

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 229  
Committee Substitute Favorable 4/27/95  
Third Edition Engrossed 5/3/95  
Senate Appropriations Committee Substitute Adopted 5/18/95  
Fifth Edition Engrossed 5/18/95

Short Title: '95 Continuation Budget.

(Public)

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Sponsors:

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Referred to:

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February 21, 1995

1 A BILL TO BE ENTITLED  
2 AN ACT TO APPROPRIATE FUNDS FOR THE CONTINUATION BUDGET  
3 OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES,  
4 AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6  
7 **PART 1. INTRODUCTION AND TITLE OF ACT**

8  
9 **INTRODUCTION**

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

1  
2 **TITLE OF ACT**

3           Sec. 1.1. This act shall be known as the Continuation Budget Operations  
4 Appropriations Act of 1995.

5  
6 **PART 2. GENERAL FUND APPROPRIATIONS**

7  
8 **CURRENT OPERATIONS/GENERAL FUND**

9           Sec. 2. Appropriations from the General Fund of the State for the maintenance  
10 of the State departments, institutions, and agencies, and for other purposes as enumerated  
11 are made for the biennium ending June 30, 1997, according to the schedule that follows.  
12 Amounts set out in brackets are reductions from General Fund appropriations for the  
13 1995-96 and 1996-97 fiscal years.

14	15 <u>Current Operations - General Fund</u>	16	17 <u>1995-96</u>	18	19 <u>1996-97</u>
17	General Assembly		\$ 27,313,680	\$	30,702,253
19	Judicial Department		279,906,085		282,890,857
21	Office of the Governor				
22	01. Office of the Governor	18,198,622	18,307,085		
23	02. Office of State Budget				
24	and Management	3,442,164	3,578,579		
25	03. Office of State Planning	1,704,652	1,707,057		
26	04. Housing Finance Agency	2,300,000	2,300,000		
28	Office of the Lieutenant Governor			577,313	578,729
30	Department of Secretary of State			4,580,487	4,632,853
32	Department of State Auditor			8,822,793	8,828,840
34	Department of State Treasurer				
35	01. State Treasurer	6,015,881	6,023,960		
36	02. Special Contributions	7,477,187	7,477,187		
38	Department of Public Education			3,921,801,088	3,986,893,062
40	Department of Justice			63,989,315	64,196,421
42	Department of Administration			52,166,311	53,421,227

1	Department of Agriculture	45,496,479	45,745,793
2			
3	Department of Labor	15,054,312	14,902,477
4			
5	Department of Insurance	19,425,166	18,716,396
6			
7	Department of Transportation		
8	01.    Aeronautics	9,434,000	10,047,210
9	02.    Aid to Railroads	100,000	100,000
10	Total Department of		
11	Transportation	9,534,000	10,147,210
12			
13	Department of Environment, Health, and		
14	Natural Resources	228,151,130	228,130,320
15			
16	Office of Administrative Hearings	2,041,641	2,046,136
17			
18	Rules Review Commission	262,661	262,661
19			
20	Department of Human Resources		
21	01.    Office of the Secretary	23,762,679	23,406,266
22	02.    Division of Aging	12,925,967	12,926,726
23	03.    Division of Child Development	120,577,456	127,437,199
24	04.    Division of Services for the		
25	Deaf and Hard of Hearing	24,258,781	24,972,142
26	05.    Division of Social Services	200,403,691	203,840,889
27	06.    Division of Medical Assistance	1,045,077,626	1,169,772,076
28	07.    Division of Services		
29	for the Blind	15,285,610	15,231,439
30	08.    Division of Mental Health,		
31	Developmental Disabilities, and		
32	Substance Abuse Services	474,766,338	472,445,902
33	09.    Division of Facility Services	9,198,369	9,126,950
34	10.    Division of Vocational		
35	Rehabilitation Services	26,298,805	26,632,617
36	11.    Division of Youth Services	70,849,319	69,388,246
37	Total Department of Human Resources	2,023,404,641	2,155,180,452
38			
39	Department of Correction	769,566,087	797,559,181
40			
41	Department of Commerce		
42	01.    Commerce	36,028,031	35,905,893
43	02.    Biotechnology Center	7,864,396	7,864,396

1	03.	MCNC	19,765,000	19,765,000		
2	04.	Rural Economic Development				
3		Center	1,370,000	1,370,000		
4						
5		Department of Revenue			59,706,976	59,602,150
6						
7		Department of Cultural Resources			44,125,706	45,025,630
8						
9		Department of Crime Control				
10		and Public Safety			0	0
11						
12		Office of the State Controller			8,718,487	8,727,680
13						
14		University of North Carolina - Board				
15		of Governors				
16	01.	General Administration	17,782,792	17,962,204		
17	02.	University Institutional				
18		Programs	6,768,790	6,768,790		
19	03.	Related Educational Programs	52,679,326	53,446,571		
20	04.	University of North Carolina				
21		at Chapel Hill				
22		a. Academic Affairs	153,219,631	156,062,801		
23		b. Health Affairs	124,078,391	125,853,313		
24		c. Area Health Education				
25		Centers	35,991,051	35,978,072		
26	05.	North Carolina State University				
27		at Raleigh				
28		a. Academic Affairs	194,715,829	199,027,552		
29		b. Agricultural Research Service	39,457,498	39,213,704		
30		c. Cooperative Extension Service	30,881,128	30,893,309		
31	06.	University of North Carolina at				
32		Greensboro	59,151,286	59,581,696		
33	07.	University of North Carolina at				
34		Charlotte	67,170,862	67,941,217		
35	08.	University of North Carolina at				
36		Asheville	19,133,606	19,420,856		
37	09.	University of North Carolina at				
38		Wilmington	37,351,229	38,017,539		
39	10.	East Carolina University				
40		a. Academic Affairs	84,176,815	84,821,204		
41		b. Division of Health Affairs	39,848,279	39,894,910		
42	11.	North Carolina Agricultural and				
43		Technical State University	48,700,804	49,156,475		

1	12.	Western Carolina University	40,971,740	41,243,952
2	13.	Appalachian State University	57,890,563	58,394,268
3	14.	Pembroke State University	18,201,864	18,287,430
4	15.	Winston-Salem State University	18,817,355	19,032,586
5	16.	Elizabeth City State		
6		University	18,290,299	18,370,727
7	17.	Fayetteville State University	23,135,861	23,320,254
8	18.	North Carolina Central		
9		University	33,308,525	33,650,966
10	19.	North Carolina School of the		
11		Arts	10,167,027	10,352,392
12	20.	North Carolina School of		
13		Science and Mathematics	8,589,705	8,769,269
14	21.	UNC Hospitals at Chapel Hill	44,627,960	44,627,960
15	Total University of North			
16	Carolina - Board of Governors		1,285,108,216	1,300,090,017
17				
18	Department of Community Colleges		436,359,167	436,988,159
19				
20	State Board of Elections		835,456	835,673
21				
22	Contingency and Emergency		1,125,000	1,125,000
23				
24	Reserve for Compensation Increase		2,000,000	2,000,000
25				
26	Reserve for Salary Adjustments		1,000,000	1,500,000
27				
28	Fixed Period for Amortization			
29	and Other Retirement Changes		(6,084,400)	(6,084,400)
30				
31	Debt Service		116,805,051	115,113,536
32				
33	GRAND TOTAL CURRENT OPERATIONS –			
34	GENERAL FUND		\$9,525,958,781	\$9,774,057,470
35				

### PART 3. CURRENT OPERATIONS/HIGHWAY FUND

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

43	<u>Current Operations - Highway Fund</u>	<u>1995-96</u>	<u>1996-97</u>
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1				
2	Department of Transportation			
3	01. Administration	\$36,479,381	\$36,663,220	
4	02. Division of Highways			
5	a. Administration and			
6	Operations	35,978,558	36,044,682	
7	b. State Construction			
8	(01) Secondary Construction	73,900,000	75,563,941	
9	(02) Urban Construction	28,000,000	28,000,000	
10	(03) Access and Public			
11	Service Roads			2,000,000 2,000,000
12	(04) Spot Safety Improvements	9,100,000	9,100,000	
13	c. State Funds to Match Federal			
14	Highway Aid			
15	(01) Construction	33,153,153	33,153,153	
16	(02) Highway Planning/			
17	Research			2,959,649 2,959,649
18	d. State Maintenance			
19	(01) Primary	106,146,405	106,146,405	
20	(02) Secondary	185,554,790	185,554,790	
21	(03) Urban	30,764,757	30,764,757	
22	(04) Contract Resurfacing	89,127,392	89,127,392	
23	e. Ferry Operations	17,947,994	17,947,994	
24	03. Division of Motor Vehicles	81,572,443	79,937,436	
25	04. Governor's Highway Safety Program	302,968	303,237	
26	05. State Aid to Municipalities	73,900,000	75,563,941	
27	06. State Aid for Public			
28	Transportation	10,246,921	10,246,921	
29	07. State Aid for Railroads	800,000	800,000	
30	08. Reserve for Salary Adjustments		200,000 200,000	
31	09. Reserve for OSHA Deficiencies		425,000 425,000	
32	10. Reserve for Increase in Travel			
33	Reimbursement Rate	200,000	200,000	
34	11. Reserve for Asphalt			
35	Plant Cleanup	1,000,000	1,000,000	
36	12. Reserve for Global			
37	Transpark Authority	750,000	750,000	
38	13. Reserves for Employee Benefits			
39	a. Change in amortization period	(201,451)	(201,451)	
40	b. Disability Income Plan			
41	increase	154,963	154,963	
42	c. Fixed Period for Amortization			
43	and Other Retirement Changes	(154,963)	(154,963)	

