Justice | | 52,801,030 53,432,854 |
| 27 | | |
| 28 Department of Administration | | 52,209,912 53,302,232 |
| 29 | | |
| 30 Department of Agriculture | | 42,759,392 43,138,368 |
| 31 | | |
| 32 Department of Labor | | 13,189,692 13,239,163 |
| 33 | | |
| 34 Department of Insurance | | 14,114,720 14,130,127 |
| 35 | | |
| 36 Department of Transportation | | |
| 37 01. Aeronautics | 10,783,237 | 10,783,237 |
| 38 02. Aid to Railroads | 100,000 | 100,000 |
| 39 03. Air Cargo | 1,250,000 | 1,250,000 |
| 40 Total Department of | | |
| 41 Transportation | | 12,133,237 12,133,237 |
| 42 | | |
| 43 Department of Environment, Health, and | | |
| 44 Natural Resources | | 205,175,540 215,416,373 |

| | | | |
|----|--|-------------|-----------------------------|
| 1 | | | |
| 2 | Office of Administrative Hearings | | 1,907,239 1,911,500 |
| 3 | | | |
| 4 | Rules Review Commission | | 258,516 258,593 |
| 5 | | | |
| 6 | Department of Human Resources | | |
| 7 | 01. DHR - Secretary | 13,244,976 | 13,318,626 |
| 8 | 02. Division of Aging | 10,998,076 | 10,998,519 |
| 9 | 03. Jordan Adams Inflationary Reserve | 1,317,842 | 2,652,819 |
| 10 | 04. Schools for the Deaf and | | |
| 11 | Hard of Hearing | 20,878,090 | 20,886,616 |
| 12 | 05. Social Services | 179,638,715 | 185,231,510 |
| 13 | 06. Medical Assistance | 859,122,018 | 1,008,233,136 |
| 14 | 07. Social Services - State Aid to | | |
| 15 | Non-State Agencies | 6,162,725 | 6,162,725 |
| 16 | 08. Division of Services for the Blind | 13,537,765 | 13,665,706 |
| 17 | 09. Division of Mental Health, | | |
| 18 | Developmental Disabilities, and | | |
| 19 | Substance Abuse Services | 428,185,650 | 438,489,293 |
| 20 | 10. Division of Facility Services | 90,726,252 | 121,284,087 |
| 21 | 11. Division of Vocational | | |
| 22 | Rehabilitation Services | 22,947,988 | 22,974,573 |
| 23 | 12. Division of Youth Services | 52,730,990 | 52,823,940 |
| 24 | Total Department of Human Resources | | 1,699,491,087 1,896,721,550 |
| 25 | | | |
| 26 | Department of Correction | | 568,994,887 598,291,037 |
| 27 | | | |
| 28 | Department of Commerce | | |
| 29 | 01. Commerce | 39,361,682 | 46,142,989 |
| 30 | 02. Biotechnology Reserve | 7,014,396 | 7,014,396 |
| 31 | 03. MCNC | 15,680,000 | 15,680,000 |
| 32 | 04. REDC | 1,470,000 | 1,470,000 |
| 33 | | | |
| 34 | Department of Revenue | | 57,424,063 60,439,466 |
| 35 | | | |
| 36 | Department of Cultural Resources | | 41,899,588 42,555,894 |
| 37 | | | |
| 38 | Department of Crime Control | | |
| 39 | and Public Safety | | 20,041,705 20,143,313 |
| 40 | | | |
| 41 | Office of the State Controller | | 12,102,116 12,704,456 |
| 42 | | | |
| 43 | University of North Carolina - Board | | |
| 44 | of Governors | | |

| | | | | |
|----|-------------------------------|-----------------------------------|---------------|---------------|
| 1 | 01. | General Administration | 17,572,501 | 17,663,475 |
| 2 | 02. | University Institutional | | |
| 3 | | Program | 28,504,635 | 31,013,437 |
| 4 | 03. | Related Educational Programs | 46,823,796 | 47,060,771 |
| 5 | 04. | University of North Carolina | | |
| 6 | | at Chapel Hill | | |
| 7 | | a. Academic Affairs | 138,945,852 | 140,996,687 |
| 8 | | b. Health Affairs | 111,238,501 | 113,175,936 |
| 9 | | c. Area Health Education | | |
| 10 | | Centers | 32,359,791 | 32,347,434 |
| 11 | 05. | North Carolina State University | | |
| 12 | | at Raleigh | | |
| 13 | | a. Academic Affairs | 181,265,894 | 181,908,297 |
| 14 | | b. Agricultural Research Service | 36,600,265 | 36,622,628 |
| 15 | | c. Agricultural Extension Service | 28,561,125 | 28,528,819 |
| 16 | 06. | University of North Carolina at | | |
| 17 | | Greensboro | 56,186,686 | 56,375,541 |
| 18 | 07. | University of North Carolina at | | |
| 19 | | Charlotte | 60,178,532 | 60,410,678 |
| 20 | 08. | University of North Carolina at | | |
| 21 | | Asheville | 17,382,278 | 17,473,997 |
| 22 | 09. | University of North Carolina at | | |
| 23 | | Wilmington | 34,261,195 | 34,479,525 |
| 24 | 10. | East Carolina University | | |
| 25 | | a. Academic Affairs | 76,153,008 | 76,707,751 |
| 26 | | b. Division of Health Affairs | 53,977,874 | 55,188,673 |
| 27 | 11. | North Carolina Agricultural and | | |
| 28 | | Technical State University | 41,558,945 | 41,759,845 |
| 29 | 12. | Western Carolina University | 37,259,281 | 37,263,299 |
| 30 | 13. | Appalachian State University | 53,724,063 | 53,798,101 |
| 31 | 14. | Pembroke State University | 16,754,370 | 16,838,959 |
| 32 | 15. | Winston-Salem State University | 16,714,448 | 16,843,114 |
| 33 | 16. | Elizabeth City State | | |
| 34 | | University | 15,804,873 | 15,803,392 |
| 35 | 17. | Fayetteville State University | 19,703,992 | 20,085,762 |
| 36 | 18. | North Carolina Central | | |
| 37 | | University | 28,545,595 | 28,760,192 |
| 38 | 19. | North Carolina School of the | | |
| 39 | | Arts | 8,125,930 | 8,145,585 |
| 40 | 20. | North Carolina School of | | |
| 41 | | Science and Mathematics | 7,415,389 | 7,466,421 |
| 42 | 21. | UNC Hospitals at Chapel Hill | 42,427,085 | 43,712,181 |
| 43 | Total University of North | | | |
| 44 | Carolina - Board of Governors | | | |
| | | | 1,208,045,904 | 1,220,435,500 |

| | | | |
|----|---|--------------------|--------------------|
| 1 | | | |
| 2 | Department of Community Colleges | 417,162,758 | 456,086,112 |
| 3 | | | |
| 4 | State Board of Elections | 545,539 | 545,885 |
| 5 | | | |
| 6 | Contingency and Emergency | 1,125,000 | 1,125,000 |
| 7 | | | |
| 8 | Reserve for Compensation Increase | 112,617,727 | 117,071,845 |
| 9 | | | |
| 10 | Reserve for Incentive | | |
| 11 | Compensation Bonus | 34,244,460 | 34,244,460 |
| 12 | | | |
| 13 | Reserve for Salary Adjustments | 5,500,000 | 5,500,000 |
| 14 | | | |
| 15 | Reserve for Lowest Paid Employees | 1,400,724 | 1,400,724 |
| 16 | | | |
| 17 | Reserve for OSHA - Bloodborne Pathogens | 1,000,000 | 1,000,000 |
| 18 | | | |
| 19 | Reserve for Retiree 30% Reduction | (10,000,000) | (1,000,000) |
| 20 | | | |
| 21 | Debt Service | 92,263,558 | 89,113,783 |
| 22 | | | |
| 23 | Local Government Shared Revenue | <u>258,514,154</u> | <u>267,384,154</u> |
| 24 | | | |
| 25 | GRAND TOTAL CURRENT OPERATIONS – | | |
| 26 | GENERAL FUND | \$8,829,557,801 | \$9,203,498,142 |
| 27 | | | |

28 PART 2. CURRENT OPERATIONS/HIGHWAY FUND

29
30 Sec. 4. Appropriations from the Highway Fund of the State for the
31 maintenance and operation of the Department of Transportation, and for other purposes
32 as enumerated, are made for the biennium ending June 30, 1995, according to the
33 following schedule:

| 34 | | | |
|----|--|----------------|----------------|
| 35 | <u>Current Operations - Highway Fund</u> | <u>1993-94</u> | <u>1994-95</u> |
| 36 | | | |
| 37 | Department of Transportation | | |
| 38 | 01. Administration | \$ 44,782,091 | \$ 39,514,111 |
| 39 | 02. Division of Highways | | |
| 40 | a. Administration and | | |
| 41 | Operations | 34,046,177 | 34,071,263 |
| 42 | b. State Construction | | |
| 43 | (01) Primary Construction | – | – |
| 44 | (02) Secondary | | |

| | | | |
|----|---|-------------|-------------|
| 1 | Construction | 66,486,917 | 66,884,639 |
| 2 | (03) Urban Construction | 9,028,266 | 9,028,266 |
| 3 | (04) Access and Public | | |
| 4 | Service Roads | 2,000,000 | 2,000,000 |
| 5 | (05) Special Appropriation | | |
| 6 | for Highways | 5,000 | 5,000 |
| 7 | (06) Spot Safety | | |
| 8 | Improvements | 9,100,000 | 9,100,000 |
| 9 | c. State Funds to Match Federal | | |
| 10 | Highway Aid | | |
| 11 | (01) Construction | 47,992,066 | 47,992,066 |
| 12 | (02) Planning Survey and Highway | | |
| 13 | Planning Research | 2,959,649 | 2,959,649 |
| 14 | d. State Maintenance | | |
| 15 | (01) Primary | 100,717,929 | 98,487,761 |
| 16 | (02) Secondary | 176,508,949 | 172,570,502 |
| 17 | (03) Urban | 26,508,775 | 25,865,281 |
| 18 | (04) Contract Resurfacing | 87,500,000 | 87,500,000 |
| 19 | e. Ferry Operations | 16,041,455 | 16,041,455 |
| 20 | 03. Division of Motor Vehicles | 79,694,727 | 79,299,135 |
| 21 | 04. Governor's Highway Safety Program | 293,863 | 294,515 |
| 22 | 05. State Aid to Municipalities | 66,486,917 | 66,884,639 |
| 23 | 06. State Aid for Public | | |
| 24 | Transportation | 5,096,461 | 5,146,921 |
| 25 | 07. Salary Adjustments for Highway | | |
| 26 | Fund Employees | 200,000 | 200,000 |
| 27 | 08. Reserve to Correct Occupational | | |
| 28 | Safety and Health Conditions | 425,000 | 425,000 |
| 29 | 09. Debt Service | 37,359,875 | 27,664,550 |
| 30 | 10. Reserve for Compensation | | |
| 31 | Increases | 6,963,446 | 6,963,446 |
| 32 | 11. Reserve for Transportation | | |
| 33 | Study | 1,000,000 | – |
| 34 | | | |
| 35 | Reserve for Incentive Compensation | 3,481,723 | 3,481,723 |
| 36 | | | |
| 37 | Emergencies and Inflationary Adjustment | 1,585,490 | 1,585,490 |
| 38 | | | |
| 39 | Appropriations for Other State Agencies | | |
| 40 | 01. Crime Control and Public | | |
| 41 | Safety | 93,267,262 | 97,063,069 |
| 42 | 02. Other Agencies | | |
| 43 | a. Department of Agriculture | 3,057,180 | 3,030,245 |
| 44 | b. Department of Revenue | 2,063,522 | 2,065,412 |

1 c. Department of Environment,
 2 Health, and Natural Resources:
 3 LUST Trust Fund 4,809,298 4,904,343
 4 Chemical Test Program 371,944 373,407
 5 d. Department of Correction 4,614,056 4,614,056
 6 e. Department of Public
 7 Education 24,505,055 24,984,056
 8 f. Department of State
 9 Treasurer 10,100,000 10,700,000

