

1 Sec. 1.1. This act shall be known as the Current Operations Appropriations
2 Act of 1996.

3
4 **PART 2. GENERAL FUND APPROPRIATIONS**

5
6 **CURRENT OPERATIONS/GENERAL FUND**

7 Sec. 2. Appropriations from the General Fund of the State for the maintenance
8 of the State departments, institutions, and agencies, and for other purposes as enumerated
9 are made for the biennium ending June 30, 1997, according to the schedule that follows.
10 Amounts set out in brackets are reductions from General Fund appropriations for the
11 1996-97 fiscal year.

13	<u>Current Operations - General Fund</u>			<u>1996-97</u>
14				
15	General Assembly			\$
16	(125,000)			
17				
18	Judicial			Department
19				6,3
20	27,117			
21				
22	Office of the Governor			
23	01. Office of the Governor (31,388)			
24	02. Office of State Budget			
25	and Management(37,689)			
26	03. Office of State Planning(5,000)			
27	04. Housing Finance Agency 3,250,000			
28				
29	Department	of	Secretary	of
30				State
31	,048			437
32				
33	Department	of	Public	Education
34				72,
35	480,648			
36				
37	Department		of	Justice
38				4,2
39	47,979			
40				
41	Department		of	Administration
42				(60
43	7,903)			

1				
2	Department		of	Agriculture
3				278
4	,672			
5				
6	Department		of	Labor
7				419
8	,183			
9				
10	Department		of	Insurance
11				1,6
12	38,839			
13				
14	Department of Environment, Health, and			
15	Natural			Resources
16				30,
17	219,088			
18				
19	Office	of	Administrative	Hearings
20				262
21	,754			
22				
23	Department of Human Resources			
24	01.	Office of the Secretary	(819,378)	
25	02.	Division of Aging	5,049,468	
26	03.	Division of Child Development	(2,795,235)	
27	04.	Division of Services for the		
28		Deaf and Hard of Hearing	(208,522)	
29	05.	Division of Social Services	(9,781,369)	
30	06.	Division of Medical Assistance	(18,005,897)	
31	07.	Division of Services		
32		for the Blind	(38,480)	
33	08.	Division of Mental Health,		
34		Developmental Disabilities, and		
35		Substance Abuse Services	330,448	
36	09.	Division of Facility Services	(473,845)	
37	10.	Division of Vocational		
38		Rehabilitation Services	567,211	
39	11.	Division of Youth Services	(869,857)	
40	Total	Department	of	Human Resources
41				(27,
42	045,456)			
43				

1 Department of Correction
 2 of (2,0
 3 66,304)
 4
 5 Department of Commerce
 6 01. Commerce 4,451,090
 7 02. MCNC (14,000,000)
 8 03. Rural Economic Development
 9 Center 1,025,000
 10
 11 Department of Revenue
 12 of 3,8
 13 60,876
 14
 15 Department of Cultural Resources
 16 of 36
 17 5,412)
 18
 19 Department of Crime Control
 20 and Public Safety
 21 1,1
 22 12,432
 23
 24 Office of the State Controller
 25 8,5
 26 84,082
 27
 28 University of North Carolina - Board
 29 of Governors
 30 01. University Institutional
 31 Programs 13,570,564
 32 02. Related Educational Programs 2,200,000
 33 03. University of North Carolina
 34 at Chapel Hill
 35 a. Academic Affairs (422,425)
 36 b. Health Affairs (29,424)
 37 04. North Carolina State University
 38 at Raleigh
 39 a. Academic Affairs (246,316)
 40 05. University of North Carolina at
 41 Greensboro (114,556)
 42 06. University of North Carolina at
 43 Charlotte (5,000)

- 1 07. University of North Carolina at
- 2 Asheville (4,500)
- 3 08. North Carolina Agricultural and
- 4 Technical State University (438,523)
- 5 09. Western Carolina University (91,286)
- 6 10. Appalachian State University (203,487)
- 7 11. Pembroke State University (3,190)
- 8 12. Winston-Salem State University (500)
- 9 13. Elizabeth City State
- 10 University (125,503)
- 11 14. Fayetteville State University (9,000)
- 12 15. North Carolina Central
- 13 University (67,779)
- 14 16. North Carolina School of the
- 15 Arts (317,543)
- 16 17. North Carolina School of
- 17 Science and Mathematics (28,036)
- 18 18. UNC Hospitals at Chapel Hill (20,000,000)

19 Total University of North
 20 Carolina - Board of Governors
 21 (6,3
 22 36,504)

23
 24 Department of Community Colleges
 25 15,
 26 326,317

27
 28 State Board of Elections
 29 (10,
 30 000)

31
 32 Contingency and Emergency
 33 5,0
 34 76,466

35
 36 Reserve for Compensation Increase
 37 174
 38 ,220,623

39
 40 Reserve for Moving Expenses
 41 2,0
 42 00,000
 43

1	Retirement	Rate	Adjustment
2			(32
3	5,600)		
4			
5	GRAND TOTAL CURRENT OPERATIONS –		
6	GENERAL		FUND
7			\$28
8	4,261,958		
9			
10	<u>Capital Improvements - General Fund</u>		<u>1996-1997</u>
11			
12	Department of Administration		
13	Prison Construction		
14	1. Modular Housing Units	\$ 5,000,000	
15	2. Southern Piedmont Area Unit	9,000,000	
16	3. Prison Unit Improvements	<u>1,600,000</u>	
17			
18	TOTAL		\$
19	15,600,000		
20			

PART 3. CURRENT OPERATIONS/HIGHWAY FUND

23 Sec. 3. Appropriations from the Highway Fund of the State for the
24 maintenance and operation of the Department of Transportation, and for other purposes
25 as enumerated, are made for the biennium ending June 30, 1997, according to the
26 following schedule:

27			
28	<u>Current Operations/Highway Fund</u>		<u>1996-97</u>
29			
30	Department of Transportation		
31	01. Administration	\$ 960,000	
32	02. Construction and Maintenance	2,206,000	
33	03. Division of Motor Vehicles	1,743,547	
34	04. Reserve for Salary Increases	11,936,061	
35			
36	Crime Control and Public Safety		<u>1,016,925</u>
37			
38	GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND		\$ 17,862,533
39			
40	CURRENT OPERATIONS/HIGHWAY FUND - NONRECURRING		
41	APPROPRIATIONS		

1 Sec. 3.1. Appropriations are made from the Highway Fund of the 1996-97
 2 fiscal year for use by the Department of Transportation, and for other purposes to provide
 3 for one-time expenditures according to the following schedule:

4
 5 Current Operations/Highway Fund - Nonrecurring 1996-97

6
 7 Department of Transportation

- 8 01. Administration \$ 2,781,145
- 9 02. Construction and maintenance
- 10 (a) State Maintenance
- 11 (01) Contract Resurfacing 10,437,130
- 12 03. Division of Motor Vehicles 646,716
- 13 04. Reserve for Capital Projects 1,958,126

14
 15 Appropriations for Other State Agencies

- 16 1. Crime Control and Public Safety 4,007,350

17
 18 **GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND -**
 19 **NONRECURRING** \$19,830,467

20
 21 **PART 4. HIGHWAY TRUST FUND**

22
 23 Sec. 4. In addition to the appropriations made by Section 4 of Chapter 324 of
 24 the 1995 Session Laws, appropriations from the Highway Trust Fund are made for the
 25 1996-97 fiscal year as follows:

- 26 01. Intrastate System \$ 8,569,105
- 27 02. Secondary Roads Construction 612,813
- 28 03. Urban Loops 3,464,990
- 29 04. State Aid - Municipalities 899,099
- 30 05. Program Administration 271,993
- 31 06. Transfer to General Fund _____

32
 33 **GRAND TOTAL/HIGHWAY TRUST FUND** \$ 13,818,000

34 **PART 5. GENERAL FUND AVAILABILITY STATEMENTS**

35
 36 Requested by: Representatives Holmes, Esposito, Creech

37 **BUDGET REFORM STATEMENTS**

38 Sec. 5. The General Fund and availability used in developing the 1996-97
 39 budget is as shown below:

- 40 (1) Composition of the 1996-97 beginning availability:
- 41 (\$ Million)
- 42 a. Revenue collections in 1995-96
- 43 authorized but not appropriated \$183.8

1	b.	Revenue collections in 1995-96	
2		in excess of authorized estimates	280.6
3	c.	Estimated unexpended appropriations	
4		for 1995-96 (reversions)	150.0
5	d.	Reserved 1994-95 Disproportionate	
6		Share Funds	1.6
7			
8		Subtotal	\$616.0
9			
10	e.	Transfer to Savings Reserve Account	77.4
11	f.	Transfer to Reserve for Repair and	
12		Renovations	130.0
13			
14		Ending Fund Balance	\$408.6
15			
16	(2)	Beginning Unrestricted Fund Balance,	
17		July 1, 1996	\$408.6
18			
19	(3)	Revenue collections authorized for	
20		1996-97 by the 1995 General Assembly	
21		in excess of expenditure authorizations	194.3
22			
23	(4)	Projected revenue collections above 1995	
24		Session estimates under existing tax	
25		structure	93.7
26			
27		TOTAL AVAILABILITY	\$696.6

HIGHWAY FUND AVAILABILITY INCREASE

Sec. 5.1. Section 5.1 of Chapter 324 of the 1995 Session Laws reads as rewritten:

"Sec. 5.1. The Highway Fund appropriations availability used in developing the 1995-97 Highway Fund budget is shown below:

	<u>1995-96</u>	<u>1996-97</u>
Beginning Credit Balance	\$ 19,382,000	\$ 20,829,000
Estimated Revenue	1,023,228,000	1,046,316,000
<u>1,063,180,000</u>		
Reversions:		
Financial System Funds	1,300,000	
Ferry Credit Balance	200,000	
Capital Improvements	4,112,266	

Total Highway Fund

Availability	\$1,048,222,226	\$1,046,316,000
<u>\$1,084,009,000</u>		

Requested by: Representatives Gardner, Hayes

**DISPOSITION OF DISPROPORTIONATE SHARE RECEIPTS
CLARIFICATION**

Sec. 5.2. Section 6.8 of Chapter 324 of the 1995 Session Laws reads as rewritten:

"Sec. 6.8. For the 1995-97 fiscal biennium, as it receives funds associated with Disproportionate Share Payments from the State ~~psychiatric~~-hospitals, the Division of Medical Assistance shall deposit funds appropriated for the Medicaid program in a sum equal to the federal share of the Disproportionate Share Payments as nontax revenue. Any of these funds that are not appropriated by the General Assembly shall be reserved by the State Controller for future appropriation."

Requested by: Holmes, Creech, Esposito

**EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND
RENOVATIONS**

Sec. 5.3. Of the funds in the Reserve for Repairs and Renovations for the 1996-97 fiscal year, forty-six percent (46%), shall be allocated to the Board of Governors of The University of North Carolina for repairs and renovations pursuant to G.S.143-15.3A, in accordance with guidelines developed in The University of North Carolina Funding Allocation Model for Reserve for Repairs and Renovations, as approved by the Board of Governors of The University of North Carolina; and fifty-four percent (54%) shall be allocated to the Office of State Budget and Management for repairs and renovations pursuant to G.S. 143-15.3A.

Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds for the repair and renovation of facilities not supported from the General Fund if the Board determines that sufficient funds are not available from other sources and that conditions warrant General Fund assistance. Any such finding shall be included in the Board's submission to the Joint Legislative Commission on Governmental Operations on the proposed allocation of funds.

The Board of Governors and the Office of State Budget and Management shall submit to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office, for their review, the proposed allocation of these funds. Subsequent changes in the proposed allocations shall be reported prior to expenditure to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office.

PART 6. BLOCK GRANT APPROPRIATIONS

Requested by: Representatives Mitchell, Weatherly

1 **NER BLOCK GRANT FUNDS**

2 Sec. 6. (a) Appropriations from federal block grant funds are made for the
3 fiscal year ending June 30, 1997, according to the following schedule:
4

5 **COMMUNITY DEVELOPMENT BLOCK GRANT**

6			
7	01.	State Administration	\$ 1,000,000
8			
9	02.	Urgent Needs and Contingency	2,177,500
10			
11	03.	Community Empowerment	2,613,000
12			
13	04.	Economic Development	8,710,000
14			
15	05.	Community Revitalization	29,178,500
16			
17	06.	State Technical Assistance	450,000
18			
19	07.	Housing Development	871,000
20			

21 **TOTAL COMMUNITY DEVELOPMENT**
22 **BLOCK GRANT - 1997 Program Year** \$ 45,000,000

23
24 **TOTAL JOB TRAINING PARTNERSHIP ACT** \$ 35,796,741

25
26 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

27			
28	01.	Healthy Mother/Healthy Children	
29		Block Grants to Local Health	
30		Departments	\$ 11,303,377
31			
32	02.	High Risk Maternity Clinic Services,	
33		Perinatal Education and Training, SIDS,	
34		and Consultation/Technical Assistance	1,810,112
35			
36	03.	Services to Children With Special Health	
37		Care Needs	5,065,331
38			
39	04.	Nutrition Services	120,530
40			

41 **TOTAL MATERNAL AND CHILD**
42 **HEALTH BLOCK GRANT** \$ 18,299,350

1 PREVENTIVE HEALTH SERVICES BLOCK GRANT

2			
3	01.	Emergency Medical Services \$	452,375
4			
5	02.	Basic Public Health Services	180,753
6			
7	03.	Hypertension Programs	711,813
8			
9	04.	Statewide Health Promotion Programs	2,568,940
10			
11	05.	Dental Health for Fluoridation	
12		of Water Supplies	210,269
13			
14	06.	Rape Prevention and Rape	
15		Crisis Programs	187,110
16			
17	07.	Rape Prevention and Rape Education	1,335,126
18			
19	08.	AIDS/HIV Education, Counseling,	
20		and Testing	81,001
21			
22	09.	Office of Minority Health and	
23		Minority Health Council	174,915
24			
25	10.	Administrative and Indirect Cost	199,048
26			
27	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT		\$ 6,101,350
28			

29 (b) Decreases in Federal Fund Availability

30 For JTPA and Community Development Block Grants: If federal funds are
31 reduced below the amounts specified above after the effective date of this act, then every
32 program in each of these federal block grants shall be reduced by the same percentage as
33 the reduction in federal funds.

34 For the Maternal and Child Health Services and Preventive Health Services
35 federal block grants: If federal funds are reduced less than ten percent (10%) below the
36 amounts specified above after the effective date of this act, then every program in the
37 Maternal and Child Health Services and in the Preventive Health Services block grants
38 shall be reduced by the same percentage as the reduction in federal funds. If federal funds
39 are reduced by ten percent (10%) or more below the amounts specified above after the
40 effective date of this act, then for the Maternal and Child Health Services and the
41 Preventive Health Services block grants the Department of Environment, Health, and
42 Natural Resources shall allocate the decrease in funds after considering the effectiveness
43 of the current level of services.

1 (c) Increases in Federal Fund Availability

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

4 (1) For the Community Development Block Grant – Each program category
5 under the Community Development Block Grant shall be increased by
6 the same percentage as the increase in federal funds.

7 (2) For the Maternal and Child Health Services Block Grant – Thirty
8 percent (30%) of these additional funds shall be allocated to services for
9 children with special health care needs and seventy percent (70%) shall
10 be allocated to local health departments to assist in the reduction of
11 infant mortality.

12 (3) For the Preventive Health Block Grants – If federal funds are increased
13 by ten percent (10%) or more, then the Department shall allocate the
14 increase in funds after considering the effectiveness of the current level
15 of services and the effectiveness of services to be funded by the
16 increase. If federal funds are increased by less than ten percent (10%),
17 then these additional funds may be budgeted by the appropriate
18 department, with the approval of the Office of State Budget and
19 Management, provided the resultant increases are in accordance with
20 federal block grant requirements and are within the scope of the block
21 grant plan approved by the General Assembly.

22 (d) Changes to budgeted allocations to the Maternal and Child Health Services and
23 the Preventive Health Services block grants due to increases or decreases in federal funds
24 shall be reported to the Joint Legislative Commission on Governmental Operations and
25 the Fiscal Research Division within 30 days of the allocation. All other increases shall be
26 reported to the Joint Legislative Commission on Governmental Operations and to the
27 Director of the Fiscal Research Division.

28 (e) Education Setaside of JTPA Funds

29 The Department of Commerce shall certify to the Joint Legislative
30 Commission on Governmental Operations and to the Fiscal Research Division of the
31 Legislative Services Office when Job Training Partnership Act funds have been
32 distributed to each agency, the total amount distributed to each agency, and the total
33 amount of eight percent (8%) Education Setaside funds received.

34 (f) Limitations on Community Development Block Grant Funds

35 Of the funds appropriated in this section for the Community Development
36 Block Grant, the following shall be allocated in each category for each program year: up
37 to one million dollars (\$1,000,000) may be used for State administration; up to two
38 million one hundred seventy-seven thousand five hundred dollars (\$2,177,500) may be
39 used for Urgent Needs and Contingency; up to two million six hundred thirteen thousand
40 dollars (\$2,613,000) may be used for Community Empowerment; up to eight million
41 seven hundred ten thousand dollars (\$8,710,000) may be used for Economic
42 Development; not less than twenty-nine million one hundred seventy-eight thousand five
43 hundred dollars (\$29,178,500) shall be used for Community Revitalization; up to four

1 hundred fifty thousand dollars (\$450,000) may be used for State Technical Assistance; up
2 to eight hundred seventy-one thousand dollars (\$871,000) may be used for Housing
3 Development. If federal block grant funds are reduced or increased by the Congress of
4 the United States after the effective date of this act, then these reductions or increases
5 shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.
6

7 PART 7. GENERAL PROVISIONS

8

9 CHANGES TO EXECUTIVE BUDGET ACT

10 Sec. 7. (a) G.S. 143-15.2 reads as rewritten:

11 "§ 143-15.2. Use of General Fund credit balance.

12 ~~The State Controller shall reserve up to one-fourth of any unreserved credit balance,~~
13 ~~as determined on a cash basis, remaining in the General Fund at the end of each fiscal~~
14 ~~year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would~~
15 ~~result in the Savings Reserve Account having funds in excess of five percent (5%) of the~~
16 ~~amount appropriated the preceding year for the General Fund operating budget, including~~
17 ~~local government tax-sharing funds; in that case, only funds sufficient to reach the five~~
18 ~~percent (5%) level shall be reserved. The State Controller shall also reserve the greater of~~
19 ~~(i) one-fourth of any unreserved credit balance, as determined on a cash basis, remaining~~
20 ~~in the General Fund and (ii) three percent (3%) of the replacement value of all State~~
21 ~~buildings supported from the General Fund, at the end of each fiscal year to the Repairs~~
22 ~~and Renovations Reserve Account as provided in G.S. 143-15.3A. The General~~
23 ~~Assembly may appropriate that part of the anticipated General Fund credit balance not~~
24 ~~expected to be reserved to the Savings Reserve Account or the Repairs and Renovations~~
25 ~~Reserve Account only for capital improvements or other one-time expenditures. As used~~
26 ~~in this section, the term "unreserved credit balance" means the credit balance amount, as~~
27 ~~determined on a cash basis, before funds are reserved by the Controller to the Savings~~
28 ~~Reserve Account or the Repairs and Renovations Reserve Account pursuant to G.S. 143-~~
29 ~~15.3 and G.S. 143-15.3A.~~

30 (a) The State Controller shall reserve fifty percent (50%) of any unreserved credit
31 balance, as determined on a cash basis remaining in the General Fund at the end of each
32 fiscal year.

33 (b) Of the fifty percent (50%) reserved in accordance with subsection (a) of
34 this section, one-half or the amount required to reach five percent (5%) of the preceding
35 year's General Fund operating budget, including local government tax-sharing funds if
36 those funds have been directly appropriated, shall be transferred to the Savings Reserve
37 Account as provided in G.S. 143-15.3. If the transfer of one-half would result in the
38 Savings Reserve Account having funds in excess of five percent (5%) of the amount
39 appropriated the preceding year, the excess shall be available to fund a portion of the
40 Repairs and Renovations Reserve as provided in G.S. 143-15.3A, if the fifty percent
41 (50%) reserved for that purpose is insufficient to fund the three percent (3%) of the
42 replacement value of all State buildings supported from the General Fund. If no portion
43 of these funds are required to provide the three percent (3%) replacement value of State-

1 owned buildings supported by the General Fund, the excess shall be available for capital
2 improvements or other one-time expenditures.

3 (c) Of the fifty percent (50%) reserved in accordance with subsection (a) of this
4 section, one-half or the amount required to reach three percent (3%) of the replacement
5 value of all State buildings supported from the General Fund shall be transferred to the
6 Repairs and Renovations Reserve as provided in G.S. 143-15.3A. If the transfer of one-
7 half would result in the Repairs and Renovations Reserve having funds in excess of the
8 three percent (3%) replacement value, the excess shall be available for capital
9 improvements and other one-time expenditures.

10 (d) Any funds not reserved by the State Controller in subsection (a) of this section
11 may be appropriated by the General Assembly only for capital improvements or other
12 one-time expenditures."

13 (b) G.S. 143-15.3 reads as rewritten:
14 **"§ 143-15.3. Savings Reserve Account.**

15 ~~(a) There is established a Savings Reserve Account as a restricted reserve in the~~
16 ~~General Fund. The State Controller shall reserve to the Savings Reserve Account one-~~
17 ~~fourth of any unreserved credit balance remaining in the General Fund at the end of each~~
18 ~~fiscal year until the account contains funds equal to five percent (5%) of the amount~~
19 ~~appropriated the preceding year for the General Fund operating budget, including local~~
20 ~~government tax sharing funds. If the balance in the Savings Reserve Account falls below~~
21 ~~this level during a fiscal year, the State Controller shall reserve to the Savings Reserve~~
22 ~~Account for the following fiscal years up to one fourth of any unreserved credit balance~~
23 ~~remaining in the General Fund at the end of each fiscal year until the account again~~
24 ~~equals five percent (5%) of the amount appropriated the preceding year for the General~~
25 ~~Fund operating budget, including local government tax sharing funds. As used in this~~
26 ~~section, the term "unreserved credit balance" means the credit balance amount, as~~
27 ~~determined on a cash basis, before funds are reserved by the Controller to the Savings~~
28 ~~Reserve Account or the Repairs and Renovations Reserve Account pursuant to this~~
29 ~~section and G.S. 143-15.3A.~~

30 (a) There is established a Savings Reserve Account as a restricted General Fund
31 reserve. The Savings Reserve Account shall be funded in accordance with G.S. 143-
32 15.2(a) and (b), and the General Assembly may direct that other unappropriated funds be
33 transferred to this account.

34 (b) The Director may not use funds in the Savings Reserve Account unless the use
35 has been approved by an act of the General Assembly. As part of the budget presented to
36 the General Assembly, the Governor shall include a statement showing the transfers into
37 the Savings Reserve Account, the transfers out of the Savings Reserve Account, and the
38 fund balance as of the end of the fiscal year."

39 (c) G.S. 143-15A reads as rewritten:
40 **"§ 143-15.3A. Repairs and Renovations Reserve Account.**

41 ~~(a) There is established a Repairs and Renovations Reserve Account as a restricted~~
42 ~~reserve in the General Fund. The State Controller shall reserve to the Repairs and~~
43 ~~Renovations Reserve Account the greater of (i) one fourth of any unreserved credit~~

1 ~~balance as determined on a cash basis, remaining in the General Fund and (ii) three~~
2 ~~percent (3%) of the replacement value of all State buildings supported from the General~~
3 ~~Fund, at the end of each fiscal year. As used in this section, the term "unreserved credit~~
4 ~~balance" means the credit balance amount, as determined on a cash basis, before funds~~
5 ~~are reserved by the Controller to the Savings Reserve Account or the Repairs and~~
6 ~~Renovations Reserve Account pursuant to this section and G.S. 143-15.3.~~

7 (a) There is established a Repairs and Renovations Reserve Account as a restricted
8 General Fund reserve. The Repairs and Renovations Reserve Account shall be funded in
9 accordance with G.S. 143-15.1, and the General Assembly may direct that other funds be
10 transferred to this account.

11 (b) The funds in the Repairs and Renovations Reserve Account shall be used
12 only for the repair and renovation of State facilities and related infrastructure that are
13 supported from the General Fund. Funds from the Repairs and Renovations Reserve
14 Account shall be used only for the following types of projects:

- 15 (1) Roof repairs and replacements;
- 16 (2) Structural repairs;
- 17 (3) Repairs and renovations to meet federal and State standards;
- 18 (4) Repairs to electrical, plumbing, and heating, ventilating, and air-
19 conditioning systems;
- 20 (5) Improvements to meet the requirements of the Americans with
21 Disabilities Act, 42 U.S.C. § 12101 et seq., as amended;
- 22 (6) Improvements to meet fire safety needs;
- 23 (7) Improvements to existing facilities for energy efficiency;
- 24 (8) Improvements to remove asbestos, lead paint, and other contaminants,
25 including the removal and replacement of underground storage tanks;
- 26 (9) Improvements and renovations to improve use of existing space;
- 27 (10) Historical restoration;
- 28 (11) Improvements to roads, walks, drives, utilities infrastructure; and
- 29 (12) Drainage and landscape improvements.

30 Funds from the Repairs and Renovations Reserve Account shall not be used for new
31 construction or the expansion of the footprint of an existing facility unless required in
32 order to comply with federal or State codes or standards.

33 (c) The Director of the Budget shall not use funds in the Repairs and Renovations
34 Reserve Account unless the use has been approved by an act of the General Assembly.
35 As part of the budget presented to the General Assembly, the Governor shall include a
36 statement showing the status of the Repair and Renovations Reserve Account activity."

37 (d) This section is effective beginning with the 1995-96 fiscal year so as to apply
38 to the unreserved credit balance at the end of that fiscal year.

40 PART 8. GENERAL ASSEMBLY

41
42 Requested by: Representatives Holmes, Creech, Esposito

43 LEGISLATIVE SERVICES OFFICER POSITION

1 Sec. 8. (a) G.S. 20-79.5(a) reads as rewritten:

2 "(a) Plates. – The State government officials listed in this section are eligible for a
3 special registration plate under G.S. 20-79.4. The plate shall bear the number designated
4 in the following table for the position held by the official.

6 Position	Number on Plate	
7 Governor		1
8 Lieutenant Governor		2
9 Speaker of the House of Representatives		3
10 President Pro Tempore of the Senate		4
11 Secretary of State		5
12 State Auditor		6
13 State Treasurer		7
14 Superintendent of Public Instruction		8
15 Attorney General		9
16 Commissioner of Agriculture		10
17 Commissioner of Labor		11
18 Commissioner of Insurance		12
19 Speaker Pro Tempore of the House		13
20 Legislative Administrative Officer		14
21 <u>Legislative Services Officer</u>		
22 Secretary of Administration		15
23 Secretary of Environment, Health, and		
24 Natural Resources		16
25 Secretary of Revenue		17
26 Secretary of Human Resources		18
27 Secretary of Commerce		19
28 Secretary of Correction		20
29 Secretary of Cultural Resources		21
30 Secretary of Crime Control and Public		
31 Safety 22		
32 Governor's Staff		23-29
33 State Budget Officer		30
34 State Personnel Director		31
35 Advisory Budget Commission Nonlegislative		
36 Member 32-41		
37 Chair of the State Board of Education		42
38 President of the U.N.C. System		43
39 Alcoholic Beverage Control Commission		44-46
40 Assistant Commissioners of Agriculture		47-48
41 Deputy Secretary of State		49
42 Deputy State Treasurer		50
43 Assistant State Treasurer		51

1 Deputy Commissioner for the Department of
 2 Labor 52
 3 Chief Deputy for the Department of
 4 Insurance 53
 5 Assistant Commissioner of Insurance 54
 6 Deputies and Assistant to the Attorney
 7 General 55-65
 8 Board of Economic Development
 9 Nonlegislative Member 66-88
 10 State Ports Authority Nonlegislative
 11 Member 89-96
 12 Utilities Commission Member 97-104
 13 Post-Release Supervision and
 14 Parole Commission Member 105-109
 15 State Board Member, Commission Member,
 16 or State Employee Not Named in List 110-200".

- 17 (b) G.S. 120-3.1(a)(3) reads as rewritten:
 18 "(3) A subsistence allowance for meals and lodging at a daily rate equal to
 19 the maximum per diem rate for federal employees traveling to Raleigh,
 20 North Carolina, as set out at 58 Federal Register 67959 (December 22,
 21 1993), while the General Assembly is in session and, except as
 22 otherwise provided in this subdivision, while the General Assembly is
 23 not in session when, with the approval of the Speaker of the House of
 24 Representatives in the case of Representatives or the President Pro
 25 Tempore of the Senate in case of Senators, the member is:
 26 a. Traveling as a representative of the General Assembly or of its
 27 committees or commissions, or
 28 b. Otherwise in the service of the State.

29 A member who is authorized to travel, whether in or out of session,
 30 within the United States outside North Carolina, may elect to receive, in
 31 lieu of the amount provided in the preceding paragraph, a subsistence
 32 allowance of twenty-six dollars (\$26.00) a day for meals, plus actual
 33 expenses for lodging when evidenced by a receipt satisfactory to the
 34 ~~Legislative Administrative Officer, Legislative Services Officer,~~ the
 35 latter not to exceed the maximum per diem rate for federal employees
 36 traveling to the same place, as set out at 58 Federal Register 67950-
 37 67964 (December 22, 1993) and at 59 Federal Register 23702-23709
 38 (May 6, 1994)."

39 (c) G.S. 120-32.1 reads as rewritten:

40 **"§ 120-32.1. Use and maintenance of buildings and grounds.**

- 41 (a) The Legislative Services Commission shall:
 42 (1) Establish policy for the use of the State legislative buildings and
 43 grounds;

- 1 (2) Maintain and care for the State legislative buildings and grounds, but
- 2 the Commission may delegate the actual work of the maintenance of
- 3 those buildings and grounds to the Department of Administration, which
- 4 shall perform the work as delegated;
- 5 (3) Provide security for the State legislative buildings and grounds;
- 6 (4) Allocate space within the State legislative buildings and grounds; and
- 7 (5) Have the exclusive authority to assign parking space in the State
- 8 legislative buildings and grounds.

9 (b) The ~~Legislative Administrative Officer~~ Legislative Services Officer shall have
10 posted the rules adopted by the Legislative Services Commission under the authority of
11 this section in a conspicuous place in the State Legislative Building and the Legislative
12 Office Building. The ~~Legislative Administrative Officer~~ Legislative Services Officer
13 shall have filed a copy of the rules, certified by the chairman of the Legislative Services
14 Commission, in the office of the Secretary of State and in the office of the Clerk of the
15 Superior Court of Wake County. When so posted and filed, these rules shall constitute
16 notice to all persons of the existence and text of the rules. Any person, whether on his
17 own behalf or for another, or acting as an agent or representative of any person, firm,
18 corporation, partnership or association, who knowingly violates any of the rules adopted,
19 posted and filed under the authority of this section is guilty of a Class 1 misdemeanor.
20 Any person, firm, corporation, partnership or association who combines, confederates,
21 conspires, aids, abets, solicits, urges, instigates, counsels, advises, encourages or procures
22 another or others to knowingly violate any of the rules adopted, posted and filed under
23 the authority of this section is guilty of a Class 1 misdemeanor.

24 (c) The Legislative Services Commission may cause to be removed at the owner's
25 expense any vehicle parked in the State legislative buildings and grounds in violation of
26 the rules of the Legislative Services Commission and may cause to be removed any
27 vehicle parked in any State-owned parking space leased to an employee of the General
28 Assembly where the vehicle is parked without the consent of the employee to whom the
29 space is leased.

30 (d) For the purposes of this section, the term 'State legislative buildings and
31 grounds' means:

- 32 (1) At all times:
 - 33 a. The State Legislative Building and the area between outer walls
 - 34 of the State Legislative Building and the near curblineline of those
 - 35 sections of Jones, Wilmington, Lane, and Salisbury Streets which
 - 36 border land on which the State Legislative Building is situated;
 - 37 b. The Legislative Office Building and the areas between its outer
 - 38 walls and the near curblineline of those sections of Lane and
 - 39 Salisbury Streets that border the land on which it is situated;
 - 40 c. Any State-owned parking lot which is leased to the General
 - 41 Assembly; and
 - 42 d. The bridge between the State Legislative Building and the State
 - 43 Governmental Mall.

1 (2) In addition, the surface area to the far curbline of those sections of
2 Jones, Wilmington, Lane, and Salisbury Streets which border the land
3 on which the State Legislative Building is situated:

4 a. When the General Assembly is in regular or extra session; and

5 b. On other days on which one or more standing committees of
6 either or both houses of the General Assembly are meeting and
7 the ~~Legislative Administrative Officer~~ Legislative Services
8 Officer determines that additional parking is needed for the
9 functioning of the General Assembly and files notice of the
10 committee's or committees' meetings and his finding that
11 additional parking is needed in the office of the Secretary of State
12 and that of Clerk of the Superior Court of Wake County."

13 (d) G.S. 120-36.6 reads as rewritten:

14 **"§ 120-36.6. Legislative Fiscal Research staff participation.**

15 Legislative fiscal research staff members may attend all meetings of the Advisory
16 Budget Commission and all hearings conducted by or for the Commission, and may
17 accompany the Commission to inspect the facilities of the State. The ~~Legislative~~
18 ~~Administrative Officer~~ Legislative Services Officer shall designate a member of the
19 Fiscal Research staff, and a member of the General Research or Bill Drafting staff who
20 may attend all meetings of the Board of Awards and Council of State, unless the Board or
21 Council has voted to exclude them from the specific meeting, provided that no final
22 action may be taken while they are so excluded. The Legislative Services Officer and the
23 Director of Fiscal Research shall be notified of all such meetings, hearings and trips in
24 the same manner and at the same time as notice is given to members of the Board,
25 Commission or Council. The Legislative Services Officer and the Director of Fiscal
26 Research shall be provided with a copy of all reports, memoranda, and other
27 informational material which are distributed to the members of the Board, Commission,
28 or Council; these reports, memoranda and materials shall be delivered to the Legislative
29 Services Officer and the Director of Fiscal Research at the same time that they are
30 distributed to the members of the Board, Commission, or Council."

31 (e) G.S. 120-70.36 reads as rewritten:

32 **"§ 120-70.36. Staffing.**

33 The ~~Legislative Administrative Officer~~ Legislative Services Officer shall assign as
34 staff to the Joint Select Committee professional employees of the General Assembly, as
35 approved by the Legislative Services Commission. Clerical staff shall be assigned to the
36 Joint Select Committee through the offices of the Supervisor of Clerks of the Senate and
37 Supervisor of Clerks of the House of Representatives. The expenses of employment of
38 clerical staff shall be borne by the Joint Select Committee."

39 (f) G.S. 120-70.46 reads as rewritten:

40 **"§ 120-70.46. Staffing.**

41 The ~~Legislative Administrative Officer~~ Legislative Services Officer shall assign as
42 staff to the Environmental Review Commission professional employees of the General
43 Assembly, as approved by the Legislative Services Commission. Clerical staff shall be

1 assigned to the Environmental Review Commission through the offices of the Supervisor
2 of Clerks of the Senate and Supervisor of Clerks of the House of Representatives. The
3 expenses of employment of clerical staff shall be borne by the Environmental Review
4 Commission."