1	14.	Transfer to Highway Trust Fund	12,100,000	32,300,000
2	15.	Debt Service	25,133,780	4,978,215
3				
4		Appropriations to Other State Agencies		
5	01.	Crime Control and Public		
6		Safety	104,040,927	105,438,322
7	02.	Other Agencies		
8	a.	Department of Agriculture	3,025,401	3,162,344
9	b.	Department of Revenue	2,268,383	2,270,054
10	c.	Department of Environment,		
11		Health, and Natural Resources:		
12		LUST Trust Fund	6,119,216	6,162,602
13		Chemical Test Program	391,903	391,903
14	d.	Department of Public		
15		Instruction	21,188,826	21,188,826
16	e.	Department of State		
17		Treasurer	11,130,000	11,853,450
18				
19		GRAND TOTAL CURRENT OPERATIONS –		
20		HIGHWAY FUND		\$1,005,706,396 \$1,009,996,783

**PART 4. HIGHWAY TRUST FUND**

Sec. 4. Appropriations from the Highway Trust Fund are made for the fiscal biennium ending June 30, 1997, according to the following schedule:

27	<u>Highway Trust Fund</u>	<u>1995-96</u>	<u>1996-97</u>
28			
29	01.	Intrastate System	\$295,184,649 \$319,382,722
30	02.	Secondary Roads Construction	61,918,898 64,954,983
31	03.	Urban Loops	119,360,379 129,145,071
32	04.	State Aid - Municipalities	30,971,755 33,510,697
33	05.	Program Administration	20,996,319 21,852,527
34	06.	Transfer to General Fund	170,000,000 170,000,000
35			
36		GRAND TOTAL/HIGHWAY TRUST FUND	\$698,432,000 \$738,846,000

**PART 5. GENERAL FUND/HIGHWAY FUND AVAILABILITY STATEMENTS/RESERVE FOR REPAIRS AND RENOVATIONS**

Requested by: Senators Odom, Plyler, Perdue

**BUDGET REFORM STATEMENTS**

1           Sec. 5. The General Fund and availability used in developing the 1995-97  
2 budget is as shown below:

3	(1)	Composition of the 1995-97 beginning availability:	
4	a.	Revenue collections in 1994-95 in	
5		excess of authorized estimates	\$192.00
6	b.	Unexpended appropriations	
7		during 1994-95 (reversions)	162.40
8	c.	Balance brought forward	<u>33.40</u>
9		Subtotal	387.80
10	d.	Transfer to Savings Reserve	96.90
11	e.	Transfer to Reserve	
12		for Repair and	
13		Renovations	<u>125.00</u>
14		Ending Fund Balance	\$ 165.9

17		<u>1995-96</u>	<u>1996-97</u>
18	(2)	Beginning Unrestricted	
19		Fund Balance	\$ 165.9      \$ -
20			
21	(3)	Revenues Based on Existing Tax	
22		Structure	10,019.6      10,658.1
23			

24	(4)	94-95 Reserve for Tax	
25		Reductions	28.1      -

26 Changes:

27				
28	1.	Tax Reductions		
29		(a) Personal Income	-235.0	-244.1
30		(b) Intangibles Repeal	-124.4	-124.5
31	2.	Local Sales Tax -		
32		Local Government Commission	1.5	1.5
33	3.	Insurance Regulatory Charges		4.7      3.9
34	4.	Treasurer's Banking Fees		-7      -7
35	5.	Disproportionate Share		
36		Receipts	106.9	117.7
37	6.	Investment Income Electronic		
38		Fund Transfers	2.0	2.0
39		Availability	\$9,968.6	\$10,413.9
40				

41 Requested by: Senators Odom, Plyler, Perdue

42 **HIGHWAY FUND AVAILABILITY**



1           Sec. 5.1. The Highway Fund appropriations availability used in developing the  
2 1995-97 Highway Fund budget is shown below:

	(\$ Million)	(\$ Million)	
	<u>1995-96</u>	<u>1996-97</u>	
5    Beginning Credit Balance	\$ 19,382,000	\$ -	
6    Estimated Revenue	1,023,228,000	1,046,316,000	
7    Reversions:			
8        Financial System Funds	1,300,000		
9        Ferry Credit Balance	200,000		
10       Capital Improvements	4,112,266		
11			
12 <b>Total Highway Fund Availability</b>	<b>\$1,048,222,266</b>	<b>\$1,046,316,000</b>	

13  
14 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
15 Perdue

16 **REPAIRS RESERVE ACCOUNT CHANGES**

17       Sec. 5.2. (a) G.S. 143-15.2 reads as rewritten:

18 **"§ 143-15.2. Use of General Fund credit balance.**

19       The State Controller shall reserve up to one-fourth of any unreserved credit balance,  
20 as determined on a cash basis, remaining in the General Fund at the end of each fiscal  
21 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would  
22 result in the Savings Reserve Account having funds in excess of five percent (5%) of the  
23 amount appropriated the preceding year for the General Fund operating budget, including  
24 local government tax-sharing funds; in that case, only funds sufficient to reach the five  
25 percent (5%) level shall be reserved. The State Controller shall also reserve the ~~lesser~~  
26 greater of (i) one-fourth of any unreserved credit balance, as determined on a cash basis,  
27 remaining in the General Fund and (ii) ~~one and one-half percent (1.5%)~~ three percent  
28 (3%) of the replacement value of all State buildings supported from the General Fund, at  
29 the end of each fiscal year to the Repairs and Renovations Reserve Account as provided  
30 in G.S. 143-15.3A. The General Assembly may appropriate that part of the anticipated  
31 General Fund credit balance not expected to be reserved to the Savings Reserve Account  
32 or the Repairs and Renovations Reserve Account only for capital improvements or other  
33 one-time expenditures. As used in this section, the term 'unreserved credit balance'  
34 means the credit balance amount, as determined on a cash basis, before funds are  
35 reserved by the Controller to the Savings Reserve Account or the Repairs and  
36 Renovations Reserve Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A."

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

38 **"§ 143-15.3A. Repairs and Renovations Reserve Account.**

39       (a) There is established a Repairs and Renovations Reserve Account as a restricted  
40 reserve in the General Fund. The State Controller shall reserve to the Repairs and  
41 Renovations Reserve Account the greater of (i) one-fourth of any unreserved credit  
42 balance as determined on a cash basis, remaining in the General Fund and (ii) three  
43 percent (3%) of the replacement value of all State buildings supported from the General

1 Fund, at the end of each fiscal year. As used in this section, the term 'unreserved credit  
2 balance' means the credit balance amount, as determined on a cash basis, before funds are  
3 reserved by the Controller to the Savings Reserve Account or the Repairs and  
4 Renovations Reserve Account pursuant to this section and G.S. 143-15.3.

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

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

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

27 The Director of the Budget shall not use funds in the Repairs and Renovations  
28 Reserve Account unless the use has been approved by an act of the General Assembly."

29 (c) This section becomes effective June 30, 1995.  
30

31 Requested by: Senators Odom, Plyler, Perdue

## 32 **EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND** 33 **RENOVATIONS**

34 Sec. 5.3. Of the funds in the Reserve for Repairs and Renovations for the  
35 1995-96 fiscal year, fifty percent (50%), shall be allocated to the Board of Governors of  
36 The University of North Carolina for repairs and renovations pursuant to G.S.143-15.3A,  
37 in accordance with guidelines developed in The University of North Carolina Funding  
38 Allocation Model for Reserve for Repairs and Renovations, as approved by the Board of  
39 Governors of The University of North Carolina; and fifty percent (50%) shall be  
40 allocated to the Office of State Budget and Management for repairs and renovations  
41 pursuant to G.S. 143-15.3A.

42 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds  
43 for the repair and renovation of facilities not supported from the General Fund if the

1 Board determines that sufficient funds are not available from other sources and that  
2 conditions warrant General Fund assistance. Any such finding shall be included in the  
3 Board's submission to the Joint Legislative Commission on Governmental Operations on  
4 the proposed allocation of funds.

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

## 11 12 **PART 6. GENERAL PROVISIONS**

13  
14 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
15 Perdue

### 16 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL** 17 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

18 Sec. 6.1. There is appropriated out of the cash balances, federal receipts, and  
19 departmental receipts available to each department, sufficient amounts to carry on  
20 authorized activities included under each department's operations. All these cash  
21 balances, federal receipts, and departmental receipts shall be expended and reported in  
22 accordance with provisions of the Executive Budget Act, except as otherwise provided by  
23 statute, and shall be expended at the level of service authorized by the General Assembly.  
24 If the receipts, other than gifts and grants that are unanticipated and are for a specific  
25 purpose only, collected in a fiscal year by an institution, department, or agency exceed  
26 the receipts certified for it in General Fund Codes or Highway Fund Codes, then the  
27 Director of the Budget shall decrease the amount he allots to that institution, department,  
28 or agency from appropriations from that Fund by the amount of the excess, unless the  
29 Director of the Budget finds that the appropriations from the Fund are necessary to  
30 maintain the function that generated the receipts at the level anticipated in the certified  
31 Budget Codes for that Fund. Funds that become available from overrealized receipts in  
32 General Fund Codes and Highway Fund Codes, other than gifts and grants that are  
33 unanticipated and are for a specific purpose only, shall not be used for new permanent  
34 employee positions or to raise the salary of existing employees except:

35 (1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4, or 143-27;  
36 or

37 (2) If the Director of the Budget finds that the new permanent employee  
38 positions are necessary to maintain the function that generated the  
39 receipts at the level anticipated in the certified budget codes for that  
40 Fund. The Director of the Budget shall notify the President Pro  
41 Tempore of the Senate, the Speaker of the House of Representatives, the  
42 chairmen of the appropriations committees of the Senate and the House  
43 of Representatives, and the Fiscal Research Division of the Legislative

1 Services Office that he intends to make such a finding at least 10 days  
2 before he makes the finding. The notification shall set out the reason  
3 the positions are necessary to maintain the function.

4 The Office of State Budget and Management shall report to the Joint Legislative  
5 Commission on Governmental Operations and to the Fiscal Research Division of the  
6 Legislative Services Office within 30 days after the end of each quarter the General Fund  
7 Codes or Highway Fund Codes that did not result in a corresponding reduced allotment  
8 from appropriations from that Fund.