10
 11 GRAND TOTAL CURRENT OPERATIONS –

12 HIGHWAY FUND \$ 969,053,093 \$ 951,700,000

13
 14 **PART 3. HIGHWAY TRUST FUND**

15
 16 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal
 17 biennium ending June 30, 1995, according to the following schedule:

| 18 | 19 <u>Highway Trust Fund</u> | 20 | 21 <u>1993-94</u> | 22 <u>1994-95</u> |
|----|----------------------------------|--------------------|--------------------|-------------------|
| 23 | 01. Intrastate System | \$ 213,689,246 | \$ 266,572,368 | |
| 24 | 02. Secondary Roads Construction | 49,470,987 | 51,222,727 | |
| 25 | 03. Urban Loops | 86,407,031 | 91,616,429 | |
| 26 | 04. State Aid - Municipalities | 22,420,986 | 23,772,726 | |
| 27 | 05. Program Administration | 15,711,750 | 16,215,750 | |
| 28 | 06. Transfer to General Fund | <u>170,000,000</u> | <u>170,000,000</u> | |

29
 30 GRAND TOTAL/HIGHWAY TRUST FUND \$ 557,700,000 \$ 579,400,000

31
 32 **PART 4. GENERAL PROVISIONS**

33 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL**
 34 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

35 Sec. 6. There is appropriated out of the cash balances, federal receipts, and
 36 departmental receipts available to each department, sufficient amounts to carry on
 37 authorized activities included under each department's operations. All these cash
 38 balances, federal receipts, and departmental receipts shall be expended and reported in
 39 accordance with provisions of the Executive Budget Act, except as otherwise provided
 40 by statute. The Director of the Budget shall develop necessary budget controls,
 41 regulations, and systems to ensure that these funds and other State funds subject to the
 42 Executive Budget Act are not spent in a manner that would cause a deficit in
 43 expenditures.

44 Pursuant to G.S. 143-34.2, State departments, agencies, institutions, boards,
 or commissions may make application for, receive, or disburse any form of non-State

1 aid. All non-State monies received shall be deposited with the State Treasurer unless
2 otherwise provided by State law. These funds shall be expended in accordance with the
3 terms and conditions of the fund award that are not contrary to the laws of North
4 Carolina.

6 **INSURANCE AND FIDELITY BONDS**

7 Sec. 7. All insurance and all official fidelity and surety bonds authorized for
8 the several departments, institutions, and agencies shall be effected and placed by the
9 Insurance Department, and the cost of placement shall be paid by the affected
10 department, institution, or agency with the approval of the Insurance Commissioner.

12 **AUTHORIZED TRANSFERS**

13 Sec. 8. The Director of the Budget may transfer to General Fund budget
14 codes from the General Fund Salary Adjustment Reserve appropriation, and may
15 transfer to Highway Fund budget codes from the Highway Fund Salary Adjustment
16 Reserve appropriation, amounts required to support approved salary adjustments made
17 necessary by difficulties in recruiting and holding qualified employees in State
18 government.

20 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

21 Sec. 9. All funds appropriated by this act into reserves may be expended only
22 for the purposes for which the reserves were established.

23 Sec. 10. Each private, nonprofit entity eligible to receive State funds, either
24 by General Assembly appropriation, or by grant, loan, or other allocation from a State
25 agency, before funds may be disbursed to the entity, shall file with the disbursing
26 agency an affidavit under oath of that entity's policy addressing conflicts of interest that
27 may arise involving the entity's management employees and the members of its board of
28 directors or other governing body. The policy shall address situations where any of
29 these individuals may directly or indirectly benefit, except for the entity's employees or
30 members of the board or other governing body, from the entity's disbursing of State
31 funds, and shall include actions to be taken by the entity or the individual, or both, to
32 avoid conflicts of interest and the appearance of impropriety.

34 **PART 5. DEPARTMENT OF INSURANCE**

36 **PERCENTAGE RATE CALCULATING INSURANCE REGULATORY** 37 **CHARGE**

38 Sec. 11. The percentage rate to be used in calculating the insurance
39 regulatory charge under G.S. 58-6-25 is seven and twenty-five hundredths percent
40 (7.25%) for the 1993 and the 1994 taxable year.

42 **DISPOSITION OF FEES**

43 Sec. 12. The Commissioner of Insurance shall, from time to time as the
44 balance of the fund in G.S. 58-6-25 attains levels sufficient to carry out the purposes in

1 G.S. 58-6-25, transfer money from the Department of Insurance Fund to the General
2 Fund to repay the money appropriated to the Department of Insurance from the General
3 Fund beginning with the 1991-92 fiscal year and for each subsequent fiscal year of
4 appropriation, plus accrued interest at a rate determined by the State Treasurer from the
5 date the money is withdrawn from the General Fund.

6 7 **PART 6. PUBLIC SCHOOLS**

8 9 **ADVANCED TRAINING FOR FOREIGN LANGUAGE TEACHERS**

10 Sec. 13. Of the funds appropriated to the Department of Public Education for
11 aid to local school administrative units, the State Board of Education may allocate to the
12 Department of Public Instruction three hundred thousand dollars (\$300,000) each year
13 of the 1993-95 biennium for support expenses and workshops to provide intensive
14 advanced training for teachers who teach foreign languages.

15 16 **DIFFERENTIATED PAY**

17 Sec. 14. Funds equivalent to two percent (2%) of teacher and administrator
18 salaries and related benefits are appropriated to the Department of Public Education in
19 the 1993-94 fiscal year and continued in the 1994-95 fiscal year for local education
20 agencies participating in Differentiated Pay programs. These funds are to be paid as a
21 bonus or supplement to the employee's regular salary. Local education agencies
22 participating in career development programs are eligible for funds at a seven percent
23 (7%) level in the 1993-94 fiscal year and the 1994-95 fiscal year.

24 25 **TEXTBOOKS**

26 Sec. 15. Funds are appropriated to the Department of Public Education to
27 increase the textbook allocation from twenty-five dollars (\$25.00) to twenty-eight
28 dollars (\$28.00) per student in average daily membership in grades 1-12. Funds are also
29 appropriated to provide a textbook allocation of twenty-eight dollars (\$28.00) per
30 student in average daily membership in kindergarten.

31 32 **EXCEPTIONAL CHILDREN**

33 Sec. 16. Funds are appropriated to the Department of Public Education to
34 remove the local education agency handicapped children cap and the academically
35 gifted children cap but to maintain a statewide cap of twelve and five-tenths percent
36 (12.5%) of average daily membership for the handicapped and three and nine-tenths
37 percent (3.9%) of average daily membership for the academically gifted.

38 39 **STAFF DEVELOPMENT FOR TEACHERS**

40 Sec. 17. Funds in the amount of ten million ninety thousand dollars
41 (\$10,090,000) for each year of the 1993-95 biennium are appropriated in Section 3 of
42 this act to the Department of Public Education to allow public school teachers to take
43 three days' leave each school year, while students are in regular attendance, to receive
44 additional quality staff development. These funds are to be used to hire certified

1 substitute teachers for the three days and are to be allotted to local school units on the
2 basis of rules and regulations adopted by the State Board of Education.

3
4 **PART 7. COMMUNITY COLLEGES**

5
6 **OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**
7 **EXTENSION**

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

15
16 **NEW AND EXPANDING INDUSTRY PROGRAM FUNDS**

17 Sec. 19. Notwithstanding any law to the contrary, the Department of
18 Community Colleges may with approval of the Director of the Budget transfer available
19 and uncommitted funds into the New and Expanded Industry Program, if it determines
20 that there is a need to meet additional training needs over and above those currently
21 budgeted.

22
23 **TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY COLLEGE**
24 **COURSES**

25 Sec. 20. High school students enrolled in a community college in accordance
26 with G.S. 115D-20(4) and G.S. 115D-5 shall be exempt from tuition for community
27 college courses taken in accordance with these two sections.

28
29 **WORKFORCE PREPAREDNESS/ENROLLMENT**

30 Sec. 21. Funds in the amount of sixteen million one hundred thousand dollars
31 (\$16,100,000) for fiscal year 1993-94 and forty-two million six hundred seventy-five
32 thousand nine hundred fourteen dollars (\$42,675,914) for fiscal year 1994-95 are
33 appropriated in Section 3 of this act to the Department of Community Colleges, to
34 implement so far as possible the goals of Workforce Preparedness. The goals include
35 increasing education and training opportunities for front-line workers and new entrants
36 in the work force, seeking to ensure that programs relate efficiently to the changing skill
37 demands of industry, providing basic skills to the underskilled through expanded and
38 enhanced literacy programs, and providing the best faculty and support possible. In
39 order to accomplish these goals, funds are appropriated to make faculty salaries more
40 competitive and lower faculty/student ratios, provide additional instructional support
41 personnel, enhance the literacy funding formula, provide child care grants to the
42 colleges, and increase educational equipment and library book funding. Funds are also
43 appropriated for a workforce competitiveness examination.

44

BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

Sec. 22. Appropriations to the Department of Community Colleges for equipment and library books are made for each year of the fiscal biennium. All unencumbered appropriations shall revert to the General Fund 12 months after the close of each fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The Department shall identify to the Office of State Budget and Management which appropriations will revert at the end of the 12 months after the close of each fiscal year.

PART 8. COLLEGES AND UNIVERSITIES**AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT LIMITATIONS**

Sec. 23. (a) The amount of a tuition grant awarded to a student enrolled in a degree program at a site away from the main campus of the approved private institution, as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per credit hour for off-campus instruction at that site to the cost per credit hour for regular, full-time on-campus instruction, multiplied by the maximum grant award, or the maximum grant award allowable under Section 3 of this act, whichever is less.

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

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

(c) Any member of the armed services as defined in G.S. 116-143-3(a), abiding in this State incident to active military duty, who does not qualify as a resident for tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition Grant pursuant to this section if the member is enrolled as a full-time student. The member's Legislative Tuition Grant shall not exceed the cost of tuition less any tuition assistance paid by the member's employer.

AID TO PRIVATE COLLEGES PROCEDURE

Sec. 24. (a) Funds appropriated in this act to the Board of Governors of The University of North Carolina for aid to private colleges shall be disbursed in accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to four hundred fifty dollars (\$450.00) per full-time equivalent North Carolina undergraduate student enrolled at a private institution as of October 1 each year.

These funds shall be placed in a separate, identifiable account in each eligible institution's budget or chart of accounts. All funds in this account shall be provided as

1 scholarship funds for needy North Carolina students during the fiscal year. Each
2 student awarded a scholarship from this account shall be notified of the source of the
3 funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be for
4 the tuition grant program as defined in subsection (b) of this section.

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

11 The tuition grants provided for in this section shall be administered by the
12 State Education Assistance Authority pursuant to rules adopted by the State Education
13 Assistance Authority not inconsistent with this section. The State Education Assistance
14 Authority shall not approve any grant until it receives proper certification from an
15 approved institution that the student applying for the grant is an eligible student. Upon
16 receipt of the certification, the State Education Assistance Authority shall remit at such
17 times as it shall prescribe the grant to the approved institution on behalf, and to the
18 credit, of the student.

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

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

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

35 Any remaining funds shall revert to the General Fund.

36 (c) Expenditures made pursuant to this section shall be used only for secular
37 educational purposes at nonprofit institutions of higher learning.