5 (g) G.S. 120-70.52(c) reads as rewritten:

6 "(c) The Committee shall be funded by appropriations made to the Highway Trust
7 Fund and allocated to the Intrastate System projects. Members of the Committee receive
8 subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may
9 contract for consultants or hire employees in accordance with G.S. 120-32.02. The
10 Legislative Services Commission, through the ~~Legislative Administrative Officer,~~
11 Legislative Services Officer, shall assign professional staff to assist the Committee in its
12 work. Upon the direction of the Legislative Services Commission, the Supervisors of
13 Clerks of the Senate and of the House of Representatives shall assign clerical staff to the
14 Committee. The expenses for clerical employees shall be borne by the Committee."

15 (h) G.S. 120-70.65 reads as rewritten:

16 "**§ 120-70.65. Staffing.**

17 The ~~Legislative Administrative Officer~~ Legislative Services Officer shall assign as
18 staff to the Commission professional employees of the General Assembly, as approved
19 by the Legislative Services Commission. Clerical staff shall be assigned to the
20 Commission through the Offices of the Supervisor of Clerks of the Senate and Supervisor
21 of Clerks of the House of Representatives. The expenses of employment of clerical staff
22 shall be borne by the Commission."

23 (i) G.S. 120-70.82(c) reads as rewritten:

24 "(c) Members of the Committee receive subsistence and travel expenses as
25 provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees
26 in accordance with G.S. 120-32.02. The Legislative Services Commission, through the
27 ~~Legislative Administrative Officer,~~ Legislative Services Officer, shall assign professional
28 staff to assist the Committee in its work. Upon the direction of the Legislative Services
29 Commission, the Supervisors of Clerks of the Senate and of the House of Representatives
30 shall assign clerical staff to the Committee. The expenses for clerical employees shall be
31 borne by the Committee."

32 (j) G.S. 120-70.92(c) reads as rewritten:

33 "(c) Members of the Committee receive subsistence and travel expenses as
34 provided in G.S. 120-3.1. The Legislative Services Commission, through the ~~Legislative~~
35 ~~Administrative Officer,~~ Legislative Services Officer, shall assign professional staff to
36 assist the Committee in its work. Upon the direction of the Legislative Services
37 Commission, the Supervisors of Clerks of the Senate and of the House of Representatives
38 shall assign clerical staff to the Committee. The expenses for clerical employees shall be
39 borne by the Committee."

40 (k) G.S. 120-70.95(c) reads as rewritten:

41 "(c) Members of the Committee receive subsistence and travel expenses as
42 provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees
43 in accordance with G.S. 120-32.02. The Legislative Services Commission, through the

1 ~~Legislative Administrative Officer, Legislative Services Officer,~~ shall assign professional
2 staff to assist the Committee in its work. Upon the direction of the Legislative Services
3 Commission, the Supervisors of Clerks of the Senate and of the House of Representatives
4 shall assign clerical staff to the Committee. The expenses for clerical employees shall be
5 borne by the Committee."

6 (l) G.S. 120-70.102(c) reads as rewritten:

7 "(c) Members of the Committee receive subsistence and travel expenses as
8 provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees
9 in accordance with G.S. 120-32.02. The Committee may meet in the Legislative
10 Building or the Legislative Office Building upon the approval of the Legislative Services
11 Commission. The Legislative Services Commission, through the ~~Legislative~~
12 ~~Administrative Officer, Legislative Services Officer,~~ shall assign professional staff to
13 assist the Committee in its work. Upon the direction of the Legislative Services
14 Commission, the Supervisors of Clerks of the Senate and of the House of Representatives
15 shall assign clerical staff to the Committee. The expenses for clerical employees shall be
16 paid by the Committee."

17 (m) G.S. 143-8 reads as rewritten:

18 **"§ 143-8. Reporting of legislative and judicial expenditures and financial needs.**

19 On or before the first day of September, biennially, in the even-numbered years, the
20 ~~Legislative Administrative Officer, Legislative Services Officer~~ shall furnish the Director
21 a detailed statement of expenditures of the General Assembly for the current fiscal
22 biennium, and an estimate of its financial needs, itemized in accordance with the budget
23 classification adopted by the Director and approved and certified by the President ~~pro~~
24 ~~tempore~~ Pro Tempore of the Senate and the Speaker of the House of Representatives for
25 each year of the ensuing biennium, beginning with the first day of July thereafter. The
26 Administrative Officer of the Courts shall furnish the Director a detailed statement of
27 expenditures of the judiciary, and for each year of the current fiscal biennium an estimate
28 of its financial needs as provided by law, itemized in accordance with the budget
29 classification adopted by the Director and approved and certified by the Chief Justice for
30 each year of the ensuing biennium, beginning with the first day of July thereafter. The
31 Director shall include these estimates and accompanying explanations in the budget
32 submitted with such recommendations as the Director may desire to make in reference
33 thereto."

34 (n) G.S. 147-64.12(b) reads as rewritten:

35 "(b) The Auditor shall not conduct an audit on a program or activity for which he
36 had management responsibility or in which he has been employed during the preceding
37 two years. The General Assembly shall otherwise provide for the necessary audit of
38 programs and activities within the meaning of this subsection.

39 If the Auditor's hotline receives a report of allegations of improper governmental
40 activities in a program or activity that the Auditor is prohibited by this subsection from
41 auditing, the Hotline Manager shall transmit the report to the ~~Legislative Administrative~~
42 ~~Officer, Legislative Services Officer~~ or his designee. The report shall retain the same

1 confidentiality after transmittal to the General Assembly that it had in the possession of
2 the Auditor."

3 (o) All powers, duties, and responsibilities assigned to the Legislative
4 Administrative Officer of the Legislative Services Commission, including the assignment
5 of professional and clerical staff to assist in the work of studies and commissions, shall be
6 transferred to the Legislative Services Officer of the Legislative Services Commission.
7 All rules and policies of the Legislative Services Commission relating to the Legislative
8 Administrative Officer shall apply to the Legislative Services Officer unless otherwise
9 expressly amended or repealed.

10 11 **PART 9. OFFICE OF STATE BUDGET AND MANAGEMENT**

12
13 Requested by: Representatives Holmes, Creech, Esposito

14 **RESERVE FOR MOVING EXPENSE/STATE AGENCIES**

15 Sec. 9. Funds appropriated in this act to the Reserve for State Agency Moving
16 Expense shall be used to pay for expenses involved in the relocation of State agencies.
17 The Office of State Budget and Management shall solicit requests for allocations from
18 this reserve from all agencies moving into the Old Education Building, the New
19 Education Building, the Old Revenue Building, and any other new building for which
20 construction will be completed during the 1996-97 fiscal year. The Office of State
21 Budget and Management shall first allocate funds needed to pay moving expenses and
22 other costs associated with moving, including telephone lines, data communication lines,
23 and related equipment. No funds may be expended to furnish new conference rooms,
24 reception areas, open space, and to add centralized filing systems until all agencies
25 scheduled to be moved have been relocated.

26 27 **PART 10. DEPARTMENT OF ADMINISTRATION**

28
29 Requested by: Representatives Ives, Lemmond

30 **DOA TO EVALUATE UTILIZATION OF "STATE-OWNED SPACE"**

31 Sec. 10. The Department of Administration shall study and evaluate the
32 utilization of space in the facilities owned by the State. In its study the Department shall
33 consider the following: whether prime State office space is being used for storage
34 purposes rather than offices; which uses of State space do not need to be located in the
35 Capitol complex and could be located at other less expensive sites; and the merit, if any,
36 of consolidating agency offices currently sited in various locations into either a single
37 location or locations that are closer to each other in proximity. The Department shall
38 also develop a priority list that indicates which uses it is most important to locate in State-
39 owned space. Cost-effectiveness shall be a major criteria in establishing the priorities.

40 The Department of Administration shall develop a long-term plan to reduce the
41 State's dependency on leased office space and shall report to the General Assembly no
42 later than January 1, 1997, regarding the Department's findings, recommendations, and

1 the proposed long-term plan. The report shall also include the priority list developed by
2 the Department in accordance with this section.

3
4 Requested by: Representatives Ives, Lemmond

5 **DIRECTOR OF THE BUDGET AND STATE CONSTRUCTION MAY TIME**
6 **SELECTION OF DESIGNERS AND RELEASE OF DESIGN AND**
7 **CONSTRUCTION FUNDS TO AVOID INFLATION DUE TO MARKET PRICES**
8 **BEING INCREASED BY THE NUMBER OF CONTRACTS**

9 Sec. 10.1. G.S. 143-135.26(1) reads as rewritten:

10 "(1) To adopt rules establishing standard procedures and criteria to assure
11 that the designer selected for each State capital improvement project and
12 the consultant selected for planning and studies of an architectural and
13 engineering nature associated with a capital improvement project or a
14 future capital improvement project has the qualifications and experience
15 necessary for that capital improvement project or the proposed planning
16 or study project. The rules shall provide that the State Building
17 Commission, after consulting with the funded agency, is responsible
18 and accountable for the final selection of the designer and the final
19 selection of the consultant except when the General Assembly or The
20 University of North Carolina is the funded agency. When the General
21 Assembly is the funded agency, the Legislative Services Commission is
22 responsible and accountable for the final selection of the designer and
23 the final selection of the consultant, and when the University is the
24 funded agency, it shall be subject to the rules adopted hereunder, except
25 it is responsible and accountable for the final selection of the designer
26 and the final selection of the consultant. All designers and consultants
27 shall be selected within 60 days of the date funds are appropriated for a
28 project by the General Assembly or the date of project authorization by
29 the Director of the Budget; provided, however, the State Building
30 Commission may grant an exception to this requirement upon written
31 request of the funded agency if (i) no site was selected for the project
32 before the funds were appropriated or (ii) funds were appropriated for
33 advance planning ~~only~~ only; provided, further, the Director of the
34 Budget, after consultation with the State Construction Office, may
35 waive the 60-day requirement for the purpose of minimizing project
36 costs through increased competition and improvements in the market
37 availability of qualified contractors to bid on State capital improvement
38 projects. The Director of the Budget also may, after consultation with
39 the State Construction Office, schedule the availability of design and
40 construction funds for capital improvement projects for the purpose of
41 minimizing project costs through increased competition and
42 improvements in the market availability of qualified contractors to bid
43 on State capital improvement projects.

1 The State Building Commission shall submit a written report to the
2 Joint Legislative Commission on Governmental Operations on the
3 Commission's selection of a designer for a project within 30 days of
4 selecting the designer."
5

6 Requested by: Representatives Ives, Lemmond

7 **REPEAL SUNSET ON THE USE OF FICA SAVINGS TO PAY FOR**
8 **ADMINISTRATIVE EXPENSES OF THE FLEXIBLE COMPENSATION AND**
9 **DEPENDENT CARE PROGRAMS SO THAT FICA SAVINGS CAN CONTINUE**
10 **TO BE USED FOR ADMINISTRATIVE EXPENSES**

11 Sec. 10.2. Section 14(i) of Chapter 1044 of the 1991 Session Laws, as
12 amended by Section 42 of Chapter 561 of the 1993 Session Laws and Section 7.28A of
13 Chapter 769 of the 1993 Session Laws, reads as rewritten:

14 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
15 Subsections (e) through (h) of this section are effective January 1, 1991. ~~Subsections (a)~~
16 ~~through (h) of this section shall expire December 31, 1997."~~
17

18 Requested by: Representatives Ives, Lemmond

19 **MOTOR FLEET MANAGEMENT MODIFICATIONS**

20 Sec. 10.3. Subsubdivision (8)7a. of G.S. 143-341 reads as rewritten:

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

1 vehicle that may be used for commuting other than those
2 authorized by the procedure prescribed in this subdivision.

3 A State-owned passenger motor vehicle shall not be
4 permanently assigned to an individual who is likely to
5 drive it on official business at a rate of less than 3,150
6 miles per quarter unless (i) the individual's duties are
7 routinely related to public safety or (ii) the individual's
8 duties are likely to expose the individual routinely to life-
9 threatening situations. A State-owned passenger motor
10 vehicle shall also not be permanently assigned to an
11 agency that is likely to drive it on official business at a
12 rate of less than 3,150 miles per quarter unless the agency
13 can justify to the Division of Motor Fleet Management the
14 need for permanent assignment because of the unique use
15 of the vehicle. Each agency, other than the Department of
16 Transportation, that has a vehicle assigned to it or has an
17 employee to whom a vehicle is assigned shall submit a
18 quarterly report to the Division of Motor Fleet
19 Management on the miles driven during the quarter by the
20 assigned vehicle. The Division of Motor Fleet
21 Management shall review the report to verify that each
22 motor vehicle has been driven at the minimum allowable
23 rate. If it has not and if the department by whom the
24 individual to which the car is assigned is employed or the
25 agency to which the car is assigned cannot justify the
26 lower mileage for the quarter, the permanent assignment
27 shall be revoked immediately. The Department of
28 Transportation shall submit an annual report to the
29 Division of Motor Fleet Management on the miles driven
30 during the year by vehicles assigned to the Department or
31 to employees of the Department. If a vehicle included in
32 this report has not been driven at least 12,600 miles during
33 the year, the Department of Transportation shall review
34 the reasons for the lower mileage and decide whether to
35 terminate the assignment. The Division of Motor Fleet
36 Management may not revoke the assignment of a vehicle
37 to the Department of Transportation or an employee of
38 that Department for failure to meet the minimum mileage
39 requirement unless the Department of Transportation
40 consents to the revocation.

41 Every individual who uses a State-owned passenger
42 motor vehicle, pickup truck, or van to drive between the
43 individual's official work station and his or her home,

1 shall reimburse the State for these trips at a rate computed
2 by the Department. This rate shall approximate the benefit
3 derived from the use of the vehicle as prescribed by
4 federal law. Reimbursement shall be for 20 days per
5 month regardless of how many days the individual uses
6 the vehicle to commute during the month. Reimbursement
7 shall be made by payroll deduction. Funds derived from
8 reimbursement on vehicles owned by the Motor Fleet
9 Management Division shall be deposited to the credit of
10 the Division; funds derived from reimbursements on
11 vehicles initially purchased with appropriations from the
12 Highway Fund and not owned by the Division shall be
13 deposited in a Special Depository Account in the
14 Department of Transportation, which shall revert to the
15 Highway Fund; funds derived from reimbursement on all
16 other vehicles shall be deposited in a Special Depository
17 Account in the Department of Administration which shall
18 revert to the General Fund. Commuting, for purposes of
19 this paragraph, does not include those individuals whose
20 office is in their home, as determined by the Department
21 of Administration, Division of Motor Fleet Management.
22 Also, this paragraph does not apply to the following
23 vehicles: (i) clearly marked police and fire vehicles, (ii)
24 delivery trucks with seating only for the driver, (iii)
25 flatbed trucks, (iv) cargo carriers with over a 14,000
26 pound capacity, (v) school and passenger buses with over
27 20 person capacities, (vi) ambulances, ~~(vii) hearses,~~ (viii)
28 bucket trucks, (ix) cranes and derricks, (x) forklifts, (xi)
29 cement mixers, (xii) dump trucks, (xiii) garbage trucks,
30 (xiv) specialized utility repair trucks (except vans and
31 pickup trucks), (xv) tractors, (xvi) unmarked law-
32 enforcement vehicles that are used in undercover work
33 and are operated by full-time, fully sworn law-
34 enforcement officers whose primary duties include
35 carrying a firearm, executing search warrants, and making
36 arrests, and (xvii) any other vehicle exempted under
37 Section 274(d) of the Internal Revenue Code of 1954, and
38 Federal Internal Revenue Services regulations based
39 thereon. The Department of Administration, Division of
40 Motor Fleet Management, shall report quarterly to the
41 Joint Legislative Commission on Governmental
42 Operations and to the Fiscal Research Division of the
43 Legislative Services Office on individuals who use State-

1 owned passenger motor vehicles, pickup trucks, or vans
2 between their official work stations and their homes, who
3 are not required to reimburse the State for these trips.

4 The Department of Administration shall revoke the
5 assignment or require the Department owning the vehicle
6 to revoke the assignment of a State-owned passenger
7 motor vehicle, pickup truck or van to any individual who:

- 8 I. Uses the vehicle for other than official business
9 except in accordance with the commuting rules;
- 10 II. Fails to supply required reports to the Department
11 of Administration, or supplies incomplete reports,
12 or supplies reports in a form unacceptable to the
13 Department of Administration and does not cure
14 the deficiency within 30 days of receiving a request
15 to do so;
- 16 III. Knowingly and willfully supplies false information
17 to the Department of Administration on
18 applications for permanent assignments,
19 commuting reimbursement forms, or other required
20 reports or forms;
- 21 IV. Does not personally sign all reports on forms
22 submitted for vehicles permanently assigned to him
23 or her and does not cure the deficiency within 30
24 days of receiving a request to do so;
- 25 V. Abuses the vehicle; or
- 26 VI. Violates other rules or policy promulgated by the
27 Department of Administration not in conflict with
28 this act.

29 A new requisition shall not be honored until the
30 Secretary of the Department of Administration is assured
31 that the violation for which a vehicle was previously
32 revoked will not recur.

33 The Department of Administration, with the approval
34 of the Governor, may delegate, or conditionally delegate,
35 to the respective heads of agencies which own passenger
36 motor vehicles or to which passenger motor vehicles are
37 permanently assigned by the Department, the duty of
38 enforcing all or part of the rules adopted by the
39 Department of Administration pursuant to this subdivision
40 7a. The Department of Administration, with the approval
41 of the Governor, may revoke this delegation of authority.

1 Prior to adopting rules under this paragraph, the
2 Secretary of Administration may consult with the
3 Advisory Budget Commission.

4 Notwithstanding the provisions of this section and G.S.
5 14-247, the Department of Administration may allow the
6 organization sanctioned by the Governor's Council on
7 Physical Fitness to conduct the North Carolina State
8 Games to use State trucks and vans for the State Games of
9 North Carolina. The Department of Administration shall
10 not charge any fees for the use of the vehicles for the State
11 Games. The State shall incur no liability for any damages
12 resulting from the use of vehicles under this provision.
13 The organization that conducts the State Games shall
14 carry liability insurance of not less than one million
15 dollars (\$1,000,000) covering such vehicles while in its
16 use and shall be responsible for the full cost of repairs to
17 these vehicles if they are damaged while used for the State
18 Games."

19 20 **PART 11. DEPARTMENT OF CULTURAL RESOURCES**

21
22 Requested by: Representatives Lemmond, Ives

23 **RESERVE FUNDS MAY BE USED FOR MUSEUM OF THE ALBEMARLE OR** 24 **OTHER ALBEMARLE AREA HISTORIC SITES**

25 Sec. 11. Of the funds appropriated in Section 2 of Chapter 324 of the 1995
26 Session Laws to the Department of Cultural Resources, the sum of forty-seven thousand
27 eight hundred eighty-seven dollars (\$47,887) which is in reserve in the budget of the
28 Department of Cultural Resources for the 1996-97 fiscal year may be used either for the
29 Museum of the Albemarle or for other Albemarle area historic sites.

30
31 Requested by: Representative Culpepper

32 **ROANOKE ISLAND HISTORICAL ASSOCIATION**

33 Sec. 11.1 G.S. 143-200 reads as rewritten:

34 **"§ 143-200. Members of board of directors; terms; appointment.**

35 The governing body of said Association shall be a board of directors consisting of the
36 Governor of the State, the Attorney General and the Secretary of Cultural Resources as
37 ex officio members, and the following 21 members: J. Spencer Love, Greensboro; Miles
38 Clark, Elizabeth City; Mrs. Richard J. Reynolds, Winston-Salem; D. Hiden Ramsey,
39 Asheville; Mrs. Charles A. Cannon, Concord; Dr. Fred Hanes, Durham; Mrs. Frank P.
40 Graham, Chapel Hill; Bishop Thomas C. Darst, Wilmington; W. Dorsey Pruden,
41 Edenton; John A. Buchanan, Durham; William B. Rodman, Jr., Washington; J. Melville
42 Broughton, Raleigh; Melvin R. Daniels, Manteo; Paul Green, Chapel Hill; Samuel
43 Selden, Chapel Hill; R. Bruce Etheridge, Manteo; Theodore S. Meekins, Manteo; Roy L.

1 Davis, Manteo; M. K. Fearing, Manteo; A. R. Newsome, Chapel Hill. The members of
2 said board of directors herein named other than the ex officio members, shall serve for a
3 term of two years and until their successors are appointed. Appointments thereafter shall
4 be made by the membership of the Association in regular annual meeting or special
5 meeting called for such ~~purpose, and in purpose.~~ In the event the Association through its
6 membership should fail to make such appointments, then the appointments shall be made
7 by the Governor of the State. If a vacancy occurs between annual meetings, the board of
8 directors may fill the vacancy until the next annual meeting. All vacancies ~~Vacancies~~
9 occurring on the board of directors not filled by the board of directors within 30 days of
10 the vacancy shall be filled by the Governor of the State."

11
12 Requested by: Representatives Ives, Lemmond

13 **DEPARTMENT OF CULTURAL RESOURCES TO REVIEW ADMISSION** 14 **RATES FOR HISTORIC SITES**

15 Sec. 11.2. The Department of Cultural Resources shall review the admission
16 fees and concession prices charged at each historic site. The Department shall evaluate
17 on a site-by-site basis whether those charges are competitive with the admission fees and
18 concession prices charged at other historic sites and how an increase in prices would
19 impact visitation of each site. The Department of Cultural Resources shall report its
20 findings and recommendations to the 1997 General Assembly.

21 22 **PART 11A. DEPARTMENT OF INSURANCE**

23
24 Requested by: Representatives Ives, Lemmond

25 **BUILDING CODE RECEIPTS**

26 Sec. 11A. Section 13 of Chapter 324 of the 1995 Session Laws reads as
27 rewritten:

28 "Sec. 13. Departmental receipts realized by the Department of Insurance in excess of
29 amounts approved for expenditure by the General Assembly, as adjusted by the Office of
30 State Budget and Management to reflect the distribution of statewide reserves, shall
31 revert to the General Fund at the end of each fiscal year. This section shall not apply to
32 receipts realized by the Department for the sale of copies of the State building code,
33 except that unspent building code receipts shall revert to the General Fund at the end of
34 each fiscal year."

35 36 **PART 12. STATE BOARD OF ELECTIONS**

37
38 Requested by: Representatives Lemmond, Ives

39 **COUNTIES PRINT ALL BALLOTS**

40 Sec. 12. (a) G.S. 163-108(b) reads as rewritten:

41 "(b) No later than 10 days after the time for filing notices of candidacy under the
42 provisions of G.S. 163-106(c) has expired, the chairman of the State Board of Elections
43 shall certify to the chairman of the county board of elections in each county in the

1 appropriate district the names of candidates for nomination to the following offices who
2 have filed the required notice and pledge and paid the required filing fee to the State
3 Board of Elections, so that their names may be printed on the official ~~county~~ ballots:
4 ~~Superior court judge, district court judge, and district attorney. United States Senator,~~
5 ~~Member of the House of Representatives of the United States, Governor, and all other~~
6 ~~State offices."~~

7 (b) G.S. 163-109 reads as rewritten:

8 **"§ 163-109. Primary ballots; printing and distribution.**

9 (a) General. – In primary elections there shall be as many kinds of official State,
10 district, and county ballots as there are legally recognized political parties, members of
11 which have filed notice of their candidacy for nomination. The ballots for each political
12 party shall be printed to conform to the requirements of G.S. 163-140(c) and to show the
13 party's name, the name of each party member who has filed notice of candidacy, and the
14 office for which each aspirant is a candidate.

15 Only those who have filed the required notice of candidacy and pledge with the
16 proper board of elections, and who have paid the required filing fee, shall have their
17 names printed on the official ballots of the political party with which affiliated.

18 ~~(b) Ballots to Be Furnished by State Board of Elections. — It shall be the duty of~~
19 ~~the State Board of Elections to print official ballots for each political party having~~
20 ~~candidates for the following offices to be voted for in the primary:~~

21 ~~United States Senator,~~

22 ~~Member of the House of Representatives of the United States Congress,~~

23 ~~Governor, and~~

24 ~~All other State offices, except superior court judge, district court judge, and district~~
25 ~~attorney.~~

26 ~~In its discretion, the State Board of Elections may print separate primary ballots for~~
27 ~~each of these offices, or it may combine some or all of them on a single ballot.~~

28 ~~At least 60 days before the date of the primary, the State Board of Elections shall~~
29 ~~deliver a sufficient number of these ballots to each county board of elections. The~~
30 ~~chairman of the county board of elections shall furnish the chairman of the State Board of~~
31 ~~Elections with a written receipt for the ballots delivered to him within two days after their~~
32 ~~receipt.~~

33 (c) Ballots to Be Furnished by County Board of Elections. – It shall be the duty of
34 the county board of elections to print official ballots for each political party having
35 candidates for the following offices to be voted for in the primary:

36 United States Senator,

37 Member of the House of Representatives of the United

38 States Congress, Governor,

39 All other State offices,

40 ~~Superior court judge,~~

41 ~~District court judge,~~

42 ~~District attorney,~~

43 ~~State Senator,~~

1
2 State Senator in a single- | County executive committee
3 county senatorial district | of political party in which
4 Member of State House of | vacancy occurs, provided, in
5 Representatives in a | the case of the State
6 single-county | Senator or State
7 representative district | Representative in a
8 Any elective county office | single-county district where
9 | not all the county is
10 | located in that district,
11 | then in voting, only those
12 | members of the county
13 | executive committee who
14 | reside within the
15 | district shall vote
16
17 Judge of Superior Court in a | County executive committee
18 single-county superior | of political party in
19 court district where the | which vacancy occurs;
20 district is the whole | provided, in the case of
21 county or part of the | a superior court judge in a
22 county single-county district where
23 | not all the county is
24 | located in that district,
25 | then in voting, only those
26 | members of the county
27 | executive committee who
28 | reside within the
29 | district shall vote
30
31 Judge of Superior Court in a | Appropriate district
32 multi-county superior | executive committee of
33 court district | political party in which
34 | vacancy occurs.
35 The party executive making a nomination in accordance with the provisions of this
36 section shall certify the name of its nominee to the chairman of the board of elections,
37 State or county, charged with the duty of ~~printing the ballots on which the name is to~~
38 ~~appear.~~ certifying notices of candidacy for the office under G.S. 163-108. If at the time a
39 nomination is made under this section the general election ballots have already been
40 printed, the provisions of G.S. 163-139 shall apply. If any person nominated as a
41 candidate of a political party vacates such nomination and such vacancy arises from a
42 cause other than death and the vacancy in nomination occurs more than 120 days before
43 the general election, the vacancy in nomination may be filled under this section only if

1 the appropriate executive committee certifies the name of the nominee in accordance with
2 this paragraph at least 75 days before the general election.

3 In a county which is partly in a multi-county superior court district, in choosing that
4 county's member or members of the superior court district executive committee for the
5 multi-county district, only the county convention delegates or county executive
6 committee members who reside within the area of the county which is within that multi-
7 county district may vote.

8 In a county not all of which is located in one congressional district, in choosing the
9 congressional district executive committee member or members from that area of the
10 county, only the county convention delegates or county executive committee members
11 who reside within the area of the county which is within the congressional district may
12 vote.

13 In a county which is partly in a multi-county senatorial district or which is partly in a
14 multi-county House of Representatives district, in choosing that county's member or
15 members of the senatorial district executive committee or House of Representatives
16 district executive committee for the multi-county district, only the county convention
17 delegates or county executive committee members who reside within the area of the
18 county which is within that multi-county district may vote."

19 (d) G.S. 163-136(b) as amended by Section 14 of Chapter 324 of the Session Laws
20 of 1995 reads as rewritten:

21 "(b) Printing and Distribution. – The printing and distribution of ballots shall be
22 arranged, handled, and paid for as follows:

23 (1) For municipal elections, primaries, and referenda, by the municipal
24 authorities conducting the election, primary, or referendum, at the
25 expense of the municipality.

26 (2) For ~~county, single-county district, and legislative district~~ all elections,
27 primaries, and referenda, not specified in the preceding subdivision, by
28 the responsible county board of elections, at the expense of the county.

29 (3) ~~For all elections, primaries, and referenda not specified in the two~~
30 ~~preceding subdivisions, by the State Board of Elections, at the expense~~
31 ~~of the State.~~

32 ~~Provided, that the State Board of Elections, in its discretion, may direct~~
33 ~~some or all counties to print the ballots required by this subdivision~~
34 ~~under the supervision of the State Board of Elections. If the State Board~~
35 ~~of Elections prints and distributes the ballots required by this~~
36 ~~subdivision at the expense of the State, the State Board shall establish~~
37 ~~contracts through competition pursuant to Article 3 of Chapter 143 of~~
38 ~~the General Statutes for printing and distribution of all ballots, abstracts~~
39 ~~and precinct return forms."~~

40 (e) G.S. 163-137(b) is repealed.

41 (f) G.S. 163-139(a) reads as rewritten:

42 "(a) Before General or Special Election. – After the official ballots for a general or
43 special election have been printed by the ~~proper~~ county elections board, the death,

1 resignation, or disqualification of a candidate whose name appears on the official ballots
2 shall not require that the ballots be reprinted, although the ~~responsible board of elections~~
3 State Board of Elections may ~~have order~~ the ballots reprinted if it desires to do so.

4 If a candidate dies, resigns, or otherwise becomes disqualified after his name has been
5 printed on an official general or special election ballot, and if a nomination has been
6 made to fill the vacancy as authorized by G.S. 163-114, the name of the substituted
7 nominee shall not appear on the official ballots unless the responsible board of elections
8 decides that it is feasible and advisable to reprint the ballots to show the name of the
9 substituted nominee. If the ballots are not reprinted, a vote cast for the candidate whose
10 name is printed on the ballot shall be counted as a vote for the substituted candidate
11 whose name has been certified to the appropriate board of elections under the provisions
12 of G.S. 163-114."

13 (g) G.S. 163-140(a) reads as rewritten:

14 "(a) Kinds of General Election Ballots; Right to Combine. – For purposes of
15 general elections, there shall be seven kinds of official ballots entitled:

- 16 (1) Ballot for presidential electors
- 17 (2) Ballot for United States Senator
- 18 (3) Ballot for member of the United States House of Representatives
- 19 (4) State ballot
- 20 (5) County ballot
- 21 (6) Repealed by Session Laws 1973, c. 793, s. 56.
- 22 (7) Ballot for constitutional amendments and other propositions submitted
23 to the people.

24 Use of official ballots shall be limited to the purposes indicated by their titles. The
25 printing on all ballots shall be plain and legible but, unless large type is specified by this
26 section, type larger than 10-point shall not be used in printing ballots. All general election
27 ballots shall be prepared in such a way as to leave sufficient blank space beneath each
28 name printed thereon in which a voter may conveniently write the name of any person for
29 whom he may desire to vote.

30 Unless prohibited by this section, the ~~county board of elections, State or county,~~
31 elections charged by law with printing ballots may, in its discretion, combine any two or
32 more official ballots. Whenever two or more ballots are combined, the voting instructions
33 for the State ballot set out in subsection (b)(4) of this section shall be used, except that if
34 the two ballots being combined do not contain a multi-seat race, then the second sentence
35 of instruction b. shall not appear on the ballot.

36 Contests in the general election for seats in the State House of Representatives and
37 State Senate shall be on ballots that are separate from ballots containing non-legislative
38 contests, except where the voting system used makes separation of ballots impractical.
39 State House and State Senate contests shall be on the same ballot, unless one is a single-
40 seat contest and the other a multi-seat contest.

41 If the ~~State Board of Elections~~ county board of elections divides the State ballot into
42 two or more ballots, all candidates for superior court shall appear on the same ballot
43 except that the ~~State Board of Elections~~ county board of elections may divide the election

1 of superior court judges into two ballots either because of length of the ballot or to
2 provide a separate ballot for multi-seat races but only superior court judges shall be on
3 those ballots, and all candidates for the Appellate Division shall appear on the same
4 ballot."

5 (h) G.S. 163-140(b)(1) reads as rewritten:

6 "(1) Ballot for Presidential Electors: On the ballot for presidential electors
7 there shall be printed, under the titles of the offices, the names of the
8 candidates for President and Vice-President of the United States
9 nominated by each political party qualified under the provisions of G.S.
10 163-96, and the names of the unaffiliated candidates for President and
11 Vice-President qualified under the provisions of G.S. 163-122 and G.S.
12 163-209. A separate column shall be assigned to each political party
13 with candidates on the ballot, and a separate column shall be assigned to
14 each pair of unaffiliated candidates for President and Vice-President, if
15 any, and the columns shall be separated by distinct black lines. At the
16 head of each party column the party name shall be printed in large type
17 and below it a circle, one-half inch in diameter, and below the circle the
18 names of the party's candidates for President and Vice-President in that
19 order. At the head of the columns for unaffiliated candidates shall be
20 printed in large type the words 'Unaffiliated Candidates', and below it a
21 circle, one-half inch in diameter, and below the circle the names of a
22 pair of unaffiliated candidates for President and Vice-President. On the
23 face of the ballot, above the party column division, the following
24 instructions shall be printed in heavy black type:

- 25 a. To vote this ballot, make a cross (X) mark in the circle below the
26 name of the political party for whose candidates you wish to vote
27 or below the heading for the unaffiliated candidates for whom
28 you wish to vote.
- 29 b. A vote for the names of a political party's candidates for
30 President and Vice-President is a vote for the electors of that
31 party, and a vote for the names of unaffiliated candidates for
32 President and Vice-President is a vote for electors named by the
33 unaffiliated candidate for President, the names of whom are on
34 file with the Secretary of State.
- 35 c. If you tear or deface or wrongly mark this ballot, return it and get
36 another.

37 On the bottom of the ballot shall be printed an identified facsimile of the
38 signature of the ~~Chairman of the State Board of Elections.~~ chairman of
39 the county board of elections.

40 The official ballot for presidential electors shall not be combined
41 with any other official ballots."

42 (i) G.S. 163-140(b)(2) reads as rewritten:

1 "(2) Ballot for United States Senator: Beneath the title and general
2 instructions set out in this subsection, the ballot for United States
3 Senator shall be divided into parallel columns separated by distinct
4 black lines. The ~~State Board of Elections~~ county board of elections shall
5 assign a separate column to each political party having a candidate for
6 the office and one to unaffiliated candidates, if any. At the head of each
7 party column the party's name shall be printed in large type, and at the
8 head of the column for unaffiliated candidates shall be printed in large
9 type the words 'Unaffiliated Candidates.' The name of each political
10 party's candidate for United States Senator shall be printed in the
11 appropriate party column, and the names of unaffiliated candidates for
12 the office shall be printed in the column headed 'Unaffiliated
13 Candidates.' At the left of each name shall be printed a voting square,
14 and in each column all voting squares shall be arranged in a
15 perpendicular line. On the face of the ballot, above the party and
16 unaffiliated column division, the following instructions shall be printed
17 in heavy black type:

- 18 'a. Vote for only one candidate.
19 b. If you tear or deface or wrongly mark this ballot, return it and get
20 another.'

21 On the bottom of the ballot shall be printed an identified facsimile of
22 the signature of the ~~Chairman of the State Board of Elections~~ chairman
23 of the county board of elections.

24 When the ballot for United States Senator is combined with a ballot
25 for another office, below the party name in each column shall be printed
26 a circle, one-half inch in diameter, around which shall be plainly printed
27 the following instruction: 'For a straight ticket, mark within this circle.'
28 The following instructions, in lieu of those specified in the preceding
29 paragraph, shall be printed in heavy black type on the face of the
30 combined ballot to the top above the party and unaffiliated column
31 division:

- 32 'a. To vote for all candidates of one party (a straight ticket), make a
33 cross (X) mark in the circle of the party for whose candidates you
34 wish to vote.
35 b. You may vote a split ticket by marking a cross (X) mark in the
36 party circle and then making a cross (X) mark in the square
37 opposite the name of the candidate(s) of a different party for
38 whom you wish to vote.
39 c. You may also vote a split ticket by not marking a cross (X) mark
40 in the party circle, but by making a cross (X) mark in the square
41 opposite the name of each candidate for whom you wish to vote.
42 d. If you tear or deface or wrongly mark this ballot, return it and get
43 another.'"