9 The Director of the Budget shall develop necessary budget controls,  
10 regulations, and systems to ensure that these funds and other State funds subject to the  
11 Executive Budget Act, are not spent in a manner which would cause a deficit in  
12 expenditures.

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

19  
20 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
21 Perdue

## 22 **INSURANCE AND FIDELITY BONDS**

23 Sec. 6.2. All insurance and all official fidelity and surety bonds authorized for  
24 the several departments, institutions, and agencies shall be effected and placed by the  
25 Insurance Department, and the cost of placement shall be paid by the affected  
26 department, institution, or agency with the approval of the Insurance Commissioner.

27  
28 Requested by: Senators Odom, Plyler, Perdue

## 29 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

30 Sec. 6.3. Of the funds appropriated in this act to the Contingency and  
31 Emergency Fund, the sum of nine hundred thousand dollars (\$900,000) for the 1995-96  
32 fiscal year and the sum of nine hundred thousand dollars (\$900,000) for the 1996-97  
33 fiscal year shall be designated for emergency allocations, which are for the purposes  
34 outlined in G.S. 143-23(a1)(3), (4), and (5). Two hundred twenty-five thousand dollars  
35 (\$225,000) for the 1995-96 fiscal year and two hundred twenty-five thousand dollars  
36 (\$225,000) for the 1996-97 fiscal year shall be designated for other allocations from the  
37 Contingency and Emergency Fund.

38  
39 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
40 Perdue

## 41 **AUTHORIZED TRANSFERS**

42 Sec. 6.4. The Director of the Budget may transfer to General Fund budget  
43 codes from the General Fund salary adjustment appropriation, and may transfer to

1 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,  
2 amounts required to support approved salary adjustments made necessary by difficulties  
3 in recruiting and holding qualified employees in State government. The funds may be  
4 transferred only when the use of salary reserve funds in individual operating budgets is  
5 not feasible.

6  
7 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
8 Perdue

#### 9 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

10 Sec. 6.5. All funds appropriated by this act into reserves may be expended  
11 only for the purposes for which the reserves were established.

12  
13 Requested by: Representatives Holmes, Creech, Esposito, Senators, Odom, Plyler,  
14 Perdue

#### 15 **STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY**

16 Sec. 6.6. Each private, nonprofit entity eligible to receive State funds, either  
17 by General Assembly appropriation, or by grant, loan, or other allocation from a State  
18 agency, before funds may be disbursed to the entity, shall file with the disbursing agency  
19 a notarized copy of that entity's policy addressing conflicts of interest that may arise  
20 involving the entity's management employees and the members of its board of directors  
21 or other governing body. The policy shall address situations where any of these  
22 individuals may directly or indirectly benefit, except as the entity's employees or  
23 members of the board or other governing body, from the entity's disbursing of State  
24 funds, and shall include actions to be taken by the entity or the individual, or both, to  
25 avoid conflicts of interest and the appearance of impropriety.

26  
27 Requested by: Senators Odom, Plyler, Perdue

#### 28 **DISPOSITION OF DISPROPORTIONATE SHARE RECEIPTS**

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

#### 35 36 **PART 7. SALARIES AND BENEFITS**

37  
38 Requested by: Senators Odom, Plyler, Perdue

#### 39 **SALARY RELATED CONTRIBUTIONS/EMPLOYERS**

40 Sec. 7.1. (a) Required employer salary-related contributions for employees whose  
41 salaries are paid from department, office, institution, or agency receipts shall be paid  
42 from the same source as the source of the employees' salaries. If an employee's salary is  
43 paid in part from the General Fund or Highway Fund and in part from department, office,

1 institution, or agency receipts, required employer salary-related contributions may be  
2 paid from the General Fund or Highway Fund only to the extent of the proportionate part  
3 paid from the General Fund or Highway Fund in support of the salary of the employee,  
4 and the remainder of the employer's requirements shall be paid from the source that  
5 supplies the remainder of the employee's salary. The requirements of this section as to  
6 source of payment are also applicable to payments on behalf of the employee for  
7 hospital-medical benefits, longevity pay, unemployment compensation, accumulated  
8 leave, workers' compensation, severance pay, separation allowances, and applicable  
9 disability income and disability salary continuation benefits.

10 (b) Effective July 1, 1995, the State's employer contribution rates budgeted for  
11 retirement and related benefits as a percentage of covered salaries for the 1995-96 fiscal  
12 year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State  
13 Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State Law  
14 Enforcement Officers; (iii) nine and ten hundredths percent (9.10%) - University  
15 Employees' Optional Retirement Program; (iv) twenty-two and sixty-five hundredths  
16 percent (22.65%) - Consolidated Judicial Retirement System; and (v) twenty-three and  
17 twenty-seven hundredths percent (23.27%) - Legislative Retirement System. Each of the  
18 foregoing contribution rates includes two percent (2%) for hospital and medical benefits.  
19 The rate for State Law Enforcement Officers includes five percent (5%) for the  
20 Supplemental Retirement Income Plan. The rates for Teachers and State Employees,  
21 State Law Enforcement Officers, and for the University Employees' Optional Retirement  
22 Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan.

23 (c) The General Assembly authorizes the Board of Trustees of the Teachers' and  
24 State Employees' Retirement System to adopt a fixed amortization period of nine years  
25 for purposes of the unfunded accrued liability for the Retirement System.

26 (d) The maximum annual employer contributions, payable monthly, by the State  
27 for each covered employee or retiree for the 1995-96 fiscal year and for the 1996-97  
28 fiscal year to the Teachers' and State Employees' Comprehensive Major Medical Plan  
29 are: (i) Medicare-eligible employees and retirees - one thousand three hundred twenty-  
30 one dollars (\$1,321); and (ii) Non-Medicare-eligible employees and retirees - one  
31 thousand seven hundred thirty-six dollars (\$1,736).

## 32 33 PART 8. GENERAL ASSEMBLY

34  
35 Requested by: Senator Warren

### 36 CONFIDENTIALITY OF REQUESTS FOR ASSISTANCE IN THE 37 PREPARATION OF FISCAL NOTES

38 Sec. 8.1. (a) Article 17 of Chapter 120 of the General Statutes is amended by  
39 adding a new section to read:

#### 40 "§ 120-131.1. Requests from legislative employees for assistance in the preparation 41 of fiscal notes.

42 (a) A request made to an employee of a State agency other than the General  
43 Assembly by an employee of the Fiscal Research Division for assistance in the

1 preparation of a fiscal note is confidential. An employee of a State agency other than the  
2 General Assembly who receives such a request or who learns of such a request made to  
3 another employee of his or her agency shall reveal the existence of the request only to  
4 other employees of the agency to the extent that it is necessary to respond to the request,  
5 and to the employee's supervisor and to the Office of State Budget and Management. All  
6 documents prepared by the employee in response to the request of the Fiscal Research  
7 Division are also confidential and shall be kept confidential in the same manner as the  
8 original request.

9 (b) As used in this section, 'employee' means an employee or officer of a State  
10 agency.

11 (c) Violation of this section may be grounds for disciplinary action."

12 (b) This section becomes effective 30 days after ratification.

13  
14 Requested by: Senator Warren

### 15 **LRC STUDY CIVILIANIZATION**

16 Sec. 8.3. The Legislative Research Commission may study issues related to  
17 civilianizing certain State government law enforcement functions and positions, including  
18 the appropriate use of nonsworn, noncertified personnel in positions for which sworn  
19 status is not cost-effective or required. This study shall include the recommendations  
20 made by the Government Performance Audit Committee on civilianization to the 1993  
21 General Assembly.

22 The Legislative Research Commission may make an interim report, including  
23 any legislative recommendations, to the 1995 General Assembly, Regular Session 1996,  
24 and shall make a final report, including any legislative recommendations, to the 1997  
25 General Assembly.

### 27 **PART 9. OFFICE OF THE GOVERNOR**

28  
29 Requested by: Representatives Ives, Lemmond, Senators Cochrane, Davis, Gulley

### 30 **ELIMINATION OF THE OMBUDSMAN OFFICE IN THE OFFICE OF THE** 31 **GOVERNOR**

32 Sec. 9.2. The Office of Ombudsman in the Office of the Governor is  
33 abolished. No appropriated State funds shall be used to reestablish this office.

34  
35 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

### 36 **HOME PROGRAM MATCHING FUNDS**

37 Sec. 9.3. (a) Funds appropriated in this act to the Housing Finance Agency for the  
38 federal HOME Program shall be used to match federal funds appropriated for the HOME  
39 Program. In allocating State funds appropriated to match federal HOME Program funds,  
40 the Agency shall give priority to HOME Program projects, as follows:

- 41 (1) First priority to projects that are located in counties designated as  
42 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-  
43 151.17(c); and

- 1           (2) Second priority to projects that benefit persons and families whose  
2           incomes are fifty percent (50%) or less of the median family income for  
3           the local area, with adjustments for family size, according to the latest  
4           figures available from the U.S. Department of Housing and Urban  
5           Development.

6           The Housing Finance Agency shall report to the Joint Legislative Commission  
7           on Governmental Operations by April 1 of each year concerning the status of the HOME  
8           Program and shall include in the report information on priorities met, types of activities  
9           funded, and types of activities not funded.

10          (b) If the United States Congress changes the HOME Program such that matching  
11          funds are not required for a given program year, then the Agency shall not spend the  
12          matching funds appropriated under this act for that program year.

13          (c) Funds appropriated in this act to match federal HOME Program funds shall not  
14          revert to the General Fund on June 30, 1996, or on June 30, 1997.

15  
16 Requested by: Senator Warren

#### 17 **COUNCIL OF GOVERNMENT FUNDS**

18          Sec. 9.4. (a) Of the funds appropriated in this act to the Office of State Planning,  
19          seven hundred seventy-seven thousand eight hundred forty-three dollars (\$777,843) for  
20          the 1995-96 fiscal year and seven hundred seventy-seven thousand eight hundred forty-  
21          three dollars (\$777,843) for the 1996-97 fiscal year shall only be used as provided by this  
22          section. Each regional council of government or lead regional organization is allocated  
23          up to forty-three thousand two hundred thirteen dollars and fifty cents (\$43,213.50) for  
24          each fiscal year, with the actual amount calculated as provided in subsection (b) of this  
25          section.