39 WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING 40 FORMULA

41 Sec. 25. Funds appropriated in this act to the Board of Governors of The
42 University of North Carolina for continuation of financial assistance to the medical
43 schools of Duke University and Wake Forest University shall be disbursed on
44 certifications of the respective schools of medicine that show the number of North

1 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
2 medical school as of November 1, 1993, and November 1, 1994. Disbursement to
3 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
4 for each medical student who is a North Carolina resident, one thousand dollars
5 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
6 aid to needy North Carolina students who are enrolled in the medical school. The
7 maximum aid given to any student from this fund in a given year may not exceed the
8 amount of the difference in tuition and academic fees charged by the school and those
9 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

10 Disbursement to Duke University shall be made in the amount of five
11 thousand dollars (\$5,000) for each medical student who is a North Carolina resident,
12 five hundred dollars (\$500.00) of which shall be placed by the school in a fund to be
13 used to provide student financial aid to financially needy North Carolina students who
14 are enrolled in the medical school. No individual student may be awarded assistance
15 from this fund in excess of two thousand dollars (\$2,000) each year. In addition to this
16 basic disbursement for each year of the biennium, a disbursement of one thousand
17 dollars (\$1,000) shall be made for each medical student who is a North Carolina
18 resident in the first-year, second-year, third-year, and fourth-year classes to the extent
19 that enrollment of each of those classes exceeds 30 North Carolina students.

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

30 **TEACHING HOSPITAL REIMBURSEMENT**

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

36 **PART 9. DEPARTMENT OF ADMINISTRATION**

38 **ALLOCATION OF RAPE CRISIS CENTER FUNDS**

39 Sec. 27. All funds for the Rape Crisis Centers appropriated to the
40 Department of Administration, the North Carolina Council for Women, for the 1993-94
41 fiscal year and the 1994-95 fiscal year in this act shall be available to Rape Crisis
42 Centers providing direct services to victims of sexual assault and rape prevention
43 services. Funds shall be awarded according to criteria established by the Department of

1 Administration. Grants shall be awarded by September 1 each fiscal year and the funds
2 disbursed on a quarterly basis.

3 4 **DOMESTIC VIOLENCE CENTER FUNDS**

5 Sec. 28. The funds appropriated in this act to the Department of
6 Administration, the North Carolina Council for Women, for fiscal years 1993-94 and
7 1994-95 for domestic violence centers, shall be allocated equally among domestic
8 violence centers in operation on July 1, 1992, that offered services including a hotline,
9 transportation services, community education programs, daytime services, and call
10 forwarding during the night, and that fulfill other criteria established by the Department
11 of Administration. Grants shall be awarded based on criteria established by the
12 Department of Administration and disbursed on a quarterly basis. The North Carolina
13 Coalition Against Domestic Violence, Incorporated, is eligible for a grant of ten
14 thousand dollars (\$10,000) under this section.

15 16 **PART 10. OFFICE OF THE GOVERNOR**

17 18 **TRANSFERS FOR COMPUTERS**

19 Sec. 29. (a) Notwithstanding any other provisions of State law, State
20 departments may use funds from any source available to them and may transfer funds
21 from other line items in their budgets to purchase additional data processing equipment
22 and software.

23 (b) This section does not apply to The University of North Carolina or its
24 constituent institutions, the Department of Community Colleges, or the Department of
25 Public Instruction.

26 27 **RESERVE FOR IMPLEMENTATION OF FEDERAL OSHA REGULATIONS** 28 **REGARDING BLOODBORNE PATHOGENS/USE OF FUNDS**

29 Sec. 30. Funds appropriated in this act to the Office of State Budget and
30 Management for the implementation of the federal OSHA regulations regarding
31 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
32 personal protective equipment, and required clean-up equipment and supplies for
33 employees who are subject to these regulations and only if adequate funds are not
34 available for these purposes. They shall not be used as planning money or for salaries
35 for any new positions or for any other purpose than specifically authorized by this
36 section.

37 38 **COUNCIL OF GOVERNMENTS FUNDS**

39 Sec. 31. (a) Of the funds appropriated in this act to the Office of State Planning,
40 eight hundred ten thousand dollars (\$810,000) for the 1993-94 fiscal year and eight
41 hundred ten thousand dollars (\$810,000) for the 1994-95 fiscal year shall only be used
42 as provided by this section. Each regional council of government or lead regional
43 organization is allocated up to forty-five thousand dollars (\$45,000) each fiscal year,
44 with the actual amount calculated as provided in subsection (b) of this section.

(b) These funds shall be allocated as follows: A share of the maximum forty-five thousand dollars (\$45,000) each fiscal year shall be allocated to each county and smaller city based on the most recent annual estimate of the Office of State Planning of the population of that county (less the population of any larger city within that county) or smaller city, divided by the sum of the total population of the region (less the population of larger cities within that region) and the total population of the region living in smaller cities. Those funds shall be paid to the regional council of government for the region in which that city or county is located upon receipt by the Department of Administration of a resolution of the governing board of the county or city requesting release of the funds. If any city or county does not so request payment of funds by June 30 of a State fiscal year, that share of the allocation for that fiscal year shall revert to the General Fund.

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

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

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

PART 11. DEPARTMENT OF TRANSPORTATION

HIGHWAY FUND ALLOCATIONS BY CONTROLLER

Sec. 32. The Controller of the Department of Transportation shall allocate at the beginning of each fiscal year from the various appropriations made to the Department of Transportation in this act, Titles:

State Construction

State Funds to Match Federal Highway Aid

State Maintenance

Ferry Operations,

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

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

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

| | |
|-------------------------|-----------------|
| For Fiscal Year 1995-96 | \$969.3 Million |
|-------------------------|-----------------|

| | |
|-------------------------|-----------------|
| For Fiscal Year 1996-97 | \$979.4 Million |
|-------------------------|-----------------|

Sec. 34. The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

| | |
|-------------------------|-----------------|
| For Fiscal Year 1995-96 | \$578.2 Million |
|-------------------------|-----------------|

| | |
|-------------------------|-----------------|
| For Fiscal Year 1996-97 | \$590.0 Million |
|-------------------------|-----------------|

1

2 HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

3 Sec. 35. (a) Overexpenditures from Section 4 of this act may be made by
4 authorization of the Director of the Budget, Titles:

- 5 State Construction Primary Construction
- 6 State Construction Urban Construction
- 7 State Construction Access and Public Service Roads
- 8 State Funds to Match Federal Highway Aid
- 9 State Maintenance
- 10 Ferry Operations,

11 provided that there are corresponding underexpenditures from these same Titles.
12 Overexpenditures or underexpenditures in any Titles may not vary by more than ten
13 percent (10%) without prior consultation with the Advisory Budget Commission.
14 Written reports covering overexpenditures or underexpenditures of more than ten
15 percent (10%) shall be made to the Joint Legislative Highway Oversight Committee.
16 The reports shall be delivered to the Director of the Fiscal Research Division not less
17 than 96 hours prior to the beginning of the Commission's full meeting.

18 (b) Overexpenditures from Section 4 of this act, Titles:

- 19 State Construction Primary Construction
- 20 State Construction Urban Construction
- 21 State Construction Access and Public Service Roads
- 22 State Funds to Match Federal Highway Aid
- 23 State Maintenance
- 24 Ferry Operations,

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

28

29 RESURFACED ROADS MAY BE WIDENED

30 Sec. 36. Of the contract maintenance resurfacing program funds appropriated
31 in this act to the Department of Transportation, an amount not to exceed fifteen percent
32 (15%) of the Board of Transportation's allocation of these funds may be used for
33 widening existing narrow pavements that are scheduled for resurfacing.

34

35 SMALL URBAN CONSTRUCTION PROGRAM FUNDS

36 Sec. 37. Of the funds appropriated in this act to the Department of
37 Transportation, nine million twenty-eight thousand two hundred sixty-six dollars
38 (\$9,028,266) shall be allocated in each fiscal year for small urban construction projects.
39 Seven million dollars (\$7,000,000) of these funds shall be allocated equally in each
40 fiscal year of the biennium among the 14 Highway Divisions for the small Urban
41 Construction program for small urban construction projects that are located within the
42 area covered by a one-mile radius of the municipal corporate limits. The remaining
43 funds, two million twenty-eight thousand two hundred sixty-six dollars (\$2,028,266)

1 shall be used statewide for rural or small urban highway improvements as approved by
2 the Secretary of the Department of Transportation.

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

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

10 11 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

12 Sec. 38. Any unreserved credit balance in the Highway Fund on June 30 of
13 each of the fiscal years of this biennium shall support appropriations in the succeeding
14 fiscal year. If all of the balance is not needed for these appropriations, the Director of
15 the Budget may use the remaining excess to establish a reserve for access and public
16 roads, a reserve for unforeseen happening of a state of affairs requiring prompt action as
17 provided by G.S.136-44.1, and other required reserves. If all of the remaining excess is
18 not used to establish these reserves, the remainder shall be allocated to the State-funded
19 maintenance appropriations in the manner approved by the Board of Transportation.
20 The Board of Transportation shall report monthly to the Joint Legislative Highway
21 Oversight Committee and the Fiscal Research Division about the use of the reserve for
22 highway and maintenance.

23 24 **AIR CARGO AIRPORT AUTHORITY MARKETING FUNDS TRANSFER**

25 Sec. 39. Of the funds appropriated in this act for the North Carolina Air
26 Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) shall be
27 transferred by July 15, 1993, and July 15, 1994, to the Department of Commerce for
28 marketing of the Global Transpark including two positions, operating support, and
29 advertising funds.

30 31 **PART 12. DEPARTMENT OF HUMAN RESOURCES**

32 33 **WILLIE M.**

34 Sec. 40. (a) Legislative Findings. The General Assembly finds:

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

1 (b) Funds appropriated by the General Assembly to the Department of Human
2 Resources for serving members of the Willie M. Class shall be expended only for
3 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,
4 et al., including evaluations of potential class members. The Department shall
5 reallocate these funds among services to Willie M. Class members during the year as it
6 deems advisable in order to use the funds efficiently in providing appropriate services to
7 Willie M. Class children.

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

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

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

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

33 (e) Reporting Requirements. The Department of Human Resources and the
34 Department of Public Education shall submit, by May 1 of each fiscal year, a joint
35 report to the Governor and the General Assembly on the progress achieved in serving
36 members of the Willie M. Class. The report shall include the following unduplicated
37 data for each area program: (i) the number of children nominated for the Willie M.
38 Class; (ii) the number of children actually identified as members of the Class in each
39 area program; (iii) the number of children served as members of the Class in each area
40 program; (iv) the number of children who remain unserved or for whom additional
41 services are needed in order to be determined to be appropriately served; (v) the types
42 and locations of treatment and education services provided to Class members; (vi) the
43 cost of services, by type, to members of the Class and the maximum and minimum rates
44 paid to providers for each service; (vii) the number of cases whose treatment costs were

1 in excess of one hundred fifty percent (150%) of the average annual per client
2 expenditure; (viii) information on the impact of treatment and education services on
3 members of the Class; (ix) an explanation of, and justification for, any waiver of
4 departmental rules that affect the Willie M. program; and (x) the total State funds
5 expended, by program, on Willie M. Class members, other than those funds specifically
6 appropriated for the Willie M. programs and services.

7 (e1) From existing funds available to it, the Department of Human Resources
8 shall document and assess individual class member's progress through the continuum of
9 services, and provide annual reports on the results of these efforts to the General
10 Assembly.

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

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

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

21 (2) That the funds appropriated will enable the development and
22 implementation of placement and services for the class members in
23 Willie M., et al. v. Hunt, et al., within a reasonable period of time
24 considered within the context of the needs of the class members, the
25 other needs of the State and the resources available to the State.

26 (h) The General Assembly supports the efforts of the responsible officials
27 and agencies of the State to meet the requirements of the court order in Willie M., et al.
28 v. Hunt, et al. To ensure that Willie M. Class members are appropriately served, no
29 State funds shall be expended on placement and services for Willie M. Class members
30 except:

31 (1) Funds specifically appropriated by the General Assembly for the
32 placement and services of Willie M. Class members; and

33 (2) Funds for placement and services for which Willie M. Class members
34 are otherwise eligible.

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

39 (i) Notwithstanding any other provision of law, if the Department of Human
40 Resources determines that a local program is not providing appropriate services to
41 members of the class identified in Willie M., et al. v. Hunt, et al., 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

THOMAS S.