1 (j) G.S. 163-140(b)(3) reads as rewritten:

2 "(3) Ballot for Member of the United States House of Representatives:
3 Beneath the title and general instructions set out in this subsection, the
4 congressional district ballot for member of the United States House of
5 Representatives shall be divided into parallel columns separated by
6 distinct black lines. The ~~State Board of Elections~~ county board of
7 elections shall assign a separate column to each political party having a
8 candidate for the office and one to unaffiliated candidates, if any. At the
9 head of each party column the party's name shall be printed in large
10 type, and at the head of the column for unaffiliated candidates shall be
11 printed in large type the words 'Unaffiliated Candidates.' The name of
12 each political party's candidate for member of the United States House
13 of Representatives from the congressional district shall be printed in the
14 appropriate party column, and the names of unaffiliated candidates for
15 the office shall be printed in the column headed 'Unaffiliated
16 Candidates.' At the left of each name shall be printed a voting square,
17 and in each column all voting squares shall be arranged in a
18 perpendicular line. On the face of the ballot, above the party and
19 unaffiliated column division, the following instructions shall be printed
20 in heavy black type:

21 'a. Vote for only one candidate.

22 b. If you tear or deface or wrongly mark this ballot, return it and get
23 another.'

24 On the bottom of the ballot shall be printed an identified facsimile of
25 the signature of the ~~Chairman of the State Board of Elections~~ chairman
26 of the county board of elections.

27 When the ballot for member of the United States House of
28 Representatives is combined with a ballot for another office, below the
29 party name in each column shall be printed a circle, one-half inch in
30 diameter, around which shall be plainly printed the following
31 instruction: 'For a straight ticket, mark within this circle.' The following
32 instructions, in lieu of those specified in the preceding paragraph, shall
33 be printed in heavy black type on the face of the combined ballot at the
34 top above the party and unaffiliated column division:

35 'a. To vote for all candidates of one party (a straight ticket), make a
36 cross (X) mark in the circle of the party for whose candidates you
37 wish to vote.

38 b. You may vote a split ticket by marking a cross (X) mark in the
39 party circle and then making a cross (X) mark in the square
40 opposite the name of the candidate(s) of a different party for
41 whom you wish to vote.

- 1 c. You may also vote a split ticket by not marking a cross (X) mark
2 in the party circle, but by making a cross (X) mark in the square
3 opposite the name of each candidate for whom you wish to vote.
4 d. If you tear or deface or wrongly mark this ballot, return it and get
5 another."

6 (k) G.S. 163-140(b)(4) reads as rewritten:

7 "(4) State Ballot: Beneath the title and general instructions set out in this
8 subsection, the ballot for single-seat contests for State officers, and for
9 all State officers where mechanical voting machines are used (including
10 judges of the superior court) shall be divided into parallel columns
11 separated by distinct black lines. The ~~State Board of Elections~~ county
12 board of elections shall assign a separate column to each political party
13 having candidates for State offices and one to unaffiliated candidates, if
14 any. At the head of each party column the party's name shall be printed
15 in large type, and at the head of the column for unaffiliated candidates
16 shall be printed in large type the words 'Unaffiliated Candidates.' Below
17 the party name in each column shall be printed a circle, one-half inch in
18 diameter, around which shall be plainly printed the following
19 instruction: 'For a straight ticket, mark within this circle.' With distinct
20 black lines, the ~~State Board of Elections~~ county board of elections shall
21 divide the columns into horizontal sections and, in the customary order
22 of office, assign a separate section to each office or group of offices to
23 be filled. On a single line at the top of each section shall be printed a
24 direction as to the number of candidates for whom a vote may be cast. If
25 candidates are to be chosen for different terms to the same office, the
26 term in each instance shall be printed as part of the title of the office.

27 The name or names of each political party's candidate or candidates
28 for each office listed on the ballot shall be printed in the appropriate
29 office section of the proper party column, and the names of unaffiliated
30 candidates shall be printed in the appropriate office section of the
31 column headed 'Unaffiliated Candidates.' At the left of each name shall
32 be printed a voting square, and in each column all voting squares shall
33 be arranged in a perpendicular line.

34 On the face of the ballot, above the party and unaffiliated column
35 division, the following instructions shall be printed in heavy black type,
36 and the words 'you must also' in instruction c. shall be underlined:

- 37 'a. To vote for all candidates of one party (a straight ticket), make a
38 cross (X) mark in the circle of the party for whose candidates you
39 wish to vote.
40 b. You may vote a split ticket by not marking a cross (X) mark in
41 the party circle, but by making a cross (X) mark in the square
42 opposite the name of each candidate for whom you wish to vote.

- 1 c. You may also vote a split ticket by marking a cross (X) mark in
2 the party circle and then making a cross (X) mark in the square
3 opposite the name of any candidate you choose of a different
4 party. In any multi-seat race where a party circle is marked and
5 you vote for candidates of another party, you must also make a
6 cross (X) mark opposite the name of any candidate you choose of
7 the party for which you marked the party circle to assure your
8 vote will count.
- 9 d. If you tear or deface or wrongly mark this ballot, return it and get
10 another.'

11 On the bottom of the ballot shall be printed an identified
12 facsimile of the signature of the ~~Chairman of the State Board of~~
13 ~~Elections.~~ chairman of the county board of elections. If the State
14 ballot contains no multi-seat race, then the second sentence of
15 instruction b. shall not appear on the ballot."

16 (l) G.S. 163-140(b)(7) reads as rewritten:

17 "(7) Ballot for Constitutional Amendments and Other Propositions
18 Submitted to the People: The form of ballot used in submitting a
19 constitutional amendment or other proposition or issue to the voters of
20 the entire State shall be prepared by the State Board of Elections and
21 approved by the Attorney General. The form of ballot used in
22 submitting propositions and issues to the voters of a single county or
23 subdivision shall be prepared by the county board of elections. In a
24 referendum the issue presented to the voters with respect to each
25 constitutional amendment, question, or proposition, shall be printed in
26 the form laid down by the General Assembly or other body submitting
27 it. If more than one amendment, question, or proposition is submitted on
28 a single ballot, each shall be printed in a separate section, and the
29 sections shall be numbered consecutively. On the face of the ballot,
30 above the issue or issues being submitted, shall be printed instructions
31 for marking the voter's choice, in addition to the following instruction:
32 'If you tear or deface or wrongly mark this ballot, return it and get
33 another.' On the bottom of the ballot shall be printed an identified
34 facsimile of the signature of the chairman of the ~~responsible county~~
35 ~~board of elections, State or county elections.~~"

36 (m) G.S. 163-140(c)(3) reads as rewritten:

37 "(3) Rotation of Positions on Ballots Among Candidates: The county board
38 of ~~elections, State or county, elections~~ responsible for printing and
39 distributing primary election ballots shall have them printed so that the
40 names of opposing candidates for any office shall, as far as practicable,
41 occupy alternate positions upon the ballot, to the end that the name of
42 each candidate shall occupy with reference to the name of every other
43 candidate for the same office, first position, second position, and every

1 other position, if any, upon an equal number of ballots; and the ballots
2 shall be distributed among the precinct voting places impartially and
3 without discrimination."

4 (n) G.S. 163-140(c)(4) reads as rewritten:

5 "(4) Facsimile Signatures: On the bottom of each primary ballot shall be
6 printed an identified facsimile of the signature of the chairman of the
7 county board of elections, State or county, elections responsible for its
8 preparation."

9 (o) G.S. 163-227.3 is repealed.

10 (p) This section applies to elections conducted on or after November 1, 1996.

11
12 Requested by: Representatives Ives, Lemmond

13 FUNDS FOR STATEWIDE COMPUTERIZED VOTER REGISTRATION

14 Sec. 12.1. The State Board of Elections shall promulgate rules for a statewide
15 computerized voter registration system following the basic client-server design of
16 Alternative C and D as described in the Needs Assessment and Requirements Analysis
17 report prepared pursuant to Section 16 of Chapter 762 of the 1993 Session Laws, Regular
18 Session 1994. Those rules shall include data format standards, data communication
19 standards, and data content standards. The State Board of Elections shall promulgate
20 those rules, including the standards, no later than March 1, 1997. Counties shall adhere to
21 the rules and standards no later than July 1, 1998. The statewide computerized voter
22 registration system shall utilize current technology and be consistent with State standards.
23 That system shall be developed by the State Board of Elections and processed on the
24 computer/servers of the State Information Processing Services Division of the Office of
25 the State Controller.

26 (b) There are established two reserve funds, to be known as the Reserve Fund for
27 Statewide Computerized Voter Registration/Central Server Component and the Reserve
28 Fund for Statewide Computerized Voter Registration/County Grants Component. The
29 reserve funds shall be funded as follows:

30 (1) For the 1996-97 fiscal year, of the funds in the amount of one million
31 five hundred thousand dollars (\$1,500,000) that were transferred to the
32 Reserve Fund for Statewide Computerized Voter Registration/Central
33 Server Component by Section 13.2(b)(1) of Chapter 507 of the 1995
34 Session Laws, the State Board of Elections shall use those funds for
35 software development, communications and computer charges, and data
36 conversion charges to implement the central server component of the
37 system designed by the rules promulgated under subsection (a) of this
38 section. The State Board of Elections shall use no more than four
39 hundred forty thousand dollars (\$440,000) of those funds to purchase
40 hardware, office furniture, and the services of time-limited computer
41 personnel.

42 (2) Of the funds appropriated in this act for the 1996-97 fiscal year to the
43 State Board of Elections, the sum of three million five hundred thousand

1 dollars (\$3,500,000) shall be deposited in the Reserve Fund for
2 Statewide Computerized Voter Registration/County Grants Component,
3 to be used by the State Board of Elections for grants-in-aid to counties
4 to purchase computer equipment, data communication charges, data
5 conversion, computer consultants or time-limited personnel at the State
6 Board of Elections, travel, education, and training to ensure that all
7 counties' minimum needs for participation in the statewide
8 computerized voter registration system are met. Any additional needs
9 beyond the minimum required for system participation are the
10 responsibility of the counties. The State Board of Elections shall
11 develop and issue rules related to a grant process for grant applications
12 and grant awards to counties. The rules shall be developed and issued no
13 later than January 1, 1997. Grants-in-aid to county boards of elections
14 shall be awarded no later than March 1, 1997. The rules shall provide
15 that the computerized voter registration system has uniform quality
16 statewide, and the grants shall be issued in such a way as to achieve that
17 goal within available resources. In developing the rules, the State Board
18 of Elections shall consider giving special attention to:

- 19 a. Low-wealth counties;
- 20 b. Counties that have demonstrated a willingness to invest in
21 computer infrastructure; and
- 22 c. Counties that demonstrate a willingness to provide matching
23 funds.

24 (c) The State Board of Elections may spend money from the reserve funds created
25 by subsection (b) of this section only after the State Board of Elections and the
26 Information Resource Management Commission have jointly approved a detailed
27 implementation plan for statewide computerized voter registration. That implementation
28 plan shall include:

- 29 (1) A description of the system being implemented;
- 30 (2) A description of the system's capabilities;
- 31 (3) An itemized estimate of the costs of the system, with a justification for
32 each item;
- 33 (4) A list of the counties to be brought into the system during the fiscal
34 year;
- 35 (5) A project management plan.

36 (d) To the extent that this section or action taken under it conflicts with G.S. 163-
37 82.11 through G.S. 163-82.13 or Section 16 of Chapter 769 of the 1993 Session Laws,
38 this section or those actions prevail to the extent of the conflict. Except to the extent of
39 the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in effect.

- 40 (e) Section 13.2 of Chapter 507 of the 1995 Session Laws is repealed.

41 42 **PART 13. DEPARTMENT OF SECRETARY OF STATE** 43

1 Requested by: Representatives Ives, Lemmond

2 **INVESTOR PROTECTION AND EDUCATION TRUST FUND**

3 Sec. 13. Article 4 of Chapter 147 of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 147-54.5. Investor Protection and Education Trust Fund; administration;**
6 **limitations on use of the Fund.**

7 (a) The Investor Protection and Education Trust Fund created in the Department of
8 the Secretary of State as an expendable trust account to be used by the Secretary of State
9 only for the purposes set forth in this section.

10 (b) The proceeds of the Investor Protection and Education Trust Fund shall be
11 used by the Secretary of State to provide investor protection and education to the general
12 public and to potential securities investors in the State through:

13 (1) The use of the media, including television and radio public service
14 announcements and printed materials; and

15 (2) The sponsorship of educational seminars, whether live, recorded, or
16 through other electronic means.

17 (c) The proceeds of the Investor Protection and Education Trust Fund shall not be
18 used for:

19 (1) Travel expenses of the Secretary of State or staff of the Department of
20 the Secretary of State, unless those expenses are directly related to
21 specific investor protection and education activities performed in
22 accordance with this section.

23 (2) General operating expenses of the Department of the Secretary of State,
24 or to supplement General Fund appropriations to the Department of the
25 Secretary of State for other than investor education and protection
26 activities.

27 (3) Promoting the Secretary of State or the Department of the Secretary of
28 State.

29 (d) Expenditures from the Investor Protection and Education Trust Fund shall be
30 made in compliance with State purchasing and contracting requirements for competitive
31 bidding in accordance with the provisions of Article 3 of Chapter 143 of the General
32 Statutes.

33 (e) Revenues derived from consent orders resulting from negotiated settlements of
34 securities investigations by the Secretary of State shall be credited to the Fund. The State
35 Treasurer shall invest the assets of the Fund according to law. Any interest or other
36 investment income earned by the Investor Protection and Education Trust Fund shall
37 remain in the Fund. The balance of the Investor Protection and Education Trust Fund at
38 the end of each fiscal year shall not revert to the General Fund.

39 (f) Beginning January 1, 1997, the Department of the Secretary of State shall
40 report annually to the General Assembly's Fiscal Research Division and to the Joint
41 Legislative Commission on Governmental Operations on the expenditures from the
42 Investor Protection and Education Trust Fund and on the effectiveness of investor
43 awareness education efforts of the Department of the Secretary of State."

1
2 **PART 14. OFFICE OF STATE CONTROLLER**
3

4 Requested by: Representative Creech

5 **NORTH CAROLINA INFORMATION HIGHWAY**

6 Sec. 14. (a) The funds appropriated in this act to the Office of the State
7 Controller for the operation of the North Carolina Information Highway shall be used
8 only for costs incurred by the Office of the State Controller related to the operations and
9 support of the North Carolina Information Highway. No funds appropriated in this act
10 shall be expended to pay Minimum Monthly usage charges for North Carolina
11 Information Highway Services.

12 (b) Of the funds appropriated to the Office of the State Controller for the North
13 Carolina Information Highway (NCIH), an amount not to exceed five hundred thousand
14 dollars (\$500,000) shall be used to expand the long distance capacity and provide for the
15 establishment of regional hubs in each of the seven LATAS in North Carolina. The
16 remaining funds shall be used to help defray the costs of existing NCIH sites except those
17 located at university sites other than East Carolina University academic affairs campus.
18 Savings directly attributable to the development of the North Carolina Information
19 Highway shall be re-invested for the purpose of furthering NCIH development.

20 (c) The State Controller shall report quarterly to the Joint Legislative Commission
21 on Governmental Operations regarding the costs incurred by the Office of the State
22 Controller related to the operations and support of the North Carolina Information
23 Highway.
24

25 Requested by: Representatives Ives, Lemmond

26 **RESERVE FOR THE YEAR 2000 CONVERSION OF THE STATE'S**
27 **COMPUTER SYSTEM**

28 Sec. 14.1. The Office of the State Controller shall include in its charges for
29 data processing services costs of converting computer applications to operate properly at
30 the turn of the century. The Office of the State Controller shall develop procedures for
31 managing the year 2000 conversion.
32

33 **PART 15. DEPARTMENT OF REVENUE**
34

35 Requested by: Representatives Ives, Lemmond

36 **DEPARTMENT OF REVENUE LAW-ENFORCEMENT OFFICERS**

37 Sec. 15. (a) Article 9 of Chapter 105 of the General Statutes is amended by
38 adding a new section to read:

39 **"§ 105-236.1. Enforcement of revenue laws by revenue law-enforcement officers.**

40 (a) General. – The Secretary may appoint employees of the Criminal
41 Investigations Division to serve as revenue law-enforcement officers having the
42 responsibility and subject-matter jurisdiction to enforce the criminal laws relating to tax
43 administration and enforcement only. The Secretary may appoint employees of the

1 Controlled Substances Tax Division to serve as revenue law-enforcement officers having
2 the responsibility and subject-matter jurisdiction to enforce the excise tax on controlled
3 substances as provided in Article 2D of this Chapter only. To be a revenue law-
4 enforcement officer, an employee must be certified as a criminal justice officer under
5 Chapter 17C of the General Statutes.

6 (b) Authority. – A revenue law-enforcement officer is a State officer with
7 jurisdiction throughout the State within the officer's subject-matter jurisdiction. A
8 revenue law-enforcement officer may serve and execute notices, orders, warrants, or
9 demands issued by the Secretary or the General Court of Justice in connection with the
10 enforcement of the officer's subject-matter jurisdiction as set forth in subsection (a) of
11 this section only. A revenue law-enforcement officer has the full powers of arrest as
12 provided by G.S. 15A-401 while executing the notices, orders, warrants, or demands."

13 (b) G.S. 17C-2 reads as rewritten:

14 **"§ 17C-2. Definitions.**

15 Unless the context clearly otherwise requires, the following definitions apply in this
16 Chapter:

17 (a) ~~" Commission" means the~~ (1) Commission. – The North Carolina Criminal
18 Justice Education and Training Standards Commission; Commission.

19 (b) ~~" Criminal justice agencies" means the~~ (2) Criminal justice agencies. – The
20 State and local law-enforcement agencies, the State correctional agencies, other
21 correctional agencies maintained by local governments, and the juvenile justice agencies,
22 but shall not include deputy sheriffs, special deputy sheriffs, sheriffs' jailers, or other
23 sheriffs' department personnel governed by the provisions of Chapter 17E of these
24 General Statutes; Statutes.

25 (c) ~~" Criminal justice officer(s)" means and incorporates the~~ (3) Criminal justice
26 officers. – The administrative and subordinate personnel of all the departments, agencies,
27 units or entities comprising the "criminal justice agencies," as defined in subsection (b),
28 criminal justice agencies who are sworn law-enforcement officers, both State and local,
29 with the power of arrest; revenue law-enforcement officers; State correctional officers;
30 State probation/parole officers; officers, supervisory and administrative personnel of local
31 confinement facilities; State youth services officers; State probation/parole intake
32 officers; State probation/parole officers-surveillance; State probation/parole intensive
33 officers; and State parole case analysts.

34 (d) ~~" Entry level" means the~~ (4) Entry level. – The initial appointment or
35 employment of any person by a criminal justice agency, or any appointment or
36 employment of a person previously employed by a criminal justice agency who has not
37 been employed by a criminal justice agency for the 12-month period preceding this
38 appointment or employment, or any appointment or employment of a previously certified
39 criminal justice officer to a position which requires a different type of certification."

40 (c) G.S. 143-166.13(a) is amended by adding a new subdivision to read:

41 "(18) Sworn State Law-Enforcement Officers with the power of arrest,
42 Department of Revenue."

1 (d) Of the funds appropriated to the Department of Revenue in this act for the
2 1996-97 fiscal year, the sum of sixty-seven thousand dollars (\$67,000) shall be used to
3 implement this section.
4

5 PART 16. COLLEGES AND UNIVERSITIES

6

7 Requested by: Representatives Grady, Preston

8 AID TO STUDENTS ATTENDING PRIVATE COLLEGES

9 Sec. 16. Section 15 of Chapter 324 of the 1995 Session Laws reads as
10 rewritten:

11 "Sec. 15. (a) Funds appropriated in this act to the Board of Governors of The
12 University of North Carolina for aid to private colleges shall be disbursed in accordance
13 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to
14 ~~five hundred fifty dollars (\$550.00)~~ six hundred dollars (\$600.00) per full-time equivalent
15 North Carolina undergraduate student enrolled at a private institution as of October 1
16 each year.

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

23 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
24 to all other financial assistance made available to private educational institutions located
25 within the State, or to students attending these institutions, there is granted to each full-
26 time North Carolina undergraduate student attending an approved institution as defined in
27 G.S. 116-22, a sum, not to exceed ~~one thousand two hundred fifty dollars (\$1,250)~~ one
28 thousand three hundred dollars (\$1,300) per academic year, which shall be distributed to
29 the student as hereinafter provided.

30 The tuition grants provided for in this section shall be administered by the State
31 Education Assistance Authority pursuant to rules adopted by the State Education
32 Assistance Authority not inconsistent with this section. The State Education Assistance
33 Authority shall not approve any grant until it receives proper certification from an
34 approved institution that the student applying for the grant is an eligible student. Upon
35 receipt of the certification, the State Education Assistance Authority shall remit at such
36 times as it shall prescribe the grant to the approved institution on behalf, and to the credit,
37 of the student.

38 In the event a student on whose behalf a grant has been paid is not enrolled and
39 carrying a minimum academic load as of the tenth classroom day following the beginning
40 of the school term for which the grant was paid, the institution shall refund the full
41 amount of the grant to the State Education Assistance Authority. Each approved
42 institution shall be subject to examination by the State Auditor for the purpose of

1 determining whether the institution has properly certified eligibility and enrollment of
2 students and credited grants paid on the behalf of the students.

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

5 (1) The Board of Governors of The University of North Carolina, with the
6 approval of the Office of State Budget and Management, may transfer
7 available funds to meet the needs of the programs provided by
8 subsections (a) and (b) of this section; and

9 (2) Each eligible student shall receive a pro rata share of funds then
10 available for the remainder of the academic year within the fiscal period
11 covered by the current appropriation.

12 Any remaining funds shall revert to the General Fund.

13 (c) Expenditures made pursuant to this section may be used only for secular
14 educational purposes at nonprofit institutions of higher learning. Expenditures made
15 pursuant to this section shall not be used for any student who is incarcerated in a State or
16 federal correctional facility.

17 (d) The State Education Assistance Authority shall document the number of full-
18 time equivalent North Carolina undergraduate students that are enrolled in off-campus
19 programs and the State funds collected by each institution pursuant to G.S. 116-19 for
20 those students. The State Education Assistance Authority shall also document the
21 number of scholarships and the amount of the scholarships that are awarded under G.S.
22 116-20 to students enrolled in off-campus programs. An 'off-campus program' is any
23 program offered for degree credit away from the institution's main permanent campus.

24 The State Education Assistance Authority shall report to the Joint Legislative
25 Commission on Governmental Operations by March 1, 1997, regarding its findings."

26
27 Requested by: Representatives Grady, Preston

28 **DISTANCE LEARNING INITIATIVES**

29 Sec. 16.1. Of the funds appropriated by this act to The University of North
30 Carolina Board of Governors, the sum of one million two hundred thousand dollars
31 (\$1,200,000) in nonrecurring funds and the sum of two hundred forty-five thousand
32 dollars (\$245,000) in recurring funds shall be allocated to North Carolina State
33 University to furnish the Engineering Graduate Research Center and to operate the
34 distance learning programs. An additional appropriation to the Board of Governors of
35 two million two hundred fifty-five thousand dollars (\$2,255,000) shall be used for
36 distance learning and capacity enhancing alternatives, including expansion of the "2 + 2"
37 engineering programs offered through North Carolina State University.

38
39 Requested by: Representatives Grady, Preston

40 **UNC EQUITY OF FUNDING**

41 Sec. 16.2 Notwithstanding G.S. 116-30.3, the five constituent institutions
42 (Appalachian State University, East Carolina University, University of North Carolina at
43 Charlotte, University of North Carolina at Greensboro, and University of North Carolina

1 at Wilmington) cited in the study of equity of funding among the constituent institutions
2 of The University of North Carolina as receiving lower than average per pupil funding in
3 several comparisons, shall not be required to revert two percent (2%) of their General
4 Fund appropriations for the 1996-97 fiscal year. These funds shall be used to improve
5 areas of need that can be addressed with nonrecurring funds.

6
7 Requested by: Representatives Grady, Preston

8 **CENTER FOR THE PREVENTION OF SCHOOL VIOLENCE**

9 Sec. 16.3 The General Assembly recommends that the Governor continue
10 funding the Center for Prevention of School Violence from the current source of grant
11 monies through the 1996-97 fiscal year.

12
13 Requested by: Representatives Grady, Preston

14 **RALEIGH SCHOOL OF NURSE ANESTHESIA**

15 Sec. 16.4 Sec. 15.9 of Chapter 507 of the 1995 Session Laws reads as
16 rewritten:

17 "Sec. 15.9. Of the funds provided to the Board of Governors of The University of
18 North Carolina for expansion funding through receipts for University Institutional
19 Programs, the sum of two million dollars (\$2,000,000) shall be allocated each year of the
20 biennium for the Area Health Education Centers for initiatives in primary care and
21 training of mid-level practitioners. Of these additional funds, the sum of ~~twenty-five~~
22 ~~thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) shall be used to increase
23 funding for the Raleigh School of Nurse Anesthesia from fifty thousand dollars (\$50,000)
24 to ~~seventy-five thousand dollars (\$75,000)~~ one hundred thousand dollars (\$100,000) per
25 year."

26
27 Requested by: Representative Barnes

28 **EVALUATE UNIVERSITY RESIDENCES FOR FIRE SAFETY AND REPORT**
29 **ON ESTIMATED COST TO INSTALL ANY NEEDED FIRE DETECTION AND**
30 **SAFETY EQUIPMENT.**

31 Sec. 16.5. (a) The Board of Governors of The University of North Carolina
32 shall survey each constituent institution regarding its campus residential facilities and the
33 fire detection and safety equipment currently installed in those facilities. Each
34 constituent institution shall indicate whether each residential facility on its campus has an
35 adequate fire alarm system including smoke detectors and fire sprinklers, and, if not, the
36 estimated cost to install adequate fire detection and safety equipment. The Board of
37 Governors shall report as soon as possible to the General Assembly regarding the
38 findings of the survey.

39 (b) The Board of Governors of The University of North Carolina shall begin to
40 address fire safety needs in campus residential facilities during the 1996-97 fiscal year,
41 using available reserves in institutional housing trust funds, as well as funds allocated to
42 the Board from the Reserve for Repairs and Renovations. Should the Board of
43 Governors allocate funds from the Reserve for Repairs and Renovations for fire safety

1 improvements in campus residential facilities not supported from the General Fund, it
2 shall first find that sufficient funds are not available from other sources. Any such
3 finding shall be included in the Board's submission to the Joint Legislative Commission
4 on Governmental Operations on the proposed allocation of funds.

5 (c) The Board of Governors of The University of North Carolina shall include
6 in its budget requests for the 1997-99 biennium the estimated amount needed to address
7 any remaining fire safety needs of the residential facilities located on its campuses.

9 PART 17. COMMUNITY COLLEGES

10
11 Requested by: Representative Russell

12 COMPUTATION OF FTE FOR COURSES TAUGHT IN PRISONS

13 Sec. 17. Community colleges shall compute full-time equivalent (FTE) student
14 hours on the bases of both contact hours and student membership hours for curriculum
15 and occupational extension education programs that are taught in prison facilities and that
16 are offered in compliance with the State Board of Community College's correctional
17 course offering matrix. The State Board of Community Colleges shall report both counts
18 to the General Assembly by January 15, 1997.

19 The 1997 General Assembly shall consider the question of whether to compute
20 FTE for these courses on the basis of contact hours or on the basis of student membership
21 hours.

22
23 Requested by: Representative Russell

24 IN-STATE TUITION FOR FAMILIES TRANSFERRED INTO STATE

25 Sec. 17.1. (a) G.S. 115D-39 reads as rewritten:

26 "§ 115D-39. Student tuition and fees.

27 The State Board of Community Colleges shall fix and regulate all tuition and fees
28 charged to students for applying to or attending any institution pursuant to this Chapter.

29 The receipts from all student tuition and fees, other than student activity fees, shall be
30 State funds and shall be deposited as provided by regulations of the State Board of
31 Community Colleges.

32 The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and
33 G.S. 116-143.3, shall apply to students attending institutions operating pursuant to this
34 Chapter; provided, however, that when an employer other than the armed services, as that
35 term is defined in G.S. 116-143.3, pays tuition for an employee to attend an institution
36 operating pursuant to this Chapter and when the employee works at a North Carolina
37 business location, the employer shall be charged the in-State tuition ~~rate~~ rate; provided
38 further, however, a community college may charge in-State tuition to up to one percent
39 (1%) of its out-of-state students, rounded up to the next whole number, to accommodate
40 the families transferred by business and industry into the State. Notwithstanding these
41 requirements, a refugee who lawfully entered the United States and who is living in this
42 State shall be deemed to qualify as a domiciliary of this State under G.S. 116-143.1(a)(1)

1 and as a State resident for community college tuition purposes as defined in G.S. 116-
2 143.1(a)(2)."

3 (b) The State Board of Community Colleges shall adopt rules to implement this
4 section, effective for the fall 1996 quarter.

5
6 Requested by: Representative Grady

7 **INCENTIVES FOR ATTRACTING BACCALAUREATE COMPLETION**
8 **DEGREE PROGRAMS TO CAMPUS/ELIMINATION OF BARRIERS AMONG**
9 **PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND**
10 **UNIVERSITIES/STUDIES**

11 Sec. 17.2. (a) The State Board of Community Colleges shall study ways to
12 encourage community colleges to attract baccalaureate completion programs to their
13 campuses, including appropriate financial incentives. The Board shall report the results
14 of this study to the General Assembly prior to January 31, 1997.

15 (b) The Education Cabinet shall study ways to eliminate barriers to cooperation
16 among public schools, community colleges, and universities in the area of distant
17 learning. The Education Cabinet shall develop a plan for sharing registration, credit
18 hours, funding for full-time equivalent students (FTE), counseling and financial aid
19 services, tuition receipts, and administrative responsibilities and shall report to the
20 General Assembly prior to January 31, 1997, on the plan it develops. The report shall
21 include a list of any statutory or rule changes that are necessary prior to implementation
22 of the plan and an explanation of why each change is necessary and appropriate.

23
24 Requested by: Representative Grady, McMahan

25 **COMMUNITY COLLEGES FUNDING FORMULAS/STUDY**

26 Sec. 17.3. The State Board of Community Colleges shall undertake a
27 comprehensive study of the funding formula used to distribute funds to local community
28 colleges and shall make any recommendations for changes to the General Assembly by
29 January 31, 1997. The study shall include, but not be limited to, the development of a
30 plan to increase the level of funding for occupational extension courses to the funding
31 level for curriculum courses and the cost of such a plan. The State Board of Community
32 Colleges shall use Board Reserve funds to hire an outside, independent consultant to
33 study the funding formula.

34
35 Requested by: Representative Grady

36 **EXPENDITURE FOR NEW AND EXPANDING INDUSTRY/REPORT**

37 Sec. 17.4. G.S. 115D-5 is amended by adding a new subsection to read:

38 "(i) The State Board of Community Colleges shall report to the Joint Legislative
39 Education Oversight Committee on a quarterly basis on expenditures for the New and
40 Expanding Industry Program each fiscal year. The report shall include, for each
41 company or individual that receives funds for New and Expanding Industry:

42 (1) The total amount of funds received by the company or individual;

43 (2) The amount of funds per trainee received by the company or individual;

- 1 (3) The amount of funds received per trainee by the community college
2 training the trainee;
3 (4) The number of trainees trained, by company and by community college;
4 and
5 (5) The number of years the companies or individuals have been funded.
6 The report for the first quarter of the 1996-97 fiscal year shall include this information
7 for the prior three fiscal years."

9 **PART 18. PUBLIC SCHOOLS**

10
11 Requested by: Representatives Grady, Preston

12 **EXPENDITURES FOR SCHOOL RESOURCE OFFICERS**

13 Sec. 18. The State Board of Education shall modify the accounting system for
14 State Aid to Local School Administrative Units so that it can account for State funds
15 expended for school resource officers in each local school administrative unit.

16
17 Requested by: Representatives Grady, Preston

18 **EXCEPTIONAL CHILDREN FUNDS**

19 Sec. 18.1. The funds appropriated for exceptional children in this act shall be
20 allocated as follows:

- 21 (1) Each local school administrative unit shall receive for academically
22 gifted children the sum of \$686.38 per child for three and nine-tenths
23 percent (3.9%) of the 1995-96 actual average daily membership in the
24 local school administrative unit, regardless of the number of children
25 identified as academically gifted in the local school administrative unit.
26 The total number of children for which funds shall be allocated pursuant
27 to this subdivision is 45,861 for the 1996-97 school year.
- 28 (2) Each local school administrative unit shall receive for exceptional
29 children other than academically gifted children the sum of \$2,059.14
30 per child for the lesser of (i) all children who are identified as
31 exceptional children other than academically gifted children or (ii)
32 twelve and five-tenths percent (12.5%) of the 1995-96 actual average
33 daily membership in the local school administrative unit. The maximum
34 number of children for which funds shall be allocated pursuant to this
35 subdivision is 137,449 for the 1996-97 school year.

36 The dollar amounts allocated under this subsection for exceptional children shall also
37 increase in accordance with legislative salary increments for personnel who serve
38 exceptional children.

39
40 Requested by: Representatives Grady, Preston

41 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES/SMALL SCHOOL** 42 **SYSTEM SUPPLEMENTAL FUNDING**

1 Sec. 18.2. (a) Funds for supplemental funding. – The General Assembly finds that
2 it is appropriate to provide supplemental funds in low-wealth counties to allow those
3 counties to enhance the instructional program and student achievement; therefore, of the
4 funds appropriated to Aid to Local School Administrative Units, the sum of forty-six
5 million four hundred eighty-three thousand eight hundred nine dollars (\$46,483,809) for
6 the 1996-97 fiscal year shall be used for supplemental funds for schools. These funds
7 shall be allocated and administered as provided in Section 17.1 of Chapter 507 of the
8 1995 Session Laws.

9 (b) Funds for small school systems. – The State Board of Education shall allocate
10 and administer funds appropriated for small school system supplemental funding as
11 provided in Section 17.2 of Chapter 507 of the 1995 Session Laws.

12 (c) Reports. – The State Board of Education shall report to the Appropriations
13 Committees of the Senate and the House of Representatives prior to May 1, 1996, on
14 whether counties supplanted local funds with the funds received pursuant to this section.
15

16 Requested by: Representatives Grady, Preston

17 **FUNDS TO REDUCE CLASS SIZE IN GRADE 2**

18 Sec. 18.3. The funds appropriated in this act to reduce class size in second
19 grade shall be allocated by the State Board of Education to local school administrative
20 units on the basis of one teacher for every 23 students in second grade. Local school
21 administrative units shall use these funds (i) to reduce class size in second grade to 23 or
22 fewer students or (ii) to hire reading teachers within kindergarten through third grade or
23 otherwise reduce the student-teacher ratio within kindergarten through third grade.

24 For the purpose of calculating the maximum allowable class size for second
25 grade, the ratio of teachers to students shall be 1 to 26.
26

27 Requested by: Representative Esposito

28 **FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM**

29 Sec. 18.4. Of the funds appropriated to State Aid to Local School
30 Administrative Units, the State Board of Education may use up to twenty-four million
31 five hundred thousand dollars (\$24,500,000) for the 1996-97 fiscal year to provide
32 incentive funding for schools with higher than projected levels of improvement in student
33 performance, in accordance with the ABC's of Public Education Program, if enacted by
34 the General Assembly. The State Board of Education may allocate up to twenty-one
35 million dollars (\$21,000,000) of these funds on a per-teacher basis for each eligible
36 school and up to three million five hundred thousand dollars (\$3,500,000) on a per-
37 teacher assistant basis for each eligible school.