26          (b) The funds shall be allocated as follows: A share of the maximum forty-three  
27          thousand two hundred thirteen dollars and fifty cents (\$43,213.50) each fiscal year shall  
28          be allocated to each county and smaller city based on the most recent annual estimate of  
29          the Office of State Budget and Management of the population of that county (less the  
30          population of any larger city within that county) or smaller city, divided by the sum of the  
31          total population of the region (less the population of larger cities within that region) and  
32          the total population of the region living in smaller cities. Those funds shall be paid to the  
33          regional council of government for the region in which that city or county is located upon  
34          receipt by the Office of State Planning of a resolution of the governing board of the  
35          county or city requesting release of the funds. If any city or county does not so request  
36          payment of funds by June 30 of a State fiscal year, that share of the allocation for that  
37          fiscal year shall revert to the General Fund.

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



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

4 (e) As used in this section "Larger City" means an incorporated city with a  
5 population of 50,000 or over. "Smaller City" means any other incorporated city.  
6

## 7 PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT

8  
9 Requested by: Senator Warren

### 10 LINE ITEM BUDGETING CONTINUED

11 Sec. 10. (a) G.S. 143-11 reads as rewritten:

#### 12 "§ 143-11. Survey of departments.

13 On or before the fifteenth day of December, biennially in the even-numbered years,  
14 the Director shall make a complete, careful survey of the operation and management of  
15 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and  
16 agencies and undertakings of the State and all persons or corporations who use or expend  
17 State funds, in the interest of economy and efficiency, and of obtaining a working  
18 knowledge upon which to base recommendations to the General Assembly as to  
19 appropriations for maintenance and special funds and capital expenditures for the  
20 succeeding biennium. If the Director and the Commission shall agree in their  
21 recommendations for the budget for the next biennial period, he shall prepare their report  
22 in the form of a proposed budget, together with such comment and recommendations as  
23 they may deem proper to make. If the Director and Commission shall not agree in  
24 substantial particulars, the Director shall prepare the proposed budget based on his own  
25 conclusions and judgment, and the Commission or any of its members retain the right to  
26 submit separately to the General Assembly such statement of disagreement and the  
27 particulars thereof as representing their views. The budget report shall contain a complete  
28 and itemized plan ~~in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5~~ of all  
29 proposed expenditures for each State department, bureau, board, division, institution,  
30 commission, State agency or undertaking, person or corporation who receives or may  
31 receive for use and expenditure any State funds, in accordance with the classification of  
32 funds and accounts adopted by the State Controller, and of the estimated revenues and  
33 borrowings for each year in the ensuing biennial period beginning with the first day of  
34 July thereafter. Opposite each line item of the proposed expenditures, the budget shall  
35 show in separate parallel ~~columns the amount expended for the last preceding fiscal year,~~  
36 ~~for the current fiscal year, and the increase or decrease.~~ columns:

37 (1) Proposed expenditures and receipts for each fiscal year of the biennium;

38 (2) The certified budget for the preceding fiscal year;

39 (3) The currently authorized budget for the preceding fiscal year;

40 (4) Actual expenditures and receipts for the most recent fiscal year for  
41 which actual expenditure information is available; and

42 (5) Proposed increases and decreases.

1 Revenue and expenditure information shall be no less specific than the two-digit level in  
2 the State Accounting System Chart of Accounts as prescribed by the State Controller.  
3 The budget shall clearly differentiate between general fund expenditures for operating  
4 and maintenance, special fund expenditures for any purpose, and proposed capital  
5 improvements.

6 The Director shall accompany the budget with:

- 7 (1) A budget message supporting his recommendations and outlining a  
8 financial policy and program for the ensuing biennium. The message  
9 will include an explanation of increase or decrease over past  
10 expenditures, a discussion of proposed changes in existing revenue laws  
11 and proposed bond issues, their purpose, the amount, rate of interest,  
12 term, the requirements to be attached to their issuance and the effect  
13 such issues will have upon the redemption and annual interest charges  
14 of the State debt.
- 15 (2) State Controller reports including:
  - 16 a. An itemized and complete financial statement for the State at the  
17 close of the last preceding fiscal year ending June 30.
  - 18 b. A statement of special funds.
- 19 (2a) A statement showing the itemized estimates of the condition of the State  
20 treasury as of the beginning and end of each of the next two fiscal years.
- 21 (3) A report on the fees charged by each State department, bureau, division,  
22 board, commission, institution, and agency during the previous fiscal  
23 year, the statutory or regulatory authority for each fee, the amount of the  
24 fee, when the amount of the fee was last changed, the number of times  
25 the fee was collected during the prior fiscal year, and the total receipts  
26 from the fee during the prior fiscal year.
- 27 (4) A statement showing the State Board of Education's request, in  
28 accordance with G.S. 115C-96, for sufficient funds to provide textbooks  
29 to public school students.
- 30 (5) A proposal for expenditure of the funds in the Repairs and Renovations  
31 Reserve Account, which is established in G.S. 143-15.3A. The Director  
32 shall consider the data from the Facilities Condition and Assessment  
33 Program in the Office of State Construction when establishing priorities  
34 for the proposed expenditure of these funds.
- 35 (6) Statements of the objections of members of the Council of State  
36 received pursuant to G.S. 143-10.3(b) to the performance measures,  
37 departmental operations plans, and indicators of program impact  
38 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.
- 39 (7) A list of the budget requests of members of the Council of State that are  
40 not included in the proposed budget.

41 It shall be a compliance with this section by each incoming Governor, at the first  
42 session of the General Assembly in his term, to submit the budget report with the  
43 message of the outgoing Governor, if he shall deem it proper to prepare such message,

1 together with any comments or recommendations thereon that he may see fit to make,  
2 either at the time of the submission of the said report to the General Assembly, or at such  
3 other time, or times, as he may elect and fix.

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

6 (b) The Director of the Budget developed a plan for preparing the 1995-97  
7 fiscal biennium budget in a performance budget format. That performance budget  
8 covers the program areas of health and safety, environment, correction, justice, social and  
9 economic well-being, and economic development and commerce. The performance  
10 budget format for those areas shall be continued, but the performance budget format shall  
11 not be expanded to cover any additional areas.

12 The Office of State Budget and Management shall report to the 1995 General  
13 Assembly, 1996 Regular Session, regarding the effectiveness of performance budgeting  
14 and shall also recommend whether performance budgeting should be continued, and if  
15 continued, any modifications that should be made to performance budgeting.

16  
17 Requested by: Senator Warren

#### 18 **ANALYSIS OF STATE GOVERNMENT ADMINISTRATIVE SPAN OF** 19 **CONTROL**

20 Sec. 10.1. The Office of State Budget and Management may review and  
21 analyze the administrative span of control, or the ratio of supervisors to those supervised,  
22 exercised throughout State government, except for the Community College System and  
23 The University of North Carolina, to determine the average span of control, and to  
24 determine what the appropriate average should be. In this review, the Office of State  
25 Budget and Management shall consider the study produced for the 1993 General  
26 Assembly by the Government Performance Audit Committee on the issue of  
27 administrative span of control.

28 The Office of State Budget and Management shall report the results of this  
29 review, together with any recommendations, to the 1995 General Assembly, Regular  
30 Session 1996, within one week of its convening.

31  
32 Requested by: Representatives Ives, Lemmond, Senator Warren

#### 33 **REVIEW OF DEPARTMENT FORMS AND REPORTS**

34 Sec. 10.2. Article 1 of Chapter 143 of the General Statutes, the Executive  
35 Budget Act, is amended by adding a new section to read:

#### 36 **"§ 143-10.7. Review of department forms and reports.**

37 The Director, through the Office of State Budget and Management, shall review on  
38 three-year cycles all internal and external forms and reports in use by State departments  
39 and institutions to confirm whether these forms and reports continue to be needed. If,  
40 during the review process, it is determined that these forms and reports are no longer  
41 necessary, or that they duplicate other forms or reports either in whole or in part, the  
42 Director shall have these forms and reports modified or eliminated. All departments shall

1 provide the Director with copies of all forms and reports used, together with any  
2 additional information necessary for the review of these reports."

3  
4 Requested by: Senator Warren

5 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM/STUDY**

6 Sec. 10.3. The Office of State Budget and Management shall develop a plan  
7 for a workers' compensation cost containment program designed to reduce the cost to  
8 State government of workers' compensation claims filed by State employees. The Office  
9 of State Budget and Management shall consult with the Office of State Personnel in  
10 developing the plan. The plan shall include recommendations regarding all of the  
11 following: an appropriate process of competitive bidding, the feasibility of having a third-  
12 party administrator to manage claims processing, the services that would be provided by  
13 a third-party administrator including the determination of compensability and related  
14 questions, incident reporting analysis, incident investigation, medical case management,  
15 disability management, and information management. The plan shall also include  
16 recommendations regarding the reimbursement of a third-party administrator. The plan  
17 shall further be based on the premise that lapsed salary funds from the salary accounts of  
18 State agencies shall not be used for the purpose of paying workers' compensation claims  
19 of employees of the participating agencies.

20 On or before April 1, 1996, the Office of State Budget and Management shall  
21 submit the plan to the Joint Legislative Commission on Governmental Operations and the  
22 Fiscal Research Division.