Sec. 41. (a) Funds appropriated to the Department of Human Resources in this act for services to members of the Thomas S. Class as identified in Thomas S., et al. v. Britt formerly Thomas S., et al. v. Flaherty, shall be expended only for programs serving Thomas S. Class members or for services for those clients who are likely to become class members. To ensure that Thomas S. Class members are appropriately served, no State funds shall be expended on placement and services for Thomas S. Class members except:

- (1) Funds specifically appropriated by the General Assembly for the placement and services of Thomas S. Class members; and
- (2) Funds for placement and services for which Thomas S. Class members are otherwise eligible.

(b) The Department of Human Resources shall provide periodic reports of funds expended and services performed on behalf of members of the Thomas S. Class and on behalf of those clients who are likely to become class members to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office.

(c) Notwithstanding any other provision of law, if the Department of Human Resources determines that a local program is not providing minimally adequate services to members of the class identified in Thomas S., et al. v. Britt formerly Thomas S., et al. v. Flaherty, the Department may ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of such programs.

MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

Sec. 42. Funds received by the Department of Human Resources from the tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be allocated to the area mental health programs for substance abuse services on a per capita basis as determined by the Office of State Budget and Management's most recent estimates of county populations.

SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION

Sec. 43. Funds made available as a result of the conversion of State supported beds in specialized residential centers to ICF/MR beds shall be used to increase the State subsidy provided to centers. Funds made available to centers by this section shall be used, as they become available, to increase the subsidy rate to sixty-five percent (65%) of the statewide average cost of providing this service based on the most recent Specialized Community Residential Cost Study.

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

ICF AND ICF/MR WORK INCENTIVE ALLOWANCES

1 Sec. 44. The Department of Human Resources may provide an incentive
 2 allowance to Medicaid eligible recipients of ICF and ICF/MR facilities who are
 3 regularly engaged in work activities as part of their developmental plan and for whom
 4 retention of additional income contributes to their achievement of independence. The
 5 State funds required to match the federal funds that are required by these allowances
 6 shall be provided from savings within the Medicaid budget or from other unbudgeted
 7 funds available to the Department. The incentive allowances may be as follows:

| <u>Monthly Net Wages</u> | <u>Monthly Incentive Allowance</u> |
|--------------------------|------------------------------------|
| \$1.00 to \$100.99 | Up to \$50.00 |
| \$101.00 to \$200.99 | \$80.00 |
| \$201.00 to \$300.99 | \$130.00 |
| \$301.00 and greater | \$212.00. |

DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID

17 Sec. 45. Of the funds appropriated to the Department of Human Resources,
 18 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
 19 the sum of two million three hundred one thousand two hundred forty-eight dollars
 20 (\$2,301,248) for each year of the 1993-95 biennium shall be certified to the Department
 21 of Public Instruction for handicapped children aged 3 through 4 years who have been
 22 identified through Division of Mental Health, Developmental Disabilities, and
 23 Substance Abuse Services statewide services and who are served in developmental day
 24 centers. These funds shall be used to contract with area mental health, developmental
 25 disabilities, and substance abuse authorities or with public or private nonprofit
 26 developmental day centers to continue to serve handicapped children aged 3 through 4
 27 years who are identified as needing developmental day services.

EXPANSION OF THE TARGET POPULATION FOR TASC SERVICES

30 Sec. 46. Treatment Alternatives to Street Crimes (TASC) services may
 31 include mentally ill offenders as well as substance abusing offenders.

EARLY EDUCATION/HANDICAPPED/FUNDS

34 Sec. 47. The Department of Human Resources shall ensure that all types of
 35 early intervention services referenced in G.S. 122C-3(13a), and any other such services
 36 the Secretary of Human Resources, in cooperation with the other appropriate agencies
 37 and upon the advice of the Interagency Coordinating Council for Handicapped Children
 38 from Birth to Five Years of Age, considers necessary, shall be available to all eligible
 39 infants and toddlers and their families, as defined in G.S. 122C-3(13a)

PHYSICIAN SERVICES

42 Sec. 48. With the approval of the Office of State Budget and Management,
 43 the Department of Human Resources may use funds appropriated in this act for across-
 44 the-board salary increases and performance pay to offset similar increases in the costs of

1 contracting with private and independent universities for the provision of physician
2 services to clients in facilities operated by the Division of Mental Health,
3 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be
4 done in the same manner as is currently done with constituent institutions of The
5 University of North Carolina.

6 7 **MEDICAID**

8 Sec. 49. (a) Funds appropriated in this title for services provided in accordance
9 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
10 needy and the medically needy. Funds appropriated for these services shall be
11 expended in accordance with the following schedule of services and payment bases. All
12 services and payments are subject to the language at the end of this subsection.

13 Services and payment bases:

- 14 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
15 prescribed in the State Plan as established by the Department of
16 Human Resources. Administrative days for any period of
17 hospitalization shall be limited to a maximum of three days.
- 18 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
19 prospective reimbursement plan as established by the Department of
20 Human Resources.
- 21 (3) Nursing Facilities - Payment for nursing facility services will be
22 prescribed in the State Plan as established by the Department of
23 Human Resources. Nursing facilities providing services to Medicaid
24 recipients who also qualify for Medicare, must be enrolled in the
25 Medicare program as a condition of participation in the Medicaid
26 program. State facilities are not subject to the requirement to enroll in
27 the Medicare program.
- 28 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
29 in the State Plan as established by the Department of Human
30 Resources.
- 31 (5) Drugs - Drug costs as allowed by federal regulations plus a
32 professional services fee per month excluding refills for the same drug
33 or generic equivalent during the same month. Reimbursement shall be
34 available for up to six prescriptions per recipient, per month, including
35 refills. Payments for drugs are subject to the provisions of subsection
36 (f) of this section and to the provisions at the end of subsection (a) of
37 this section, or in accordance with the State Plan adopted by the
38 Department of Human Resources consistent with federal
39 reimbursement regulations. Payment of the professional services fee
40 shall be made in accordance with the plan adopted by the Department
41 of Human Resources, consistent with federal reimbursement
42 regulations. Adjustments to the professional services fee shall be
43 established by the General Assembly.

- 1 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
2 Nurse Midwife Services - Fee schedules as developed by the
3 Department of Human Resources. Payments for dental services are
4 subject to the provisions of subsection (e) of this section.
- 5 (7) Community Alternative Program, EPSDT Screens - Payment to be
6 made in accordance with rate schedule developed by the Department
7 of Human Resources.
- 8 (8) Home Health and Related Services, Private Duty Nursing, Clinic
9 Services, Prepaid Health Plans, Durable Medical Equipment - Payment
10 to be made according to reimbursement plans developed by the
11 Department of Human Resources.
- 12 (9) Medicare Buy-In - Social Security Administration premium.
- 13 (10) Ambulance Services - Uniform fee schedules as developed by the
14 Department of Human Resources.
- 15 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 16 (12) Rural Health Clinic Services - Provider based - reasonable cost;
17 nonprovider based - single cost reimbursement rate per clinic visit.
- 18 (13) Family Planning - Negotiated rate for local health departments. For
19 other providers - see specific services, for instance, hospitals,
20 physicians.
- 21 (14) Independent Laboratory and X-Ray Services - Uniform fee schedules
22 as developed by the Department of Human Resources.
- 23 (15) Optical Supplies - One hundred percent (100%) of reasonable
24 wholesale cost of materials.
- 25 (16) Ambulatory Surgical Centers - Payment as prescribed in the
26 reimbursement plan established by the Department of Human
27 Resources.
- 28 (17) Medicare Crossover Claims - An amount up to the actual coinsurance
29 or deductible or both, in accordance with the plan, as approved by the
30 Department of Human Resources.
- 31 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
32 eligible children. Payments are to be made only to the Children's
33 Special Health Services program at rates negotiated by the Department
34 of Human Resources.
- 35 (19) Personal Care Services - Payment in accordance with plan approved
36 by the Department of Human Resources.
- 37 (20) Case Management Services - Reimbursement in accordance with the
38 availability of funds to be transferred within the Department of Human
39 Resources.
- 40 (21) Hospice - Services may be provided in accordance with a plan
41 developed by the Department of Human Resources.
- 42 (22) Other Mental Health Services - Unless otherwise covered by this
43 section, coverage is limited to agencies meeting the requirements of
44 the rules established by the Commission for Mental Health,

- 1 Developmental Disabilities, and Substance Abuse Services, and
 2 reimbursement is made in accordance with a plan developed by the
 3 Department of Human Resources not to exceed the upper limits
 4 established in federal regulations.
- 5 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
 6 Children – Reimbursement in accordance with plan approved by the
 7 Department of Human Resources.
- 8 (24) Health Insurance Premiums – Payments to be made in accordance with
 9 the plan adopted by the Department of Human Resources consistent
 10 with federal regulations.
- 11 (25) Medical Care/Other Remedial Care – Services not covered elsewhere
 12 in this section include related services in schools; health professional
 13 services provided outside the clinic setting to meet maternal and infant
 14 health goals; and services to meet federal EPSDT mandates. Services
 15 addressed by this paragraph are limited to those prescribed in the State
 16 Plan as established by the Department of Human Resources. Providers
 17 of these services must be certified as meeting program standards of the
 18 Department of Environment, Health, and Natural Resources.

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

21 Reimbursement is available for up to 24 visits per recipient per year to any
 22 one or combination of the following: physicians, clinics, hospital outpatients,
 23 optometrists, chiropractors, and podiatrists. Prenatal services, all EPSDT children, and
 24 emergency rooms are exempt from the visit limitations contained in this paragraph.
 25 Exceptions may be authorized by the Department of Human Resources where the life of
 26 the patient would be threatened without such additional care. Any person who is
 27 determined by the Department to be exempt from the 24-hour visit limitation may also
 28 be exempt from the six-prescription limitation.

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

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

34 (d) Medicaid and Aid to Families with Dependent Children Income Eligibility
 35 Standards. The maximum net family annual income eligibility standards for Medicaid
 36 and Aid to Families with Dependent Children, and the Standard of Need for Aid to
 37 Families with Dependent Children shall be as follows:

| | <u>Categorically Needy</u> | <u>Medically Needy</u> | | |
|----|----------------------------|------------------------|---------------|------------------|
| | <u>Family Standard</u> | <u>AFDC Payment</u> | | |
| | <u>Size</u> | <u>Of Need</u> | <u>Level*</u> | <u>AA,AB,AD*</u> |
| 41 | | | | |
| 42 | 1 | \$ 4,344 | \$ 2,172 | \$ 2,900 |
| 43 | 2 | 5,664 | 2,832 | 3,800 |
| 44 | 3 | 6,528 | 3,264 | 4,400 |

| | | | | |
|---|---|-------|-------|-------|
| 1 | 4 | 7,128 | 3,564 | 4,800 |
| 2 | 5 | 7,776 | 3,888 | 5,200 |
| 3 | 6 | 8,376 | 4,188 | 5,600 |
| 4 | 7 | 8,952 | 4,476 | 6,000 |
| 5 | 8 | 9,256 | 4,680 | 6,300 |

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

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

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

12 (e) Dental Coverage Limits. Dental services shall be provided on a restricted
13 basis in accordance with rules adopted by the Department to implement this subsection.

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

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

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

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

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

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

4 (k) The Department of Human Resources shall provide Medicaid to 19-, 20-,
5 and 21-year-olds in accordance with federal rules and regulations.

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

8 (1) Pregnant women with incomes equal to or less than one hundred
9 eighty-five percent (185%) of the federal poverty guidelines as revised
10 each April 1 shall be covered for Medicaid benefits;

11 (2) Infants under the age of one with family incomes equal to or less than
12 one hundred eighty-five percent (185%) of the federal poverty
13 guidelines as revised each April 1 shall be covered for Medicaid
14 benefits.