38 It is the intent of the General Assembly to fully fund this program for the 1997-
39 98 and subsequent fiscal years.
40

41 **PART 19. DEPARTMENT OF TRANSPORTATION**

42
43 Requested by: Representatives Barbee, Bowie

1 **USE OF FUNDS RESULTING FROM THE ELIMINATION OF POSITIONS IN**
2 **DIVISION OF MOTOR VEHICLES**

3 Sec. 19. Funds in the amount of one hundred thirty-five thousand three
4 hundred eighty-nine dollars (\$135,389) realized from the elimination of 11 positions in
5 the Division of Motor Vehicles during the 1996-97 fiscal year shall be placed in a reserve
6 and shall be used only to support the implementation of the State Titling and Registration
7 System. Funds remaining in the reserve at the end of the 1996-97 fiscal year shall revert
8 to the Highway Fund.

9
10 Requested by: Representative McLaughlin

11 **VISITOR CENTERS**

12 Sec. 19.1. (a) The Department of Transportation, with the assistance of the
13 Department of Commerce, shall collect the necessary data to accurately estimate the
14 extent and type of use the public makes of the visitor centers on the State highway
15 system. The Department shall use this data to develop a formula for allocating State
16 resources for the funding of these visitor centers.

17 (b) The Department shall study and make a recommendation to the General
18 Assembly about requiring a local match for funds appropriated by the State for the
19 operations of local visitor centers.

20 (c) Until the Department reports to the General Assembly no new visitor centers
21 shall be approved for addition to the State highway system.

22 (d) The Department shall submit the report required by this section no later than
23 December 31, 1996, to the Joint Legislative Transportation Oversight Commission.

24 (e) G.S. 20-79.7(c)(2) as amended by Section 18.7 of Chapter 507 of the 1995
25 Session Laws reads as rewritten:

26 "(2) From the funds remaining in the Special Registration Plate Account
27 after the deductions in accordance with subdivision (1) of this
28 subsection, there is appropriated from the Special Registration Plate
29 Account the sum of five hundred twenty-five thousand dollars
30 (\$525,000) for ~~the 1995-96 fiscal~~ each year of the 1995-97 biennium to
31 provide operating assistance for the Visitor ~~and Welcome~~ Centers:

- 32 a. on U.S. Highway 17 in Camden County, (\$75,000);
33 b. on U.S. Highway 17 in Brunswick County, (\$75,000);
34 c. on U.S. Highway 441 in Macon County, (\$75,000);
35 d. in the Town of Boone, Watauga County, (\$75,000);
36 e. on U.S. Highway 29 in Caswell County, (\$75,000);
37 f. on U.S. Highway 70 in Carteret County, (\$75,000); and
38 g. on U.S. Highway 64 in Tyrrell County, (\$75,000)."
39

40 Requested by: Representatives Barbee, Bowie

41 **DEPARTMENT OF TRANSPORTATION REPORT ON REORGANIZATION OF**
42 **DIVISION OF MOTOR VEHICLES**

1 Sec. 19.2. The Department of Transportation shall report to the Joint
2 Legislative Transportation Oversight Committee by December 15, 1996, concerning how
3 it will implement the recommendations for the restructuring of the Division of Motor
4 Vehicles through the elimination of positions, consolidation of offices and functions, and
5 the transfer of functions within and from the Division, which were contained in the
6 performance audit of the Division of Motor Vehicles presented to the Joint Legislative
7 Commission on Governmental Operations in May 1996. This report shall discuss both
8 short-term and long-term managerial actions necessary to implement the
9 recommendations and contain detailed budgetary analyses of the short-term and long-
10 term effects of these actions. This report shall also describe how the various proposals fit
11 in a long-range plan for the modernization of the Division of Motor Vehicles and the
12 functions it performs.

13
14 Requested by: Representatives Barbee, Bowie

15 **DEPARTMENT OF TRANSPORTATION REPORTS TO THE JOINT**
16 **LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE**

17 Sec. 19.3. The Department of Transportation shall make the following reports
18 to the Joint Legislative Transportation Oversight Committee by the dates specified:

- 19 (1) By November 1, 1996, the Department shall report on any changes
20 needed to be made to the vehicle salvage laws to minimize the number
21 of salvage inspections without compromising the integrity of the
22 salvage process. This report shall address how reductions in dedicated
23 salvage inspection positions shall be made under the proposed system.
- 24 (2) By October 1, 1996, the Department shall provide plans for the study of
25 the following issues, including a schedule for completion of the studies:
- 26 A. How the process by which licenses are modified, revoked, and
27 suspended can be simplified.
- 28 B. How touch-tone technology and credit cards can be used in the
29 motor vehicle registration process.
- 30 C. How credit cards can be used to increase customer payment
31 options.
- 32 D. How collision reports can be entered directly into an automated
33 system database by law enforcement officers.
- 34 (3) By December 1, 1996, the Department shall report how computer
35 software used to register motor carriers under the International
36 Registration Plan can be reconfigured so that it can be used more
37 efficiently by staff and customers.
- 38 (4) By November 1, 1996, the Department shall:
- 39 A. Develop a formula to determine the number, location, and
40 staffing of drivers license field offices within the state.
- 41 B. Use this formula to develop a five-year plan for changes in the
42 number and sizes of drivers license field offices that recognizes
43 the need for the development of larger, multi-functional drivers

1 license offices that provide a wider range of services at
2 centralized locations and to provide a plan for the renovation of
3 existing drivers license field offices that will be retained.

- 4 (5) By December 1, 1996, the Department shall report on how it will
5 maintain technical support for the vehicle registration and drivers
6 license data systems for the 1997-99 biennium. This report shall
7 estimate staffing needs for technical support in each year, address
8 whether and how contract personnel will be used, and determine the
9 feasibility of using more permanent personnel instead of contractors.

10
11 Requested by: Representatives Barbee, Bowie

12 DIVISION OF MOTOR VEHICLES ENFORCEMENT DUTIES

13 Sec. 19.4. G.S. 20-4 reads as rewritten:

14 "~~§ 20-4. Clarification of conflicts as to transfer of functions.~~ Enforcement duties of 15 the Division.

16 ~~In the event that there shall arise any conflict as to the transfer of any functions from~~
17 ~~the Department of Revenue to the Division of Motor Vehicles, the Governor of the State~~
18 ~~is hereby authorized to issue an executive order clarifying and making certain the issue~~
19 ~~thus arising.~~

20 (a) Primary duty. – The primary enforcement duty of the Division is the
21 enforcement of the vehicle weight restrictions set forth in G.S. 20-118. In performing
22 this duty, the Division shall make maximum effective use of permanent weigh stations
23 and portable scales.

24 (b) Secondary duties. – The secondary enforcement duties of the Division are as
25 follows and are listed in the order of importance:

26 (1) Enforcement of the motor carrier safety regulations.

27 (2) Enforcement of the emissions inspection program.

28 (3) Inspection of salvage vehicles.

29 (4) Provide security at rest areas.

30 (5) Other duties set out in this Chapter.

31 (c) Restriction. – The Division shall not undertake an enforcement duty that is not
32 listed in this section unless a law specifically authorizes the Division to do so or the duty
33 is undertaken as a condition of receiving federal funds."

34
35 Requested by: Representatives Barbee, Bowie

36 DEPARTMENT OF TRANSPORTATION–CASH FLOW CONTRACT FUNDING

37 Sec. 19.5. (a) G.S. 136-176(d) reads as rewritten:

38 "(d) A contract may be let for projects funded from the Trust Fund in anticipation
39 of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the ~~biennium~~
40 two bienniums following the year in which the contract is let."

41 (b) G.S. 143-28.1 reads as rewritten:

42 "**§ 143-28.1. Highway Fund appropriation.**

1 Notwithstanding any other provisions of this Article, the appropriations made from
2 the Highway Fund for highway construction and maintenance are subject to the following
3 provisions.

4 (1) Cash Flow Funding for Highway Construction and Maintenance. –
5 Highway maintenance and construction funds shall be budgeted,
6 expended and accounted for on a 'cash flow' basis. Pursuant to this end,
7 highway maintenance and construction contracts shall be planned and
8 limited so payments due at any time will not exceed the cash available
9 to pay them.

10 (2) Appropriations are for Payments and Contract Commitments to be
11 Made in the Appropriation Fiscal Year. – The appropriations provided
12 for by the Appropriations Act for highway maintenance and
13 construction are for maximum payments estimated to be made during
14 the appropriation fiscal year and for maximum contracting authority for
15 future years. Highway maintenance and construction contracts shall be
16 scheduled so that the total contract payments and other expenditures
17 charged to projects in the fiscal year for each highway maintenance and
18 construction appropriation item will not exceed the current
19 appropriations provided by the General Assembly and unspent prior
20 appropriations made by the General Assembly for the particular
21 appropriation item.

22 (3) Payments Subject to Availability of Funds – Retainage Fully Funded –
23 5% Cash Balance Required. – The annual appropriations for highway
24 maintenance and construction provided for by the Appropriations Act
25 shall be expended only to the extent that sufficient funds are available in
26 the Highway Fund. The Department of Transportation shall fully fund
27 retainage from maintenance and construction contracts in the year in
28 which the work is performed, and in addition shall maintain an available
29 cash balance at the end of each month equal to at least five percent (5%)
30 of the unpaid balance of the total maintenance and construction contract
31 obligations. In the event this cash position is not maintained, no further
32 construction and maintenance contract commitments shall be entered
33 into until the cash balance has been regained. For the purposes of
34 awarding contracts involving federal-aid, any amount due from the
35 federal government and the Highway Bond Fund as a result of
36 unreimbursed expenditures may be considered as cash for the purposes
37 of this provision.

38 (4) Anticipation of Revenues. – In awarding State highway construction
39 and maintenance contracts requiring payments beyond a biennium, the
40 Director of the Budget may anticipate revenues as authorized and
41 certified by the General Assembly, to continue contract payments for up
42 to seventy-five percent (75%) of the revenues which are estimated for
43 the first fiscal year of the succeeding biennium and which are not

1 required for other budget items. Up to fifty percent (50%) of the
2 revenues not required for other budget items may be anticipated for the
3 second ~~and subsequent fiscal years'~~ year of the succeeding biennium's
4 contract payments. Up to forty percent (40%) of the revenues not
5 required for other budget items may be anticipated for the first year of
6 the second succeeding biennium and up to twenty percent (20%) of the
7 revenues not required for other budget items may be anticipated for the
8 second year of the second succeeding biennium.

9 (5) Amounts Obligated – Payments Subject to the Availability of Funds –
10 Termination of Contracts. – Highway maintenance and construction
11 appropriations may be obligated in the amount of allotments made to the
12 Department of Transportation by the Office of State Budget and
13 Management for the estimated payments for maintenance and
14 construction contract work to be performed in the appropriation fiscal
15 year. The allotments shall be multi-year allotments and shall be based
16 on estimated revenues and shall be subject to the maximum contract
17 authority contained in subdivision (2) above. Payment for highway
18 maintenance and construction work performed pursuant to contract in
19 any fiscal year other than the current fiscal year will be subject to
20 appropriations by the General Assembly. Highway maintenance and
21 construction contracts shall contain a schedule of estimated completion
22 progress and any acceleration of this progress shall be subject to the
23 approval of the Department of Transportation provided funds are
24 available. The State reserves the right to terminate or suspend any
25 highway maintenance or construction contract and any highway
26 maintenance or construction contract shall be so terminated or
27 suspended if funds will not be available for payment of the work to be
28 performed during that fiscal year pursuant to the contract. In the event
29 of termination of any contract, the contractor shall be given a written
30 notice of termination at least 60 days before completion of scheduled
31 work for which funds are available. In the event of termination, the
32 contractor shall be paid for the work already performed in accordance
33 with the contract specifications.

34 (6) Provision Incorporated in Contracts. – The provisions of subdivision (5)
35 of this section shall be incorporated verbatim in all highway
36 construction and maintenance contracts.

37 (7) Existing Contracts Are Not Affected. – The provisions of this section
38 shall not apply to highway construction and maintenance contracts
39 awarded by the Department of Transportation prior to July 15, 1980."

40 (c) The Department of Transportation shall report quarterly beginning on October
41 15, 1996, and then on the fifteenth of the month following the end of the fiscal quarter, to
42 the Joint Legislative Transportation Oversight Committee on all projects to be built with
43 funds obligated using the cash flow provisions of G.S. 143-28.1. The report shall contain

1 a list of the projects and the amount obligated in anticipation of revenues for each year of
2 the project.

3
4 Requested by: Representatives Barbee, Bowie

5 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
6 **APPROPRIATIONS**

7 Sec. 19.6. Section 18.9 of Chapter 324 of the 1995 Session Laws reads as
8 rewritten:

9 "Sec. 18.9. (a) The General Assembly authorizes and certifies anticipated revenues
10 of the Highway Fund as follows:

11	For Fiscal Year 1997-98	\$1,075.6 Million	<u>\$1,089.4 Million</u>
12	For Fiscal Year 1998-99	\$1,093.1 Million	<u>\$1,110.7 Million</u>
13	<u>For Fiscal Year 1999-00</u>		<u>\$1,146.7 Million</u>
14	<u>For Fiscal Year 2000-01</u>		<u>\$1,174.3 Million</u>

15 (b) The General Assembly authorizes and certifies anticipated revenues of the
16 Highway Trust Fund as follows:

17	For Fiscal Year 1997-98	\$ 775.8 Million	<u>\$ 788.2 Million</u>
18	For Fiscal Year 1998-99	\$ 799.8 Million	<u>\$ 812.7 Million</u>
19	<u>For Fiscal Year 1999-00</u>		<u>\$839.3 Million</u>
20	<u>For Fiscal Year 2000-01</u>		<u>\$867.2 Million</u> .

21
22 Requested by: Representatives Barbee, Bowie

23 **RADIO ISLAND RAILROAD TRESTLE**

24 Sec. 19.7. (a) Subsection (b) of Section 18.28 of Chapter 324 of the 1995 Session
25 Laws reads as rewritten:

26 "(b) The Department of Transportation shall proceed with the planning and
27 construction of the trestle, Project P-3100 in the 1996-2002 Transportation Improvement
28 Program, and shall commence construction of the trestle during calendar year 1996. The
29 Beaufort and Morehead Railroad Company, owner of the trestle, shall be conveyed to the
30 Department of Transportation by the North Carolina Ports Railway Commission for
31 construction of the replacement trestle and related purposes authorized by G.S. 136-
32 44.36. The completed bridge shall be owned by the Department of Transportation and
33 shall be added to the State System for maintenance purposes."

34 (b) Notwithstanding any other provision of law, the Department of Transportation
35 may award a contract for Project 3100 in the 1996-2002 Transportation Improvement
36 Program on a design-build basis, using any procurement process that the Department of
37 Transportation determines will result in maximum efficiency in constructing this project.

38 (c) The Department of Transportation shall file a progress report every six months
39 beginning on December 1, 1996, to the Joint Legislative Transportation Oversight
40 Committee on the construction of this project.

41
42 Requested by: Representative Sexton

43 **SECONDARY ROAD FUNDS ELIGIBILITY MODIFICATION**

1 Sec. 19.9. Section 169.1 of Chapter 321 of the 1993 Session Laws reads as
2 rewritten:

3 "Sec. 169.1. Notwithstanding any other provision of law, the Department of
4 Transportation shall maintain the streets and highways on the State highway system
5 within municipalities that are not eligible for funds under G.S. 136-41.2. The
6 Department of Transportation shall maintain the streets and highways as part of the State
7 secondary system, and maintain the paving priority for the secondary roads the same as if
8 the municipality were not incorporated, as long as the ineligibility for funds under G.S.
9 136-41.2 continues. The provisions of this section apply only to municipalities
10 incorporated between July 1, 1989, and June 30, ~~1993-1993~~, and during 1996."

11 12 **PART 20. DEPARTMENT OF CORRECTION**

13
14 Requested by: Representatives Justus, Thompson

15 **ADDITIONAL PRIVATE PRISON BEDS**

16 Sec. 20. G.S. 148-37(g) reads as rewritten:

17 "(g) The Secretary of Correction may contract with private for-profit or nonprofit
18 firms for the provision and operation of ~~two~~ four or more confinement facilities totaling
19 up to ~~1,000~~ 2,000 beds in the State to house State prisoners when to do so would most
20 economically and effectively promote the purposes served by the Department of
21 Correction. This ~~1,000-bed~~ 2,000-bed limitation shall not apply to the 500 beds in private
22 substance abuse treatment centers authorized by the General Assembly prior to July 1,
23 1995. Whenever the Department of Correction determines that new prison facilities are
24 required in addition to existing State-owned facilities, the Department may contract for
25 any remaining beds authorized by this section before constructing State-operated
26 facilities.

27 Contracts entered under the authority of this subsection shall be for a period not to
28 exceed 10 years, shall be renewable from time to time for a period not to exceed 10 years,
29 ~~and are subject to the approval of the Council of State and the Department of~~
30 ~~Administration, after consultation with the Joint Legislative Commission on~~
31 ~~Governmental Operations. Confinement facilities provided under the authority of this~~
32 ~~subsection shall not be used for the purpose of consolidating existing State confinement~~
33 ~~facilities.~~ years. The Secretary of Correction shall enter contracts under this subsection
34 only if funds are appropriated for this purpose by the General Assembly. Contracts
35 entered under the authority of this subsection may be subject to any requirements for the
36 location of the confinement facilities set forth by the General Assembly in appropriating
37 those funds.

38 Once the Department has made a determination to contract for additional private
39 prison beds, it shall issue a request for proposals within 30 days of the decision. The
40 request for proposals shall require bids to be submitted within three months, and the
41 Department shall award contracts within three months of the submission of bids. The
42 final award decision shall be made by the Secretary of Correction, in consultation with
43 the Chairs of the Joint Legislative Correction Oversight Committee and the Chairs of the

1 House and Senate Appropriations Subcommittees on Justice and Public Safety, and the
2 contract shall then be subject to the approval of the Council of State after consultation
3 with the Joint Legislative Commission on Governmental Operations.

4 Contracts made under the authority of this subsection may provide the State with an
5 option to purchase the confinement facility or may provide for the purchase of the
6 confinement facility by the State. Contracts made under the authority of this subsection
7 shall state that plans and specifications for private confinement facilities shall be
8 furnished to and reviewed by the Office of State Construction. The Office of State
9 Construction shall inspect and review each project during construction to ensure that the
10 project is suitable for habitation and to determine whether the project would be suitable
11 for future acquisition by the State. ~~The Department of Correction may give preference to~~
12 ~~facilities intended for joint county and State use where such facilities are developed by~~
13 ~~public/private partnerships and financed by tax exempt bond issues, and where such~~
14 ~~facilities offer general terms and conditions favorable to the State in the competitive~~
15 ~~bidding process pursuant to Article 8 of Chapter 143 of the General Statutes.~~ All
16 contracts for the housing of State prisoners in private confinement facilities shall require
17 a minimum of ten million dollars (\$10,000,000) of occurrence-based liability insurance
18 and shall hold the State harmless and provide reimbursement for all liability arising out of
19 actions caused by operations and employees of the private confinement facility.

20 Prisoners housed in private confinement facilities pursuant to this subsection shall
21 remain subject to the rules adopted for the conduct of persons committed to the State
22 prison system. The Secretary of Correction may review and approve the design and
23 construction of private confinement facilities before housing State prisoners in these
24 facilities. The rules regarding good time, gain time, and earned credits, discipline,
25 classification, extension of the limits of confinement, transfers, housing arrangements,
26 and eligibility for parole shall apply to inmates housed in private confinement facilities
27 pursuant to this subsection. The operators of private confinement facilities may adopt any
28 other rules as may be necessary for the operation of those facilities with the written
29 approval of the Secretary of Correction. Custodial officials employed by a private
30 confinement facility are agents of the Secretary of Correction and may use those
31 procedures for use of force authorized by the Secretary of Correction to defend
32 themselves, to enforce the observance of discipline in compliance with confinement
33 facility rules, to secure the person of a prisoner, and to prevent escape. Private firms
34 under this subsection shall employ inmate disciplinary and grievance policies of the
35 North Carolina Department of Correction."

36
37 Requested by: Representatives Justus, Thompson

38 **USE OF FACILITIES CLOSED UNDER GPAC**

39 Sec. 20.1. In conjunction with the closing of small expensive prison units
40 recommended for consolidation by the Government Performance Audit Committee, the
41 Department of Correction shall consult with the county or municipality in which the unit
42 is located about the possibility of converting that unit to local use. Consistent with
43 existing law, the Department may provide for the lease or transfer of any of these units to

1 counties or municipalities wishing to convert them to local use. The Department of
2 Correction may also consider converting some of the units recommended for closing
3 from medium security to minimum security, where that conversion would be cost-
4 effective.

5
6 Requested by: Representatives Justus, Thompson

7 **REIMBURSEMENT TO COUNTIES FOR HOUSING COSTS OF INMATES**
8 **AWAITING TRANSFER TO STATE PRISON SYSTEM**

9 Sec. 20.2. (a) G.S. 148-29 reads as rewritten:

10 "**§ 148-29. Transportation of convicts to prison; reimbursement to counties;**
11 **sheriff's expense affidavit; State not liable for maintenance expenses until**
12 **convict received. affidavit.**

13 The sheriff having in charge any prisoner to be taken to the Central Prison at Raleigh
14 shall send him to the Central Prison within five days after the adjournment of the court at
15 which he was sentenced, if no appeal has been taken. Beginning on the sixth day after
16 adjournment of the court in which the prisoner was sentenced and continuing through the
17 day the prisoner is received by the Division of Prisons, the Department of Correction
18 shall pay the county a standard sum set by the General Assembly in its appropriations
19 acts for the cost of providing food, clothing, personal items, supervision, and necessary
20 ordinary medical services to the prisoner awaiting transfer to the State prison system.

21 The sheriff shall file with the board of commissioners of his county a copy of his
22 affidavit as to necessary guard, together with a copy of his itemized account of expenses,
23 both certified to by him as true copies of those on file in his office. ~~The State is not~~
24 ~~liable for the expenses of maintaining convicts until they have been received by the State~~
25 ~~Department of Correction authorities, nor shall any moneys be paid out of the treasury for~~
26 ~~support of convicts prior to such reception."~~

27 (b) The Department of Correction may use funds available for the 1995-96 fiscal
28 year to pay the sum of fourteen dollars and fifty cents (\$14.50) per day as reimbursement
29 to counties for the cost of housing inmates convicted and awaiting transfer to the State
30 prison system, as provided in G.S. 148-29.

31 (c) Of the funds appropriated to the Department of Correction for the 1996-97
32 fiscal year, the sum of fourteen million six hundred thousand dollars (\$14,600,000) shall
33 be used to raise the per diem reimbursement to counties from fourteen dollars and fifty
34 cents (\$14.50) per day to forty dollars (\$40.00) per day for the cost of housing inmates
35 convicted and awaiting transfer to the State prison system, as provided in G.S. 148-29. If
36 these funds are depleted prior to the end of the fiscal year, the Department of Correction
37 may use funds available, other than lapsed salaries and fringe benefits, to reimburse
38 counties pursuant to this section.

39 (d) Subsections (a) and (b) of this section become effective January 1, 1996.

40
41 Requested by: Representatives Justus, Thompson

1 **COMBINATION OF PAROLE PROBATION FIELD SERVICES AND PAROLE**
2 **PRE- AND POST-RELEASE SERVICES PROGRAMS FOR BUDGETING**
3 **PURPOSES**

4 Sec. 20.3. Notwithstanding any other provision of law, the Department of
5 Correction may combine Parole Probation Field Services and Parole Pre- and Post-
6 Release Services programs for budgeting purposes in order to reflect the actual operation
7 in the field, since officers from each program are responsible for both parole and
8 probation cases.

9
10 Requested by: Representatives Justus, Thompson

11 **MODIFICATION OF FUNDING FORMULA FROM THE NORTH CAROLINA**
12 **STATE-COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT**

13 Sec. 20.4. Notwithstanding the funding formula set forth in G.S. 143B-273.15,
14 grants made through the North Carolina State-County Criminal Justice Partnership Act
15 for the 1996-97 fiscal year shall be distributed to the counties as specified in G.S. 143B-
16 273.15(2) only, and not as discretionary funds. Appropriations not claimed or expended
17 by counties during the 1996-97 fiscal year shall be distributed pursuant to G.S. 143B-
18 273.15(1).

19
20 Requested by: Representatives Justus, Thompson

21 **PRIVATE PRISON CONTRACTS**

22 Sec. 20.5. (a) The Department of Correction shall award contracts for the
23 1,000 private prison beds authorized in G.S. 148-37(g) by June 30, 1996.

24 (b) This section is effective upon ratification.

25
26 Requested by: Representatives Justus, Thompson

27 **DART AFTERCARE FUNDS SHALL NOT REVERT**

28 Sec. 20.6. (a) Funds appropriated in this act to the Department of Correction
29 for the 1995-96 fiscal year for a Drug Alcohol Recovery Treatment (DART) aftercare
30 program shall not revert at the end of the fiscal year but shall remain available to the
31 Department during the 1996-97 fiscal year and be used to contract for up to three pilot
32 programs statewide to provide aftercare services, including counseling and job referral
33 services, for DART DWI offenders and other offenders who have completed a DART
34 program in the Division of Prisons.

35 The Department of Correction shall report on the pilot programs to the Chairs
36 of the Senate and House Appropriations Committees and the Chairs of the Senate and
37 House Appropriations Subcommittees on Justice and Public Safety by March 1, 1997.
38 The report shall include information on the number of clients served, the quality of
39 services, the cost-effectiveness of the services, and the benefits of the programs to
40 offenders.

41 (b) This section becomes effective June 30, 1996.

42
43 Requested by: Representatives Justus, Thompson

1 **DEPARTMENT OF CORRECTION/DEPARTMENT OF HUMAN RESOURCES**
2 **JOINT PLAN/RESERVE FOR SUBSTANCE ABUSE TREATMENT PILOT**
3 **PROGRAM FOR PAROLEES AND PROBATIONERS SHALL NOT REVERT**

4 Sec. 20.7. (a) The balance of the five hundred eighty-three thousand dollars
5 (\$583,000) appropriated in Chapter 24 of the Session Laws of the 1994 Extra Session to
6 the Department of Correction for the 1994-95 fiscal year and carried forward to the 1995-
7 96 fiscal year by Section 19.8 of Chapter 507 of the 1995 Session Laws for an intensive
8 out-patient substance abuse treatment pilot program for parolees and probationers with
9 serious substance abuse histories shall not revert at the end of the fiscal year but shall
10 remain available to the Department during the 1996-97 fiscal year to be used for the
11 operation and evaluation of the Department of Correction/Department of Human
12 Resources joint substance abuse program, the Drug Alcohol Recovery Treatment
13 (DART) aftercare pilot program, and other prison-based or community corrections
14 substance abuse programs in the Department of Correction, as determined by the
15 Secretary of Correction.

16 The Department of Correction shall report quarterly to the Joint Legislative
17 Corrections Oversight Committee on the use of these funds and any benefits realized.
18 The Department of Human Resources shall participate in these reports as they relate to
19 the joint project.

20 (b) This section becomes effective June 30, 1996.

21
22 Requested by: Representatives Justus, Thompson

23 **SALARY CONTINUATION BENEFITS FOR ALL DEPARTMENT OF**
24 **CORRECTION EMPLOYEES INJURED BY DELIBERATE ACT OR WHILE**
25 **PERFORMING SUPERVISORY DUTIES**

26 Sec. 20.8. (a) G.S. 143-166.13(b) reads as rewritten:

27 "(b) The following persons are entitled to benefits under this Article regardless of
28 whether they are subject to the Criminal Justice Training and Standards Act:

29 (1) Driver License Examiners injured by accident arising out of and in the
30 course of giving a road test, Division of Motor Vehicles, Department of
31 ~~Transportation~~ Transportation;

32 (2) Employees injured by a direct and deliberate act of an offender
33 supervised by the Department of Correction or an individual acting on
34 behalf of such an offender or while performing supervisory duties over
35 offenders which place the employees at risk of such injury, Department
36 of Correction."

37 (b) This section applies to injuries occurring on or after the effective date of this
38 act.

39
40 Requested by: Representatives Justus, Thompson

41 **REPORT ON WOMEN AT RISK**

42 Sec. 20.9. The Women at Risk program shall report by December 1, 1996, and
43 by May 1, 1997, to the Joint Legislative Commission on Governmental Operations, the

1 Chairs of the House and Senate Appropriations Committees, and the Chairs of the House
2 and Senate Appropriations Subcommittees on Justice and Public Safety on the
3 expenditure of State appropriations and on the effectiveness of the program, including
4 information on the number of clients served, the number of clients who have had their
5 probation revoked, and the number of clients who have successfully completed the
6 program.

7
8 Requested by: Representatives Justus, Thompson

9 **FEDERAL MATCHING FUNDS**

10 Sec. 20.10. Section 27.10A of Chapter 507 of the 1995 Session Laws reads as
11 rewritten:

12 "Sec. 27.10A. Appropriations made ~~in this act~~ for the 1995-97 biennium to the Office
13 of State Construction of the Department of Administration for construction of new prison
14 beds, ~~excluding the sum of seven million five hundred thousand dollars (\$7,500,000) to~~
15 ~~be used for the design and preliminary site work,~~ are to match federal funds available for
16 prison construction in the ~~1995 or~~ 1996 federal fiscal year or subsequent federal fiscal
17 years. If the federal match is not made ~~available by January 1, 1996,~~ available, these
18 State funds shall be made available to the Office of State Construction of the Department
19 of Administration for construction of new prison beds, segregation units, and support
20 buildings and ~~systems as specified in this act.~~ systems.

21 The Office of State Construction shall report to the Chairs of the Joint Legislative
22 Commission on Governmental Operations, the Joint Legislative Corrections Oversight
23 Committee, the Chairs of the Senate and House Appropriations Committees, and the
24 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
25 Safety on the availability of federal prison construction matching funds."

26
27 Requested by: Representatives Holmes, Creech, Esposito

28 **USE OF PRISON MATCH FUNDS**

29 Sec. 20.11. Section 27.10A1 of Chapter 507 of the 1995 Session Laws is
30 repealed. Any funds appropriated in Chapter 507 of the 1995 Session Laws for
31 construction of new prison beds that are not needed to construct prisons for the 1995-97
32 fiscal biennium shall be placed in a reserve for appropriation by the 1997 General
33 Assembly.

34
35 **PART 21. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

36
37 Requested by: Representatives Justus, Thompson

38 **REPORT ON STATE HIGHWAY PATROL PROMOTIONAL POLICY**

39 Sec. 21. The Division of the State Highway Patrol, Department of Crime
40 Control and Public Safety, shall report to the Crime Control and Public Safety Study
41 Commission, the Chairs of the House and Senate Appropriations Committees, and the
42 Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
43 Safety on the promotional system adopted by the State Highway Patrol on May 15, 1996.

The Department shall report on the criteria and qualifications used to rank troopers and supervisors in the system and on the progress of the training process of the system by January 1, 1997. By July 1, 1997, the Department shall report on the implementation of the promotional system, including the number of troopers and supervisors eligible for promotion, the number of troopers and supervisors promoted, and the criteria used to rank each trooper and supervisor promoted under the system.

PART 22. JUDICIAL DEPARTMENT

Requested by: Representatives Justus, Thompson

ADDITIONAL ASSISTANT DISTRICT ATTORNEYS

Sec. 22. (a) G.S. 7A-60(a1) reads as rewritten:

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

			No. of Full-Time Asst. District	
Prosecutorial District	Counties	Attorneys		
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	8	<u>9</u>	
2	Beaufort, Hyde, Martin, Tyrrell, Washington	4	<u>5</u>	
3A	Pitt	7	<u>8</u>	
3B	Carteret, Craven, Pamlico	6	<u>8</u>	
4	Duplin, Jones, Onslow, Sampson	10	<u>12</u>	
5	New Hanover, Pender	9	<u>11</u>	
6A	Halifax	3	<u>4</u>	
6B	Bertie, Hertford, Northampton	3	<u>4</u>	
7	Edgecombe, Nash, Wilson			10 <u>13</u>
8	Greene, Lenoir, Wayne	8	<u>10</u>	
9	Franklin, Granville, Vance, Warren	8	<u>9</u>	
9A	Person, Caswell	2	<u>3</u>	
10	Wake			20 <u>24</u>
11	Harnett, Johnston, Lee	10	<u>11</u>	
12	Cumberland	12	<u>14</u>	
13	Bladen, Brunswick, Columbus	6	<u>7</u>	
14	Durham	9	<u>10</u>	
15A	Alamance	6	<u>7</u>	
15B	Orange, Chatham	5	<u>6</u>	

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

(b) This section becomes effective January 1, 1997.

Requested by: Representatives Justus, Thompson

ASSISTANT PUBLIC DEFENDERS

Sec. 22.1. From funds appropriated to the Indigent Persons' Attorney Fee Fund for the 1996-97 fiscal year, the Administrative Office of the Courts may use up to five hundred twenty-eight thousand one hundred ninety-eight dollars (\$528,198) for salaries, benefits, and related expenses to establish up to 11 new assistant public defenders.

Requested by: Representatives Justus, Thompson

RESERVE FOR DRUG TREATMENT COURT PROGRAM

Sec. 22.2. (a) Of the funds appropriated to the Judicial Department in the certified budget for the 1995-96 fiscal year to the Reserve for Court/Drug Treatment Program, established by Section 41 of Chapter 24 of the Session Laws of the 1994 Extra Session, as amended by Section 21.6 of Chapter 507 of the 1995 Session Laws, up to the sum of

1 one hundred seventy-five thousand dollars (\$175,000) of any balance remaining in the
 2 reserve shall not revert, but may be used during the 1996-97 fiscal year for nonrecurring
 3 program items.

4 (b) This section becomes effective June 30, 1996.

5
 6 Requested by: Representatives Justus, Thompson

7 **ANNUAL REPORT ON RECIDIVISM**

8 Sec. 22.3. The Judicial Department, through the North Carolina Sentencing
 9 and Policy Advisory Commission, and the Department of Correction shall jointly prepare
 10 an annual report on recidivism among criminal offenders. The findings of the report shall
 11 be based upon methodology similar to that employed in the May 1, 1996, Recidivism
 12 Study that was presented to the Chairs of the House and Senate Appropriations
 13 Committees and the Chairs of the House and Senate Appropriations Subcommittees on
 14 Justice and Public Safety. This methodology shall include tracking of all offenders
 15 assigned to community corrections programs or released from prison by fiscal year,
 16 beginning with the 1993-94 fiscal year for the first year's report, and then identifying
 17 those offenders rearrested within two years or more after assignment to a program or
 18 release from prison. Community correction programs to be included in the report are the
 19 Treatment Alternatives to Street Crime (TASC), the Community Penalties Program,
 20 Community Service, all supervised probation and parole programs, and all community
 21 correction programs supervised or funded by the Department of Correction.

22 As part of this joint project, the Department of Correction shall provide the
 23 Sentencing and Policy Advisory Commission with a computerized list of offenders
 24 released from prison and offenders entering supervised probation during the specified
 25 time period. The list shall include specific offender-identifying information and clearly
 26 identify offenders entering community corrections programs supervised or funded by the
 27 Department of Correction. The Sentencing and Policy Advisory Commission shall be
 28 responsible for matching offenders to Division of Criminal Information (DCI) criminal
 29 records and for the production and printing of the final report.