23  
24 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

25 **OSBM STUDY STATE-OWNED AIRCRAFT**

26 Sec. 10.4. The Office of State Budget and Management shall study the use of  
27 State-owned aircraft and shall report the results of its study to the Joint Legislative  
28 Commission on Governmental Operations on or before April 1, 1996. The study shall  
29 include consideration of the following:

- 30 (1) For each Department, the number and type of aircraft, the number of  
31 pilots, and the number and type of support personnel for aircraft.  
32 (2) For each Department, the budget for aircraft, the source of funding for  
33 aircraft, the number of hours the aircraft is available, and the number of  
34 hours the aircraft is used.  
35 (3) The feasibility and desirability of consolidating any or all State-owned  
36 aircraft operations.  
37 (4) The feasibility and desirability of sharing of aircraft by Departments.  
38 (5) The feasibility and desirability of Departments' contracting for aircraft  
39 services rather than owning their own aircraft.  
40 (6) Compilation and review of Departments' policies regarding authorized  
41 passengers on the aircraft and which Departmental personnel is  
42 responsible for determining which passengers are authorized.  
43

1 Requested by: Representatives Holmes, Creech, Esposito, Senator Warren

2 **DOWNSIZING GOVERNMENT EXPENDITURES REPORT**

3 Sec. 10.5. (a) The Office of State Budget and Management shall report any direct  
4 and any indirect expenditures incurred since July 1, 1994, that are related to the  
5 downsizing of State government to the Joint Legislative Commission on Governmental  
6 Operations by September 30, 1995.

7 (b) Expenditures reported on shall include payment for accumulated leave,  
8 severance pay, moving expenses for employment at another State government agency,  
9 and expenses or referral services performed by the Office of State Personnel and the  
10 Employment Security Commission.

11 (c) In addition to the report required by subsection (a) of this section, the Office of  
12 State Budget and Management shall present to the 1995 General Assembly by May 1,  
13 1996, documentation of all expenditures defined in subsections (a) and (b) of this section  
14 and identification of the funding sources in both the 1994-95 fiscal year and the 1995-96  
15 fiscal year for all these expenditures.

16  
17 **PART 11. DEPARTMENT OF ADMINISTRATION**

18  
19 Requested by: Representatives Ives, Lemmond, Senator Warren

20 **DOMESTIC VIOLENCE PROGRAMS**

21 Sec. 11. All grantees receiving Domestic Violence grants from the Department  
22 of Administration shall meet the financial statement filing requirements of G.S. 143-6.1,  
23 regardless of the amount of their grants.

24  
25 Requested by: Representatives Ives, Lemmond, Senator Warren

26 **TRANSFER EXECUTIVE MANSION CURATOR FROM DEPARTMENT OF**  
27 **ADMINISTRATION TO THE DEPARTMENT OF CULTURAL RESOURCES**

28 Sec. 11.1. The position of Executive Mansion Curator (position number 4129-  
29 0101-0006-125) is transferred from the Department of Administration to the Department  
30 of Cultural Resources. This transfer will permit the Department of Cultural Resources to  
31 better maintain the historical personal properties of the Executive Mansion. This  
32 provision does not affect, in any way, the jurisdiction of the Department of  
33 Administration over the Executive Mansion and its grounds.

34  
35 Requested by: Senator Ballance

36 **STUDY OF REPLACEMENT OF MOTOR VEHICLES**

37 Sec. 11.3. The Department of Administration may study the obsolescence and  
38 replacement of motor vehicles, including those used by law enforcement agencies, to  
39 determine the optimal replacement time. The replacement time shall be stated as optimal  
40 mileage or cost of operating the vehicle. The study shall include a review of industry  
41 standards when determining optimal replacement time. The Department shall include  
42 safety and efficiency of motor vehicle operations as an integral part of the study. The  
43 Department shall report its findings and recommendations to the Joint Legislative

1 Commission on Governmental Operations and to the Fiscal Research Division by March  
2 1, 1996.

3  
4 Requested by: Senator Warren

5 **PARKING REVENUES**

6 Sec. 11.4. The Secretary of Administration may use funds from parking  
7 revenues that are in excess of parking system expense requirements to fund the ten  
8 dollars (\$10.00) per month subsidies for van pools and transit passes.

9  
10 **PART 12. DEPARTMENT OF CULTURAL RESOURCES**

11  
12 Requested by: Representatives Lemmond, Ives, Senator Warren

13 **REVIEW PLANS FOR STATE HISTORIC SITES REQUESTING STATE FUNDS**

14 Sec. 12. G.S. 121-12 reads as rewritten:

15 "**§ 121-12. North Carolina Historical Commission.**

16 (a) Protection of Properties on National Register. – It shall be the duty of the  
17 Historical Commission, meeting at such times and according to such procedures as it  
18 shall by rule prescribe, to provide an advisory and coordinative mechanism in and by  
19 which State undertakings of every kind that are potentially harmful to the cause of  
20 historic preservation within the State may be discussed, and where possible, resolved,  
21 giving due consideration to the competing public interests that may be involved. To this  
22 end, the head of any State agency having direct or indirect jurisdiction over a proposed  
23 State or state-assisted undertaking, or the head of any State department, board,  
24 commission, or independent agency having authority to build, construct, operate, license,  
25 authorize, assist, or approve any State or state-assisted undertaking, shall, prior to the  
26 approval of any State funds for the undertaking, or prior to any approval, license, or  
27 authorization, as the case may be, take into account the effect of the undertaking on any  
28 district, site, building, structure, or object that is listed in the National Register of Historic  
29 Places established pursuant to Public Law 89-665, 16 U.S.C. 470.

30 Where, in the judgment of the Commission, an undertaking will have an effect upon  
31 any listed district, site, building, structure, area, or object, the head of the appropriate  
32 State agency shall afford the Commission a reasonable opportunity to comment with  
33 regard to such undertaking.

34 The Historical Commission shall act with reasonable diligence to insure that all State  
35 departments, boards, commissions, or agencies potentially affected by the provisions of  
36 this section be kept currently informed with respect to the name, location, and other  
37 significant particulars of any district, site, building, structure, or object listed or placed  
38 upon the National Register of Historic Places. Each affected State department or agency  
39 shall furnish, either upon its own initiative or at the request of the Historical Commission  
40 such information as may reasonably be required by the Commission for the proper  
41 implementation of this section.

42 (b) Criteria for State Historic Properties. – The Commission shall prepare and  
43 adopt criteria for the evaluation of State historic sites and all other real and personal

1 property which it may consider to be of such historic, architectural, archaeological, or  
2 cultural importance as would justify the acquisition and ownership thereof by the State of  
3 North Carolina, or for the extension of any assistance or aid thereto by the State, acting  
4 by itself or in connection with any county, city, corporation, organization, or individual.  
5 The Commission shall cooperate to the fullest practical extent with any local historical  
6 organization and with any city or county historic district properties commission. In  
7 evaluating whether a building should be a State historic site, the Commission shall  
8 request and review plans for the use and maintenance of the building.

9 (c) Criteria for State Aid to Historic Properties. – The Commission shall also  
10 prepare and adopt criteria for the evaluation of all properties of historic or archaeological  
11 importance owned by, under option to, or being considered for acquisition by a county,  
12 city, historic properties commission, or other organization or individual for which State  
13 aid or assistance is requested from the Department of Cultural Resources. The  
14 Commission shall investigate, evaluate, and prepare a written report on all historic or  
15 archaeological property for which State aid or appropriations to be administered by the  
16 Department of Cultural Resources are proposed. If the property is a building, the  
17 Commission shall request and review the plans for the use, maintenance, operation, and  
18 purpose of the building and shall comment on the feasibility of the plans in the written  
19 report. This report, which shall be filed as a matter of record in the custody of the  
20 Department of Cultural Resources, shall set forth the following opinions or  
21 recommendations of the Commission:

- 22 (1) Whether the property is historically authentic;
- 23 (2) Whether it is of such educational, historical, or cultural significance as  
24 to be essential to the development of a balanced State program of  
25 historic and archaeological sites and properties;
- 26 (3) The estimated total cost of the project under consideration and the  
27 apportionment of said cost among State and nonstate sources;
- 28 (4) Whether practical plans have been or can be developed for the funding  
29 of the nonstate portion of the costs;
- 30 (5) Whether practical plans have been developed for the continued staffing,  
31 maintenance and operation of the property without State assistance;
- 32 (6) Such further comments and recommendations  
33 that the Commission may make.

34 (c1) Criteria for State Aid to Historical Museums. – The Commission shall also  
35 prepare and adopt criteria for the evaluation of all interpretive, security or climate control  
36 programs or projects to be installed in nonprofit history museums for which State aid or  
37 assistance is requested from the Department of Cultural Resources. The Commission  
38 shall investigate, evaluate, and prepare a written report on all interpretive, security, or  
39 climate control programs or projects for which State appropriations to be administered by  
40 the Department of Cultural Resources are proposed. This report, which shall be filed as a  
41 matter of record in the custody of the Department of Cultural Resources, shall set forth  
42 the following opinions or recommendations of the Commission:

- 43 (1) The statewide educational significance and the

1 qualitative level of the program or project and whether the program or project  
2 is essential to the development of a State program of historical  
3 interpretation;

4 (2) The local or regional need for such a program or project;

5 (3) The estimated total cost of the program or project under consideration  
6 and the apportionment of said cost among State and nonstate sources;

7 (4) Whether practical plans have been or can be developed for the funding  
8 of the nonstate portions of the costs;

9 (5) Whether practical plans have been developed for the continued staffing,  
10 maintenance, and operating of the museum without State assistance; and

11 (6) Such further comments and recommendations  
12 that the Commission may make.

13 (d) Commission to Furnish Recommendations to Legislative Committees. – The  
14 Commission through the Department of Cultural Resources shall furnish as soon as  
15 practicable to the chairman of each legislative committee to which is referred any bill  
16 seeking an appropriation of State funds to the Department of Cultural Resources for the  
17 purpose of acquiring, preserving, restoring, or operating, or otherwise assisting, any  
18 property having historic, archaeological, architectural, or other cultural value or  
19 significance, and to the chairman of each legislative committee to which is referred any  
20 bill seeking an appropriation of State funds to the Department of Cultural Resources for  
21 the purpose of assisting a history museum, at least five copies of a report on the findings  
22 and recommendations of the Commission relating to such property."