15 (3) Children aged one through five with family incomes equal to or less
16 than one hundred thirty-three percent (133%) of the federal poverty
17 guidelines as revised each April 1 shall be covered for Medicaid
18 benefits; and

19 (4) Children aged six through 18 who were born after September 30, 1983,
20 with family incomes equal to the federal poverty guidelines as revised
21 each April 1 shall be covered for Medicaid benefits. Services to
22 pregnant women eligible under this section continue throughout the
23 pregnancy but include only those related to pregnancy and to those
24 other conditions determined by the department as conditions that may
25 complicate pregnancy. In order to reduce county administrative costs
26 and to expedite the provision of medical services to pregnant women,
27 to infants, and to children eligible under this section, no resources test
28 shall be applied.

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

34 35 **NON-MEDICAID REIMBURSEMENT**

36 Sec. 50. Providers of medical services under the various State programs,
37 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at
38 rates no more than those under the North Carolina Medical Assistance Program.

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

1 Notwithstanding the provisions of paragraph one of this section, the
 2 Department of Human Resources may negotiate with providers of medical services
 3 under the various DHR programs, other than Medicaid, for rates as close as possible to
 4 Medicaid rates for the following purposes: contracts or agreements for medical services
 5 and purchases of medical equipment and other medical supplies. These negotiated rates
 6 are allowable only to meet the medical needs of its non-Medicaid eligible patients,
 7 residents, and clients who require such services which cannot be provided when limited
 8 to the Medicaid rate.

9 Maximum net family annual income eligibility standards for services in these
 10 programs with the exception of Migrant Health, School Health, AIDS Drug
 11 Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome,
 12 and Home Health shall be as follows:

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

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

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

34 PURCHASE TRANSPORTATION SERVICES FOR PREGNANT WOMEN 35 AND FOR CHILDREN ON MEDICAID

36 Sec. 51. (a) Of the funds appropriated from the General Fund to the
 37 Department of Human Resources, Division of Medical Assistance, in this act, three
 38 hundred thousand dollars (\$300,000) for the 1993-94 fiscal year and three hundred
 39 thousand dollars (\$300,000) for the 1994-95 fiscal year shall be transferred to the
 40 Department of Transportation, Public Transportation Division, to purchase
 41 transportation services for pregnant women and for children on Medicaid. All funds
 42 distributed by the Department, under this section, to counties are intended to purchase
 43 additional transportation for that purpose. These funds shall not be used towards the
 44 purchase of transportation vehicles or equipment and shall not be used to cover State

1 administrative costs. Only those counties maintaining Medicaid transportation services
2 to pregnant women and to children at a level that is not reduced from the level of
3 services in place during the 1989-90 fiscal year shall be eligible for additional
4 transportation assistance funds.

5 (b) The Public Transportation Division of the Department of Transportation shall
6 distribute these funds to the counties according to the following formula:

- 7 (1) Fifty percent (50%) divided equally among all eligible counties;
- 8 (2) Forty-five percent (45%) on the basis of the number of pregnant
9 women and of children receiving Medicaid in the county as a
10 percentage of the total number of pregnant women and of children
11 receiving Medicaid statewide; and
- 12 (3) Five percent (5%) based upon a population density factor that
13 recognizes the higher transportation costs in sparsely populated
14 counties.

15 The Department of Transportation shall develop appropriate procedures for the
16 distribution and use of these funds and shall adopt rules to implement these procedures.

17 (c) Funds distributed by the Department of Transportation under this section
18 shall be used by counties in a manner consistent with implemented transportation
19 development plans which have been approved by the Department of Transportation and
20 the board of county commissioners. To receive funds apportioned for a given fiscal
21 year, a county shall have an approved transportation plan. Funds that are not obligated
22 in a given fiscal year due to the lack of an approved transportation plan shall be
23 distributed to the eligible counties based on the distribution formula in subsection (b) of
24 this section.

25 26 **REDUCE INFANT MORTALITY**

27 Sec. 52. The Department of Human Resources, Division of Medical
28 Assistance, shall provide medical coverage for nutritional counselling, psycho-social
29 counselling, and predelivery and postpartum home visits by maternity care coordinators
30 and public health nurses, for Medicaid-eligible pregnant women.

31 32 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

33 Sec. 53. The Department of Human Resources shall use funds appropriated
34 to it by this act to provide a State supplementary payment to Aid to Families with
35 Dependent Children households adversely affected by the retrospective accounting
36 procedure as allowed under section 403(a) of the Social Security Act as amended by
37 section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The amount of
38 the State supplement shall not exceed the maximum payment standard for the Aid to
39 Families with Dependent Children Program.

40 41 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

42 Sec. 54. The Division of Social Services, Department of Human Resources,
43 shall provide Aid to Families with Dependent Children to women in their third trimester

1 of pregnancy regardless of whether these women have children, if they otherwise
2 qualify for these payments.

3 4 **ADOPTION SUBSIDY**

5 Sec. 55. The adoption subsidy paid monthly by the Division of Social
6 Services, Department of Human Resources, to eligible families who adopt hard-to-place
7 children shall be established at two hundred dollars (\$200.00) per child per month.

8 9 **FOSTER CARE**

10 Sec. 56. Funds appropriated to the Department of Human Resources in this
11 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
12 dollars (\$265.00) per child per month.

13 14 **EMERGENCY ASSISTANCE**

15 Sec. 57. The Division of Social Services, Department of Human Resources,
16 shall not expend more State funds than are appropriated for Emergency Assistance by
17 this act. Within this limit, Emergency Assistance benefits shall not exceed three
18 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this
19 30-day period, Emergency Assistance benefits are not available to that family until 12
20 months have elapsed from the initial authorization date. The family may have no more
21 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
22 Emergency Assistance pursuant to this section.

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

29 30 **FOOD STAMP OUTREACH**

31 Sec. 58. The Department of Human Resources shall continue a Food Stamp
32 Outreach Program. Under the Program, the Department shall inform public and private
33 agencies, community groups, potentially eligible persons, and the general public
34 regarding the eligibility requirements of the Food Stamp Program. The Department
35 shall maintain a referral list of public and private agencies, community groups, and
36 interested persons and organizations who serve low-income persons. The Department
37 shall inform these agencies and persons regarding the Food Stamp Program and changes
38 in the law that affect client eligibility or the extent of benefits. The Department shall
39 develop and distribute informational materials, such as public service announcements,
40 brochures, pamphlets, posters, and correspondence.

41 42 **CHILD PROTECTIVE SERVICES FUNDS**

43 Sec. 59. (a) Of the funds appropriated to the Department of Human
44 Resources, Division of Social Services for Child Protective Services in this act, the

1 Division shall use up to one hundred seventy-five thousand nine hundred dollars
2 (\$175,900) in each fiscal year of the 1993-95 biennium to provide consultation and
3 technical assistance to county departments of social services to strengthen and support
4 local child protective services. The remaining funds shall be allocated to the county
5 departments of social services as follows:

- 6 (1) \$10,000 for the 1993-94 fiscal year and \$10,000 for the 1994-95 fiscal
7 year shall be allocated to each of the 15 county departments that did
8 not receive an allocation of the 1985 State appropriation for child
9 protective services;
- 10 (2) In addition, each of the 100 county departments shall receive an
11 allocation of ten thousand dollars (\$10,000) for the 1993-94 fiscal year
12 and ten thousand dollars (\$10,000) for the 1994-95 fiscal year;
- 13 (3) The balance of available funds shall be allocated to each county
14 department based upon the percentage that the total number of abuse
15 and neglect reports within that county represents to the statewide total
16 number of abuse and neglect reports. These percentages shall be
17 computed from the reports received by the Central Registry of Abuse
18 and Neglect cases for the last two fiscal years.

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

29 (c) The Department of Human Resources, Division of Social Services, shall
30 establish criteria and guidelines to assure that the allocations to county departments of
31 social services are used in accordance with the intent and purposes of this section.
32

33 SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES

34 Sec. 60. (a) Of the funds appropriated to the Department of Human Resources,
35 Division of Social Services, in this act for the 1993-95 biennium, the sum of four
36 hundred ten thousand dollars (\$410,000) in each fiscal year shall be used to enable the
37 Department to develop further the Social Services Plan, in consultation and cooperation
38 with other appropriate agencies and organizations and consistent with the policies as
39 provided by Chapter 448 of the 1989 Session Laws.

40 As part of the further development of the Social Services Plan, the
41 Department of Human Resources shall pilot in three to five counties the core services as
42 described in its report on the Social Services Plan to the General Assembly. The
43 piloting shall include the establishment of minimum standards for the provision of the

1 core services, including the staffing standards, caseload standards, training standards,
2 and facilities standards.

3 In implementing Family Centered Services as a core service, the Secretary of
4 the Department of Human Resources shall consider the advice and recommendations of
5 the Advisory Committee on Family Centered Services.

6 These funds may be used as a match for federal funds that may be available
7 in order to maximize support for the pilot. Funds appropriated by the General
8 Assembly to be allocated to counties for child protective services shall be used by the
9 pilot counties to strengthen investigations and treatment in Child Protective Services as
10 a core service. Any funds allocated to counties pursuant to this subsection shall be
11 matched by the counties at the rate of one county dollar for every three State dollars.

12 (b) Of the funds appropriated to the Department of Human Resources, Division
13 of Social Services, the sum of fifty thousand dollars (\$50,000) for each year of the
14 biennium shall be used to make grants to public or private agencies to develop and
15 implement model programs of locally based Family Preservation Services as provided
16 in Part 4A of Article 3 of Chapter 143B of the General Statutes, Family Preservation
17 Act. These funds shall be used in conjunction with funds identified within the
18 Department to implement the Family Preservation Services Program as provided in this
19 section. The Secretary of the Department of Human Resources shall ensure that the
20 development of these Family Preservation Models and the piloting of the core social
21 services described in subsection (a) of this section are coordinated at State and local
22 levels to achieve the most effective service delivery for families and use of available
23 funding sources.

24

25 **DOMICILIARY CARE REIMBURSEMENT RATE**

26 Sec. 61. Effective July 1, 1993, in accordance with inflationary increases for
27 locally operated programs, required by G.S. 143-10.1A to be consistent with
28 inflationary increases allowed in State agency budgets, the maximum monthly rates for
29 residents in domiciliary care facilities shall be set at eight hundred ninety-six dollars
30 (\$896.00) for ambulatory and nine hundred thirty-five dollars (\$935.00) for
31 semiambulatory residents, and, effective July 1, 1994, nine hundred three dollars
32 (\$903.00) for ambulatory and nine hundred forty-two dollars (\$942.00) for
33 semiambulatory residents.

34

35 **SENIOR CENTER OUTREACH**

36 Sec. 62. (a) Of the funds appropriated to the Department of Human Resources,
37 Division of Aging, in this act for the 1993-95 fiscal biennium, four hundred three
38 thousand eight hundred dollars (\$403,800) for the 1993-94 fiscal year and four hundred
39 three thousand eight hundred dollars (\$403,800) for the 1994-95 fiscal year shall be
40 used by the Division of Aging to enhance senior center programs as follows:

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

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

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

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

- 4 (1) Formally endorse the need for such a center;
- 5 (2) Formally agree on the sponsoring agency for the center; and
- 6 (3) Make a formal commitment to use local funds to support the ongoing
7 operation of the center.

8 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.
9

10 **CHILD PROTECTIVE SERVICES NONSUPPLANT REQUIREMENT**

11 Sec. 63. The Department of Human Resources, Division of Social Services,
12 shall ensure that local county departments of social services do not reduce federal fund
13 disbursements or county appropriations for child protective services because they have
14 received State appropriations for that purpose.
15

16 **COUNTY PROTECTIVE SERVICES ALLOCATION**

17 Sec. 64. Of the funds appropriated to the Department of Human Resources,
18 Division of Social Services, in this act, seven million dollars (\$7,000,000) for each year
19 of the 1993-95 biennium shall be allocated to county departments of social services
20 according to the following formula:

- 21 (1) All county departments shall receive a base allocation of ten thousand
22 dollars (\$10,000) for each year of the 1993-95 biennium.
- 23 (2) The balance of the funds each year of the fiscal biennium shall be
24 allocated to each county department based upon the percentage of the
25 number of child abuse and neglect reports in that county compared to
26 the total number of reports of child abuse and neglect statewide. These
27 percentages shall be computed from the reports received by the
28 Division of Social Services' Central Registry of Abuse and Neglect for
29 the last two fiscal years.