30 Data collection and report preparation for the first year shall be funded from
 31 the sum of four thousand dollars (\$4,000) appropriated to the Judicial Department for the
 32 1996-97 fiscal year for that purpose, and grant funds available to the Department of
 33 Correction for the 1996-97 fiscal year, up to the sum of twenty-five thousand dollars
 34 (\$25,000). The report shall be due by April 1 of each year.

35
 36 Requested by: Representatives Justus, Thompson

37 **AUTHORIZE ADDITIONAL MAGISTRATES**

38 Sec. 22.4. G.S. 7A-133(c) reads as rewritten:

39 "(c) Each county shall have the numbers of magistrates and additional seats of
 40 district court, as set forth in the following table:

	Magistrates	Additional Seats of
--	-------------	------------------------

	County	Min.	Max.	Court	
1					
2					
3	Camden	1	2		
4	Chowan	2	3		
5	Currituck	1	3		
6	Dare	3	8		
7	Gates	2	3		
8	Pasquotank		3	5	
9	Perquimans		2	3	
10	Martin	5	8		
11	Beaufort	4	8		
12	Tyrrell	1	3		
13	Hyde	2	4		
14	Washington		3	4	
15	Pitt	10	12	Farmville	
16					Ayden
17	Craven	7	10	Havelock	
18	Pamlico	2	3		
19	Carteret	5	8		
20	Sampson	6	8		
21	Duplin	9	11		
22	Jones	2	3		
23	Onslow	8	14		
24	New Hanover		6	11	
25	Pender	4	6		
26	Halifax	9	14	Roanoke	
27					Rapids,
28					Scotland Neck
29	Northampton		5	6	
30	Bertie	4	5		
31	Hertford	5	6		
32	Nash	7	10	Rocky Mount	
33	Edgecombe		4	6	Rocky Mount
34	Wilson	4	6		
35	Wayne	5	11	Mount Olive	
36	Greene	2	4		
37	Lenoir	4	10	La Grange	
38	Granville	3	7		
39	Vance	3	5		
40	Warren	3	4		
41	Franklin	3	6		
42	Person	3	4		
43	Caswell	2	5		

1	Wake	12	20	Apex,	
2					Wendell,
3					Fuquay-
4					Varina,
5					Wake Forest
6	Harnett	7	11	Dunn	
7	Johnston	10	12	Benson,	
8					Clayton,
9					Selma
10	Lee	4	6		
11	Cumberland		10	17	
12	Bladen	4	6		
13	Brunswick		4	7	
14	Columbus	6	8	Tabor City	
15	Durham	8	12		
16	Alamance	7	10	Burlington	
17	Orange	4	11	Chapel Hill	
18	Chatham	3	8	Siler City	
19	Scotland	3	5		
20	Hoke	4	5		
21	Robeson	8	16	Fairmont,	
22					Maxton,
23					Pembroke,
24					Red Springs,
25					Rowland,
26					St. Pauls
27	Rockingham		4	9	Reidsville,
28					Eden,
29					Madison
30	Stokes	2	5		
31	Surry	5	9	Mt. Airy	
32	Guilford	20	26	High Point	
33	Cabarrus	5	9	Kannapolis	
34	Montgomery		2	4	
35	Randolph	5	<u>8</u> 10	Liberty	
36	Rowan	5	10		
37	Stanly	5	6		
38	Union	4	6		
39	Anson	4	5		
40	Richmond		5	6	Hamlet
41	Moore	5	8	Southern	
42					Pines
43	Forsyth	3	15	Kernersville	

1	Alexander	2	3
2	Davidson 7	10	Thomasville
3	Davie 2 3		
4	Iredell 4 9		Mooreville
5	Alleghany	1	2
6	Ashe 3 4		
7	Wilkes 4	6	
8	Yadkin 3	5	
9	Avery 3 4		
10	Madison 4	5	
11	Mitchell 3	4	
12	Watauga 4	6	
13	Yancey 2	4	
14	Burke 4 7		
15	Caldwell 4	7	
16	Catawba 6	10	Hickory
17	Mecklenburg	15	26
18	Gaston 11	20	
19	Cleveland 5	8	
20	Lincoln 4	6	
21	Buncombe	6	15
22	Henderson	4	6-7
23	McDowell	3	5
24	Polk 3 4		
25	Rutherford	6	8
26	Transylvania	2	4
27	Cherokee 3	4	
28	Clay 1 2		
29	Graham 2	3	
30	Haywood 5	7	Canton
31	Jackson 3	4	
32	Macon 3	4	
33	Swain 2 3."		

34

35 Requested by: Representatives Justus, Thompson, Grady

36 **CLERK OF SUPERIOR COURT COMPENSATION STUDY**

37

38 Sec. 22.5. The Administrative Office of the Courts shall study the position
 39 classification and pay plan of the Office of the Clerk of Superior Court. The study shall
 40 provide recommendations on the appropriate qualifications and compensation of deputy
 41 and assistant clerks for the proper functioning of the Office of the Clerk of Superior
 42 Court, and shall include a review of current job classes and any potential new classes.
 43 The Administrative Office of the Courts shall report the results of this study and its
 recommendations to the Chairs of the House and Senate Appropriations Committees and

1 the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
2 Safety by March 1, 1997.

3
4 **PART 23. DEPARTMENT OF JUSTICE**

5
6 Requested by: Representatives Justus, Thompson

7 **AUTHORIZATION OF FICTITIOUS LICENSES AND REGISTRATION**
8 **PLATES ON PUBLICLY OWNED MOTOR VEHICLES**

9 Sec. 23. G.S. 20-39(h) reads as rewritten:

10 "(h) The Commissioner, notwithstanding any other provision of this Chapter, may
11 lawfully and to the extent necessary, provide local, State or federal law-enforcement
12 officers on special undercover assignments with motor vehicle drivers licenses and motor
13 vehicle registration plates under assumed names using false or fictitious addresses. Such
14 registration plates shall only be used on publicly owned or leased vehicles. Requests for
15 these licenses and registration plates shall be made to the Commissioner by the head of
16 the local, State or federal law-enforcement agency and be accompanied by approval in
17 writing from the Director of the State Bureau of Investigation upon a specific finding by
18 the Director that the request is justified and necessary. The Director shall keep a record
19 of all such licenses, registration plates, assumed names, false or fictitious addresses, and
20 law-enforcement officers using the licenses or registration plates, and shall request the
21 immediate return of any license or registration plate that is no longer necessary. Licenses
22 and registration plates provided under this subsection shall expire six months after initial
23 issuance or subsequent validation after the request for extension has been approved in
24 writing by the Director of the State Bureau of Investigation. The head of the local, State
25 or federal law-enforcement agency shall be responsible for the use of the licenses and
26 registration plates and shall return them immediately to the Commissioner for
27 cancellation upon either (i) their expiration, (ii) request of the Director of the State
28 Bureau of Investigation, or (iii) request of the Commissioner. Failure to return a license
29 or registration plates issued pursuant to this subsection shall be punished as a Class 2
30 misdemeanor. At no time shall the number of valid licenses and registration plates issued
31 under this act exceed ~~fifty~~, one hundred fifty, and those issued shall be strictly monitored
32 by the Director. All of the private registration plates issued to special agents of the State
33 Bureau of Investigation under the Department of Justice and to alcohol law enforcement
34 agents under the Department of Crime Control and Public Safety, pursuant to G.S. 14-
35 250, may be fictitious plates and shall not be counted in the total number of fictitious
36 plates authorized by this subsection."

37
38 Requested by: Representatives Justus, Thompson

39 **REPAIRS AND RENOVATIONS OF THE WESTERN JUSTICE ACADEMY**

40 Sec. 23.1. Of the funds allocated to the Repairs and Renovations Reserve
41 Account for the 1995-97 biennium, the sum of six million dollars (\$6,000,000) shall be
42 transferred to the Department of Justice for repairs and renovations of the Western Justice
43 Academy located at Edneyville in Henderson County. The Department of Justice shall

1 let contracts for all repairs and renovations of the Academy as soon as possible, but not
2 later than December 1, 1996.

3 4 **PART 24. DEPARTMENT OF HUMAN RESOURCES**

5
6 Requested by: Representatives Gardner, Hayes

7 **MEDICAID**

8 Sec. 24. Section 23.14 of Chapter 324, 1995 Session Laws, reads as rewritten:

9 "Sec. 23.14. (a) Funds appropriated in this act for services provided in accordance
10 with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy
11 and the medically needy. Funds appropriated for these services shall be expended in
12 accordance with the following schedule of services and payment bases. All services and
13 payments are subject to the language at the end of this subsection.

14 Services and payment bases:

- 15 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
16 prescribed in the State Plan as established by the Department of Human
17 Resources. Administrative days for any period of hospitalization shall
18 be limited to a maximum of three days.
- 19 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
20 prospective reimbursement plan as established by the Department of
21 Human Resources.
- 22 (3) Nursing Facilities - Payment for nursing facility services will be
23 prescribed in the State Plan as established by the Department of Human
24 Resources. Nursing facilities providing services to Medicaid recipients
25 who also qualify for Medicare, must be enrolled in the Medicare
26 program as a condition of participation in the Medicaid program. State
27 facilities are not subject to the requirement to enroll in the Medicare
28 program.
- 29 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
30 in the State Plan as established by the Department of Human Resources.
- 31 (5) Drugs - Drug costs as allowed by federal regulations plus a professional
32 services fee per month excluding refills for the same drug or generic
33 equivalent during the same month. Reimbursement shall be available
34 for up to six prescriptions per recipient, per month, including refills.
35 Payments for drugs are subject to the provisions of subsection (f) of this
36 section and to the provisions at the end of subsection (a) of this section,
37 or in accordance with the State Plan adopted by the Department of
38 Human Resources consistent with federal reimbursement regulations.
39 Payment of the professional services fee shall be made in accordance
40 with the Plan adopted by the Department of Human Resources,
41 consistent with federal reimbursement regulations. The professional
42 services fee shall be five dollars and sixty cents (\$5.60) per prescription.

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

- 1 (22) Other Mental Health Services - Unless otherwise covered by this
2 section, coverage is limited to agencies meeting the requirements of the
3 rules established by the Commission for Mental Health, Developmental
4 Disabilities, and Substance Abuse Services, and reimbursement is made
5 in accordance with a Plan developed by the Department of Human
6 Resources not to exceed the upper limits established in federal
7 regulations.
- 8 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
9 Children - Reimbursement in accordance with Plan approved by the
10 Department of Human Resources.
- 11 (24) Health Insurance Premiums - Payments to be made in accordance with
12 the Plan adopted by the Department of Human Resources consistent
13 with federal regulations.
- 14 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in
15 this section include related services in schools; health professional
16 services provided outside the clinic setting to meet maternal and infant
17 health goals; and services to meet federal EPSDT mandates. Services
18 addressed by this paragraph are limited to those prescribed in the State
19 Plan as established by the Department of Human Resources. Providers
20 of these services must be certified as meeting program standards of the
21 Department of Environment, Health, and Natural Resources.
- 22 (26) Pregnancy Related Services - Covered services for pregnant women
23 shall include nutritional counseling, psychosocial counseling, and
24 predelivery and postpartum home visits by maternity care coordinators
25 and public health nurses.

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

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

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

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

41 (d) Medicaid and Aid to Families With Dependent Children Income Eligibility
42 Standards. The maximum net family annual income eligibility standards for Medicaid

1 and Aid to Families with Dependent Children, and the Standard of Need for Aid to
 2 Families with Dependent Children shall be as follows:

	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	Family Standard	AFDC Payment		
<u>Size</u>	<u>of Need</u>	<u>Level*</u>	<u>AA, AB, AD*</u>	
7	1	\$ 4,344	\$ 2,172	\$ 2,900
8	2	5,664	2,832	3,800
9	3	6,528	3,264	4,400
10	4	7,128	3,564	4,800
11	6	8,376	4,188	5,600
12	7	8,952	4,476	6,000
13	8	9,256	4,680	6,300

14 *Aid to Families With Dependent Children (AFDC); Aid to the Aged (AA); Aid to the
 15 Blind (AB); and Aid to the Disabled (AD).

17 The payment level for Aid to Families With Dependent Children shall be fifty percent
 18 (50%) of the standard of need.

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

21 (e) All Elderly, Blind, and Disabled Persons who receive Supplemental Security
 22 Income are eligible for Medicaid coverage.

23 (f) ICF and ICF/MR Work Incentive Allowances. The Department of Human
 24 Resources may provide an incentive allowance to Medicaid-eligible recipients of ICF and
 25 ICF/MR facilities who are regularly engaged in work activities as part of their
 26 developmental plan and for whom retention of additional income contributes to their
 27 achievement of independence. The State funds required to match the federal funds that
 28 are required by these allowances shall be provided from savings within the Medicaid
 29 budget or from other unbudgeted funds available to the Department. The incentive
 30 allowances may be as follows:

31
 32 Monthly Net Wages Monthly Incentive Allowance

33	\$1.00 to \$100.99	Up to \$50.00
34	\$101.00 - \$200.99	\$80.00
35	\$201.00 to \$300.99	\$130.00
36	\$301.00 and greater	\$212.00.

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

39 (h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through G.S.
 40 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a
 41 prescription order for a drug designated by a trade or brand name shall be considered to
 42 be an order for the drug by its established or generic name, except when the prescriber
 43 personally indicates, either orally or in his own handwriting on the prescription order,

1 'dispense as written' or words of similar meaning. Generic drugs, when available in the
2 pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather
3 than trade or brand name drugs, subject to the prescriber's 'dispense as written' order as
4 noted above.

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

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

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

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

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

29 (m) The Department of Human Resources shall provide Medicaid to 19-, 20-, and
30 21-year olds in accordance with federal rules and regulations.

31 (n) The Department of Human Resources shall provide coverage to pregnant
32 women and to children according to the following schedule:

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

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

39 (3) Children aged 1 through 5 with family incomes equal to or less than one
40 hundred thirty-three percent (133%) of the federal poverty guidelines as
41 revised each April 1 shall be covered for Medicaid ~~benefits;~~ benefits.

42 (4) Children aged 6 through 18 with family incomes equal to or less than
43 the federal poverty guidelines as revised each April 1 shall be covered

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

- 8 (5) The Department of Human Resources shall provide Medicaid coverage
9 for adoptive children with special or rehabilitative needs regardless of
10 the adoptive family's income.

11 Services to pregnant women eligible under this subsection continue throughout the
12 pregnancy but include only those related to pregnancy and to those other conditions
13 determined by the Department as conditions that may complicate pregnancy. In order to
14 reduce county administrative costs and to expedite the provision of medical services to
15 pregnant women, to infants, and to children described in subdivisions (3) and (4) of this
16 subsection, no resources test shall be applied.

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

22 (p) The Department of Human Resources shall submit a monthly status report on
23 expenditures for acute care and long-term care services to the Fiscal Research Division
24 and to the Office of State Budget and Management. This report shall include an analysis
25 of budgeted versus actual expenditures for eligibles by category and for long-term care
26 beds. In addition, the Department shall revise the program's projected spending for the
27 current fiscal year and the estimated spending for the subsequent fiscal year on a
28 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal
29 Research Division and to the Office of State Budget and Management no later than the
30 third Thursday of the month.

31 (q) The Division of Medical Assistance, Department of Human Resources, may
32 provide incentives to counties that successfully recover fraudulently spent Medicaid
33 funds by sharing State savings with counties responsible for the recovery of the
34 fraudulently spent funds.

35 (r) If first approved by the Office of State Budget and Management, the Division
36 of Medical Assistance, Department of Human Resources, may use funds that are
37 identified to support the cost of development and acquisition of equipment and software
38 through contractual means to improve and enhance information systems that provide
39 management information and claims processing.

40 (s) The Division of Medical Assistance, Department of Human Resources, may
41 administer Medicaid estate recovery mandated by Omnibus Budget Reconciliation Act of
42 1993, (OBRA 1993), 42 U.S.C. § 1396p(b), and G.S. 108-70.5 using temporary rules

1 pending approval of final rules promulgated pursuant to Chapter 150B of the General
 2 Statutes.

3 (t) The Department of Human Resources may adopt temporary rules according to
 4 the procedures established in G.S. 150B-21.1 when it finds that such rules are necessary
 5 to maximize receipt of federal funds to reduce Medicaid expenditures, and to reduce
 6 fraud and abuse."

7
 8 Requested by: Representatives Gardner, Hayes

9 **NONMEDICAID REIMBURSEMENT CHANGES**

10 Sec. 24.1. Subsection 23.16 of Chapter 324 of the 1995 Session Laws, as
 11 amended by subsection 23.5 of Chapter 507, 1995 Session Laws, reads as rewritten:

12 "Providers of medical services under the various State programs, other than Medicaid,
 13 offering medical care to citizens of the State shall be reimbursed at rates no more than
 14 those under the North Carolina Medical Assistance Program. Hospitals that provide
 15 psychiatric inpatient care for Thomas S. class members or adults with mental retardation
 16 and mental illness may be paid an additional incentive payment not to exceed fifteen
 17 percent (15%) of their regular daily per diem reimbursement.

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

24 Notwithstanding the provisions of paragraph one, the Department of Human
 25 Resources may negotiate with providers of medical services under the various
 26 Department of Human Resources programs, other than Medicaid, for rates as close as
 27 possible to Medicaid rates for the following purposes: contracts or agreements for
 28 medical services and purchases of medical equipment and other medical supplies. These
 29 negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible
 30 patients, residents, and clients who require such services which cannot be provided when
 31 limited to the Medicaid rate.

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

34		Medical Eye	All	
35	<u>Family Size</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
36	1	\$ 4,860	\$ 8,364	\$ 4,200
37	2	5,940	10,944	5,300
38	3	6,204	13,500	6,400
39	4	7,284	16,092	7,500
40	5	7,824	18,648	7,900
41	6	8,220	21,228	8,300
42	7	8,772	21,708	8,800
43				

1 8 9,312 22,220 9,300

2

3 The eligibility level for children in the Medical Eye Care Program in the Division of
 4 Services for the Blind and for adults in the ~~Clozaril~~ Atypical Antipsychotic Medication
 5 Program in the Division of Mental Health, Developmental Disabilities, and Substance
 6 Abuse Services shall be one hundred percent (100%) of the federal poverty guidelines, as
 7 revised annually by the United States Department of Health and Human Services and in
 8 effect on July 1 of each fiscal year. Additionally, those adults enrolled in the ~~Clozaril~~
 9 Atypical Antipsychotic Medication Program who become gainfully employed may
 10 continue to be eligible to receive State support, in decreasing amounts, for the purchase
 11 of ~~Clozaril~~ atypical antipsychotic medication and related services up to three hundred
 12 percent (300%) of the poverty level.

13 State financial participation in the ~~Clozaril~~ Atypical Antipsychotic Medication
 14 Program for those enrollees who become gainfully employed is as follows:

15 Income State Participation Client Participation
 16 (% of poverty)

17

18	0-100%	100%	0%
19	101-120%	95%	5%
20	121-140%	85%	15%
21	141-160%	75%	25%
22	161-180%	65%	35%
23	191-180%	65%	35%
24	<u>181-200%</u>	<u>55%</u>	<u>45%</u>
25	201-220%	45%	55%
26	221-240%	35%	65%
27	241-260%	25%	75%
28	261-280%	15%	85%
29	281-300%	5%	95%
30	301%-over	0%	100%.

31

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

35

36 Requested by: Representatives Gardner, Hayes

37 **SSI/MEDICAID LIMITS**

38 Sec. 24.2. Aged, blind, or disabled individuals who meet the income and
 39 resource requirements for Supplemental Security Income (SSI) shall not qualify for
 40 Medicaid assistance as aged, blind, or disabled unless they are determined eligible for
 41 both SSI and Medicaid by the Social Security Administration.

1 Individuals currently financially eligible for SSI but not receiving it as of the
2 effective date of this act shall be given written notice to apply for SSI at least 30 days
3 before losing Medicaid coverage.

4
5 Requested by: Representatives Gardner, Hayes

6 **THOMAS S.**

7 Sec. 24.4. Section 23.21 of Chapter 324 of the 1995 Session Laws reads as
8 rewritten:

9 "Sec. 23.21. (a) Funds appropriated to the Department of Human Resources in this
10 act for the 1995-96 fiscal year and the 1996-97 fiscal year for members of the Thomas S.
11 Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty,
12 shall be expended only for programs serving Thomas S. Class members or for services
13 for those clients who are:

- 14 (1) Adults with mental retardation, or who have been treated as if they had
15 mental retardation, who were admitted to a State psychiatric hospital on
16 or after March 22, 1984, and who are included on the Division of
17 Mental Health, Developmental Disabilities, and Substance Abuse
18 Services' official list of prospective Class members;
- 19 (2) Adults with mental retardation who have a documented history of State
20 psychiatric hospital admissions regardless of admission date and who,
21 without funding support, have a good probability of being readmitted to
22 a State psychiatric hospital;
- 23 (3) Adults with mental retardation who have never been admitted to a State
24 psychiatric hospital but who have a documented history of behavior
25 determined to be of danger to self or others that results in referrals for
26 inpatient psychiatric treatment and who, without funding support, have a
27 good probability of being admitted to a State psychiatric hospital; or
- 28 (4) Adults who are included on the Division of Mental Health,
29 Developmental Disabilities, and Substance Abuse Services' official list
30 of prospective Class members and have yet to be confirmed as Class
31 members, who currently reside in the community, and who have a good
32 probability of being admitted to a facility licensed as a 'home for the
33 aged and disabled'.

34 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
35 program shall be used for clients meeting subdivisions (2), (3), or (4) of this subsection.

36 (b) To ensure that Thomas S. Class members are appropriately served, no State
37 funds shall be expended on placement and services for Thomas S. Class members except:

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

1 (b1) Thomas S. funds may be expended to support services for Thomas S. Class
2 members in adult care homes when the service needs of individual Class members in
3 these homes cannot be met via the established maximum adult care home rate.

4 (c) The Department of Human Resources shall continue to implement a
5 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
6 reasonable costs by conducting cost center service type rate comparisons and cost center
7 line item budget reviews as may be necessary.

8 (d) Reporting requirements. The Department of Human Resources shall submit by
9 April 1 of each fiscal year a report to the General Assembly on the progress achieved in
10 serving members and prospective members of the Thomas S. Class. The report shall
11 include the following:

12 (1) The number of Thomas S. clients confirmed as Class members;

13 ~~(2) The number of prospective Class members evaluated;~~

14 ~~(3) The number of prospective Class members awaiting evaluation;~~

15 (3a) The number of individuals identified as prospective Class members;

16 (4) The number of Class members or prospective Class members added in
17 the preceding 12 months due to their admission to a State psychiatric
18 hospital;

19 (5) A description of the types of treatment services provided to Class
20 members; and

21 (6) An analysis of the use of funds appropriated for the Class.

22 (e) Notwithstanding any other provision of law, if the Department of Human
23 Resources determines that a local program is not providing minimally adequate services
24 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et al.
25 v. Flaherty, or does not show a willingness to do so, the Department may ensure the
26 provision of these services through contracts with public or private agencies or by direct
27 operation by the Department of these programs."
28

29 Requested by: Representatives Gardner, Hayes

30 **EXTENSION OF TASK FORCE TO DETERMINE A MINIMUM**
31 **REIMBURSEMENT RATE FOR ADULT DEVELOPMENTAL ACTIVITY**
32 **PROGRAMS (ADAP)**

33 Sec. 24.5. Section 1 of Chapter 481 of the 1995 Session Laws reads as
34 rewritten:

35 "Section 1. The Secretary of the Department of Human Resources shall establish in
36 the Office of the Secretary a special task force to determine a minimum reimbursement
37 rate for Adult Developmental Activity Programs (ADAP). In addition, this task force
38 shall review the current funding stream to ensure that it is the most effective way possible
39 to provide day services to adults with developmental disabilities, including which
40 division within the Department is most appropriate for this program. The task force shall
41 report to the ~~Mental Health Study Commission~~ Legislative Study Commission on Mental
42 Health, Developmental Disabilities, and Substance Abuse Services, the results of its
43 study in time for these results to be included in the ~~Mental Health Study Commission's~~

1 report to the ~~1995 General Assembly, Regular Session 1996-1997~~ General Assembly.
2 The task force shall terminate after the presentation of its report to the Commission.

3 At a minimum, the task force shall consist of:

- 4 (1) Two representatives from community rehabilitation programs;
- 5 (2) A representative from the Department of Human Resources;
- 6 (3) A representative from the Division of Mental Health, Developmental
7 Disabilities, and Substance Abuse Services;
- 8 (4) A representative from the Division of Vocational Rehabilitation; and
- 9 (5) A representative from the Association for Retarded Citizens.

10 This task force shall be funded by funds available to the Department."
11

12 Requested by: Representatives Gardner, Hayes

13 **CONSOLIDATION OF JOHN UMSTEAD HOSPITAL AND THE ADATC- 14 BUTNER OPERATING FUND**

15 Sec. 24.6. As the administrative and programmatic functions of John Umstead
16 Hospital and the ADATC-Butner (Alcohol and Drug Abuse Treatment Center at Butner)
17 have been consolidated in an effort to streamline administrative costs, the Division of
18 Mental Health, Developmental Disabilities, and Substance Abuse Services may
19 consolidate the operating budget of these two institutions.
20

21 Requested by: Representatives Gardner, Hayes

22 **IMPROVEMENT OF OPERATING EFFICIENCIES IN CO-LOCATED 23 INSTITUTIONS**

24 Sec. 24.7. The Department of Human Resources' co-located institutions shall
25 create operating efficiencies in support functions through increased service coordination
26 across facilities. The Department shall ensure that annual savings in salary and supplies
27 of at least one hundred thousand dollars (\$100,000) are achieved in the 1996-97 fiscal
28 year and in every fiscal year thereafter. These institutions' managers shall be included in
29 the process and in the determination of the methods for achieving the required savings.
30

31 Requested by: Representatives Gardner, Hayes, Alexander

32 **LEGISLATIVE STUDY COMMISSION ON MENTAL HEALTH, 33 DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES**

34 Sec. 24.8. (a) Chapter 120 of the General Statutes is amended by adding a new
35 Article to read:

36 **"ARTICLE 23.**

37 **"THE LEGISLATIVE STUDY COMMISSION ON MENTAL HEALTH, 38 DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.**

39 **"§ 120-204. Commission created; purpose.**

40 There is established in the General Assembly a Legislative Study Commission on
41 Mental Health, Developmental Disabilities, and Substance Abuse Services. This
42 commission shall study systemwide issues affecting the development, administration, and
43 delivery of mental health, developmental disabilities, and substance abuse services,

1 including issues relating to the governance, accountability, and quality of services
2 delivered.

3 **"§ 120-205. Commission membership; meetings; terms; vacancies.**

4 (a) This commission shall be composed of 14 members appointed as follows:

5 (1) Four members of the House of Representatives at the time of their
6 appointment, appointed by the Speaker of the House of Representatives;

7 (2) Four members of the Senate at the time of their appointment, appointed
8 by the President Pro Tempore of the Senate;

9 (3) Two members of the public, appointed by the Speaker of the House of
10 Representatives;

11 (4) Two members of the public, appointed by the President Pro Tempore of
12 the Senate; and

13 (5) Two members of the public, appointed by the Governor.

14 (b) The Speaker of the House of Representatives and the President Pro Tempore of
15 the Senate shall each select a legislative member from their appointments to serve as
16 cochair of the commission. Meetings shall be called at the will of the cochairs.

17 (c) All members shall serve at the will of their appointing officer. Unless removed
18 or unless resigning, members shall serve for two-year terms. Members may be
19 reappointed. Vacancies in membership shall be filled by the appropriate appointing
20 officer.

21 **"§ 120-206. Powers; per diem, subsistence, and travel allowances.**

22 (a) The commission may contract for consulting services as provided by G.S. 120-
23 32.02. Upon approval of the Legislative Services Commission, the Legislative Services
24 Officer shall assign professional and clerical staff to assist in the work of the commission.
25 The professional staff shall include the appropriate staff from the Fiscal Research,
26 Research, and Legislative Drafting Divisions of the Legislative Services Office of the
27 General Assembly. Clerical staff shall be furnished to the commission through the
28 offices of the House of Representatives and Senate Supervisors of Clerks. The expenses
29 of employment of the clerical staff shall be borne by the commission. The commission
30 may meet in the Legislative Building or the Legislative Office Building upon the
31 approval of the Legislative Services Commission. The commission, while in the
32 discharge of official duties, may exercise all powers provided under the provisions of
33 G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents,
34 agencies, and departments of the State to provide any information and any data within
35 their possession or ascertainable from their records, and the power to subpoena witnesses.

36 (b) Members of the commission shall receive per diem, subsistence, and travel
37 allowances as follows:

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

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

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

43 **"§ 120-207. Reporting.**

1 The commission shall report the results of its study, together with any legislative
2 proposals and costs analyses, to every regular session of the General Assembly within a
3 week of its convening."

4 (b) Part XIII, Sections 13.1 through 13.4 of Chapter 542 of the 1995 Session Laws
5 is repealed.

6
7 Requested by: Representatives Gardner, Hayes

8 **AREA MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**
9 **SUBSTANCE ABUSE SERVICES PROGRAMS**
10 **REDUCTIONS/SPECIFICATIONS**

11 Sec. 24.9. The Division of Mental Health, Developmental Disabilities, and
12 Substance Abuse Services shall ensure that reductions in its State appropriations for the
13 1996-97 fiscal year that are allocated to area mental health, developmental disabilities,
14 and substance abuse programs are applied by the area authorities only to those services
15 and programs in which additional increased federal TITLE IVA-Emergency Assistance
16 and Medicaid revenues are anticipated.

17
18 Requested by: Representatives Gardner, Hayes

19 **CAROLINA ALTERNATIVES EXPANSION LIMITS**

20 Sec. 24.10. The Department of Human Resources shall not expand Carolina
21 Alternatives beyond the 10 area authorities that currently participate in the Carolina
22 Alternatives/Medicaid Waiver/Managed Care Program prior to the Office of State Budget
23 and Management's report to the 1997 General Assembly identifying the new area
24 authorities selected to participate and projected costs, and prior to approval by the 1997
25 General Assembly.

26
27 Requested by: Representatives Gardner, Hayes

28 **FOSTER CARE REPORTING REPEALED**

29 Sec. 24.11. Section 23.22 of Chapter 324 of the 1995 Session Laws is
30 repealed.

31
32 Requested by: Representatives Gardner, Hayes

33 **FOOD STAMP OUTREACH REPEALED**

34 Sec. 24.12. Section 23.29 of Chapter 324 of the 1995 Session Laws is
35 repealed.

36
37 Requested by: Representatives Gardner, Hayes

38 **CHILD SUPPORT RESERVE SHALL NOT REVERT**

39 Sec. 24.13. Any funds appropriated to the Reserve for Child Support
40 Legislation for the 1995-96 fiscal year but not expended as of June 30, 1996, shall not
41 revert but shall remain available for the 1996-97 fiscal year to implement the provisions
42 contained in Chapter 538 of the 1995 Session Laws.

1 Requested by: Representatives Gardner, Hayes

2 **AFDC EMERGENCY ASSISTANCE RULES CLARIFIED**

3 Sec. 24.14. The Social Services Commission shall ensure that Aid to Family
4 With Dependent Child Emergency Assistance (AFDC-EA) cash is provided only to those
5 with verifiable emergencies by:

- 6 (1) Ensuring that the applicant produce documented verification of the
7 emergency for which AFDC-EA cash is requested;
- 8 (2) Ensuring that the documented emergency is one that would threaten the
9 health, safety, or well-being of the child or children in the care or
10 custody of the applicant; and
- 11 (3) Ensuring that the applicant demonstrates that the emergency was
12 unavoidable and not the result of any act or willful omission of the
13 applicant.

14
15 Requested by: Representatives Gardner, Hayes

16 **REVIEW OF AUTOMATED COLLECTION AND TRACKING SYSTEM**

17 Sec. 24.15. The Information Resource Management Commission shall conduct
18 a quarterly review of the Automated Collection and Tracking System (ACTS) project
19 being developed by the Department of Human Resources. The review shall include an
20 analysis of the problems encountered and progress achieved, identify critical issues to be
21 resolved, and estimate the final cost and date of completion. The review shall be
22 submitted through the Office of the State Controller to the chairs of the House and Senate
23 Appropriations committees, the chairs of the House and Senate Human Resources
24 Appropriations subcommittees, and to the Director of the Fiscal Research Division of the
25 Legislative Services Office of the General Assembly no later than the last day of each
26 quarter.

27
28 Requested by: Representatives Gardner, Hayes

29 **DHR REVIEW OF SOCIAL SERVICES COMMISSION RULES/REPORT**

30 Sec. 24.16. The Department of Human Resources shall review all the rules
31 adopted by the Social Services Commission currently in effect to determine which rules
32 to petition the Commission to amend or repeal and shall report on these rules, together
33 with its requested actions, to the 1997 General Assembly.

34
35 Requested by: Representatives Gardner, Hayes

36 **RURAL COMMUNITY AND MIGRANT HEALTH CENTERS'**
37 **PARTICIPATION IN STATE CONTRACT PURCHASING**

38 Sec. 24.17. G.S. 143-49(6) reads as rewritten:

- 39 "(6) To make available to nonprofit corporations operating charitable
40 hospitals, to local nonprofit community sheltered workshops or centers
41 that meet standards established by the Division of Vocational
42 Rehabilitation of the Department of Human Resources, to private
43 nonprofit agencies licensed or approved by the Department of Human

1 Resources as child placing ~~ageneies or agencies,~~ residential child-care
2 facilities, private nonprofit rural, community, and migrant health centers
3 designated by the Office of Rural Health and Resource Development,
4 and to counties, cities, towns, governmental entities and other
5 subdivisions of the State and public agencies thereof in the expenditure
6 of public funds, the services of the Department of Administration in the
7 purchase of materials, supplies and equipment under such rules,
8 regulations and procedures as the Secretary of Administration may
9 adopt. In adopting rules and regulations any or all provisions of this
10 Article may be made applicable to such purchases and contracts made
11 through the Department of Administration, and in addition the rules and
12 regulations shall contain a requirement that payment for all such
13 purchases be made in accordance with the terms of the contract. Prior to
14 adopting rules and regulations under this subdivision, the Secretary of
15 Administration may consult with the Advisory Budget Commission."
16

17 Requested by: Representatives Gardner, Hayes

18 **REDUCE DHR FUNDS IN ANTICIPATION OF RECEIPT OF FEDERAL FUNDS**

19 Sec. 24.18. Section 23 of Chapter 324 of the 1995 Session Laws reads as
20 rewritten:

21 "Sec. 23. (a) Funds appropriated to the Department of Human Resources for the
22 1995-96 fiscal year have been reduced by fourteen million thirteen thousand three
23 hundred ninety-six dollars (\$14,013,396) in anticipation of the receipt of federal funds
24 from the Title IV A - Emergency Assistance Program and the Social Services Block
25 Grant. If these federal funds are not received or if only a portion of these funds are
26 received, notwithstanding G.S. 143-15.3, the Director of the Budget may use funds
27 available to the Department, not to exceed fourteen million thirteen thousand three
28 hundred ninety-six dollars (\$14,013,393). The Director of the Budget shall report to the
29 Joint Legislative Commission on Governmental Operations prior to any such transfer.