23  
24 Requested by: Representatives Ives, Lemmond, Senator Warren

#### 25 **REPEAL ART WORKS IN STATE BUILDINGS REQUIREMENT**

26 Sec. 12.2. Article 47A of Chapter 143 of the General Statutes is repealed.

27  
28 Requested by: Representatives Ives, Lemmond, Senator Warren

#### 29 **NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES** 30 **REDUCED/REPORT**

31 Sec. 12.3. The Department of Cultural Resources shall identify positions to be  
32 eliminated in the Department and shall report those positions by number and title to the  
33 Office of State Budget and Management and to the Fiscal Research Division by May 31,  
34 1995.

### 35 36 **PART 13. DEPARTMENT OF INSURANCE**

37  
38 Requested by: Senator Warren

#### 39 **UNBUDGETED INSURANCE RECEIPTS REVERT TO GENERAL FUND**

40 Sec. 13. Departmental receipts realized by the Department of Insurance over  
41 twenty percent (20%) in excess of amounts budgeted by the General Assembly, as  
42 adjusted by the Office of State Budget and Management to reflect the distribution of  
43 statewide reserves, shall revert to the General Fund at the end of each fiscal year. The



1 Department of Insurance shall report to the Joint Legislative Commission on  
2 Governmental Operations on a quarterly basis on expenditures incurred from excess  
3 receipts.

4  
5 Requested by: Senator Warren

6 **ESTABLISH DEPARTMENT OF INSURANCE IN-HOUSE LEGAL**  
7 **REPRESENTATION**

8 Sec. 13.1. Notwithstanding G.S. 58-2-215, the Department of Insurance shall  
9 use funds within the Department of Insurance Consumer Protection Fund to hire two  
10 attorneys and one support staff to develop legal expertise within the Department of  
11 Insurance to handle the review and analysis of rate filings, to conduct all hearings, and to  
12 handle all rate cases through final adjudication. Pursuant to G.S. 114-2.3, the Department  
13 may use outside legal counsel on an interim basis, as necessary, until the transition to in-  
14 house legal representation for rate cases is complete. On or before March 31, 1996, the  
15 Department shall report to the Joint Legislative Commission on Governmental  
16 Operations and the Fiscal Research Division of the General Assembly on the  
17 implementation of in-house legal representation and on the status of the transition from  
18 the use of outside legal counsel.

19  
20 **PART 14. STATE BOARD OF ELECTIONS**

21  
22 Requested by: Representatives Ives, Lemmond, Senator Warren

23 **COMPETITIVE BIDS FOR PRINTING AND DISTRIBUTING BALLOTS**

24 Sec. 14. G.S. 163-136(b)(3) reads as rewritten:

25 "(3) For all elections, primaries, and referenda not specified in the two  
26 preceding subdivisions, by the State Board of Elections, at the expense  
27 of the State.

28 Provided, that the State Board of Elections, in its discretion, may  
29 direct some or all counties to print the ballots required by this  
30 subdivision under the supervision of the State Board of Elections. If the  
31 State Board of Elections prints and distributes the ballots required by  
32 this subdivision at the expense of the State, the State Board shall ~~have~~  
33 ~~the authority to negotiate for the ballots to be printed and distributed on~~  
34 ~~a regional or centralized basis, and the State Board shall be exempt from~~  
35 ~~securing competitive bids establish contracts through competition~~  
36 pursuant to Article 3 of Chapter 143 of the General Statutes for printing  
37 and distribution of all ballots, abstracts and precinct return forms."  
38

39 **PART 15. COLLEGES AND UNIVERSITIES**

40  
41 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

42 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE**

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

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

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

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

26               In the event a student on whose behalf a grant has been paid is not enrolled and  
27 carrying a minimum academic load as of the tenth classroom day following the beginning  
28 of the school term for which the grant was paid, the institution shall refund the full  
29 amount of the grant to the State Education Assistance Authority. Each approved  
30 institution shall be subject to examination by the State Auditor for the purpose of  
31 determining whether the institution has properly certified eligibility and enrollment of  
32 students and credited grants paid on the behalf of the students.

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

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

42 Any remaining funds shall revert to the General Fund.

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

3  
4 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

5 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**  
6 **FORMULA**

7 Sec. 15.1. Funds appropriated in this act to the Board of Governors of The  
8 University of North Carolina for continuation of financial assistance to the medical  
9 schools of Duke University and Wake Forest University shall be disbursed on  
10 certifications of the respective schools of medicine that show the number of North  
11 Carolina residents as first-year, second-year, third-year, and fourth-year students in each  
12 medical school as of November 1, 1995, and November 1, 1996. Disbursement to Wake  
13 Forest University shall be made in the amount of eight thousand dollars (\$8,000) for each  
14 medical student who is a North Carolina resident, one thousand dollars (\$1,000) of which  
15 shall be placed by the school in a fund to be used to provide financial aid to needy North  
16 Carolina students who are enrolled in the medical school. The maximum aid given to any  
17 student from this fund in a given year may not exceed the amount of the difference in  
18 tuition and academic fees charged by the school and those charged at the School of  
19 Medicine at the University of North Carolina at Chapel Hill.

20 Disbursement to Duke University shall be made in the amount of five thousand  
21 dollars (\$5,000) for each medical student who is a North Carolina resident, five hundred  
22 dollars (\$500.00) of which shall be placed by the school in a fund to be used to provide  
23 student financial aid to financially needy North Carolina students who are enrolled in the  
24 medical school. No individual student may be awarded assistance from this fund in  
25 excess of two thousand dollars (\$2,000) each year. In addition to this basic disbursement  
26 for each year of the biennium, a disbursement of one thousand dollars (\$1,000) shall be  
27 made for each medical student who is a North Carolina resident in the first-year, second-  
28 year, third-year, and fourth-year classes to the extent that enrollment of each of those  
29 classes exceeds 30 North Carolina students.

30 The Board of Governors shall establish the criteria for determining the  
31 eligibility for financial aid of needy North Carolina students who are enrolled in the  
32 medical schools and shall review the grants or awards to eligible students. The Board of  
33 Governors shall adopt rules for determining which students are residents of North  
34 Carolina for the purposes of these programs. The Board shall also make any regulations  
35 as necessary to ensure that these funds are used directly for instruction in the medical  
36 programs of the schools and not for religious or other nonpublic purposes. The Board  
37 shall encourage the two schools to orient students towards primary care, consistent with  
38 the directives of G.S. 143-613(a). The two schools shall supply information necessary  
39 for the Board to comply with G.S. 143-613(d).

40  
41 Requested by: Senators Plexico, Winner

42 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES/LEGISLATIVE**  
43 **TUITION GRANT LIMITATIONS**

1       Sec. 15.2. (a) The amount of a tuition grant awarded to a student enrolled in a  
2 degree program at a site away from the main campus of the approved private institution,  
3 as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per  
4 credit hour for off-campus instruction at that site to the cost per credit hour for regular,  
5 full-time on-campus instruction, multiplied by the maximum grant award, or the  
6 maximum grant award allowable under Section 15 of this act, whichever is less.

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

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

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

22  
23 Requested by: Senators Plexico, Winner

#### 24 **EQUITY OF FUNDING**

25       Sec. 15.3. The Commission on the Quality of Education in The University of  
26 North Carolina reported to the General Assembly that the funding system for  
27 appropriations to each campus for continuing operations, which constitutes the majority  
28 of General Fund support to higher education, is not based on identifiable criteria that are  
29 measurable or that allow comparisons of adequacy of funding among the 16 campuses.

30       The Board of Governors of The University of North Carolina shall review the  
31 equity of the continuation budget funding system, and the equity of its methods of  
32 distributing the lump-sum expansion funds appropriated by the General Assembly. The  
33 Board of Governors shall assess the criteria that should be used in deriving an equitable  
34 funding system, such as comparisons of funding at like institutions, such factors as size of  
35 student body, the costs of the programs offered by each campus, the level of the student  
36 body (lower division, upper division, graduate), the resources required to meet the early  
37 college needs of entering students based on their relative preparations for college success,  
38 and any other factors deemed by the Board of Governors to be relevant to assuring  
39 successful student outcomes. In carrying out this review, the Board of Governors shall  
40 consult with the Office of State Budget and Management.

41       After its review, the Board of Governors shall propose a system of funding to  
42 the General Assembly which uses identifiable criteria which are based on educationally  
43 and financially sound principles. If the Board of Governors recommends changes in the

1 current funding system, it shall also propose a plan and schedule for moving to the  
2 recommended system. The Board of Governors shall report its progress to the Joint  
3 Legislative Education Oversight Committee by April 15, 1996, and shall report its final  
4 findings and recommendations to the Joint Legislative Education Oversight Committee  
5 and the House and Senate Appropriations Subcommittees on Education by November 15,  
6 1996.

7  
8 Requested by: Senators Plexico, Winner

9 **FULL-TIME EQUIVALENT STUDENTS (FTE)**

10 Sec. 15.4. The Board of Governors of The University of North Carolina shall  
11 consider alternative approaches to funding University undergraduate and graduate  
12 enrollment, including the current funding of full-time equivalent students based on 12  
13 semester hours annually for undergraduates, increasing this level to 15 semester hours  
14 annually, which would be consistent with graduating in four years, or funding the  
15 University on the basis of student credit hours rather than on full-time equivalent  
16 enrollment. The Board of Governors shall report its progress to the Joint Legislative  
17 Education Oversight Committee by April 15, 1996, and shall make its final  
18 recommendations regarding changes on enrollment funding to the Joint Legislative  
19 Education Oversight Committee and the House and Senate Appropriations  
20 Subcommittees on Education by November 15, 1996.

21  
22 Requested by: Senators Plexico, Winner

23 **EPA REDUCTIONS**

24 Sec. 15.7. The Board of Governors of The University of North Carolina shall  
25 provide a list of all positions exempt from the State Personnel Act (EPA) to be eliminated  
26 by this act to the General Assembly by June 1, 1995. In preparing the list, the Board of  
27 Governors shall reduce EPA nonteaching positions on a pro rata basis, except for the  
28 constituent institutions. For the constituent institutions, the EPA nonteaching reductions  
29 shall be applied only to the extent that the full-time equivalent (FTE) EPA nonteaching  
30 positions per FTE student at each institution exceeds one one-hundredth of a position.  
31 EPA nonteaching positions in excess of one one-hundredth per FTE student shall be  
32 reduced on a pro rata basis. The Board of Governors shall reduce mid-level management  
33 positions, and shall avoid eliminating librarians, student advisors, financial aid  
34 counselors, and other positions which provide direct services to students, to the extent  
35 possible.