30 Funds allocated to county departments of social services pursuant to this
31 subsection shall be used to provide additional staff to carry out investigations of reports
32 of child abuse or neglect or to provide protective or preventive services in cases in
33 which the department confirms neglect, abuse, or dependency. However, if a county
34 demonstrates to the Division of Social Services that it has adequate protective services
35 staff, that county department may use these allocated funds to purchase or provide
36 treatment or other support services to children and their families in confirmed cases of
37 child abuse, neglect, or dependency. All expenditures made by any county department
38 of social services from funds allocated pursuant to this subsection shall be in direct
39 support of the department's program of protective services for children. These funds
40 shall not be used to supplant any Social Services Block Grant funds or county
41 appropriations budgeted for protective services for children.

42 The Department of Human Resources, Division of Social Services, shall
43 establish guidelines and criteria to assure that the allocations to county departments of

1 social services pursuant to this subsection are used in accordance with the intent and
2 purpose of this subsection.

4 **CHILD SUPPORT FUNDS**

5 Sec. 65. (a) Notwithstanding G.S. 114-2.1, the State may enter into a consent
6 judgment in the case of Cassell, et al. v. Flaherty, et al., C-C-90-0010-M, United States
7 District Court for the Western District of North Carolina, Charlotte Division.

8 (b) The consent judgment authorized under subsection (a) of this section is
9 subject to G.S. 114-2.2.

10 (c) In the event a consent agreement is reached, funds appropriated to enable the
11 Child Support Enforcement Section, Division of Social Services, Department of Human
12 Resources to distribute child support collections based upon the date the payment is
13 withheld from an obligor's disposable income may be used to implement that consent
14 judgment. Implementation costs may include:

- 15 (1) Quarterly notices to clients;
- 16 (2) Toll-free telephone number;
- 17 (3) Four Account Technician II positions;
- 18 (4) System enhancements; and
- 19 (5) Court-ordered costs.

20 (d) The Office of State Budget and Management and the Department of Human
21 Resources shall report not later than May 1, 1993, and annually thereafter, or more
22 frequently upon request, to the Governor, the Joint Legislative Commission on
23 Governmental Operations, and the Fiscal Research Division on the expenditures and
24 progress on achieving necessary improvements in the distribution of child support
25 collections.

26 (e) Funds appropriated to the Department of Human Resources in this act for
27 covering expenses incurred as a result of the Cassell, et al. v. Flaherty, et al. lawsuit
28 shall be deposited in a nonreverting fund account in the Department of Human
29 Resources, Division of Social Services, that the Department shall establish for this
30 purpose. Any unexpended and unencumbered funds remaining in the nonreverting
31 account on July 1, 1995, shall revert to the General Fund on that date.

33 **FAMILY SUPPORT ACT**

34 Sec. 66. (a) The General Assembly finds that it is in the best interest of the
35 State and of all its citizens to encourage recipients of Aid to Families with Dependent
36 Children to obtain jobs and become self-sufficient. It further finds that, by continuing
37 medical assistance and providing limited wage assistance to those recipients who are
38 working, the State will make it possible to help many recipients to be able to keep their
39 jobs, support their families, and become self-sufficient.

40 (b) The Social Services Commission shall adopt rules to change the way it
41 budgets Aid to Families with Dependent Children payments that will result in more
42 recipients being able to find work and keep working. These rules shall include
43 subtracting countable income from the State standard of need, and paying a percentage
44 of the difference. The percentage that shall be applied to determine the amount of

1 assistance shall be the same percentage set in the Current Operations Appropriations
2 Act that determine the Aid to Families of Dependent Children payment level from the
3 standard of need.

4

5 **CAREGIVER SUPPORT SHARING**

6 Sec. 67. (a) Of the funds appropriated to the Division of Aging, Department of
7 Human Resources, by this act for the 1993-95 fiscal biennium, the sum of one million
8 eight thousand dollars (\$1,008,000) for the 1993-94 fiscal year and the sum of one
9 million eight thousand dollars (\$1,008,000) for the 1994-95 fiscal year shall be used for
10 services that support family caregivers of elderly persons with functional disabilities,
11 whether physical or mental, who want to stay in their homes rather than be
12 institutionalized but who need assistance with the activities of daily living in order to
13 remain at home. The services that may be purchased from funds received under this
14 section include:

- 15 (1) Respite Care;
- 16 (2) Adult Day Care;
- 17 (3) Stipends and other related costs for senior companions, modeled after
18 the federal Senior Companion Program; and
- 19 (4) Other related services that meet needs not now adequately addressed
20 by the services described in subsections (1) through (3) of this
21 subsection.

22 (b) The Division of Aging shall expend funds for these services according to the
23 population of persons 70 years of age or older in each region. The Division of Aging
24 shall use a minimum of ninety-five percent (95%) of the funds it receives under this
25 section for the services described in subdivisions (1) through (4) of subsection (a) of this
26 section and may only use a maximum of five percent (5%) for technical assistance as
27 described in subsection (c) of this section. The Division of Aging shall choose
28 providers in accordance with procedures under the Older Americans Act. Funds
29 allocated by the Division pursuant to this section shall be allocated by October 1 of each
30 fiscal year.

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

35

36 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

37 Sec. 68. In order to assure maximum utilization of funds in county
38 departments of social services, county or district health agencies, and area mental
39 health, developmental disabilities, and substance abuse authorities, the Director of the
40 Budget may transfer excess funds appropriated to a specific service or program or fund
41 whether specified in a block grant plan or General Fund appropriation into another
42 service or program or fund for local services within the budget of the respective State
43 agency.

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

4 5 **LIABILITY INSURANCE**

6 Sec. 69. The Secretary of the Department of Human Resources, the Secretary
7 of the Department of Environment, Health, and Natural Resources, and the Secretary of
8 the Department of Correction may provide medical liability coverage not to exceed one
9 million dollars (\$1,000,000) on behalf of employees of the Departments licensed to
10 practice medicine or dentistry and on behalf of medical residents from The University
11 of North Carolina who are in training at institutions operated by the Department of
12 Human Resources. This coverage may include commercial insurance or self-insurance
13 and shall cover these individuals for their acts or omissions only while they are engaged
14 in providing medical and dental services pursuant to their State employment or training.

15 The coverage provided under this section shall not cover any individual for
16 any act or omission that the individual 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, with the exception that
24 coverage may include medical residents from The University of North Carolina who are
25 in training at institutions operated by the Department of Human Resources.

26 27 **DAY CARE RATES**

28 Sec. 70. (a) Rules for the monthly schedule of payments for the purchase of day
29 care services for low-income children shall be established by the Social Services
30 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
31 requirements:

- 32 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
33 than fifty percent (50%) of the enrollees are subsidized by State or
34 federal funds, the State shall continue to pay the same fee paid by
35 private paying parents for a child in the same age group in the same
36 facility.
- 37 (2) Facilities in which fifty percent (50%) or more of the enrollees are
38 subsidized by State or federal funds may choose annually one of the
39 following payment options:
- 40 a. The facility's payment rate for fiscal year 1985-86; or
 - 41 b. The market rate, as calculated annually by the Division of
42 Facility Services' Child Day Care Section in the Department of
43 Human Resources.

1 (3) A market rate shall be calculated for each county and for each age
2 group of enrollees within the county. The county market rates shall be
3 calculated from facility fee schedules collected by the Child Day Care
4 Section on a routine inspection basis. The section shall also calculate a
5 statewide market rate for each age category. The Social Services
6 Commission shall adopt rules to establish minimum county rates that
7 use the statewide market rates as a reference point.

8 (4) Child day care homes as defined in G.S. 110-86(4) and other home
9 based day care arrangements which are not required to be regulated by
10 the State licensing agency may be paid the market rate for day care
11 homes which shall be calculated at least biennially by the Child Day
12 Care Section according to the method described in subsection (a)(3) of
13 this section.

14 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
15 Statutes may participate in the program that provides for the purchase of care in day
16 care facilities for minor children of needy families. No separate licensing requirements
17 may be used to select facilities to participate. Day care facilities may be required to
18 meet additional requirements of federal law or regulations.

19 Day care homes as defined in G.S. 110-86(4) from which the State purchases
20 day care services shall meet the standards established by the Child Day Care
21 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any requirements of
22 State law or federal law or regulations. Child care arrangements exempt from State
23 regulations shall meet the requirements established by the State law and the Social
24 Services Commission.

25 (c) County departments of social services shall continue to negotiate with day
26 care providers for day care services below those rates prescribed by subsection (a) of
27 this section. County departments are directed to purchase day care services so as to
28 serve the greatest number of children possible with existing resources.

30 DAY CARE ALLOCATION FORMULA

31 Sec. 71. (a) To simplify current day care allocation methodology and more
32 equitably distribute State day care funds, the Department of Human Resources shall
33 apply the following allocation formula to all noncategorical federal and State day care
34 funds used to pay the costs of necessary day care for minor children of needy families:

35 (1) One-third of budgeted funds shall be distributed according to the
36 county's population in relation to the total population of the State;

37 (2) One-third of the budgeted funds shall be distributed according to the
38 number of children under six years of age in a county who are living in
39 families whose income is below the State poverty level in relation to
40 the total number of children under six years of age in the State in
41 families whose income is below the poverty level; and

42 (3) One-third of budgeted funds shall be distributed according to the
43 number of working mothers with children under six years of age in a

1 county in relation to the total number of working mothers with
2 children under six years of age in the State.

3 (b) A county's initial allocation may not be less than that county's initial
4 allocation was in State fiscal year 1990-91 under the formula prescribed by Session Law
5 1989, chapter 500, Section 102. However, if the total amount available to allocate is
6 less than the amount allocated by formula in the 1990-91 State fiscal year, a county's
7 allocation may be less than the county's initial allocation in the 1990-91 State fiscal
8 year.

9

10 **DAY CARE FUNDS MATCHING REQUIREMENT**

11 Sec. 72. No local matching funds shall be required by the Department of
12 Human Resources as a condition of any locality's receiving any State day care funds
13 appropriated by this act unless federal law requires such a match.

14

15 **DAY CARE**

16 Sec. 73. Except for the allocation of support costs from federal grants by the
17 General Assembly or the reallocation of federal grant funds by the Office of State
18 Budget and Management, the Department of Human Resources shall distribute the
19 funds appropriated and otherwise available to it for the purchase of day care for minor
20 children of needy families so as to serve the greatest number of children possible.

21

22 **CHILD DAY CARE REVOLVING LOAN FUND**

23 Sec. 74. Notwithstanding any law to the contrary, funds budgeted for the
24 Child Day Care Revolving Loan Fund may be transferred to and invested by the
25 financial institution contracted to operate the Fund. The principal and any income to the
26 Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral
27 for borrowers, pay the contractor's cost of operating the Fund, or to pay the
28 Department's cost of administering the program.

29

30 **SOCIAL SERVICES' PROTECTIVE SERVICES' ALLOCATION**

31 Sec. 75. Of the funds appropriated to the Department of Human Resources,
32 Division of Social Services, for the 1993-95 biennium for child protective services, the
33 sum of one million dollars (\$1,000,000) in each fiscal year shall be allocated among all
34 of the county departments of social services based on the percentage that the total
35 number of child abuse and neglect reports within that county represents to the statewide
36 total number of child abuse and neglect reports. These percentages shall be computed
37 from the reports received by the Central Registry of Abuse and Neglect for the last two
38 fiscal years.