30 (b) Funds appropriated to the Department of Human Resources for the 1996-97
31 fiscal year have been reduced by sixteen million six hundred twenty-five thousand
32 fourteen dollars (\$16,625,014) in anticipation of the receipt of federal funds from the
33 Title IV A - Emergency Assistance Program. If these federal funds are not received or if
34 only a portion of these funds are received, notwithstanding G.S. 143-15.3, the Director of
35 the Budget may use funds available to the Department, not to exceed sixteen million six
36 hundred twenty-five thousand fourteen dollars (\$16,625,014). The Director of the
37 Budget shall report to the Joint Legislative Commission on Governmental Operations
38 prior to any such transfer."
39

40 Requested by: Representatives Gardner, Hayes

41 **DHR RESOURCE STUDIES EXTENDED**

42 Sec. 24.19. Section 23.6B of Chapter 324 of the 1995 Session Laws reads as
43 rewritten:

1 "Sec. 23.6B. The Department shall study the following two issues and shall report
2 these two issues, together with any recommendations, to the ~~1995 General Assembly,~~
3 ~~Regular Session 1996, within one week of convening.~~ General Assembly by December 1,
4 1996:

- 5 (1) The average staff vacancy rate by division over the last five fiscal years,
6 to determine its effect on lapsed salaries; and
- 7 (2) An analysis of unbudgeted revenues in excess of revenues in the
8 certified budget as amended by the General Assembly received by the
9 Department in the last two fiscal years, including:
 - 10 a. Indirect cost receipts; and
 - 11 b. Prior year earned revenue."

12
13 Requested by: Representatives Gardner, Hayes

14 **PLAN FOR REORGANIZATION OF THE DEPARTMENT OF HUMAN**
15 **RESOURCES**

16 Sec. 24.20. (a) The General Assembly intends to examine the issue of reorganizing
17 the Department of Human Resources in consultation with the Department of Human
18 Resources to provide an alternative and improved approach to the organization and
19 delivery of human services in North Carolina.

20 (b) With funds provided from the Department of Human Resources pursuant to
21 subsection (e) of this section, the Joint Legislative Commission on Governmental
22 Operations, after consultation with the Department of Human Resources, shall contract
23 with an independent management consulting firm to develop a reorganization plan,
24 including an implementation component. The firm receiving the contract shall present
25 the plan to the Commission by February 1, 1997.

26 (c) The contract shall provide that the plan shall be designed to meet the following
27 goals:

- 28 (1) The achievement of family-centered services;
- 29 (2) The identification of gaps in services across special needs groups;
- 30 (3) The improvement of access to and the reduction of fragmentation of
31 services and programs;
- 32 (4) The enhancement of accountability;
- 33 (5) The provision of leadership at the State level for local government; and
- 34 (6) The definition of and delineation between State and local roles and
35 responsibilities.

36 (d) The contract shall provide that the plan propose an organizational structure
37 designed around the following guiding principles:

- 38 (1) The facilitation of a holistic approach to the delivery of services and
39 programs;
- 40 (2) The provision of a core set of programs and services common to all
41 special needs groups;
- 42 (3) The effective delivery of programs and services, including:
 - 43 a. Coordinated planning;

- 1 b. Evaluation of results;
2 c. Independent regulatory and licensing functions;
3 d. Centralized administrative support; and
4 (4) The inclusion of consideration of funding sources in decision making
5 regarding programs and services.

6 (d) The Joint Legislative Commission on Governmental Operations shall provide
7 any additional contract specifications and directives it considers necessary.

8 (e) Of the funds appropriated to the Department of Human Resources for the
9 1996-97 fiscal year in this act, up to three hundred fifty thousand dollars (\$350,000) shall
10 be transferred to the General Assembly, Joint Legislative Commission on Governmental
11 Operations, to fund the contract required by this section.

12
13 Requested by: Representatives Gardner, Hayes

14 **DHR REPORT ON PLANS FOR IMPLEMENTING DYS COMPREHENSIVE**
15 **STUDY RECOMMENDATIONS**

16 Sec. 24.21. The Department of Human Resources shall report to the Joint
17 Legislative Commission on Governmental Operations by October 1, 1996, on its plans
18 for implementing the recommendations of the Comprehensive Study of the Division of
19 Youth Services.

20
21 Requested by: Representatives Gardner, Hayes

22 **S.O.S. AND FAMILY RESOURCE CENTER GRANT PROGRAMS**
23 **ADMINISTRATIVE COSTS LIMITS**

24 Sec. 24.22. Section 23.6 of Chapter 324 of the 1995 Session Laws reads as
25 rewritten:

26 "Sec. 23.6. (a) Of the funds appropriated to the Department of Human Resources in
27 this act, the Department may use up to a total of three hundred fifty thousand dollars
28 (\$350,000) ~~each fiscal year of the biennium for the 1995-96 fiscal year and two hundred~~
29 fifty thousand dollars (\$250,000) for the 1996-97 fiscal year to administer the S.O.S.
30 Program, to provide technical assistance to applicants and to local S.O.S. programs, and
31 to evaluate the local S.O.S. programs. The Department may contract with appropriate
32 public or nonprofit agencies to provide the technical assistance, including training and
33 related services.

34 (b) Of the funds appropriated in this act to the Department of Human Resources
35 for the Family Resource Center Grant Program, the Department may use up to three
36 hundred thousand dollars (\$300,000) ~~each fiscal year of the biennium for the 1995-96~~
37 fiscal year and two hundred fifty thousand dollars (\$250,000) for the 1996-97 fiscal year
38 to administer the Program."

39
40 Requested by: Representatives Gardner, Hayes

41 **OFFICE OF ECONOMIC OPPORTUNITY, SUPPORT OUR STUDENTS**
42 **PROGRAMS' LOCATION**

1 Sec. 24.23. The Department of Human Resources shall ensure that the Office
2 of Economic Opportunity remains in the Office of the Secretary and that the Support Our
3 Students Program remains in the Division of Youth Services.

4
5 Requested by: Representatives Russell, Pate, Pulley, Sherrill

6 **DHR POSITION ELIMINATION SPECIFICATIONS**

7 Sec. 24.24. (a) The Department of Human Resources shall ensure that the
8 elimination of positions, other than those that are mental health institutionally based, in
9 the 1996-97 fiscal year, targeted by the Department, as referenced in the Current
10 Operations Appropriations Act of 1996, or in the Conference Report incorporated into the
11 Act, be effected as follows:

- 12 (1) All vacant positions targeted for elimination shall be eliminated
13 effective July 1, 1996; and
14 (2) All filled positions targeted for elimination shall be eliminated effective
15 October 1, 1996, except for the filled positions targeted for elimination
16 in the Office of the Controller, which positions shall be eliminated on or
17 before December 31, 1996.

18 The Department of Human Resources shall not eliminate any position
19 prescribed by this subsection that it targeted but that was not referenced as eliminated in
20 the Current Operations Appropriations Act of 1996 or in the Conference Report
21 incorporated into the Act.

22 (b) The Department of Human Resources shall further ensure that the
23 elimination of the 130.5 mental health institutionally based positions be effected
24 according to the following priority:

- 25 (1) First, from vacant, noncritical positions, which positions shall be
26 eliminated effective July 1, 1996;
27 (2) Then, from vacant, critical positions, which positions shall be
28 eliminated effective July 1, 1996; and
29 (3) Then, from filled, noncritical positions, which positions shall be
30 eliminated effective October 1, 1996.

31 The Department shall not eliminate any mental health institutionally based filled, critical
32 position. For purposes of this subsection, a critical position is one that provides or is
33 engaged in direct contact with clients on an ongoing basis and a noncritical position is
34 any other position.

35
36 Requested by: Representatives Gardner, Hayes, Howard, Berry

37 **FOOD STAMP ELECTRONIC BENEFITS TRANSFER FUNDS**
38 **SPECIFICATION**

39 Sec. 24.25. Funds appropriated to the Controller's Office, Department of
40 Human Resources for the Food Stamp Electronic Benefits Transfer Program (EBT) shall
41 remain in the Controller's Office and shall not be transferred to any other office or
42 division within the Department.

1 The Controller's Office, Department of Human Resources, may proceed with
2 statewide implementation of the Food Stamp EBT Program.

3
4 Requested by: Representatives Gardner, Hayes

5 **IN-HOME AIDE FUNDS**

6 Sec. 24.26. Section 23.11D of Chapter 507 of the 1995 Session Laws reads as
7 rewritten:

8 "Sec. 23.11D. Of the funds appropriated to the Division of Aging, Department of
9 Human Resources, in this act, the sum of five hundred thousand dollars (\$500,000) for
10 the 1995-96 fiscal year and the sum of ~~five hundred thousand dollars (\$500,000)~~ five
11 million dollars (\$5,000,000) for the 1996-97 fiscal year shall be allocated via the Home
12 and Community Care Block Grant ~~and used to fund in-home aide services and caregiver~~
13 ~~support services. These funds shall be used only for direct services for home and~~
14 community care services for older persons who are not eligible for Medicaid and who are
15 on the waiting list for these services. Service recipients shall pay for services based on
16 their income in accordance with G.S. 143B-181.1(a)(10)."

17
18 Requested by: Representative Morgan

19 **HEALTH CARE PERSONNEL REGISTRY**

20 Sec. 24.27. (a) G.S. 131E-111 is recodified as G.S. 131E-255.

21 (b) Chapter 131E of the General Statutes is amended by adding a new Article to
22 read:

23 **"ARTICLE 15.**

24 **"HEALTH CARE PERSONNEL REGISTRY.**

25 ~~"§ 131E-111. § 131E-255. Nurse Aide Registry.~~

26 (a) Pursuant to 42 U.S.C. § 1395i-3(e) and 42 U.S.C. § 1396r(e), the Department
27 shall establish and maintain a registry containing the names of all nurse aides working in
28 nursing facilities in North Carolina. The Department shall include in the nurse aide
29 registry any findings by the Department of neglect of a resident in a nursing facility or
30 abuse of a resident in a nursing facility or misappropriation of the property of a resident
31 in a nursing facility by a nurse aide.

32 (b) A nurse aide who wishes to contest a finding of resident neglect, resident
33 abuse, or misappropriation of resident property made against the aide, is entitled to an
34 administrative hearing as provided by the Administrative Procedure Act, Chapter 150B of
35 the General Statutes. A petition for a contested case shall be filed within 30 days after
36 the nurse aide receives written notice by certified mail of the Department's intent to place
37 findings against the aide in the nurse aide registry.

38 (c) 'Nursing facility', as used in this section, means a 'combination home' as
39 defined in G.S. 131E-101(1) and a 'nursing home' as defined in G.S. 131E-101(6) and
40 also means 'facility' as that term is defined in G.S. 131E-116(2).

41 (d) The Commission shall adopt, amend, and repeal all rules necessary for the
42 implementation of this section.

1 (e) No person shall be liable for providing any information for the nurse aide
2 registry if the information is provided in good faith. Neither an employer, potential
3 employer, nor the Department shall be liable for using any information from the nurse
4 aide registry if the information is used in good faith for the purpose of screening
5 prospective applicants for employment or reviewing the employment status of an
6 employee.

7 **"§ 131E-256. Health Care Personnel Registry.**

8 (a) The Department shall establish and maintain a health care personnel registry
9 containing the names of all health care personnel working in health care facilities in
10 North Carolina who have:

11 (1) Been subject to findings by the Department of:

12 a. Neglect or abuse of a resident in a health care facility or abuse of
13 a resident in a health care facility.

14 b. Misappropriation of the property of a resident in a health care
15 facility, or in the case of home health care, of the property of any
16 person at the place where home health services are being
17 provided.

18 c. Misappropriation of the property of a health care facility.

19 d. Diversion of drugs belonging to a health care facility or to a
20 patient or client.

21 e. Fraud against a health care facility or against a patient or client
22 for whom the employee is providing services.

23 (2) Been accused of any of the acts listed in subdivision (1) of this
24 subsection, but only after the Department has screened the allegation
25 and determined that an investigation is required.

26 The health care personnel registry shall also contain all findings by the Department of
27 neglect of a resident in a nursing facility or abuse of a resident in a nursing facility or
28 misappropriation of the property of a resident in a nursing facility by a nurse aide that are
29 contained in the nurse aide registry under G.S. 131E-255.

30 (b) For the purpose of this section, the following are considered to be 'health care
31 facilities':

32 (1) Adult Care Homes as defined in G.S. 131D-2.

33 (2) Hospitals as defined in G.S. 131E-76.

34 (3) Home Care Agencies as defined in G.S. 131E-176.

35 (4) Nursing Pools as defined by G.S. 131E-154.2.

36 (5) Hospices as defined by G.S. 131E-201.

37 (6) Nursing Facilities as defined by G.S. 131E-255.

38 (c) For the purpose of this section, the following are considered to be 'health care
39 personnel':

40 (1) In an adult care home, an adult care personal aide, who is any person
41 who either performs, or directly supervises others who perform task
42 functions in activities of daily living, which are personal functions
43 essential for the health and well-being of residents such as bathing,

1 dressing, personal hygiene, ambulation or locomotion, transferring,
2 toileting, and eating.

3 (2) A nurse aide.

4 (3) An in-home aide who provides hands-on paraprofessional services as
5 defined by rules implementing this section.

6 (4) Nonlicensed persons providing direct patient care.

7 (d) Health care personnel who wish to contest a finding under subdivision (a)(1) of
8 this section, or the placement of information under subdivision (a)(2) of this section, are
9 entitled to an administrative hearing as provided by the Administrative Procedure Act,
10 Chapter 150B of the General Statutes. A petition for a contested case shall be filed
11 within 30 days after the person receives written notice by certified mail of the
12 Department's intent to place information about the person in the health care personnel
13 registry.

14 (e) The Department shall provide an employer or potential employer of any person
15 listed on the health care personnel registry of the nature of the finding or allegation, and
16 the status of the investigation.

17 (f) No person shall be liable for providing any information for the health care
18 personnel registry if the information is provided in good faith. Neither an employer,
19 potential employer, nor the Department shall be liable for using any information from the
20 health care personnel registry if the information is used in good faith for the purpose of
21 screening prospective applicants for employment or reviewing the employment status of
22 an employee.

23 (g) Health care facilities shall promptly report to the Department any accusation
24 that any health care personnel have been accused of any act listed in subdivision (a)(1) of
25 this section.

26 (h) The North Carolina Medical Care Commission shall adopt, amend, and repeal
27 all rules necessary for the implementation of this section."

28 (c) Of the funds appropriated from the General Fund to the Department of
29 Human Resources for fiscal year 1996-97 the sum of one hundred sixty thousand dollars
30 (\$160,000) shall be used to implement this section.

31
32 Requested by: Representatives Gardner, Hayes

33 **CONSIDERATION OF PRIVATIZATION OF RICHMOND COUNTY**
34 **BOUNDOVER DETENTION FACILITY**

35 Sec. 24.28. The Department of Human Resources may solicit bids to determine
36 whether privatization of the operation of the Richmond County Boundover Unit,
37 designed to serve a small but special population of juveniles being held for trial in
38 superior court as adults, would result in savings to the State. If the Department considers
39 that it is in the best interest of the State to do so, the Department may proceed with the
40 privatization.

41 If the Department does proceed with the privatization, the Department shall
42 request that the contractor give priority employment opportunity to the State employees

1 in the current filled 15 positions scheduled to be reassigned to Richmond from the Pitt
2 Detention Center.

3
4 Requested by: Representatives Gardner, Hayes

5 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
6 **PROGRAM/1996**

7 Sec. 24.29. (a) Notwithstanding any provision of Part 10B of Article 3 of Chapter
8 143B of the General Statutes or any other provision of law or policy, including Part 27A
9 of Chapter 324 of the 1995 Session Laws, the Department of Human Resources and the
10 North Carolina Partnership for Children, Inc., shall jointly ensure that all of the
11 recommendations, together with any specific modification to any recommendations made
12 in this subsection, contained in the State of North Carolina Smart Start Performance
13 Audit prepared pursuant to Section 27A(1)b. of Chapter 324 of the 1995 Session Laws
14 are implemented by July 1, 1997, together with any specific modification to any
15 recommendations made in this subsection. The Partnership shall report quarterly to the
16 Joint Legislative Commission on Governmental Operations on its progress towards full
17 implementation. The Department shall report to the Commission by January 1, 1997, on
18 any changes that must be made to Part 10B of Article 3 of Chapter 143B of the General
19 Statutes or to any other statutes or rules to make the implementation of the
20 recommendations a permanent part of the law.

21 The following recommendations of the Smart Start Performance Audit are
22 modified as follows:

- 23 (1) The Needs and Resources Assessments recommended to be performed
24 by the Department of Human Resources every three years shall begin
25 with the 1997-98 fiscal year;
- 26 (2) The recommended administrative start-up cost allowance allowed for
27 local partnerships shall apply only in the first year each partnership
28 provides direct services;
- 29 (3) The recommended regionalization shall be planned for by the
30 Department and by the Partnership in a plan, including incentives for
31 regionalization of existing local partnerships as well as for newly
32 applying partnerships, that shall be submitted to the Joint Legislative
33 Commission on Governmental Operations by January 1, 1997;
- 34 (4) The recommended transportation study shall be completed by the
35 Department and by the Partnership and presented to the Joint
36 Legislative Commission on Governmental Operations by January 1,
37 1997;
- 38 (5) The recommended determination as to whether local partnerships'
39 contractors that receive \$25,000 or more have complied with financial
40 audit requirements shall be made by the Partnership rather than the State
41 Auditor; and

1 (6) The recommendation that the Director of the Division of Child
2 Development be an ex officio member of the Partnership shall not be
3 implemented.

4 (b) The funds appropriated for the Early Childhood Education and
5 Development Initiatives for the 1996-97 fiscal year shall be allocated as follows:

6 (1) For the 24 partnerships existing as of 1995-96, funds for direct services
7 shall remain at their 1995-96 fiscal year funding levels;

8 (2) For the new partnerships planned for as of 1995-96, funding shall
9 remain at the planning level. No additional direct services funds shall
10 be allocated until the Department of Human Resources jointly with the
11 North Carolina Partnership, Inc., completes satisfactory implementation
12 of the Smart Start Performance Audit recommendations by July 1, 1997,
13 and so reports to the Joint Legislative Commission on Governmental
14 Operations; and

15 (3) All remaining appropriated funds shall be allocated to implement the
16 Smart Start Performance Audit recommendations prescribed in
17 subsection (a) of this section.

18 (c) Section 23.13 of Chapter 324 of the 1995 Session Laws reads as rewritten:
19 "Sec. 23.13. Counties participating in the Early Childhood Education and
20 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
21 General Statutes may use the county's allocation of State and federal child care funds to
22 subsidize child care according to the county's Early Childhood Education and
23 Development Initiatives Plan as approved by the ~~Department of Human Resources~~ North
24 Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with
25 the appropriate federal regulations. Day care providers shall, at a minimum, comply with
26 the applicable requirements for State licensure or registration pursuant to Article 7 of
27 Chapter 110 of the General Statutes, with other applicable requirements of State law or
28 rule, including rules adopted for nonregistered day care by the Social Services
29 Commission, and with applicable federal regulations."

30 (d) Notwithstanding any policy to the contrary, the Frank Porter Graham Child
31 Development Center may use any method legally available to it to track children who are
32 participating or who have participated in any Early Childhood Education and
33 Development Initiative in order to carry out its on-going evaluation of the Early
34 Childhood Education and Development Initiatives Program.

35 (e) This section is effective notwithstanding any contrary provisions in any
36 provision of law or policy, including Part 10B of Article 3 of Chapter 143B of the
37 General Statutes and Part 27A of Chapter 324 of the 1995 Session Laws, regardless of
38 whether they are explicitly changed in this subsection. Section 27A of Chapter 324 of the
39 1995 Session Laws reads as rewritten:

40 "Sec. 27A. Notwithstanding any other provision of law, the Early Childhood
41 Education and Development Initiatives, under Part 10B of Article 3 of Chapter 143B of
42 the General Statutes, are subject to the following terms and conditions for the 1995-97
43 fiscal biennium:

1 (1) Accountability.

2 The intent of the General Assembly is to strengthen the
3 accountability of the Department of Human Resources, the North
4 Carolina Partnership for Children, Inc., and the local partnerships in the
5 expenditure of public funds and achievement of Program goals for the
6 Early Childhood Education and Development Initiatives Program, as
7 authorized under Part 10B of Article 3 of Chapter 143B of the General
8 Statutes. The importance of education as a part of all initiatives in this
9 Program shall be emphasized.

10 In order to accomplish this level of accountability, the Joint
11 Legislative Commission on Governmental Operations shall, consistent
12 with current law, be the legislative oversight body for the Program. The
13 President Pro Tempore of the Senate and the Speaker of the House of
14 Representatives may appoint a subcommittee of the Joint Legislative
15 Commission on Governmental Operations to carry out this function.
16 This subcommittee may conduct all initial reviews of plans, reports, and
17 budgets relating to the Program and shall make recommendations to the
18 Joint Legislative Commission on Governmental Operations.

19 a. Existing Partnerships - Local partnerships receiving State funds
20 shall submit a Certification Annual Report on April 1 of each
21 year to the North Carolina Partnership for Children, Inc., the
22 Joint Legislative Commission on Governmental Operations, or
23 any committee designated by Joint Legislative Commission on
24 Governmental Operations. Administrative costs pursuant to the
25 Smart Start Performance Audit formula recommendation shall be
26 equivalent to, on an average statewide basis for all local
27 partnerships, not more than eight percent (8%) of the total
28 statewide allocation to all local partnerships. Quality incentive
29 grants as prescribed in the Smart Start Performance Audit
30 recommendations shall be administered at the partnership level.
31 A definition of administrative costs shall be determined by the
32 independent firm selected under sub-subdivision b. of this
33 subdivision.

34 b. Program Audit - The Joint Legislative Commission on
35 Governmental Operations shall select an independent firm
36 recognized in performance auditing to conduct an independent
37 performance audit of the first two years of operations of the 24
38 existing partnerships and of the administration of the Program by
39 the Department of Human Resources. The audit's directives shall
40 be determined by the Joint Legislative Commission on
41 Governmental Operations and the independent firm. An interim
42 program and performance audit report shall be submitted to the
43 Joint Legislative Commission on Governmental Operations by

1 January 1, 1996, and a final program and performance audit
2 report shall be submitted to the Joint Legislative Commission on
3 Governmental Operations by April 1, 1996. A definition of
4 administrative costs shall be determined by the independent firm.
5 Only in-kind contributions that are quantifiable, as determined by
6 the independent firm, may be applied to the in-kind match
7 requirement. The match requirement in subdivision (3) of this
8 section shall be studied by the independent firm and
9 recommendations for revision, if any, shall be reported to the
10 Joint Legislative Commission on Governmental Operations.

11 c. The North Carolina Partnership for Children, Inc., shall continue
12 to make quarterly reports to the Joint Legislative Commission on
13 Governmental Operations as provided for in ~~G.S. 143B-~~
14 ~~168.13(5).~~ G.S. 143B-168.13(5), and including progress towards
15 implementation of the Smart Start Performance Audit
16 recommendations.

17 d. New partnerships - In subsequent fiscal biennia, any new local
18 partnership, before receiving State funds, shall be required to
19 submit a detailed plan for expenditure of State funds for
20 appropriate programs to the North Carolina Partnership for
21 Children, Inc., and the Joint Legislative Commission on
22 Governmental Operations for approval in April of the fiscal year
23 in which the local partnership received planning funds. State
24 funds to implement the programs shall not be allocated to the
25 local partnership until the program plan is approved by the North
26 Carolina Partnership for Children, Inc., after consultation with
27 the Joint Legislative Commission on Governmental Operations.
28 After receipt of initial program funds, local partnerships shall
29 then be required to submit annual Certification Reports as
30 provided for in sub-subdivision a. of this subdivision.

31 e. Contracting for Services - The North Carolina Partnership for
32 Children, Inc., and all local Partnerships shall use competitive
33 bidding practices in contracting for goods and services on all
34 contract amounts of \$1,500 and above, and where practicable, for
35 amounts of less than \$1,500.

36 f. Role of North Carolina Partnership for Children, Inc. - The role
37 of the North Carolina Partnership for Children, Inc., shall be
38 expanded to incorporate all the aspects of the new role prescribed
39 for the Partnership in the Smart Start Performance Audit
40 recommendations and to provide technical assistance to local
41 partnerships, assess outcome goals for children and families,
42 ensure that statewide goals and legislative guidelines are being
43 met, help establish policies and outcome measures, obtain non-

1 State resources for early childhood and family services, and
2 document and verify the cumulative contributions received by
3 the partnerships.

4 (2) Funding.

5 a. Existing partnerships - All 24 local partnerships that received
6 State funds during the 1993-95 biennium shall receive their State
7 funds proposed for the 1995-96 fiscal year. Existing partnerships
8 shall file budgets and plans for review by the North Carolina
9 Partnership for Children, Inc. Funds for the 1996-97 fiscal year
10 shall be available after the Joint Legislative Commission on
11 Governmental Operations has reviewed the independent
12 evaluation discussed in sub-subdivision (1)b. of this subdivision,
13 and the Partnership has approved these plans and budgets in
14 consultation with the Joint Legislative Commission on
15 Governmental Operations. These 24 partnerships shall be
16 required to submit a Certification Annual Report as provided in
17 sub-subdivision a. of subdivision (1) of this ~~section~~, subsection
18 beginning in April 1997. Funds for the 1996-97 fiscal year shall
19 be allocated to provide direct services funding at the 1995-96
20 level.

21 b. New partnerships - Funds for planning, up to a maximum of
22 \$3,500,000, may be made available to the ~~42~~ new partnerships in
23 the 1995-96 fiscal year out of the continuation monies designated
24 for the program. If the performance audit report is determined to
25 be satisfactory to the Joint Legislative Commission on
26 Governmental Operations, funding and other recommendations
27 for expansion shall be made to the General Assembly by the Joint
28 Legislative Commission on Governmental Operations for the
29 1996-97 fiscal year. Funds for the 1996-97 fiscal year shall be
30 allocated to provide funding at the 1995-96 planning stage.

31 c. Department of Human Resources; State-level administrative
32 funding in the 1995-96 fiscal year and the 1996-97 fiscal year -
33 Of the funds appropriated to the Department of Human
34 Resources for Early Childhood Education and Development
35 Initiatives for the 1995-97 fiscal biennium:

- 36 1. No funds shall be used for State education technology;
- 37 2. The Department of Human Resources shall receive
38 \$500,000 for the 1995-96 fiscal year and ~~\$250,000~~
39 \$500,000 for the 1996-97 fiscal year for State
40 administration;
- 41 3. The Joint Legislative Commission on Governmental
42 Operations shall receive \$500,000 for the 1995-96 fiscal
43 year for the independent performance audit contract; ~~and~~

- 1 4. Funding for the North Carolina Partnership for Children,
2 Inc., shall be \$700,000 for ~~each fiscal year of the~~
3 ~~biennium.~~ the 1995-96 fiscal year and shall be \$2,700,000
4 for the 1996-97 fiscal year. Of the funds appropriated for
5 the 1996-97 fiscal year, \$1,000,000 shall be used to
6 provide one-time assistance to the local partnerships in
7 making the transition to centralized administration
8 recommended by the Smart Start Performance Audit; and
9 5. Funding for the Frank Porter Graham Child Development
10 Center's evaluation of the Early Childhood Education and
11 Development Initiatives shall be increased to \$850,000 for
12 the 1996-97 fiscal year.

13 (3) Matching requirement.

14 The North Carolina Partnership for Children, Inc., and all local
15 partnerships shall, in the aggregate, be required to match no less than
16 50% of the total amount budgeted for the Early Childhood Education
17 and Development Initiatives in each fiscal year of the biennium as
18 follows: contributions of cash equal to at least ten percent (10%) and
19 in-kind donated resources equal to no more than ten percent (10%) for a
20 total match requirement of twenty percent (20%) for each fiscal year.
21 Only in-kind contributions that are quantifiable, as determined by the
22 independent auditing firm, shall be applied to the in-kind match
23 requirement.

24 Failure to obtain a twenty percent (20%) match by May 1 of each fiscal year
25 shall result in a proportionate reduction in the appropriation for the
26 Early Childhood Education and Development Initiatives Program for
27 the next fiscal year. The North Carolina Partnership for Children, Inc.,
28 shall be responsible for compiling information on the private cash and
29 in-kind contributions into a report that is submitted to the Joint
30 Legislative Commission on Governmental Operations pursuant to G.S.
31 143B-168.13(5) in a format that allows verification by the Department
32 of Revenue. The same match requirements shall apply to any expansion
33 funds appropriated by the General Assembly."

34 (f) Article 12I of Chapter 120 of the General Statutes is repealed.

35
36 **PART 25. DEPARTMENT OF AGRICULTURE**

37
38 Requested by: Representatives Mitchell, Weatherly

39
40 **CATTLE AND LIVESTOCK EXPOSITION FUNDS**

41 Sec. 25. Section 40 of Chapter 769 of the 1993 Session Laws, as amended by
42 subsection (b) of Section 24 of Chapter 507 of the 1995 Session Laws, reads as rewritten:

1 "Sec. 40. Any unencumbered funds that were appropriated to the Department of
2 Agriculture for the 1994-95 fiscal year for planning the construction of the Cattle and
3 Livestock Exposition Center ~~shall be and~~ placed in a reserve in the Department of
4 Agriculture ~~until further allocated by the 1995 General Assembly, Regular Session 1996.~~
5 shall be used for land acquisition, planning, and construction of the Cattle and Livestock
6 Exposition Center in Iredell County. The Center will house livestock shows and exhibits,
7 educational programs, and a laboratory for embryo transfer research, semen evaluation,
8 and livestock blood work."
9

10 Requested by: Representatives Mitchell, Weatherly, Miner

11 **RELEASE THE STATE'S REVERSIONARY INTEREST IN THE PROPERTY**
12 **OF FUQUAY-VARINA AMERICAN LEGION POST 116**

13 Sec. 25.1. (a) The General Assembly finds:

- 14 (1) On April 28, 1941, the United States deeded to the State Board of
15 Education a parcel of land north of Fuquay-Varina in Wake County, that
16 deed being recorded at Book 868, page 171, Wake County Registry, and
17 that deed had a right of termination by the United States if the property
18 was not used for facilities which further the rehabilitation or education
19 of the rural people of North Carolina;
- 20 (2) On April 1, 1949, as approved by the Council of State, the State of
21 North Carolina deeded to trustees for the use and benefit of Fuquay
22 Springs, North Carolina, Post 116 of the American Legion the same
23 parcel, with the same covenant as to the use of the property, that deed
24 being recorded at Book 1019, page 172, Wake County Registry; and
- 25 (3) The Congress of the United States, in Private Law 428, approved by
26 President Eisenhower on June 21, 1954, directed the Secretary of
27 Agriculture to convey to those trustees by quitclaim deed its remaining
28 interest in the property; and
- 29 (4) By deed dated November 30, 1962, and recorded at Book 1533, Page
30 54, Wake County Registry, the United States conveyed its remaining
31 interest in the property to the North Carolina Rural Development
32 Corporation, an agency of the State of North Carolina under G.S. 137-
33 31.1; and
- 34 (5) American Legion Post 116 of Fuquay-Varina desires to make
35 improvements to the property, but financing such improvements is
36 complicated by the restriction on the property.

37 (b) The State of North Carolina and the North Carolina Rural Rehabilitation
38 Corporation shall convey to the grantees of the deed recorded at Book 1019, page 172,
39 Wake County Registry, by quitclaim deed, all of the right, title, and interest they have
40 retained in property deeded by the State of North Carolina, that deed being recorded at
41 Book 1019, page 172, Wake County Registry.
42

43 **PART 26. DEPARTMENT OF COMMERCE**

1
2 Requested by: Representatives Mitchell, Weatherly, Nichols, Baker

3 **GLOBAL TRANSPARK AUTHORITY/AUDIT BY STATE AUDITOR**

4 Sec. 26. G.S. 63A-23 reads as rewritten:

5 "**§ 63A-23. Annual and quarterly reports.**

6 The Authority shall, promptly following the close of each fiscal year, submit an
7 annual report of its activities for the preceding year to the Governor, the General
8 Assembly, and the Local Government Commission. Each report shall be accompanied by
9 an audit of its books and accounts. The audit shall be conducted by the State Auditor.
10 ~~The costs of all audits, whether conducted by the State Auditor's staff or contracted with~~
11 ~~a private auditing firm, audits shall be paid from funds of the Authority.~~

12 The Authority shall submit quarterly reports to the Joint Legislative Commission on
13 Governmental Operations. The reports shall summarize the Authority's activities during
14 the quarter and contain any information about the Authority's activities that is requested
15 by the Commission."
16

17 Requested by: Representatives Mitchell, Weatherly

18 **WORLD TRADE CENTER FUNDS**

19 Sec. 26.1. Of the funds appropriated in this act to the Department of
20 Commerce, the sum of two hundred fifty thousand dollars (\$250,000) for the 1996-97
21 fiscal year shall be allocated to the World Trade Center North Carolina (WTCNC) to
22 support international trade education programs for small and medium-sized businesses.
23 The WTCNC shall report to the Joint Legislative Commission on Governmental
24 Operations on the use of these funds on or before March 1 of each fiscal year, and more
25 frequently as requested by the Commission.
26
27

28 Requested by: Representatives Mitchell, Weatherly

29 **FUNDS FOR ECONOMIC DEVELOPMENT**

30 Sec. 26.2. Of the funds appropriated in this act to the Department of
31 Commerce, the sum of one million one hundred twenty-five thousand dollars
32 (\$1,125,000) for the 1996-97 fiscal year shall be allocated as follows:

- 33 (1) \$200,000 to the Land Loss Prevention Project, Inc., to provide free legal
34 representation to low-income, financially distressed small farmers. The
35 Land Loss Prevention Project, Inc., shall not use these funds to
36 represent farmers who have income and assets that would make them
37 financially ineligible for legal services pursuant to Title 45, Part 1611 of
38 the Code of Federal Regulations. The Land Loss Prevention Project,
39 Inc., shall report to the Joint Legislative Commission on Governmental
40 Operations on October 1 and March 1 of each fiscal year, and more
41 frequently as requested by the Commission, on the use of these funds;

- 42 (2) \$200,000 to the North Carolina Coalition of Farm and Rural Families,
43 Inc., for its Small Farm Economic Development Project. These funds

1 shall be used to foster economic development within the State's rural
2 farm communities by offering marketing and technical assistance to
3 small and limited resource farmers. The North Carolina Coalition of
4 Farm and Rural Families, Inc., shall report to the Joint Legislative
5 Commission on Governmental Operations on October 1 and March 1 of
6 each fiscal year, and more frequently as requested by the Commission,
7 on the use of these funds;

8 (3) \$500,000 to the North Carolina Institute for Minority Economic
9 Development, Inc., to foster minority economic development within the
10 State through policy analysis, information and technical assistance,
11 resource expansion and support of community-based demonstration
12 initiatives. The North Carolina Institute for Minority Economic
13 Development, Inc., shall report to the Joint Legislative Commission on
14 Governmental Operations on October 1 and March 1 of each fiscal year,
15 and more frequently as requested by the Commission, on the use of
16 these funds; and

17 (4) \$225,000 to the North Carolina Minority Support Center (formerly
18 known as the Minority Credit Union Support Center) for technical
19 assistance to community-based minority credit unions. The North
20 Carolina Minority Support Center shall report to the Credit Union
21 Division of the Department of Commerce and to the Joint Legislative
22 Commission on Governmental Operations on October 1 and March 1 of
23 each fiscal year, and more frequently as requested by the Department or
24 the Commission, on the use of these funds.