36  
37 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

38 **CONTINUING EDUCATION UNC-CH HEALTH AFFAIRS**

39 Sec. 15.8. The University of North Carolina at Chapel Hill Health Affairs shall  
40 charge continuing education fees that are reasonably expected to cover a higher  
41 percentage of the costs of those professional programs. Health care professionals in those  
42 areas that are likely to generate substantial revenue or clientele shall pay a higher  
43 proportion of costs for continuing education.

1  
2 Requested by: Senators Plexico, Winner

3 **STUDY POTENTIAL COST SAVINGS TO UNC THROUGH PRIVATIZATION**  
4 **OF CERTAIN SERVICES**

5 Sec. 15.10. The Board of Governors of The University of North Carolina, in  
6 consultation with the constituent institutions and affiliated organizations, shall study the  
7 potential for cost savings by contracting for various services with private contractors,  
8 including housekeeping and maintenance of physical facilities.

9 East Carolina University is currently realizing savings from privatizing the  
10 management of its housekeeping services. The General Assembly has reviewed requests  
11 for funding to operate approximately 2.8 million square feet of new or renovated space  
12 for the 1995-97 biennium. With this amount of new space opening up, the potential for  
13 cost savings by initially contracting for certain services to operate these facilities appears  
14 worth reviewing.

15 The Board of Governors shall report on the potential for increased efficiency  
16 and budget savings from the use of private contractual services to the Joint Legislative  
17 Education Oversight Committee by April 15, 1996. The Board shall identify and include  
18 in its report that portion of any savings that is attributable to lower pay scales or lower  
19 workers' benefits paid by potential private contractors.

20  
21 Requested by: Senators Plexico, Winner

22 **TRANSFER OF OVERHEAD RECEIPTS TO TRUST FUNDS/UNC SYSTEM**

23 Sec. 15.11. (a) Section 2 of Chapter 936 of the 1989 Session Laws (1990 Session)  
24 expressed the intent of the General Assembly "that overhead receipts derived from  
25 reimbursement of indirect costs on contracts and grants shall not continue to be budgeted  
26 as offsets to General Fund appropriations for current operations of the constituent  
27 institutions of The University of North Carolina", that a phased reduction in these offsets  
28 be implemented, and that, at such time as the phaseout of the offsets is completed, the  
29 special fund codes be transferred to the category of institutional trust funds for budgetary  
30 and accounting purposes. The phaseout of the offsets to General Fund appropriations  
31 from overhead receipt transfers shall be completed in fiscal year 1996-97.

32 (b) G.S. 116-36.1(g) is amended by adding a new subdivision to read:

33 "(10) Moneys received by an institution as reimbursement of overhead and  
34 other indirect costs associated with contracts and grants."

35 (c) Institutions shall report on the amount of overhead receipts, the  
36 expenditures for various purposes from the funds, and the resulting fund balances to the  
37 Office of State Budget and Management and to the Fiscal Research Division on a  
38 quarterly basis in a format to be determined by the Office of State Budget and  
39 Management.

40 (d) Subsection (b) of this section becomes effective July 1, 1996.

41  
42 Requested by: Senator Plexico

43 **COMPREHENSIVE PLAN FOR HIGHER EDUCATION ENROLLMENT**

1       Sec. 15.12. (a) The Education Cabinet shall develop a comprehensive plan to meet  
2 the projected increase in higher education enrollments that result from the increased  
3 number of high school graduates and nontraditional students needing worker retraining.  
4 The plan shall address questions of capacity and potential increases in space utilization.  
5 The plan shall also consider several funding strategies to encourage more balanced  
6 enrollment, such as funding additional credit hours above current levels for summer  
7 school and for off-campus degree programs, and incentive funding for private colleges to  
8 enroll more North Carolina residents.

9       The Education Cabinet shall also coordinate the planning efforts of the Board  
10 of Governors of The University of North Carolina, the Department of Community  
11 Colleges, and the North Carolina Association of Private and Independent Colleges and  
12 Universities to meet the projected increase in higher education enrollments.

13       A representative from the North Carolina Association of Private and  
14 Independent Colleges and Universities shall participate in the deliberations and decision-  
15 making of the Education Cabinet in accordance with G.S. 116C-1. The Board of  
16 Governors and the Department of Community Colleges shall provide staff assistance to  
17 the Education Cabinet in the development of the comprehensive plan. The Education  
18 Cabinet shall estimate the fiscal impact of all alternatives and proposals for dealing with  
19 the projected enrollment.

20       The Education Cabinet shall make a preliminary report on the comprehensive  
21 plan to the Joint Education Oversight Committee by April 15, 1996, and shall submit a  
22 final report to the Committee by November 15, 1996.

23       (b) G.S. 116C-1(b) reads as rewritten:

24       "(b) The Education Cabinet shall consist of the Governor, who shall serve as chair,  
25 the President of The University of North Carolina, the State Superintendent of Public  
26 Instruction, the Chairman of the State Board of Education, and the President of the North  
27 Carolina Community College System. The Education Cabinet shall invite representatives  
28 of private education to participate in its deliberations as adjunct members."  
29

30 Requested by: Senators Plexico, Winner

### 31 **INSTITUTE OF GOVERNMENT BUDGET CATEGORIES**

32       Sec. 15.13. The Institute of Government's faculty hold regular full-time faculty  
33 appointments in the Institute and devote their full time to teaching, consulting, and  
34 engaging in research and writing that supports and informs their teaching and consulting  
35 activities. In recognition of the Institute's status as a regular freestanding academic unit  
36 of the University of North Carolina at Chapel Hill that makes its own faculty  
37 appointments and conducts its own program of teaching, research, and consultation, the  
38 Director of the Budget shall transfer the budget appropriations in the Institute of  
39 Government from Purpose Code 142 to Purpose Code 105 and shall transfer its budget  
40 appropriations for teaching faculty salaries from Object Code 1110 to Object Code 1310.  
41 The transfer shall become effective July 1, 1995, and shall apply beginning with the  
42 1995-97 biennial budget and hereafter.  
43

**PART 16. COMMUNITY COLLEGES**

Requested by: Representatives Grady, Preston, Senators Plexico, Winner

**BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR**

Sec. 16. G.S. 115D-31 is amended by adding a new subsection to read:

"(c) State funds appropriated to the State Board of Community Colleges for equipment and library books shall revert to the General Fund 12 months after the close of the fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The Department shall identify to the Office of State Budget and Management the funds that revert at the end of the 12 months after the close of the fiscal year."

Requested by: Representatives Grady, Preston, Senators Plexico, Winner

**COMMUNITY COLLEGE FUNDING FLEXIBILITY**

Sec. 16.1. A local community college may use all State funds allocated to it, except for Literacy Funds and Funds for New and Expanding Industries, for any authorized purpose that is consistent with the college's Institutional Effectiveness Plan. Each local community college shall submit an Institutional Effectiveness Plan that indicates to the State Board of Community Colleges how the college will use this funding flexibility to meet the demands of the local community and maintain a presence in all previously funded categorical programs.

Requested by: Representatives Grady, Preston, Senators Plexico, Winner

**COURSE REPETITION POLICY FOR FIRE, RESCUE, AND POLICE PERSONNEL**

Sec. 16.2. The course repetition policy adopted by the State Board of Community Colleges in accordance with Section 102(a) of Chapter 321 of the 1993 Session Laws does not apply to fire, rescue, or law enforcement training courses taken by fire, rescue, or law enforcement personnel.

Requested by: Representatives Grady, Preston, Senators Plexico, Winner

**PENALTY FOR AUDIT EXCEPTIONS MODIFIED**

Sec. 16.3. The audit policies of the State Board of Community Colleges shall provide that if a community college is in violation of a State or federal law or of a State Board rule or policy, the program auditors shall cite the college for an audit exception and not a concern. The State Board shall assess a twenty-five percent (25%) fiscal penalty in addition to the audit exception on all audits of both dollars and student membership hours excepted, unless the State Board finds that the audit exception was caused only by a processing or clerical error; no penalty shall be assessed in the case of a processing or clerical error.

The president of each community college shall present the findings of the college's program audit to the board of trustees of the college.



1 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

2 **MULTI-ENTRY/MULTI-EXIT CLASSES IN PRISONS AUTHORIZED**

3 Sec. 16.4. G.S. 115D-5(c1) reads as rewritten:

4 "(c1) Community colleges shall report full-time equivalent (FTE) student hours for  
5 correction education programs on the basis of contact hours rather than student  
6 membership hours. No community college shall operate a multi-entry/multi-exit class or  
7 program in a prison ~~facility~~-facility, except for a literacy class or program.

8 The State Board shall work with the Department of Correction on offering classes and  
9 programs that match the average length of stay of an inmate in a prison facility."  
10

11 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

12 **CENSUS REPORTING DATES**

13 Sec. 16.6. (a) For the 1995-96 fiscal year, the census dates for reporting student  
14 membership hours for curriculum and occupational extension classes shall be at the thirty  
15 percent (30%) point of the class and at the ten percent (10%) point of the class which  
16 typically coincides with the end of each college's drop-add period. It is the intent of the  
17 General Assembly to determine during the Regular 1996 Session which census date shall  
18 be used in computing FTE enrollment.