39

40 **DHR EMPLOYEES/IN-KIND MATCH**

41 Sec. 76. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
42 of the Department of Human Resources may assign employees of the Office of Rural
43 and Resource Development to serve as in-kind match to nonprofit corporations working

1 to establish health care programs that will improve health care access while controlling
2 costs.

3 4 **PIONEER FUNDING SYSTEM**

5 Sec. 77. Notwithstanding the provisions of G.S. 122C-147 or necessary
6 alterations in the 1989 adopted Pioneer System Implementation Plan which may be
7 caused by budget shortfalls, the Department of Human Resources may pay budgeted
8 funds to area mental health, developmental disabilities, and substance abuse programs
9 on a unit cost basis for services delivered by those area programs which are operating
10 under the Pioneer System.

11 12 **OWNERSHIP, CUSTODY, OR CONTROL OF VEHICLES PURCHASED BY** 13 **THE DIVISION OF VOCATIONAL REHABILITATION SERVICES**

14 Sec. 78. The Division of Vocational Rehabilitation Services, Department of
15 Human Resources, may use funds made available to it to purchase vehicles to be used
16 primarily to transport clients being served pursuant to the Rehabilitation Act of 1973, 42
17 U.S.C. 701 **et seq.**, as amended. Notwithstanding the provisions of G.S. 143-341(8)i.3.,
18 the Division of Vocational Rehabilitation Services shall not be required to transfer
19 ownership, custody, or control of any vehicle purchased pursuant to this section to the
20 Department of Administration.

21 22 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

23 Sec. 79. County governments participating in the Community-Based
24 Alternatives Program shall certify annually to the Division of Youth Services,
25 Department of Human Resources, that Community-Based Alternatives Aid to Counties
26 shall not be used to duplicate or supplant other programs within the county.

27 28 **PART 13. DEPARTMENT OF COMMERCE**

29 30 **WORKER TRAINING TRUST FUND**

31 Sec. 80. (a) There is appropriated from the Worker Training Trust Fund to the
32 Employment Security Commission of North Carolina the sum of six million seven
33 hundred forty-six thousand dollars (\$6,746,000) for the 1993-94 fiscal year and the sum
34 of six million seven hundred forty-six thousand dollars (\$6,746,000) in the 1994-95
35 fiscal year for the operation of local offices.

36 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
37 Employment Security Administration Fund to the Employment Security Commission of
38 North Carolina, the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year
39 and the sum of two million dollars (\$2,000,000) for the 1994-95 fiscal year for
40 administration of the Veterans Employment Program, Employment Services Program,
41 and Unemployment Insurance Program.

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

1 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
2 Worker Training Trust Fund to the following agencies the following sums for the 1993-
3 94 and the 1994-95 fiscal years for the following purposes:

4 (1) \$1,000,000 for the 1993-94 fiscal year and \$1,000,000 for the 1994-95
5 fiscal year to the North Carolina Department of Labor for customized
6 training of the unemployed and the working poor for specific jobs
7 needed by employers through the Department's Pre-Apprenticeship
8 Division.

9 (2) \$2,000,000 for the 1993-94 fiscal year and \$2,000,000 for the 1994-95
10 fiscal year to the North Carolina Department of Human Resources to
11 assist welfare recipients in gaining employment through the federally
12 funded Job Opportunities and Basic Skills Program in such a way as to
13 gain the maximum match of federal funds for the State dollars
14 appropriated.

15 (3) \$1,746,000 for the fiscal year 1993-94 and \$1,746,000 for the 1994-95
16 fiscal year to the North Carolina Department of Community Colleges
17 to continue the Focused Industrial Training Program.
18

19 HOME PROGRAM MATCHING FUNDS

20 Sec. 81. (a) Funds appropriated in this act to the Department of Commerce for
21 the federal HOME Program shall be used by the Department to match federal funds
22 appropriated for the HOME Program. In allocating State funds appropriated to match
23 federal HOME Program funds, the Department shall give priority to HOME Program
24 projects, as follows:

- 25 (1) First priority to projects that are located in counties designated as
26 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
27 151.17(c); and
28 (2) Second priority to projects that benefit persons and families whose
29 incomes are fifty percent (50%) or less of the median family income
30 for the local area, with adjustments for family size, according to the
31 latest figures available from the United States Department of Housing
32 and Urban Development.

33 (b) Funds appropriated in this act to match federal HOME Program funds shall
34 not revert to the General Fund on June 30, 1994, and June 30, 1995.
35

36 PETROLEUM OVERCHARGE FUNDS ALLOCATION

37 Sec. 82. (a) The funds and interest thereon received from the case of United
38 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
39 is appropriated from the Special Reserve to the Department of Commerce the sum of
40 seven million seven hundred thousand dollars (\$7,700,000) for the 1993-94 fiscal year
41 and the sum of two million two hundred sixty-three thousand two hundred thirty-two
42 dollars (\$2,263,232) for the 1994-95 fiscal year to be allocated as follows:

- 1 (1) \$2,200,000 for the 1993-94 fiscal year and \$1,000,419 for the 1994-95
2 fiscal year shall be used for projects under the State Energy
3 Conservation Plan and Energy Extension Service Program;
4 (2) \$2,500,000 for the 1993-94 fiscal year shall be used for energy
5 conservation programs for hospitals and schools; and
6 (3) \$3,000,000 for the 1993-94 fiscal year and \$1,262,813 for the 1994-95
7 fiscal year shall be used for the Low Income Weatherization Program.
8 (4) \$1,262,813 for the 1993-95 biennium shall be used for the Low
9 Income Home Energy Assistance Program (LIHEAP).

10 (b) There is appropriated from funds and interest thereon received from the
11 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
12 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
13 sum of three million two hundred thousand dollars (\$3,200,000) for the 1993-94 fiscal
14 year and six million eight hundred ninety-nine thousand five hundred eighty-one dollars
15 (\$6,899,581) for the 1994-95 fiscal year to be allocated as follows:

- 16 (1) \$1,199,581 for the 1994-95 fiscal year for projects under the State
17 Energy Conservation Plan and Energy Extension Service Program;
18 (2) \$2,500,000 for the 1994-95 fiscal year for energy conservation
19 programs for schools and hospitals; and
20 (3) \$3,200,000 for the 1993-94 fiscal year and \$3,200,000 for the 1994-95
21 fiscal year for the Low Income Weatherization Program.

22 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after
23 the allocations made pursuant to subsections (a) and (b) of this section may be expended
24 only as authorized by the General Assembly. All interest or income accruing from all
25 deposits or investments of cash balances shall be credited to the Special Reserve for Oil
26 Overcharge Funds.

27 (d) The funds and interest thereon received from the Diamond Shamrock
28 Settlement which remain in a reserve in the Office of State Budget and Management for
29 the Division of Energy to administer the petroleum overcharge funds pursuant to
30 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
31 the Division of Energy in the Department of Commerce on an as-needed basis.

32 (e) The Department of Commerce shall submit comprehensive annual reports
33 to the Office of State Budget and Management and the General Assembly by May 15,
34 1994, and January 31, 1995, which detail the use of all petroleum overcharge funds.
35 Any State department or agency that has received petroleum overcharge funds shall
36 provide all information requested by the Department of Commerce for the purpose of
37 preparing these reports."
38

39 UTILITIES REGULATORY FEE

40 Sec. 83. The percentage rate for the utilities regulatory fee shall be set at
41 eight and one-half hundredths percent (0.085%) effective July 1, 1993.
42

43 PETROLEUM OVERCHARGE ATTORNEYS' FEES

1 Sec. 84. (a) Unless prohibited by federal law, rule, or regulation or preexisting
2 settlement agreement, no later than October 1, 1989, the North Carolina Attorney
3 General shall direct the withdrawal of all funds received in the cases of United States v.
4 Exxon and Stripper Well that are held in accounts or reserves located out-of-State for
5 payment of attorneys' fees and reasonable expenses incurred in connection with oil
6 overcharge litigation authorized by the Attorney General. The Attorney General shall
7 deposit these funds, and all funds to be received from petroleum overcharge funds in the
8 future for attorneys' fees and reasonable expenses, into the Special Reserve for Oil
9 Overcharge Funds.

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

14 (c) Notwithstanding any other provision of law, the Attorney General may
15 authorize the payment of attorney fees and reasonable expenses from the Special
16 Reserve for Oil Overcharge Funds without further action of the General Assembly and
17 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for
18 the 1993-94 fiscal year and for the 1994-95 fiscal year for that purpose.

19 20 **NORTH CAROLINA MANUFACTURING DIRECTORY PROCEEDS**

21 Sec. 85. The Department of Commerce may expend for industrial
22 promotional advertising any amount collected from the sales of the North Carolina
23 Manufacturing Directory above the sum of one hundred fifty-five thousand dollars
24 (\$155,000) already budgeted for the 1993-94 and 1994-95 fiscal years.

25 26 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

27 Sec. 86. Local governments requesting financial assistance from the
28 Industrial Development Fund shall demonstrate to the satisfaction of the Department
29 that it would be an economic hardship for the local government to match State
30 assistance from the Fund with local funds. The Department shall develop guidelines for
31 determining hardship.

32 33 **PART 14. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 34 **RESOURCES**

35 36 **DEMONSTRATION PROJECT FOR VOLUNTARY REMEDIAL ACTIONS**

37 Sec. 87. During the 1993-94, fiscal year, the Secretary of the Department of
38 Environment, Health, and Natural Resources may contribute from the Inactive
39 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty
40 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action
41 program at up to three high priority sites that substantially endanger public health or the
42 environment.

43 44 **NON-MEDICAID REIMBURSEMENT**

1 Sec. 88. Providers of medical services under the various State programs other
 2 than Medicaid offering medical care to citizens of the State shall be reimbursed at rates
 3 no more than those under the North Carolina Medical Assistance Program.

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

10 Notwithstanding the provisions of paragraph one of this section, the
 11 Department of Environment, Health, and Natural Resources may negotiate with
 12 providers of medical services under the various Environment, Health, and Natural
 13 Resources programs, other than Medicaid, for rates as close as possible to Medicaid
 14 rates for the following purposes: contracts or agreements for medical services and
 15 purchases of medical equipment and other medical supplies. These negotiated rates are
 16 allowable only to meet the medical needs of its non-Medicaid eligible patients, residents
 17 and clients who require such services which cannot be provided when limited to the
 18 Medicaid rate.

19 Maximum net family annual income eligibility standards for services in these
 20 programs with the exception of Migrant Health, School Health, AIDS Drug
 21 Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome,
 22 Women's Preventive Health, and Home Health shall be as follows:

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

33 The eligibility level each fiscal year for outpatient services for all clients and
 34 for inpatient services for children under the age of 8, in the Children's Special Health
 35 Services Program shall be one hundred percent (100%) of the federal poverty guidelines
 36 as revised annually by the United States Department of Health and Human Services, in
 37 effect on July 1 of each fiscal year.

38 The eligibility level of each fiscal year for outpatient services covered by the
 39 Sickle Cell Program shall be one hundred percent (100%) of the federal poverty
 40 guidelines, as revised annually by the United States Department of Health and Human
 41 Services, in effect on July 1 of each fiscal year.

42
 43 **PARKS RECEIPTS**

1 Sec. 89. The Department of Environment, Health, and Natural Resources
2 shall use any overrealized receipts from the Division of Parks and Recreation's sale of
3 pine straw, timber, or any other forest products for the maintenance of the State parks
4 and State reservoirs.

5 6 **SUPERFUND PROGRAM**

7 Sec. 90. (a) The Department of Environment, Health, and Natural Resources
8 may use available funds, with the approval of the Office of State Budget and
9 Management, in order to provide the ten percent (10%) cost share required for
10 Superfund cleanups on National Priority List sites. These funds may be in addition to
11 those appropriated for this purpose.

12 (b) The Department of Environment, Health, and Natural Resources shall report
13 to the Joint Legislative Commission on Governmental Operations the amount and the
14 source of the funds used pursuant to subsection (a) of this section within 30 days of the
15 expenditure of these funds.