25
26 Requested by: Representatives Mitchell, Weatherly

27 **MCNC**

28 Sec. 26.3. Section 25.9 of Chapter 324 of the 1995 Session Laws reads as
29 rewritten:

30 "Sec. 25.9. (a) MCNC shall report on all of its programs including contractual
31 services for Supercomputer and the Research and Education Network to the Joint
32 Legislative Commission on Governmental Operations and the Fiscal Research Division
33 on or before March 1 of each fiscal year, and more frequently as requested by the
34 Commission. The reports shall include information on the activities and accomplishments
35 during the past fiscal year, itemized expenditures during the past fiscal year with sources
36 of funding, planned activities, and accomplishments for at least the next 12 months, and
37 itemized anticipated expenditures with sources of funding for the next 12 months. The
38 report on the activities of the Supercomputer and the Research and Education Network
39 ~~program programs~~ shall identify the ~~users of the Supercomputer, users,~~ the major projects
40 conducted by the users, and the ~~potential~~ benefits of the projects.

41 (b) MCNC shall provide a report containing detailed budget information to the
42 Office of State Budget and Management in the same manner as State departments and
43 agencies in preparation for biennium budget requests. Specific salary information will be

1 provided upon written request by the Chairs of the Joint Legislative Commission on
 2 Governmental Operations or the Chairs of the House Appropriations Subcommittee on
 3 Natural and Economic Resources and the Chairs of the Senate Appropriations Committee
 4 on Natural and Economic Resources.

5 (c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1995-96</u>	<u>FY 1996-97</u>
7 Microelectronics Program	\$5,362,523	\$5,362,523 <u>4,966,721</u>
8 Supercomputer	9,576,319	<u>9,576,319</u> <u>798,275</u>
9 Telecommunications	4,826,158	4,826,158 <u>-0-</u>

10 (d) Of the funds appropriated to MCNC for the Microelectronics Program, ~~five~~
 11 ~~million three hundred sixty-two thousand five hundred twenty-three dollars (\$5,362,523)~~
 12 ~~in each fiscal year~~ four million nine hundred sixty-six thousand seven hundred twenty-
 13 one dollars (\$4,966,721) for the 1996-97 fiscal year is contingent upon a dollar-for-dollar
 14 match in non-State funds.

15 (e) If MCNC finds it necessary to make changes in the program allocations
 16 specified in subsection (c) of this section, MCNC shall report such changes to the Joint
 17 Legislative Commission on Governmental Operations 30 days before the reallocation.

18 (f) ~~Funds appropriated in this act to MCNC for Migration of Current Network to~~
 19 ~~the North Carolina Information Highway System (NCIHS) shall be used as follows:~~

20 (1) ~~To cover the costs of connecting and operating the North Carolina~~
 21 ~~Research and Education Network through the North Carolina~~
 22 ~~Information Highway so that universities and research centers will~~
 23 ~~continue to have the capability currently available through the North~~
 24 ~~Carolina Research and Education Network;~~

25 (2) ~~For program support, and~~

26 (3) ~~For MCNC to serve as gateway to the North Carolina Information~~
 27 ~~Highway for the 18 sites. Of the funds appropriated to the Department~~
 28 of Commerce for MCNC in Chapter 324 of the 1995 Session Laws for
 29 the 1996-97 fiscal year, the sum of thirteen million dollars
 30 (\$13,000,000) shall be transferred to the UNC Board of Governors for
 31 contracting the purchase of supercomputing and research and education
 32 networking services to continue the provision of these services at North
 33 Carolina universities and colleges."

34
 35 Requested by: Representatives Mitchell, Weatherly

36 ECONOMIC DEVELOPMENT FUNDS

37 Sec. 26.4. Section 25.4 of Chapter 507 of the 1995 Session Laws reads as
 38 rewritten:

39 "Sec. 25.4. (a) Definition. – For purposes of this section, the term 'community
 40 development corporation' means a nonprofit corporation:

41 (1) Chartered pursuant to Chapter 55A of the General Statutes;

42 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code
 43 of 1986;

- 1 (3) Whose primary mission is to develop and improve low-income
2 communities and neighborhoods through economic and related
3 development;
- 4 (4) Whose activities and decisions are initiated, managed, and controlled by
5 the constituents of those local communities; and
- 6 (5) Whose primary function is to act as deal-maker and packager of projects
7 and activities that will increase their constituencies' opportunities to
8 become owners, managers, and producers of small businesses,
9 affordable housing, and jobs designed to produce positive cash flow and
10 curb blight in the target community.

11 (b) Of the funds appropriated in this act to the Rural Economic Development
12 Center, Inc., the sum of ~~three million eight hundred thousand dollars (\$3,800,000) for the~~
13 ~~1995-96~~ one million twenty-five thousand dollars (\$1,025,000) for the 1996-97 fiscal
14 year shall be placed in an Economic and Community Development Program Reserve.
15 Funds shall be allocated from the Reserve by the Rural Economic Development Center,
16 Inc. as follows:

- 17 (1) ~~\$1,350,000~~ \$675,000 for community development grants to support
18 community development projects and activities within the State's
19 minority communities. Any community development corporation as
20 defined in this section is eligible to apply for funds. The Rural
21 Economic Development Center shall establish performance-based
22 criteria for determining which community development corporations
23 will receive a grant and the grant amount. Funding will also be
24 allocated to the North Carolina Association of Community
25 Development Corporations, Inc. The Rural Economic Development
26 Center, Inc., shall allocate these grant funds from the Economic and
27 Community Development Program Reserve as follows:
- 28 a. ~~\$900,000~~ \$450,000 for direct grants to the local community
29 development corporations that have previously received State
30 funds for this purpose to support operations and project activities,
- 31 b. ~~\$250,000~~ \$125,000 for direct grants to local community
32 development organizations that have not previously received
33 State funds,
- 34 c. ~~\$150,000~~ \$75,000 to the North Carolina Association of
35 Community Development Corporations, Inc. to provide training,
36 technical assistance, resource development, project assistance,
37 and support for local community development corporations
38 statewide, and
- 39 d. ~~\$50,000~~ \$25,000 to the Rural Economic Development Center,
40 Inc. to be used to cover expenses in administering this section;
- 41 (2) ~~\$275,000 to the Minority Credit Union Support Center for technical~~
42 ~~assistance to community-based minority credit unions;~~

- 1 (3) ~~\$250,000~~ \$125,000 to the Microenterprise Loan Program to support the
2 loan fund and operations of the Program;
- 3 (4) ~~\$100,000~~ allocated as follows: \$25,000 to the Opportunities
4 Industrialization Center of Elizabeth City, Inc.
5 a. ~~\$25,000 to the Opportunities Industrialization Center of Wilson,~~
6 ~~Inc., for its ongoing job training programs;~~
7 b. ~~\$25,000 to Opportunities Industrialization Center, Inc., in Rocky~~
8 ~~Mount, for its ongoing job training programs;~~
9 c. ~~\$25,000 to Pitt-Greenville Opportunities Industrialization Center,~~
10 ~~Inc. for its ongoing job training programs; and~~
11 d. ~~\$25,000 to the Opportunities Industrialization Center of Lenoir,~~
12 ~~Greene, and Jones Counties.~~
- 13 Funds ~~allocated pursuant to this subdivision shall be in addition to funds~~
14 ~~allocated pursuant to Section 25.12 of Chapter 324 of the 1995 Session~~
15 ~~Laws. Reporting requirements of that section shall apply to funds~~
16 ~~allocated under this subdivision;~~
- 17 (5) ~~\$400,000~~ \$200,000 shall be used for a program to provide supplemental
18 funding for matching requirements for economic development in
19 economically depressed areas. The Center shall use the funds to make
20 grants to local governments and nonprofit corporations to provide funds
21 necessary to match federal grants or other grants for necessary
22 economic development projects and activities in economically
23 depressed areas. The grant recipients shall be selected on the basis of
24 need;
- 25 (6) ~~\$275,000 to the Land Loss Prevention Project, Inc., to provide free legal~~
26 ~~representation to low income, financially distressed small farmers. The~~
27 ~~Land Loss Prevention Project, Inc., shall not use these funds to~~
28 ~~represent farmers who have income and assets that would make them~~
29 ~~financially ineligible for legal services pursuant to Title 45, Part 1611 of~~
30 ~~the Code of Federal Regulations. The Land Loss Prevention Project,~~
31 ~~Inc., shall report to the Joint Legislative Commission on Governmental~~
32 ~~Operations on October 1 and March 1 of each fiscal year, and more~~
33 ~~frequently as requested by the Commission, on the use of these funds;~~
- 34 (7) ~~\$245,000 to the North Carolina Coalition of Farm and Rural Families,~~
35 ~~Inc., for its Small Farm Economic Development Project. These funds~~
36 ~~shall be used to foster economic development within the State's rural~~
37 ~~farm communities by offering financial, marketing, and technical~~
38 ~~assistance to small and limited resource farmers. The North Carolina~~
39 ~~Coalition of Farm and Rural Families, Inc., shall report to the Joint~~
40 ~~Legislative Commission on Governmental Operations on October 1 and~~
41 ~~March 1 of each fiscal year, and more frequently as requested by the~~
42 ~~Commission, on the use of these funds;~~

- 1 ~~(8) \$780,000 to the North Carolina Institute for Minority Economic~~
2 ~~Development, Inc., to foster minority economic development within the~~
3 ~~State through policy analysis, information and technical assistance,~~
4 ~~resource expansion and support of community-based demonstration~~
5 ~~initiatives. The North Carolina Institute for Minority Economic~~
6 ~~Development, Inc., shall report to the Joint Legislative Commission on~~
7 ~~Governmental Operations on October 1 and March 1 of each fiscal year,~~
8 ~~and more frequently as requested by the Commission, on the use of~~
9 ~~these funds;~~
10 ~~(9) \$100,000 to the Lake Gaston Economic Development Corporation for~~
11 ~~planning and preliminary development of a conference center and~~
12 ~~related facilities for the Lake Gaston area; and~~
13 ~~(10) \$25,000 to the Roanoke-Chowan Community College for its sheltered~~
14 ~~workshop program.~~

15 (c) The Rural Economic Development Center, Inc. shall report to the Joint
16 Legislative Commission on Governmental Operations on October 1 and March 1 of each
17 fiscal year, and more frequently as requested by the Commission, on the uses of funds
18 allocated pursuant to subdivisions (1), ~~(2), (3), (4), (5), (9), and (10)~~ (3), (4), and (5) of
19 subsection (b) of this section."
20

21 **PART 27. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 22 **RESOURCES**

23
24 Requested by: Representatives Mitchell, Weatherly, Nichols

25 **AGRICULTURE COST SHARE FUNDS FOR ANIMAL OPERATIONS** 26 **LOCATED IN A RIVER BASIN OTHER THAN THE NEUSE RIVER BASIN**

27 Sec. 27. Of the funds appropriated in this act to the Department of
28 Environment, Health, and Natural Resources, Division of Soil and Water Conservation,
29 for the Agriculture Cost Share Program for Nonpoint Source Pollution Control, the sum
30 of six million dollars (\$6,000,000) for the 1996-97 fiscal year shall be used to assist
31 existing animal operations in obtaining approved animal waste management plans for
32 those animal operations located, in whole or in part, in a county in one of the State's 17
33 river basins other than the Neuse River Basin and shall be used in accordance with G.S.
34 143-215.74(b) and any provisions enacted by the 1995 General Assembly regarding the
35 expenditure of funds under this Program. When implementing this section, the
36 Department shall cooperate with the Cooperative Extension Service, the Natural
37 Resource Conservation Service of the United States Department of Agriculture, and the
38 local Soil and Water Conservation Districts. Any of these funds remaining at the end of
39 the 1996-97 fiscal year shall not revert, but shall remain available for use pursuant to this
40 section.
41

42 Requested by: Representatives Mitchell, Weatherly, Nichols

1 **AGRICULTURE COST SHARE FUNDS FOR ANIMAL OPERATIONS**
2 **LOCATED IN THE NEUSE RIVER BASIN**

3 Sec. 27.1. Of the funds appropriated in this act to the Department of
4 Environment, Health, and Natural Resources, Division of Soil and Water Conservation,
5 for the Agriculture Cost Share Program for Nonpoint Source Pollution Control, the sum
6 of two million dollars (\$2,000,000) for the 1996-97 fiscal year shall be used to assist
7 existing animal operations in obtaining approved animal waste management plans for
8 those animal operations located, in whole or in part, in a county in the Neuse River Basin
9 and shall be used in accordance with G.S. 143-215.74(b) and any provisions enacted by
10 the 1995 General Assembly regarding the expenditure of funds under this Program.
11 When implementing this section, the Department shall cooperate with the Cooperative
12 Extension Service, the Natural Resource Conservation Service of the United States
13 Department of Agriculture, and the local Soil and Water Conservation Districts. Any of
14 these funds remaining at the end of the 1996-97 fiscal year shall not revert, but shall
15 remain available for use pursuant to this section.

16
17 Requested by: Representatives Mitchell, Weatherly, Nichols, H. Hunter

18 **STATEWIDE TECHNICAL ASSISTANCE FOR ANIMAL WASTE**
19 **MANAGEMENT PLANS**

20 Sec. 27.2. (a) Of the funds appropriated in this act to the Department of
21 Environment, Health, and Natural Resources, Division of Soil and Water Conservation,
22 the sum of one million four hundred seventeen thousand five hundred dollars
23 (\$1,417,500) for the 1996-97 fiscal year shall be used to provide technical assistance to
24 operators of animal operations in the process of obtaining approved animal waste
25 management plans. When implementing this section, the Department shall cooperate
26 with the Cooperative Extension Service, the Natural Resource Conservation Service of
27 the United States Department of Agriculture, and the local Soil and Water Conservation
28 Districts. Any of these funds remaining at the end of the 1996-97 fiscal year shall not
29 revert, but shall remain available for use pursuant to this section.

30
31 Requested by: Representatives Mitchell, Weatherly, Nichols, H. Hunter

32 **ODOR CONTROL TECHNOLOGY STUDY**

33 Sec. 27.3. Of the funds appropriated to the Department of Environment,
34 Health, and Natural Resources in this act, the sum of six hundred thousand dollars
35 (\$600,000) for the 1996-97 fiscal year shall be allocated to the Board of Governors of
36 The University of North Carolina for the North Carolina Agricultural Research Service at
37 North Carolina State University and for North Carolina Agricultural and Technical State
38 University to conduct research into economically feasible odor control technologies and
39 to provide detailed economic analysis of odor management alternatives; provided these
40 funds are matched with an equal sum from private sources. No later than January 1,
41 1997, the Department shall report to the Environmental Review Commission and the
42 Fiscal Research Division on progress under the research, including any findings and
43 recommendations at that time.

1
2 Requested by: Representatives Weatherly, Mitchell, Nichols

3 **WETLANDS RESTORATION PROGRAM/FUNDS**

4 Sec. 27.4. (a) Article 21 of Chapter 143 of the General Statutes is amended by
5 adding the following new sections to read:

6 **"§ 143-214.8. Wetlands Restoration Program: established.**

7 The Wetlands Restoration Program is established within the Department of
8 Environment, Health, and Natural Resources. The Wetlands Restoration Program shall be
9 developed by the Department as a nonregulatory statewide wetlands restoration program
10 for the acquisition, restoration, enhancement, and creation of wetland and riparian
11 resources, including riparian buffers and greenways, that contribute to the protection and
12 improvement of water quality, flood prevention, fisheries, wildlife habitat, and
13 recreational opportunities. The Wetlands Restoration Program shall consist of the
14 following components:

- 15 (1) Restoration of wetlands.
- 16 (2) Development of restoration plans.
- 17 (3) Landowner contact and land acquisition.
- 18 (4) Evaluation of site plans and engineering studies.
- 19 (5) Oversight of construction and monitoring of restoration sites.
- 20 (6) Land ownership and management.
- 21 (7) Mapping, site identification, and assessment of wetlands functions.

22 **"§ 143-214.9. Wetlands Restoration Program: purposes.**

23 The purposes of the program are as follows:

- 24 (1) To restore wetlands functions and values across the State to replace
25 critical functions lost through historic wetlands conversion and through
26 current and future permitted impacts. It is not the policy of the State to
27 destroy upland habitats unless it would further the purposes of the
28 Wetlands Restoration Program.
- 29 (2) To provide a consistent and simplified approach to address mitigation
30 requirements associated with permits or authorizations issued by the
31 United States Army Corps of Engineers under 33 U.S.C. § 1344.
- 32 (3) To streamline the wetlands permitting process, minimize delays in
33 permit decisions, and decrease the burden of permit applicants of
34 planning and performing compensatory mitigation for wetlands losses.
- 35 (4) To increase the ecological effectiveness of compensatory mitigation.
- 36 (5) To achieve a net increase in wetland acres, functions, and values in each
37 major river basin.
- 38 (6) To foster a comprehensive approach to environmental protection.

39 **"§ 143-214.10. Wetlands Restoration Program: development and implementation**
40 **of basinwide restoration plans.**

41 Develop basinwide restoration plans. – The Department shall develop a basinwide
42 plan for wetlands and riparian area restoration with the goal of protecting and enhancing
43 water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities

1 within each of the 17 major river basins in the State. Beginning July 1, 1997, the
2 Department shall develop and begin implementing a basinwide restoration plan for each
3 of the 17 river basins in the State in accordance with the basinwide schedule currently
4 established by the Division of Environmental Management.

5 **"§ 143-214.11. Wetlands Restoration Program: compensatory mitigation.**

6 (a) Definition. – For purposes of this section the term 'compensatory mitigation'
7 means the restoration, creation, enhancement, or preservation of wetlands or other areas
8 required as a condition of a Section 404 permit issued by the United States Army Corps
9 of Engineers.

10 (b) Department of Environment, Health, and Natural Resources to coordinate
11 compensatory mitigation. – All compensatory mitigation required by permits or
12 authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. §
13 1344 shall be coordinated by the Department consistent with the basinwide plans for
14 wetlands restoration and rules developed by the Environmental Management
15 Commission. All compensatory wetlands mitigation whether performed by the
16 Department or by permit applicants, shall be consistent with the basinwide restoration
17 plans.

18 (c) Mitigation emphasis on replacing ecological function within same river basin.
19 – The emphasis of mitigation is on replacing functions within the same river basin unless
20 it is demonstrated that restoration of other areas would be more beneficial to the overall
21 purposes of the Wetlands Restoration Program.

22 (d) Compensatory mitigation options available to applicant. – An applicant may
23 satisfy compensatory wetlands mitigation requirements by the following actions, if those
24 actions are consistent with the basinwide restoration plans and also meet or exceed the
25 requirements of the United State Army Corps of Engineers:

- 26 (1) Payment of a fee established by the Department into the Wetlands
27 Restoration Fund established in G.S. 143-214.6.
- 28 (2) Donation of land to the Wetlands Restoration Program or to other public
29 or private non-profit conservation organizations as approved by the
30 Department.
- 31 (3) Participation in a private wetlands mitigation bank.
- 32 (4) Preparing and implementing a wetlands restoration plan.

33 (e) Payment schedule. – A standardized schedule of per acre payment amounts
34 shall be established by the Environmental Management Commission. The monetary
35 payment shall be based on the ecological functions and values of wetlands permitted to
36 be lost and on the cost of restoring or creating wetlands capable of performing the same
37 or similar functions, including directly related costs of wetlands restoration planning,
38 long term-monitoring and maintenance of restored areas.

39 **"§ 143-214.12. Wetlands Restoration Program: Wetlands Restoration Fund.**

40 (a) Wetlands Restoration Fund. – The Wetlands Restoration Fund is established as
41 a nonreverting fund within the Department. The Fund shall be treated as a special trust
42 fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2
43 and G.S. 147-69.3. The Wetlands Restoration Fund shall provide a repository for

1 monetary contributions and donations or dedications of interests in real property to
2 promote projects for the restoration, enhancement, preservation, or creation of wetlands
3 and riparian areas and for payments made in lieu of compensatory mitigation as described
4 in subsection (b) of this section. No funds shall be expended from this Fund for any
5 purpose other than those directly contributing to the acquisition, enhancement,
6 restoration, or creation of wetlands and riparian areas in accordance with the basinwide
7 plan as described in subsection (a) of this section.

8 (b) Authorized methods of payment. – A person subject to a permit or
9 authorization issued by the United States Army Corps of Engineers under 33 U.S.C. §
10 1344, may contribute to the Wetlands Restoration Program, to comply with conditions to,
11 or terms of, the permit or authorization, if participation in the Wetlands Restoration
12 Program will meet the mitigation requirements of the United States Army Corps of
13 Engineers. The Department shall, at the discretion of the applicant, accept payment into
14 the Wetlands Restoration Fund in lieu of other compensatory mitigation requirements of
15 any authorizations issued by the United States Army Corps of Engineers under 33 U.S.C.
16 § 1344 if the contributions will meet the mitigation requirements of the United States
17 Army Corps of Engineers. Payment may be made in the form of monetary contributions
18 according to a fee schedule established by the Environmental Management Commission
19 or in the form of donations of real property provided that the property is approved by the
20 Department as a suitable site consistent with the basinwide wetlands restoration plan.

21 **"§ 143-214.13. Wetlands Restoration Program: reporting requirement.**

22 The Department of Environment, Health, and Natural Resources shall report annually
23 to the Environmental Review Commission regarding its progress in implementing the
24 Wetlands Restoration Program and its use of the funds in the Wetlands Restoration Fund.
25 The report shall document statewide wetlands losses and gains and compensatory
26 mitigation performed under G.S. 143-214.8 through G.S. 143-214.12. The report shall
27 also provide an accounting of receipts and disbursements of the Wetlands Restoration
28 Fund and analysis of the per acre cost of wetlands restoration. The Department shall also
29 send a copy of its report to the Fiscal Research Division of the General Assembly."

30 (b) Of the funds appropriated by this act to the Department of Environment,
31 Health, and Natural Resources the sum of ten million dollars (\$10,000,000) for the 1996-
32 97 fiscal year shall be credited to the Wetlands Restoration Fund and shall be allocated
33 by the Department of Environment, Health, and Natural Resources among each of the
34 State's 17 river basins for wetlands restoration and mitigation in each basin. The
35 Department shall determine the amount to be allocated for each basin based on the size of
36 the basin and a critical needs determination by the Department. It is the intent of the
37 General Assembly that the sum of ten million dollars (\$10,000,000) for the 1997-98
38 fiscal year and the sum of ten million dollars (\$10,000,000) for the 1998-99 fiscal year be
39 appropriated to the Wetlands Restoration Program to be allocated by the Department of
40 Environment, Health, and Natural Resources among each of the State's 17 river basins for
41 wetlands restoration and mitigation in each basin.

42 (c) Of the funds appropriated by this act to the Department of Environment,
43 Health, and Natural Resources for the 1996-97 fiscal year the sum of five hundred

1 thousand dollars (\$500,000) in recurring funds shall be used to support eight staff
2 positions and shall also be used for administrative and other expenses to implement the
3 Wetlands Restoration Program.

4
5 Requested by: Representatives Mitchell, Weatherly, Nichols, H. Hunter

6 **STUDY ALTERNATIVE ANIMAL WASTE TECHNOLOGIES**

7 Sec. 27.6. Of the funds appropriated to the Department of Environment,
8 Health, and Natural Resources in this act, the sum of five hundred thousand dollars
9 (\$500,000) for the 1996-97 fiscal year shall be allocated to the Board of Governors of
10 The University of North Carolina for the North Carolina Agricultural Research Service at
11 North Carolina State University and for North Carolina Agricultural and Technical State
12 University to serve as focal points for experimentation with and testing of alternative
13 animal waste disposal technologies for use in agriculture. No later than January 1, 1997,
14 the Department shall report to the Environmental Review Commission and the Fiscal
15 Research Division on progress under the research, including any findings and
16 recommendations at that time.

17
18 Requested by: Representatives Mitchell, Weatherly, Nichols, H. Hunter

19 **STUDY GROUNDWATER IMPACTS OF LAGOONS**

20 Sec. 27.7. Of the funds appropriated to the Department of Environment,
21 Health, and Natural Resources in this act, the sum of three hundred seventy-five thousand
22 dollars (\$375,000) for the 1996-97 fiscal year shall be allocated to the Board of
23 Governors of The University of North Carolina for the North Carolina Agricultural
24 Research Service at North Carolina State University and for North Carolina Agricultural
25 and Technical State University to design and implement a scientifically based study for
26 the purpose of determining the extent to which animal waste lagoons pose a threat, if any,
27 to the groundwater of the State. Lagoons that are representative of soil types and
28 hydrologic conditions in North Carolina shall be selected for this study. No later than
29 January 1, 1997, the Department shall report to the Environmental Review Commission
30 and the Fiscal Research Division on progress under the research, including any findings
31 and recommendations at that time.

32
33 Requested by: Representatives Mitchell, Weatherly, Nichols

34 **FINANCIAL ASSISTANCE TO AID MUNICIPALITIES IN NEUSE RIVER**
35 **Basin Achieve Reductions in Nitrogen Levels**

36 Sec. 27.8. (a) Of the funds appropriated by this act to the Department of
37 Environment, Health, and Natural Resources for the 1996-97 fiscal year the sum of five
38 million dollars (\$5,000,000) shall be allocated by the Department as grants to local
39 government units in the Neuse River Basin. The grants shall be awarded by the
40 Department for the purpose of reducing the nitrogen level in the Neuse River Basin
41 through improved and more effective wastewater treatment and stormwater control
42 measures. The criteria established by Chapter 159G of the General Statutes with regard
43 to grants made for wastewater treatment works and wastewater collection system projects

1 shall be the primary consideration in granting funds for those types of projects. The
2 criteria established by the Department under G.S. 143-214.7 shall be the primary
3 consideration in granting funds to a unit of local government for a project that addresses
4 stormwater measures and controls. A grant made by the Department under this section to
5 a unit of local government shall not exceed five hundred thousand dollars (\$500,000) or
6 ten percent (10%) of the project cost, whichever is less.

7 (b) The Department of Environment, Health, and Natural Resources shall report by
8 October 15, 1996, and quarterly thereafter to the Environmental Review Commission
9 regarding the grants awarded and their effectiveness in achieving the goal of reducing the
10 nitrogen level in the Neuse River Basin and shall also send a written copy of its report to
11 the Fiscal Research Division of the General Assembly.

12
13 Requested by: Representatives Mitchell, Weatherly, Nichols

14 **STUDY OF ATMOSPHERIC DEPOSITION OF NITROGEN IN NEUSE**
15 **ESTUARY**

16 Sec. 27.9. Of the funds appropriated to the Department of Environment,
17 Health, and Natural Resources in this act, the sum of four hundred fifty thousand dollars
18 (\$450,000) for the 1996-97 fiscal year shall be used by the Department to contract with a
19 research institution to research and perform computer modelling to identify the amount of
20 atmospheric nitrogen reaching the Neuse estuary, to enable the development of strategies
21 to reduce the most significant sources of nitrogen, and to improve water quality. If the
22 expertise required for this research is available at a research institution in the State, the
23 Department shall contract with a research institution in the State. No later than January
24 1, 1997, the Department shall report to the Environmental Review Commission and the
25 Fiscal Research Division on progress under the research, including any findings and
26 recommendations at that time.

27
28 Requested by: Representatives Mitchell, Weatherly

29 **TRANSFER THE GEODETIC SURVEY SECTION TO THE OFFICE OF STATE**
30 **PLANNING**

31 Sec. 27.10. The twenty-two positions, support, and equipment in the Geodetic
32 Survey Section of the Division of Land Resources, Department of Environment, Health,
33 and Natural Resources, shall be moved to the Office of State Planning in the Office of the
34 Governor.

35
36 Requested by: Representatives Mitchell, Weatherly

37 **HAZARDOUS WASTE REPORTS**

38 Sec. 27.11. Beginning in 1997, the Department of Environment, Health, and
39 Natural Resources shall report on the generation, storage, treatment, and disposal of
40 hazardous waste in North Carolina no more often than it is required to report under
41 federal law or federal regulation.

42
43 Requested by: Representatives Mitchell, Weatherly

DRINKING WATER WAIVER PROGRAM

Sec. 27.12. The Department of Environment, Health, and Natural Resources, Division of Environmental Health, shall establish a drinking water waiver program that will enable the Division to seek and qualify for additional waivers from the drinking water regulations of the United States Environmental Protection Agency. The program shall include, but not be limited to, the collection and study of data on the State's drinking water testing program to determine which contaminants do not present a significant health risk and which water systems are not susceptible to particular contaminants. The Division shall report its progress in establishing and implementing the drinking water waiver program not later than December 15, 1996, to the Fiscal Research Division, the Environmental Review Commission, and the Legislative Research Commission study committee on Water Issues.

Requested by: Representatives Mitchell, Weatherly, Tolson, Nichols, H. Hunter

STUDY ENVIRONMENTAL IMPACTS OF ABANDONED LAGOONS/ANIMAL FACILITIES

Sec. 27.13. Of the funds appropriated to the Department of Environment, Health, and Natural Resources in this act, the sum of twenty-five thousand dollars (\$25,000) for the 1996-97 fiscal year shall be placed in a reserve in the Department for the General Assembly for a legislative study commission to study the environmental impacts of animal waste lagoons and animal facilities that have been closed or abandoned or are inactive in order to determine the extent and scope of the problems, if any, associated with these structures, to identify potential solutions for any existing problems, to identify scientifically and environmentally effective methods of closure for these structures in the future, and to determine the advisability of providing incentives for the proper management of abandoned animal waste lagoons and abandoned animal facilities. No later than January 1, 1997, this study commission shall report to the 1997 General Assembly, the Environmental Review Commission, and the Fiscal Research Division on its findings, recommendations, and any legislative proposals.

Requested by: Representatives Mitchell, Weatherly, Nichols, H. Hunter

RESERVE FOR PERMITTING AND INSPECTING ANIMAL WASTE MANAGEMENT SYSTEMS

Sec. 27.14. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, the sum of four hundred eighty-four thousand dollars (\$484,000) shall be placed in a reserve to be used to establish and support positions in the Division of Environmental Management to conduct permitting, inspection, and enforcement activities for animal waste management systems in the event the 1995 General Assembly (1996 Regular Session) enacts legislation that establishes a permitting or inspection program for animal waste management systems. When implementing this section, the Department shall cooperate with the Cooperative Extension Service, the Natural Resources Conservation Service of the United States Department of Agriculture, and the local Soil and Water Conservation Districts. Any

1 funds remaining in the reserve at the end of the 1996-97 fiscal year shall not revert, but
2 shall remain available for use pursuant to this section.

3
4 Requested by: Representatives Mitchell, Weatherly, H. Hunter

5 **HEALTHY START FOUNDATION FUNDS**

6 Sec. 27.15. Section 26.4 of Chapter 507 of the 1995 Session Laws reads as
7 rewritten:

8 "Sec. 26.4. Of the funds appropriated in this act to the Department of Environment,
9 Health, and Natural Resources, the sum of ~~two hundred six hundred fifty thousand~~ six hundred fifty thousand dollars
10 ~~(\$200,000) (\$650,000)~~ for the ~~1995-96-1996-97~~ fiscal year shall be allocated to the North
11 Carolina Healthy Start Foundation to support the programs and activities of the
12 Governor's Commission on Reduction of Infant Mortality. Foundation. Funds allocated
13 pursuant to this section shall be expended first to support statewide planning, promotion,
14 and coordination for the First Step Campaign. Funds remaining after allocation for First
15 Step shall be used to support other programs and ~~activities.~~ activities aimed at reducing
16 infant mortality. The Healthy Start Foundation shall report on all of its programs to the
17 Joint Legislative Commission on Governmental Operations on or before March 1, ~~1996-~~
18 1997. The report shall include information on the Foundation's activities and
19 accomplishments during the past fiscal year, a list of the groups, organizations,
20 communities, and other recipients of assistance from the Foundation in the last 12
21 months, itemized expenditures during the past fiscal year with sources of funding,
22 planned activities, and accomplishments for at least the next 12 months, and itemized
23 anticipated expenditures with sources of funding for the next 12 months."

24
25 Requested by: Representatives Mitchell, Weatherly, Culpepper

26 **BEAVER DAMAGE CONTROL FUNDS**

27 Sec. 27.16. Subsection (b) of Section 69 of Chapter 1044 of the 1991 Session
28 Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3
29 of Chapter 769 of the 1993 Session Laws, and Section 26.6 of Chapter 507 of the 1995
30 Session Laws, reads as rewritten:

31 "(b) The Beaver Damage Control Advisory Board shall develop a pilot program to
32 control beaver damage on private and public lands. Bladen, Brunswick, Carteret,
33 Chatham, Chowan, Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax,
34 Hertford, Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson,
35 Scotland, Vance, Warren, Washington, Wayne, and Wilson Counties shall participate in
36 the pilot program. The Beaver Damage Control Advisory Board shall act in an advisory
37 capacity to the Wildlife Resources Commission in the implementation of the program. In
38 developing the program, the Board shall:

- 39 (1) Orient the program primarily toward public health and safety and
40 toward landowner assistance, providing some relief to landowners
41 through beaver control and management rather than eradication;
42 (2) Develop a priority system for responding to complaints about beaver
43 damage;

- 1 (3) Develop a system for documenting all activities associated with beaver
2 damage control, so as to facilitate evaluation of the program;
- 3 (4) Provide educational activities as a part of the program, such as printed
4 materials, on-site instructions, and local workshops;
- 5 (5) Provide for the hiring of personnel necessary to implement beaver
6 damage control activities, administer the pilot program, and set salaries
7 of personnel;
- 8 (6) Evaluate the costs and benefits of the program that might be applicable
9 elsewhere in North Carolina.

10 No later than September 30, 1994 and again upon the conclusion of the pilot program
11 on June 30, ~~1996, 1997,~~ the Board shall issue a report to the Wildlife Resources
12 Commission on the program to date, including recommendations on the feasibility of
13 continuing the program in participating counties and the desirability of expanding the
14 program into other counties. The Wildlife Resources Commission shall prepare a plan to
15 implement a statewide program to control beaver damage on private and public lands.
16 No later than January 1, 1995, the Wildlife Resources Commission shall present its plan
17 in a report to the House Appropriations Subcommittee on Natural and Economic
18 Resources and the Senate Appropriations Committee on Natural and Economic
19 Resources."

20 (b) Subsection (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as
21 amended by Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3 of
22 Chapter 769 of the 1993 Session Laws, and Section 26.6 of Chapter 507 of the 1995
23 Session Laws, reads as rewritten:

24 "(h) Subsections (a) through (d) of this section expire June 30, ~~1996, 1997.~~"

25 (c) Subsection (d) of Section 26.6 of Chapter 507 of the 1995 Session Laws reads
26 as rewritten:

27 "(d) Of the funds appropriated from the General Fund to the Wildlife Resources
28 Commission for the 1995-96 fiscal ~~year, year and the 1996-97 fiscal year,~~ there is
29 allocated the sum of three hundred seventy-two thousand six hundred ninety dollars
30 (\$372,690) for the 1995-96 fiscal year and the sum of three hundred sixty-three thousand
31 six hundred ninety dollars (\$363,690) for the 1996-97 fiscal year to provide the State
32 share necessary to continue the beaver damage control pilot program established by
33 Section 69 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of
34 Chapter 561 of the 1993 Session Laws and Section 27.3 of the 1993 Session Laws, in
35 Bladen, Brunswick, Carteret, Chatham, Chowan, Craven, Columbus, Duplin,
36 Edgecombe, Franklin, Greene, Halifax, Hertford, Johnston, Lincoln, Nash, Onslow,
37 Pamlico, Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren, Washington,
38 Wayne, and Wilson Counties, provided the sum of twenty-five thousand dollars
39 (\$25,000) in federal funds is available in each fiscal year to provide the federal share.
40 These funds shall be matched by four thousand dollars (\$4,000) of local funds in each
41 fiscal year from each of the ~~27-28~~ participating counties."

42
43 Requested by: Representatives Mitchell, Weatherly, Nichols

TWO PERCENT RESERVE FOR WETLANDS RESTORATION PROGRAM

Sec. 27.17. Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-15.3B. Wetlands Restoration Fund.