16 17 **PART 15. DEPARTMENT OF LABOR**

18 19 **FUNDING FOR OSHA ENFORCEMENT POSITIONS**

20 Sec. 91. The Department of Labor may use funds appropriated to the
21 Department of Labor for the Occupational Safety and Health Act of North Carolina
22 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
23 the OSHANC program, provided the Department of Labor certifies to the Office of
24 State Budget and Management that no federal match is available for the 1993-94 fiscal
25 year and for the 1994-95 fiscal year.

26 27 **PART 16. EMPLOYEE SALARIES AND BENEFITS**

28 29 **MOST STATE EMPLOYEES/SALARY INCREASES**

30 Sec. 92. (a) The compensation increase reserve funds in Section 3 and 4 of this
31 act contain funds equivalent to an average annual increase of two percent (2%) for
32 permanent State employees, which shall be transferred by the Director of the Budget
33 including funds for the employer's retirement and Social Security contributions, to all
34 employing agencies to be awarded, on and after July 1, 1993, to permanent State
35 employees whose salaries are set in accordance with the State Personnel Act and who
36 are paid from the General Fund or Highway Fund, on the basis of job performance that
37 exceeds satisfactory levels in accordance with the policies, rules, and regulations
38 established by the State Personnel Commission. The provisions of this subsection shall
39 not apply to employees whose salaries are determined in accordance with G.S. 20-
40 187.3(a). Funds remaining in the compensation increase reserve after allocations have
41 been fulfilled in Sections 93, 94, 95, 96, and 98 of this Part may be used in conjunction
42 with the Salary Adjustment Fund as approved by the Director of the Budget.

43 (b) Salaries for positions that are funded partially from the General Fund or
44 Highway Fund and partially from sources other than the General Fund or Highway

1 Fund shall be increased from the General Fund or Highway Fund appropriation only to
2 the extent of the proportionate part of the salaries paid from the General Fund or
3 Highway Fund.

5 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

6 Sec. 93. The Director of the Budget may transfer from the Reserve for
7 Compensation Increase created in this act funds to the State Board of Community
8 Colleges necessary to provide a salary increase for fiscal year 1993-94 and continued in
9 fiscal year 1994-95. The State Board shall establish guidelines for providing salary
10 increases to community college institutional personnel. Salary funds shall be used to
11 provide an average annual salary increase of two percent (2%) to all full-time and part-
12 time employees. The remaining one percent (1%) salary increase funds shall be used to
13 provide an incentive compensation bonus pursuant to rules adopted by the State Board
14 of Community Colleges.

16 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

17 Sec. 94. (a) Superintendents, Assistant Superintendents, Associate
18 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
19 Administrators, Principals, and Assistant Principals – 1993-94 and 1994-95. The
20 Director of the Budget may transfer from the Reserve for Compensation Increase Fund
21 created in Section 3 of this act for fiscal years 1993-94 and 1994-95 funds necessary to
22 provide an annual average salary increase of two percent (2%), including funds for the
23 employer's retirement and Social Security contributions, commencing July 1, 1993, for
24 all superintendents, assistant superintendents, associate superintendents, supervisors,
25 directors, coordinators, evaluators, program administrators, principals, and assistant
26 principals whose salaries are supported from the State's General Fund. These funds
27 may not be used for any purpose other than that for the salary increases and necessary
28 employer contributions provided by this subsection.

29 (b) Noncertified Employees. The Director of the Budget may transfer from the
30 Reserve for Compensation Increase Fund created in Section 3 of this act for fiscal years
31 1993-94 and 1994-95 funds necessary to provide an annual average salary increase of
32 two percent (2%), including funds for the employer's retirement and Social Security
33 contributions, commencing July 1, 1993, for all noncertified public school employees,
34 whose salaries are supported from the State's General Fund. These funds may not be
35 used for any purpose other than that for the salary increases and necessary employer
36 contributions provided by this subsection.

38 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

39 Sec. 95. (a) The Director of the Budget shall transfer to the Board of Governors
40 of The University of North Carolina from the Reserve for Compensation Increase Fund
41 created in Section 3 of this act to provide an annual average salary increase of two
42 percent (2%), including funds for the employer's retirement and social security
43 contributions, commencing July 1, 1993, for all employees of The University of North
44 Carolina, as well as employees of the North Carolina School of Science and

1 Mathematics, supported by State funds and whose salaries are exempt from the State
2 Personnel Act. These funds shall be allocated to individuals according to the rules
3 adopted by the Board of Governors, or the Board of Trustees of the North Carolina
4 School of Science and Mathematics, as appropriate, and may not be used for any
5 purpose other than for salary increases and necessary employer contributions provided
6 by this section.

7 (b) The Director of the Budget shall transfer to the Board of Governors of The
8 University of North Carolina from the Reserve for Incentive Compensation Bonus Fund
9 created in Section 3 of this act to provide an annual average salary increase of one
10 percent (1%), including funds for the employer's retirement and Social Security
11 contributions, commencing July 1, 1993, for all employees of The University of North
12 Carolina, as well as employees of the North Carolina School of Science and
13 Mathematics, supported by State funds and whose salaries are exempt from the State
14 Personnel Act. These funds shall be allocated to individuals according to the rules
15 adopted by the Board of Governors, or the Board of Trustees of the North Carolina
16 School of Science and Mathematics, as appropriate, and may not be used for any
17 purpose other than for salary bonus increases and necessary employer contributions
18 provided by this section.

19 (c) The Director of the Budget shall transfer to the Board of Governors of The
20 University of North Carolina from the Reserve for Salary Adjustments Fund created in
21 Section 3 of this act the sum of two million dollars (\$2,000,000) for each of the 1993-94
22 and 1994-95 fiscal years to provide for the recruitment and retention of University
23 faculty and to allow the University to sustain its competitive edge, commencing July 1,
24 1993. These funds shall be allocated to individuals according to the rules adopted by
25 the Board of Governors, and may not be used for any purpose other than for salary
26 adjustments and necessary employer contributions provided by this section.

27 28 **SALARY INCREASE FOR STATE-FUNDED LOCAL PROGRAMS**

29 Sec. 96. Of the funds appropriated from the General Fund for the Reserve for
30 Compensation Increase Fund in this act for the 1993-94 fiscal year and continued in the
31 1994-95 fiscal year, funds shall be made available for employees in locally operated
32 State-funded programs in an amount equivalent to a two percent (2%) across-the-board
33 salary increase.

34 35 **INCENTIVE COMPENSATION BONUS**

36 Sec. 97. (a) The salary increase reserve funds in Sections 3 and 4 of this act
37 contain funds equivalent to an average annual salary increase of one percent (1%) for
38 permanent State employees, which shall be transferred by the Director of the Budget,
39 including funds for the employer's retirement and Social Security contributions, to all
40 employing agencies to be awarded, on and after July 1, 1993, to permanent State
41 employees whose salaries are set in accordance with the State Personnel Act and who
42 are paid from the General Fund or the Highway Fund, on the basis of job performance
43 that exceeds satisfactory levels in accordance with the policies, rules, and regulations
44 established by the State Personnel Commission. The funds so transferred by the

1 Director of the Budget shall be computed on the annualized salaries payable on June 30,
2 1993, so as not to be compounded with any other increases in salary granted by the
3 1993 General Assembly. The funds shall not become part of the permanent salary
4 schedule. The provisions of this subsection shall not apply to employees whose salaries
5 are determined in accordance with G.S. 20-187.3(a).

6 (b) The salary increase reserve funds in Sections 3 and 4 of this act contain funds
7 equivalent to an average annual increase of one percent (1%) for the following:

- 8 (1) All permanent community colleges instructional personnel supported
9 by State funds;
- 10 (2) All superintendents, assistant superintendents, associate
11 superintendents, supervisors, directors, coordinators, evaluators,
12 program administrators, principals, and assistant principals whose
13 salaries are supported by the State's General Fund;
- 14 (3) All noncertified public school employees whose salaries are supported
15 from the State's General Fund;
- 16 (4) All employees of The University of North Carolina and the North
17 Carolina School of Science and Mathematics.

18 These funds shall be awarded, on or after July 1, 1993, to the employees enumerated
19 above on the basis of job performance that exceeds satisfactory levels in accordance
20 with policies, rules, and regulations established by the State Board of Community
21 Colleges, the State Board of Education, and the Board of Governors of The University
22 of North Carolina, respectively. These funds shall not become part of the permanent
23 salary schedule.

24 25 **STATE OFFICIALS/PERSONS EXEMPT/SALARIES**

26 Sec. 98. Except as otherwise provided in this act, the fiscal year 1993-94
27 salaries for permanent full-time State officials and persons in exempt positions that are
28 recommended by the Governor or the Governor and the Advisory Budget Commission
29 and set by the General Assembly shall be increased by an average of two percent (2%),
30 commencing July 1, 1993.

31 32 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

33 Sec. 99. (a) Required employer salary-related contributions for employees
34 whose salaries are paid from department, office, institution, or agency receipts shall be
35 paid from the same source as the source of the employees' salaries. If an employee's
36 salary is paid in part from the General Fund or Highway Fund and in part from
37 department, office, institution, or agency receipts, required employer salary-related
38 contributions may be paid from the General Fund or Highway Fund only to the extent of
39 the proportionate part paid from the General Fund or Highway Fund in support of the
40 salary of the employee, and the remainder of the employer's requirements shall be paid
41 from the source that supplies the remainder of the employee's salary.

42 (b) The State's employer contribution rates budgeted for retirement and
43 related benefits as percentage of covered salaries for the 1993-94 and 1994-95 fiscal
44 years are (i) ten and ninety-three hundredths percent (10.93%) - Teachers and State

1 Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State Law
2 Enforcement Officers; (iii) eight and sixty-six hundredths percent (8.66%) - University
3 Employees' Optional Retirement System; (iv) twenty-nine and forty-six hundredths
4 percent (29.46%) - Consolidated Judicial Retirement System; and (v) thirty-two and
5 thirty hundredths percent (32.30%) - Legislative Retirement System. Each of the
6 foregoing contribution rates includes two percent (2.00%) for hospital and medical
7 benefits. The rate for State Law Enforcement Officers, and for the University
8 Employees' Optional Retirement Program includes forty-two hundredths percent
9 (0.42%) for the Disability Income Plan. The rates for Teachers and State Employees
10 and Law Enforcement Officers includes sixteen hundredths percent (0.16%) for the
11 Death Benefits Plan.

12 13 **PART 17. MISCELLANEOUS PROVISIONS**

14 15 **TRAVEL ALLOWANCES OF STATE OFFICERS AND EMPLOYEES**

16 Sec. 100. G.S. 138-6(a)(4) reads as rewritten:

17 "(4) For convention registration fees not to exceed ~~thirty dollars~~
18 ~~(\$30.00)~~ two hundred dollars (\$200.00) per convention."

19 20 **EFFECT OF HEADINGS**

21 Sec. 101. The headings to the Parts and sections of this act are a convenience
22 to the reader and are for reference only. The headings do not expand, limit, or define
23 the text of this act.

24 25 **EXECUTIVE BUDGET ACT REFERENCE**

26 Sec. 102. The provisions of the Executive Budget Act, Chapter 143, Article 1
27 of the General Statutes, are reenacted and shall remain in full force and effect and are
28 incorporated in this act by reference.

29 30 **MOST TEXT APPLIES ONLY TO 1993-95**

31 Sec. 103. Except for statutory changes or other provisions that clearly
32 indicate an intention to have effects beyond the 1993-95 biennium, the textual
33 provisions of this act shall apply only to funds appropriated for and activities occurring
34 during the 1993-95 biennium.

35 36 **SEVERABILITY CLAUSE**

37 Sec. 104. If any section or provision of this act is declared unconstitutional or
38 invalid by the courts, it does not affect the validity of the act as a whole or any part
39 other than the part so declared to be unconstitutional or invalid.

40 41 **EFFECTIVE DATE**

42 Sec. 105. Except as otherwise provided, this act shall become effective July
43 1, 1993.