(a) The Wetlands Restoration Fund is established in G.S. 143-214.12. Beginning with the 1998-99 fiscal year, the State Controller shall reserve to the Wetlands Restoration Fund two percent (2%) of any unreserved credit balance remaining in the General Fund at the end of each fiscal year. As used in this section, the term 'unreserved credit balance' means the credit balance amount, as determined on a cash basis, before funds are reserved by the State Controller to the Savings Reserve Account, the Repairs and Renovations Reserve Account, or the Wetlands Restoration Fund pursuant to this section, G.S. 143-15.3, and G.S. 143-15.3A.

(b) The funds in the Wetlands Restoration Fund shall be used only in accordance with Article 21 of Chapter 143 of the General Statutes."

PART 28. SALARIES AND BENEFITS

Requested by: Representatives Holmes, Creech, Esposito

JUDICIAL BRANCH OFFICIALS

Sec. 28. Section 7.4 of Chapter 507 of the 1995 Session Laws reads as rewritten:

"Sec. 7.4. (a) The annual salaries, payable monthly, for specified judicial branch officials for the ~~1995-96 and 1996-97~~ fiscal ~~years-year~~ are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$98,576
Associate Justice, Supreme Court	96,000
Chief Judge, Court of Appeals	93,600
Judge, Court of Appeals	92,000
Judge, Senior Regular Resident Superior Court	89,500
Judge, Superior Court	87,000
Chief Judge, District Court	79,000
Judge, District Court	76,500
District Attorney	80,600
Administrative Officer of the Courts	89,500
Assistant Administrative Officer of the Courts	75,160
Public Defender	80,600

(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not

1 exceed ~~forty nine thousand five hundred eighty dollars (\$49,580),~~ fifty-one thousand
 2 sixty-seven dollars (\$51,067), and the minimum salary of any assistant district attorney or
 3 assistant public defender is at least ~~twenty five thousand three hundred twelve dollars~~
 4 ~~(\$25,312) effective July 1, 1995.~~ twenty-six thousand seventy-one dollars (\$26,071)
 5 effective July 1, 1996.

6 (c) The salaries in effect for the ~~1994-95-1995-96~~ fiscal year for permanent, full-
 7 time employees of the Judicial Department, except for those whose salaries are itemized
 8 in this Part, shall be increased by ~~two percent (2%), commencing July 1, 1995.~~ three
 9 percent (3%), commencing July 1, 1996.

10 (d) The salaries in effect for the ~~1994-95-1995-96~~ fiscal year for all permanent,
 11 part-time employees of the Judicial Department shall be increased on and after ~~July 1,~~
 12 ~~1995,~~ July 1, 1996, by pro rata amounts of the ~~two percent (2%).~~ three percent (3%)."

13
 14 Requested by: Representatives Justus, Thompson, Daughtry, Culpepper

15 **SUPERIOR COURT JUDGES' LONGEVITY**

16 Sec. 28A. G.S. 7A-44(b) reads as rewritten:

17 "(b) In lieu of merit and other increment raises paid to regular State
 18 employees, a judge of the superior court, regular or special, shall receive as longevity pay
 19 an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set
 20 forth in the Current Operations Appropriations Act payable monthly after five years of
 21 service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-
 22 tenths percent (14.4%) after 15 years of service, ~~and nineteen and two-tenths percent~~
 23 ~~(19.2%) after 20 years of service.~~ service, and twenty-four percent (24%) after 25 years
 24 of service. 'Service' means service as a justice or judge of the General Court of Justice or
 25 as a member of the Utilities Commission or as director or assistant director of the
 26 Administrative Office of the Courts. Service shall also mean service as a district attorney
 27 or as a clerk of superior court."
 28

29 Requested by: Representatives Holmes, Creech, Esposito

30 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT**

31 Sec. 28.1. G.S. 7A-102(c1) reads as rewritten:

32 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
 33 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 34 subject to the following minimum and maximum rates:
 35

Assistant Clerks and Head Bookkeeper	Annual Salary
--------------------------------------	---------------

Minimum	\$ 21,549		\$ <u>22,195</u>
Maximum	\$ 38,154		\$ <u>39,299</u>

Deputy Clerks	Annual Salary
---------------	---------------

Minimum	\$ 17,229		\$ <u>17,746</u>
Maximum	\$ 29,389.		\$ <u>30,271.</u> "

Requested by: Representatives Holmes, Creech, Esposito

MAGISTRATES' PAY PLAN

Sec. 28.2. (a) G.S. 7A-171.1(a)(1) reads as rewritten:

"(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

<u>Step Level</u>	Annual Salary
Entry Rate	\$23,417
<u>\$24,120</u>	
Step 1	25,767
<u>26,540</u>	
Step 2	28,325
<u>29,175</u>	
Step 3	31,116
<u>32,049</u>	
Step 4	34,173
<u>35,198</u>	
Step 5	37,533
<u>38,659</u>	
Step 6	41,228
<u>42,465."</u>	

(b) G.S. 7A-171.1(a1)(1) reads as rewritten:

"(1) The salaries of magistrates who on June 30, 1994, were paid at a salary level of less than five years of service under the table in effect that date shall be as follows:

Less than 1 year of service	\$18,457
1 or more but less than 3 years of service	19,406 <u>19,988</u>
3 or more but less than 5 years of service	21,314 <u>\$21,953."</u>

Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a)."

Requested by: Representatives Holmes, Creech, Esposito

GENERAL ASSEMBLY PRINCIPAL CLERKS

Sec. 28.3. G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~fifty-five thousand eighty dollars (\$55,080)~~ fifty-six thousand seven hundred thirty-two dollars (\$56,732) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

Requested by: Representatives Holmes, Creech, Esposito

SERGEANT-AT-ARMS AND READING CLERKS

Sec. 28.4. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~two hundred thirty-seven dollars (\$237.00) per week~~, two hundred forty-four dollars (\$244.00) per week, plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

Requested by: Representatives Holmes, Creech, Esposito

LEGISLATIVE EMPLOYEES

Sec. 28.5. Section 7.11 of Chapter 507 of the 1995 Session Laws reads as rewritten:

"Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of nonelected employees of the General Assembly in effect for fiscal year ~~1994-95 by two percent (2%)~~, 1995-96 by three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32."

Requested by: Representatives Holmes, Creech, Esposito

COMMUNITY COLLEGES PERSONNEL

Sec. 28.6. Section 7.12 of Chapter 507 of the 1995 Session Laws reads as rewritten:

"Sec. 7.12. The Director of the Budget shall transfer from the Reserve for Salary Increases created in this act for fiscal year 1995-96 funds to the Department of Community Colleges necessary to provide an average annual salary increase of ~~two percent (2%)~~, three percent (3%), including funds for the employer's retirement and social security contributions, commencing ~~July 1, 1995~~, July 1, 1996, for all permanent full-

1 time community college institutional personnel supported by State funds. The State
2 Board of Community Colleges shall establish guidelines for providing their salary
3 increases to community college institutional ~~personnel.~~ personnel to include
4 consideration of increases based on performance. Salary funds shall be used to provide an
5 average annual salary increase of ~~two percent (2%)~~ three percent (3%) to all full-time
6 employees and part-time employees on a pro rata basis."

7
8 Requested by: Representatives Holmes, Creech, Esposito

9 **UNIVERSITY OF NORTH CAROLINA SYSTEM – EPA SALARY INCREASES**

10 Sec. 28.7. Section 7.13 of Chapter 507 of the 1995 Session Laws reads as
11 rewritten:

12 "Sec. 7.13. The Director of the Budget shall transfer to the Board of Governors of
13 The University of North Carolina sufficient funds from the Reserve for Salary Increases
14 created in this act for fiscal year ~~1995-96-1996-97~~ to provide an annual average salary
15 increase of ~~two percent (2%)~~, three percent (3%), including funds for the employer's
16 retirement and social security contributions, commencing ~~July 1, 1995,~~ July 1, 1996, for
17 all employees of The University of North Carolina, as well as employees other than
18 teachers of the North Carolina School of Science and Mathematics, supported by State
19 funds and whose salaries are exempt from the State Personnel Act (EPA). These funds
20 shall be allocated to individuals according to the rules adopted by the Board of
21 Governors, or the Board of Trustees of the North Carolina School of Science and
22 Mathematics, as appropriate, and may not be used for any purpose other than for salary
23 increases and necessary employer contributions provided by this section. The Board of
24 Governors shall include consideration of increases based on performance in its adoption
25 of rules for the allocation of funds for salary increases."

26
27 Requested by: Representatives Holmes, Creech, Esposito

28 **MOST STATE EMPLOYEES**

29 Sec. 28.8. Section 7.14 of Chapter 507 of the 1995 Session Laws reads as
30 rewritten:

31 "Sec. 7.14. (a) The salaries in effect ~~June 30, 1995,~~ June 30, 1996, of all permanent
32 full-time State employees whose salaries are set in accordance with the State Personnel
33 Act, and who are paid from the General Fund or the Highway Fund shall be increased, on
34 or after ~~July 1, 1995,~~ July 1, 1996, unless otherwise provided by this act, by ~~two percent~~
35 ~~(2%)~~ three percent (3%).

36 (b) Except as otherwise provided in this act, salaries in effect ~~June 30, 1995,~~ June
37 30, 1996, for permanent full-time State officials and persons in exempt positions that are
38 recommended by the Governor or the Governor and the Advisory Budget Commission
39 and set by the General Assembly shall be increased by ~~two percent (2%)~~, ~~commencing~~
40 ~~July 1, 1995.~~ three percent (3%), commencing July 1, 1996.

41 (c) The salaries in effect ~~June 30, 1995,~~ June 30, 1996, for all permanent part-time
42 State employees shall be increased on and after ~~July 1, 1995,~~ July 1, 1996, by pro rata

1 amounts of the salary increases provided for permanent full-time employees covered
2 under subsection (a) of this section.

3 (d) The Director of the Budget may allocate out of special operating funds or from
4 other sources of the employing agency, except tax revenues, sufficient funds to allow a
5 salary increase on and after ~~July 1, 1995~~, July 1, 1996, in accordance with subsections
6 (a), (b), or (c) of this section, including funds for the employer's retirement and social
7 security contributions, of the permanent full-time and part-time employees of the agency.

8 (e) Within regular Executive Budget Act procedures as limited by this act, all
9 State agencies and departments may increase on an equitable basis the rate of pay of
10 temporary and permanent hourly State employees, subject to availability of funds in the
11 particular agency or department, by pro rata amounts salary increase provided for
12 permanent full-time employees covered by the provisions of subsection (a) of this
13 section, commencing ~~July 1, 1995~~, July 1, 1996.

14 (f) No person may receive a salary increase under G.S. 126-7 during the ~~1995-96~~
15 1996-97 fiscal year, and no State employee or officer shall receive a merit increment
16 during the ~~1995-96 and 1996-97~~ fiscal ~~years~~ year except as otherwise provided by this
17 act."
18

19 Requested by: Representatives Holmes, Creech, Esposito

20 **ALL STATE-SUPPORTED PERSONNEL**

21 Sec. 28.9. (a) Salaries and related benefits for positions that are funded partially
22 from the General Fund or Highway Fund and partially from sources other than the
23 General Fund or Highway Fund shall be increased from the General Fund or Highway
24 Fund appropriation only to the extent of the proportionate part of the salaries paid from
25 the General Fund or Highway Fund.

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

29 (c) The salary increases provided in this Part are to be effective July 1, 1996, do
30 not apply to persons separated from State service due to resignation, dismissal, reduction
31 in force, death, or retirement, whose last workday is prior to July 1, 1996, or to
32 employees involved in final written disciplinary procedures. The employee shall receive
33 the increase on a current basis when the final written disciplinary procedure is resolved.

34 Payroll checks issued to employees after July 1, 1996, which represent
35 payment of services provided prior to July 1, 1996, shall not be eligible for salary
36 increases provided for in this act. This subsection shall apply to all employees, subject to
37 or exempt from the State Personnel Act, paid from State funds, including public schools,
38 community colleges, and The University of North Carolina.

39 (d) The Director of the Budget shall transfer from the Reserve for Salary Increases
40 in this act for fiscal year 1996-97 all funds necessary for the salary increases provided by
41 this act, including funds for the employer's retirement and social security contributions.

42 (e) Nothing in this act authorizes the transfer of funds between the General
43 Fund and the Highway Fund for salary increases.

1
2 Requested by: Representatives Holmes, Creech, Esposito

3 **TEACHER SALARY SCHEDULES**

4 Sec. 28.10. (a) The Director of the Budget may transfer from the Reserve for Salary
5 Increases for the 1996-97 fiscal year funds necessary to implement the teacher salary
6 schedule set out in subsection (b) of this section, including funds for the employer's
7 retirement and social security contributions and funds for annual longevity payments at
8 one percent (1%) of base salary for 10 to 14 years of State service, one and one-half
9 percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base
10 salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base
11 salary for 25 or more years of State service, commencing July 1, 1996, for all teachers
12 whose salaries are supported from the State's General Fund. These funds shall be
13 allocated to individuals according to rules adopted by the State Board of Education and
14 the Superintendent of Public Instruction. The longevity payment shall be paid in a lump
15 sum once a year.

16 (b)(1) Beginning July 1, 1996, the following monthly salary schedule shall
17 apply to certified personnel of the public schools who are classified as
18 "A"teachers. The schedule contains 30 steps with each step
19 corresponding to one year of teaching experience.

20	Years of	1996-97
21	<u>Experience</u>	<u>Salary</u>
22	00	\$2,082
23	01	2,124
24	02	2,166
25	03	2,253
26	04	2,298
27	05	2,344
28	06	2,391
29	07	2,439
30	08	2,487
31	09	2,536
32	10	2,587
33	11	2,639
34	12	2,692
35	13	2,745
36	14	2,800
37	15	2,856
38	16	2,913
39	17	2,971
40	18	3,030
41	19	3,091
42	20	3,153
43	21	3,216

1	22	3,280
2	23	3,346
3	24	3,413
4	25	3,481
5	26	3,551
6	27	3,622
7	28	3,694
8	29	3,768
9	30+	3,768

10 (2) Beginning July 1, 1996, the following monthly salary schedule shall
 11 apply to certified personnel of the public schools who are classified as
 12 "G"teachers. The schedule contains 30 steps with each step
 13 corresponding to one year of teaching experience.

14	Years of	1996-97
15	<u>Experience</u>	<u>Salary</u>
16	00	\$2,212
17	01	2,257
18	02	2,302
19	03	2,394
20	04	2,442
21	05	2,491
22	06	2,540
23	07	2,591
24	08	2,642
25	09	2,695
26	10	2,748
27	11	2,803
28	12	2,859
29	13	2,916
30	14	2,975
31	15	3,035
32	16	3,096
33	17	3,158
34	18	3,221
35	19	3,285
36	20	3,351
37	21	3,418
38	22	3,486
39	23	3,556
40	24	3,627
41	25	3,700
42	26	3,774
43	27	3,849

1	28	3,926
2	29	4,005
3	30+	4,005

- (3) Certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G"teachers. Certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G"teachers.

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

Certified psychologists with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified psychologists. Certified psychologists with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified psychologists.

(d) Certified personnel of the public schools who are: (i) classified as "A"teachers; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as teachers for the first three pay periods of the 1996-97 school year shall receive a one-time bonus of seven hundred fifty-three dollars (\$753.00), payable at the third payroll period of the 1996-97 school year. Certified personnel of the public schools who are: (i) classified as "G"teachers; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as teachers for the first three pay periods of the 1996-97 school year, shall receive a one-time bonus of eight hundred one dollars (\$801.00), payable at the third payroll period of the 1996-97 school year. Certified personnel of the public schools who are: (i) certified based on academic preparation at the six-year degree level; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as teachers for the first three pay periods of the 1996-97 school year shall receive a one-time bonus of eight hundred twenty-six dollars (\$826.00), payable at the third payroll period of the 1996-97 school year. Certified personnel of the public schools who are: (i) certified based on academic preparation at the doctoral degree level; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as teachers for the first three pay periods of the 1996-97 school year shall receive a one-time bonus of eight hundred fifty-one dollars (\$851.00), payable at the third payroll period of the 1996-97 school year.

1 (e) Certified personnel of the public schools who are: (i) classified as
 2 psychologists with advanced degrees; (ii) at the maximum of their pay range on June 30,
 3 1996; and (iii) employed as school psychologists for the first three pay periods of the
 4 1996-97 school year, shall receive a one-time bonus of nine hundred ten dollars
 5 (\$910.00), payable at the third payroll period of the 1996-97 school year. Certified
 6 personnel of the public schools who are: (i) classified as psychologists with doctoral
 7 degrees; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as
 8 school psychologists for the first three pay periods of the 1996-97 school year, shall
 9 receive a one-time bonus of nine hundred thirty-seven dollars (\$937.00), payable at the
 10 third payroll period of the 1996-97 school year.

11
 12 Requested by: Representatives Holmes, Creech, Esposito

13 **SCHOOL-BASED ADMINISTRATOR SALARIES**

14 Sec. 28.11. (a) Funds appropriated to the Reserve for Salary Increases shall be used
 15 for the implementation of the salary schedule for school-based administrators as provided
 16 in this section. These funds shall be used for State-paid employees only.

17 (b) The salary schedule for school-based administrators shall apply only to
 18 principals and assistant principals. The salary schedule for the 1996-97 fiscal year is as
 19 follows:

20
 21
 22

23	Asst.								
24	Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI Prin. VII
26	0	—	—	—	—	—	—	—	—
27	1	—	—	—	—	—	—	—	—
28	2	—	—	—	—	—	—	—	—
29	3	—	—	—	—	—	—	—	—
30	4	\$2,516	—	—	—	—	—	—	—
31	5	2,567	—	—	—	—	—	—	—
32	6	2,618	—	—	—	—	—	—	—
33	7	2,670	—	—	—	—	—	—	—
34	8	2,723	\$2,723	—	—	—	—	—	—
35	9	2,777	2,777	—	—	—	—	—	—
36	10	2,833	2,833	\$2,890	—	—	—	—	—
37	11	2,890	2,890	2,948	—	—	—	—	—
38	12	2,948	2,948	3,007	\$3,067	—	—	—	—
39	13	3,007	3,007	3,067	3,128	\$3,191	—	—	—
40	14	3,067	3,067	3,128	3,191	3,255	\$3,320	—	—
41	15	3,128	3,128	3,191	3,255	3,320	3,386	—	—
42	16	3,191	3,191	3,255	3,320	3,386	3,454	\$3,523	—
43	17	3,255	3,255	3,320	3,386	3,454	3,523	3,593	\$3,665

1 (d) A principal shall be placed on the step on the salary schedule that reflects total
2 number of years of experience as a certificated employee of the public schools and an
3 additional step for every three years of experience as a principal.

4 (e) Principals and assistant principals with certification based on academic
5 preparation at the six-year degree level shall be paid a salary supplement of one hundred
6 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
7 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

8 (f) There shall be no State requirement that superintendents in each local
9 school unit shall receive in State-paid salary at least one percent (1%) more than the
10 highest paid principal receives in State salary in that school unit: Provided, however, the
11 additional State-paid salary a superintendent who was employed by a local school
12 administrative unit for the 1992-93 fiscal year received because of that requirement shall
13 not be reduced because of this subsection for subsequent fiscal years that the
14 superintendent is employed by that local school administrative unit so long as the
15 superintendent is entitled to at least that amount of additional State-paid salary under the
16 rules in effect for the 1992-93 fiscal year.

17 (g) Longevity pay for principals and assistant principals shall be as provided
18 for State employees.

19 (h) (1) If a principal is reassigned to a higher job classification because the
20 principal is transferred to a school within a local school administrative
21 unit with a larger number of State-allotted teachers, the principal shall
22 be placed on the salary schedule as if the principal had served the
23 principal's entire career as a principal at the higher job classification.

24 (2) If a principal is reassigned to a lower job classification because
25 the principal is transferred to a school within a local school
26 administrative unit with a smaller number of State-allotted
27 teachers, the principal shall be placed on the salary schedule as if
28 the principal had served the principal's entire career as a principal
29 at the lower job classification.

30 This subdivision applies to all transfers on or after the
31 ratification date of this act, except transfers in school systems
32 that have been created, or will be created, by merging two or
33 more school systems. Transfers in these merged systems are
34 exempt from the provisions of this subdivision for one calendar
35 year following the date of the merger.

36 (i) Except as provided in subsection (h) of this section, the salary of a principal
37 or assistant principal shall not be less for the 1996-97 fiscal year than it was for the 1993-
38 94 fiscal year solely as a result of placement on the salary schedule established in this
39 section.

40
41 Requested by: Representatives Holmes, Creech, Esposito

42 **SCHOOL CENTRAL OFFICE SALARIES**

1 Sec. 28.12. (a) The following monthly salary ranges apply to public school
2 superintendents, assistant superintendents, associate superintendents,
3 directors/coordinators, supervisors, and finance officers for the 1996-97 fiscal year:

- | | | | |
|----|-----|---------------------------|---------|
| 4 | (1) | School Administrator I: | \$2,778 |
| 5 | | - \$4,468 | |
| 6 | (2) | School Administrator II: | \$2,948 |
| 7 | | - \$4,742 | |
| 8 | (3) | School Administrator III: | |
| 9 | | \$3,128 - \$5,033 | |
| 10 | (4) | School Administrator IV: | \$3,255 |
| 11 | | - \$5,237 | |
| 12 | (5) | School Administrator V: | \$3,386 |
| 13 | | - \$5,449 | |
| 14 | (6) | School Administrator VI: | \$3,593 |
| 15 | | - \$5,782 | |
| 16 | (7) | School Administrator VII: | |
| 17 | | \$3,738 - \$6,016 | |

18 The local board of education shall determine the appropriate category and placement for
19 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
20 or finance officer, within the salary ranges and within funds appropriated by the General
21 Assembly for central office administrators and superintendents. The category in which
22 an employee is placed shall be included in the contract of any employee hired on or after
23 July 1, 1996.

24 (b) The following monthly salary ranges apply to public school superintendents
25 for the 1996-97 fiscal year:

- | | | | |
|----|-----|--|-------------------|
| 26 | (1) | Superintendent I (Up to 2,500 ADM): | \$3,968 - \$6,385 |
| 27 | (2) | Superintendent II (2,501 - 5,000 ADM): | \$4,211 - \$6,775 |
| 28 | (3) | Superintendent III (5,001 - 10,000 ADM): | \$4,468 - \$7,190 |
| 29 | (4) | Superintendent IV (10,001 - 25,000 ADM): | \$4,742 - \$7,630 |
| 30 | (5) | Superintendent V (Over 25,000 ADM): | \$5,033 - \$8,097 |

31 The local board of education shall determine the appropriate category and placement for
32 the superintendent based on the average daily membership of the local school
33 administrative unit and within funds appropriated by the General Assembly for central
34 office administrators and superintendents.

35 Notwithstanding the provisions of this subsection, a local board of education
36 may pay an amount in excess of the applicable range to a superintendent who is entitled
37 to receive the higher amount under Section 28.11(f) of this act.

38 (c) Longevity pay for superintendents, assistant superintendents, associate
39 superintendents, directors/coordinators, supervisors, and finance officers shall be as
40 provided for State employees.

41 (d) Superintendents, assistant superintendents, associate superintendents,
42 directors/coordinators, supervisors, and finance officers with certification based on
43 academic preparation at the six-year degree level shall receive a salary supplement of one

1 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
2 for pursuant to this section. Superintendents, assistant superintendents, associate
3 superintendents, directors/coordinators, supervisors, and finance officers with
4 certification based on academic preparation at the doctoral degree level shall receive a
5 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
6 the compensation provided for under this section.

7 (e) The State Board shall not permit local school administrative units to
8 transfer State funds from other funding categories for salaries for public school central
9 office administrators.

10 (f) The Director of the Budget shall transfer from the Reserve for Salary
11 Increases created in this act for fiscal year 1996-97 funds necessary to provide an average
12 annual salary increase of three percent (3%), including funds for the employer's
13 retirement and social security contributions, commencing July 1, 1996, for all permanent
14 full-time personnel paid from the Central Office Allotment. The State Board of Education
15 shall allocate these funds to local school administrative units. The local boards of
16 education shall establish guidelines for providing their salary increases to these
17 personnel.

18
19 Requested by: Representatives Holmes, Creech, Esposito

20 **NONCERTIFIED PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE**

21 Sec. 28.13. (a) The Director of the Budget may transfer from the Reserve for Salary
22 Increases created in this act for fiscal year 1996-97 funds necessary to provide a salary
23 increase of three percent (3%), including funds for the employer's retirement and social
24 security contributions, commencing July 1, 1996, for all noncertified public school
25 employees, except school bus drivers, whose salaries are supported from the State's
26 General Fund. These funds shall not be used for any purpose other than for the salary
27 increases and necessary employer contributions provided by this subsection.

28 (b) The fiscal year 1995-96 pay rates adopted by local boards of education for
29 school bus drivers shall be increased by at least three percent (3%) on and after July 1,
30 1996, to the extent that such rates of pay are supported by the allocation of State funds
31 from the State Board of Education. Local boards of education shall increase the rates of
32 pay for all school bus drivers who were employed during fiscal year 1995-96 and who
33 continue their employment for fiscal year 1996-97 by at least three percent (3%) on and
34 after July 1, 1996. The Director of the Budget may transfer from the salary increase
35 reserve fund created in this act for fiscal year 1996-97 funds necessary to provide the
36 salary increases for school bus drivers whose salaries are supported from the State's
37 General Fund in accordance with the provisions of this subsection.

38
39 Requested by: Representatives Holmes, Creech, Esposito

40 **STUDY COMMISSION ON THE COMPREHENSIVE COMPENSATION** 41 **SYSTEM**

42 Sec. 28.14. (a) The Study Commission on the Comprehensive Compensation
43 System is created. The Commission shall consist of nine members: three Representatives

1 appointed by the Speaker of the House of Representatives, three Senators appointed by
2 the President Pro Tempore of the Senate, and three members appointed by the Governor.
3 The Speaker of the House of Representatives shall designate one Representative as
4 cochair and the President Pro Tempore of the Senate shall designate one Senator as
5 cochair. Vacancies in the membership of the Commission shall be filled by the same
6 appointing officer who made the initial appointment.

7 (b) The Commission shall:

- 8 (1) Evaluate the Comprehensive Compensation System established
9 in Article 2 of Chapter 126 of the General Statutes; and
- 10 (2) Determine a methodology for funding the pay plan for State
11 employees at varying levels of appropriations to fund State pay
12 increases.

13 The Commission shall submit a final report of its findings and recommendations to the
14 General Assembly on or before the first day of the 1997 Session by filing the report with
15 the Speaker of the House of Representatives and the President Pro Tempore of the
16 Senate. Upon filing its final report, the Commission shall terminate.

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

22 (d) Members of the Commission who are legislators shall receive subsistence
23 and travel expenses at the rates set forth in G.S. 120-3.1. Other members of the
24 Commission shall receive reimbursement for travel expenses at the rates allowed by G.S.
25 138-6.

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

33 (f) All State departments and agencies shall furnish the Commission with any
34 information in their possession or available to them.

35
36 Requested by: Representatives Holmes, Creech, Esposito

37 **POSTRETIREMENT BENEFIT INCREASES**

38 Sec. 28.15. (a) G.S. 135-5 is amended by adding a new subsection to read:

39 "(bbb) From and after July 1, 1996, the retirement allowance to or on account of
40 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased
41 by three percent (3%) of the allowance payable on July 1, 1995, in accordance with G.S.
42 135-5(o). Furthermore, from and after July 1, 1996, the retirement allowance to or on
43 account of beneficiaries whose retirement commenced after July 1, 1995, but before June

1 30, 1996, shall be increased by a prorated amount of three percent (3%) of the allowance
2 payable as determined by the Board of Trustees based upon the number of months that a
3 retirement allowance was paid between July 1, 1995, and June 30, 1996."

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

5 "(q) From and after July 1, 1996, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased
7 by three percent (3%) of the allowance payable on July 1, 1995. Furthermore, from and
8 after July 1, 1996, the retirement allowance to or on account of beneficiaries whose
9 retirement commenced after July 1, 1995, but before June 30, 1996, shall be increased by
10 a prorated amount of three percent (3%) of the allowance payable as determined by the
11 Board of Trustees based upon the number of months that a retirement allowance was paid
12 between July 1, 1995, and June 30, 1996."

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

14 "(k) In accordance with subsection (a) of this section, from and after July 1, 1996,
15 the retirement allowance to or on account of beneficiaries whose retirement commenced
16 on or before January 1, 1996, shall be increased by three percent (3%) of the allowance
17 payable on January 1, 1996. Furthermore, from and after July 1, 1996, the retirement
18 allowance to or on account of beneficiaries whose retirement commenced after January 1,
19 1996, but before June 30, 1996, shall be increased by a prorated amount of three percent
20 (3%) of the allowance payable as determined by the Board of Trustees based upon the
21 number of months that a retirement allowance was paid between January 1, 1996, and
22 June 30, 1996."

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

24 "(rr) From and after July 1, 1996, the retirement allowance to or on account of
25 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased
26 by three percent (3%) of the allowance payable on July 1, 1995, in accordance with G.S.
27 128-27(k). Furthermore, from and after July 1, 1996, the retirement allowance to or on
28 account of beneficiaries whose retirement commenced after July 1, 1995, but before June
29 30, 1996, shall be increased by a prorated amount of three percent (3%) of the allowance
30 payable as determined by the Board of Trustees based upon the number of months that a
31 retirement allowance was paid between July 1, 1995, and June 30, 1996."

32
33 Requested by: Representatives Holmes, Creech, Esposito

34 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

35 Sec. 28.16. Section 7.1(b) of Chapter 324 of the 1995 Session Laws, as
36 amended by Section 7.22A of Chapter 507 of the 1995 Session Laws, reads as rewritten:

37 "(b) Effective ~~July 1, 1995,~~ July 1, 1996, the State's employer contribution rates
38 budgeted for retirement and related benefits as a percentage of covered salaries for the
39 1995-96 fiscal year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers
40 and State Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State
41 Law Enforcement Officers; (iii) nine and eighteen hundredths percent (9.18%) -
42 University Employees' Optional Retirement Program; (iv) twenty-two and sixty-five
43 hundredths percent (22.65%) - Consolidated Judicial Retirement System; and (v) twenty-

1 three and ~~twenty-seven hundredths percent (23.27%)~~ eighty-one hundredths percent
2 (23.81%) - Legislative Retirement System. Each of the foregoing contribution rates
3 includes two percent (2%) for hospital and medical benefits. The rate for State Law
4 Enforcement Officers includes five percent (5%) for the Supplemental Retirement
5 Income Plan. The rates for Teachers and State Employees, State Law Enforcement
6 Officers, and for the University Employees' Optional Retirement Program includes fifty-
7 two hundredths percent (0.52%) for the Disability Income Plan."
8

9 Requested by: Representatives Holmes, Creech, Esposito, Dockham

10 **STATE EMPLOYEE HEALTH BENEFIT PLAN/PREEXISTING HEALTH**
11 **CONDITIONS**

12 Sec. 28.17. (a) G.S. 135-40.1(15) reads as rewritten:

13 "(15) Preexisting Condition. – A condition, disease, illness or injury ~~which~~
14 ~~existed or had its beginning to any degree, whether diagnosed or not,~~
15 diagnosed and treated within six months prior to the effective date of
16 coverage."

17 (b) G.S. 135-40.3(b) is amended by adding a new subdivision to read:

18 "(5) To administer the 12-month waiting period for preexisting conditions
19 under this Article, the Plan must give credit against the 12-month period
20 for the time that a person was covered under a previous plan if the
21 previous plan's coverage was continuous to a date not more than 60 days
22 before the effective date of coverage. As used in this subdivision, a
23 'previous plan' means any policy, certificate, contract, or any other
24 arrangement provided by any accident and health insurer, any hospital
25 or medical service corporation, any health maintenance organization,
26 any preferred provider organization, any multiple employer welfare
27 arrangement, any self-insured health benefit arrangement, any
28 governmental health benefit or health care plan or program, or any other
29 health benefit arrangement."

30 (c) This section is effective July 1, 1995.
31

32 **PART 29. MISCELLANEOUS PROVISIONS**
33

34 Requested by: Representatives Holmes, Creech, Esposito

35 **EXECUTIVE BUDGET ACT APPLIES**

36 Sec. 29. The provisions of the Executive Budget Act, Chapter 143, Article 1 of
37 the General Statutes are reenacted and shall remain in full force and effect and are
38 incorporated in this act by reference.
39

40 Requested by: Representatives Holmes, Creech, Esposito

41 **COMMITTEE REPORT**

42 Sec. 29.1. (a) The House Appropriations Committee Continuation Budget Report,
43 dated May, 23, 1996, together with any accompanying correction sheets, which was

1 distributed in the House of Representatives and used to explain this act, shall indicate
2 action by the General Assembly on this act and shall therefore be used to construe this
3 act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall
4 be considered a part of this act.

5 (b) The budget enacted by the General Assembly for the maintenance of the
6 various departments, institutions, and other spending agencies of the State for the 1995-
7 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
8 and the State Accounting System Uniform Chart of Accounts set out in the
9 Administrative Policies and Procedures Manual of the Office of the State Controller.
10 This budget includes the appropriations made from all sources including the General
11 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
12 receipts.

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

- 17 (1) Negative reserves set out in the submitted budget were deleted and the
18 totals were increased accordingly.
- 19 (2) The base budget was adjusted in accordance with the base budget cuts
20 and additions that were set out in the House Appropriations Committee
21 Continuation Budget Report, dated May 23, 1996, together with any
22 accompanying correction sheets.
- 23 (3) Transfers of funds supporting programs were made in accordance with
24 the House Appropriations Committee Continuation Budget Report,
25 dated May 23, 1996, together with any accompanying correction sheets.

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

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

32
33 Requested by: Representatives Holmes, Creech, Esposito

34 **MOST TEXT APPLIES ONLY TO 1996-97**

35 Sec. 29.2. Except for statutory changes or other provisions that clearly indicate
36 an intention to have effects beyond the 1996-97 fiscal year, the textual provisions of this
37 act apply only to funds appropriated for, and activities occurring during, the 1996-97
38 fiscal year.

39
40 Requested by: Representatives Holmes, Creech, Esposito

41 **1995-96 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

42 Sec. 29.3. (a) Except where expressly repealed or amended by this act, the
43 provisions of Chapters 324 and 507 of the 1995 Session Laws remain in effect.

1 (b) Notwithstanding any modifications by this act in the amounts appropriated,
2 except where expressly repealed or amended, the limitations and directions for the 1995-
3 96 fiscal year in Chapters 324 and 507 of the 1995 Session Laws that applied to
4 appropriations to particular agencies or for particular purposes apply to the newly enacted
5 appropriations and budget reductions of this act for those same particular purposes.
6

7 Requested by: Representatives Holmes, Creech, Esposito

8 **EFFECT OF HEADINGS**

9 Sec. 29.4. The headings to the parts and sections of this act are a convenience
10 to the reader and are for reference only. The headings do not expand, limit, or define the
11 text of this act.
12

13 Requested by: Representatives Holmes, Creech, Esposito

14 **SEVERABILITY CLAUSE**

15 Sec. 29.5. If any section or provision of this act is declared unconstitutional or
16 invalid by the courts, it does not affect the validity of this act as a whole or any part other
17 than the part so declared to be unconstitutional or invalid.
18

19 Requested by: Representatives Holmes, Creech, Esposito

20 **EFFECTIVE DATE**

21 Sec. 29.6. Except as otherwise provided, this act becomes effective July 1,
22 1996.