19 (b) This section does not apply to courses offered on a contact-hour basis.  
20

21 Requested by: Representatives Grady, Preston, Senators Plexico, Winner

22 **STATE BOARD RESERVE FUNDS**

23 Sec. 16.7. The State Board of Community Colleges shall use one-half of its  
24 Board Reserve for the 1995-96 fiscal year for expenses incurred during the North  
25 Carolina Community College System's conversion from the quarter credit system to the  
26 semester credit system.  
27

28 **PART 17. PUBLIC SCHOOLS**  
29

30 Requested by: Representative Grady, Preston, Senators Winner, Plexico

31 **PUBLIC SCHOOLS WORKERS' COMPENSATION**

32 Sec. 17. (a) Salaries for positions that are funded partially from the General Fund  
33 or Highway Fund and partially from sources other than the General Fund or Highway  
34 Fund shall be increased from the General Fund or Highway Fund appropriation only to  
35 the extent of the proportionate part of the salaries paid from the General Fund or  
36 Highway Fund.

37 (b) G.S. 115C-337(a) reads as rewritten:

38 "(a) Workers' Compensation Act Applicable to School Employees. – The  
39 provisions of the Workers' Compensation Act shall be applicable to all school employees,  
40 and the State Board of Education shall make ~~such~~-arrangements as-necessary to carry out  
41 the provisions of the Workers' Compensation Act applicable to ~~such~~-these employees  
42 paid from State school funds. Liability of the State for compensation shall be confined to  
43 school employees paid by the State from State school funds for injuries or death caused

1 by accident arising out of and in the course of their employment in connection with the  
2 state-operated school term. The State shall be liable for ~~said~~this compensation on the  
3 basis of the average weekly wage of ~~such~~the employees as defined in the Workers'  
4 Compensation Act, ~~whether all of said compensation for the school term is paid from~~  
5 ~~State funds or in part supplemented by local funds.~~ to the extent of the proportionate part  
6 of each employee's salary that is paid from State funds. The State shall also be liable for  
7 workers' compensation for all school employees employed in connection with the  
8 teaching of vocational agriculture, home economics, trades and industries, and other  
9 vocational subjects, supported in part by State and federal funds, which liability shall  
10 cover the entire period of service of ~~such employees~~these employees, to the extent of the  
11 proportionate part of each employee's salary that is paid from State funds. The local  
12 school administrative units shall be liable for workers' compensation for school  
13 employees, including lunchroom employees, whose salaries or wages are paid by ~~such~~  
14 the local units from local or special funds. ~~Such~~The local units ~~are authorized and~~  
15 ~~empowered to~~may provide insurance to cover ~~such~~this compensation liability and to  
16 include the cost of ~~such~~this insurance in their annual budgets.

17 The provisions of this subsection shall not apply to any person, ~~firm~~firm, or  
18 corporation making voluntary contributions to schools for any purpose, and ~~such~~the  
19 person, firm, or corporation shall not be liable for the payment of any sum of money  
20 under this Chapter."  
21

22 Requested by: Representatives Grady, Preston, Senators Winner, Plexico

23 **USE OF SUBSTITUTE TEACHER FUNDS FOR LEAVE FROM SICK LEAVE**  
24 **BANKS**

25 Sec. 17.1. State funds for substitute teachers shall be used to pay for substitute  
26 teachers on days that teachers use sick leave from voluntary sick leave banks established  
27 in accordance with G.S. 115C-336(b).  
28

29 Requested by: Representatives Grady, Preston, Senator Plexico

30 **OUTCOME-BASED EDUCATION PROGRAM REPEALED**

31 Sec. 17.2. Part 5 of Article 16 of Chapter 115C of the General Statutes is  
32 repealed.  
33

34 Requested by: Senators Winner, Plexico

35 **CAREER DEVELOPMENT**

36 Sec. 17.3. (a) Funds appropriated to the State Board of Education for local school  
37 administrative units receiving career development funds for the 1995-96 and 1996-97  
38 fiscal years shall be used only to ensure that individual employees do not receive less on  
39 a monthly basis in salary and State-funded bonuses during the 1995-96 fiscal year or  
40 during the 1996-97 fiscal year than they received on a monthly basis during the 1994-95  
41 fiscal year, so long as the employees qualify for bonuses under the local differentiated  
42 pay plan. The State Board of Education may also use funds appropriated to State Aid to

1 Local School Administrative Units for the 1995-96 and 1996-97 fiscal years as is  
2 necessary to hold individual employees harmless as provided in this subsection.

3 (b) Funds appropriated for local school administrative units receiving career  
4 development funds for the 1994-95 fiscal year that did not revert on June 30, 1995, shall  
5 not be used for expenses other than the costs of holding individual employees harmless as  
6 provided in subsection (a) of this section.

7 (c) If funds are necessary to hold teachers harmless after the 1996-97 fiscal  
8 year, the General Assembly urges the Governor to include these funds in the continuation  
9 budget request.

10  
11 Requested by: Representatives Grady, Preston, Senators Winner, Plexico

### 12 **TEACHER LEAVE IN CASES OF CATASTROPHIC ILLNESS**

13 Sec. 17.4. G.S. 115C-336 is amended by adding a new subsection to read:

14 "(c) The State Board of Education shall also adopt rules and regulations to  
15 authorize an employee who requires a substitute to use annual leave on days that students  
16 are in attendance if the employee has exhausted all of the employee's sick leave and if the  
17 employee's absence is due to the catastrophic illness of the employee. The employee  
18 shall not be required to pay the substitute."

19  
20 Requested by: Senators Winner, Plexico

### 21 **IMPLEMENTATION OF THE REORGANIZATION OF THE DEPARTMENT** 22 **OF PUBLIC INSTRUCTION**

23 Sec. 17.5. Notwithstanding G.S. 143-23 or any other provision of law, the  
24 State Board of Education shall reorganize the Department of Public Instruction in  
25 accordance with the reorganization plan adopted by the State Board of Education and  
26 submitted to the General Assembly in May 1995, and to implement the base budget  
27 reduction in this act of nine million three hundred eighteen thousand four hundred thirty-  
28 six dollars (\$9,318,436) for the 1995-96 fiscal year and ten million six hundred sixty-five  
29 thousand two hundred twenty dollars (\$10,665,220) for the 1996-97 fiscal year.

30  
31 Requested by: Senators Winner, Plexico

### 32 **LEGISLATIVE INTENT TO USE SAVINGS FROM THE REORGANIZATION** 33 **OF THE DEPARTMENT OF PUBLIC INSTRUCTION FOR EXPANSION** 34 **BUDGET APPROPRIATIONS FOR THE PUBLIC SCHOOLS**

35 Sec. 17.6. It is the intent of the General Assembly to appropriate in the  
36 expansion budget for the 1995-96 fiscal year for State Aid to Local School  
37 Administrative Units all funds saved in this act by reorganizing the Department of Public  
38 Instruction.

39  
40 Requested by: Senators Winner, Plexico

### 41 **TRANSFER FUNDS FOR TACS TO LOCAL SCHOOL ADMINISTRATIVE** 42 **UNITS**

1           Sec. 17.7. Effective July 1, 1996, the State Board of Education shall reallocate  
2 funds from Technical Assistance Centers to local school administrative units in  
3 accordance with a formula adopted by the State Board. Local boards of education may  
4 use these funds to contract with Technical Assistance Centers, contract with other  
5 entities, hire personnel, or otherwise acquire staff development, training, planning, and  
6 other forms of technical assistance.

7           The Technical Assistance Centers shall be funded solely by receipts from local boards  
8 of education and from other non-State sources. The State Board shall establish a  
9 management structure for the Technical Assistance Centers that enables superintendents,  
10 principals, and teachers from the local school administrative units to be served by the  
11 Centers to have input into the priorities and personnel decisions at the Centers.

12  
13 Requested by: Senators Plexico, Winner

14 **SITE-BASED MANAGEMENT TASK FORCE/STAFF**

15           Sec. 17.8. (a) Effective July 1, 1995, G.S. 115C-238.7 reads as rewritten:  
16 "**§ 115C-238.7. Creation of the Task Force on Site-Based Management;**  
17 **~~appointment of a Director of the Task Force of Site-Based Management.~~**  
18 **Management.**

19           (a) There is created the Task Force on Site-Based Management ~~within the~~  
20 ~~Department of Public Instruction.~~ under the State Board of Education.

21           The Task Force shall be composed of ~~21~~20 members appointed as follows:

- 22           (1) The Superintendent of Public Instruction;
- 23           (2) One member of the State Board of Education appointed by the State  
24 Board of Education;
- 25           (3) Two members of the Senate appointed by the President Pro Tempore of  
26 the Senate;
- 27           (4) Two members of the House of Representatives appointed by the  
28 Speaker of the House of Representatives;
- 29           (5) One member of a local board of education appointed by the President  
30 Pro Tempore of the Senate after receiving recommendations from The  
31 North Carolina State School Boards Association, Inc.;
- 32           (6) One member of a local board of education appointed by the Speaker of  
33 the House of Representatives after receiving recommendations from  
34 The North Carolina State School Boards Association, Inc.;
- 35           (7) One local school superintendent appointed by the President Pro  
36 Tempore of the Senate after receiving recommendations from the North  
37 Carolina Association of School Administrators;
- 38           (8) One local school superintendent appointed by the Speaker of the House  
39 of Representatives after receiving recommendations from the North  
40 Carolina Association of School Administrators;
- 41           (9) One school principal appointed by the President Pro Tempore of the  
42 Senate after receiving recommendations from the Tar Heel Association

- 1 of Principals/Assistant Principals and the Division of Administrators of  
2 the North Carolina Association of Educators;
- 3 (10) One school principal appointed by the Speaker of the House of  
4 Representatives after receiving recommendations from the Tar Heel  
5 Association of Principals/Assistant Principals and the Division of  
6 Administrators of the North Carolina Association of Educators;
- 7 (11) One school teacher appointed by the President Pro Tempore of the  
8 Senate after receiving recommendations from the North Carolina  
9 Association of Educators, Inc., the North Carolina Federation of  
10 Teachers, and the Professional Educators of North Carolina, Inc.;
- 11 (12) One school teacher appointed by the Speaker of the House of  
12 Representatives after receiving recommendations from the North  
13 Carolina Association of Educators, Inc., the North Carolina Federation  
14 of Teachers, and the Professional Educators of North Carolina, Inc.;
- 15 ~~(13) The Director of the Task Force on Site-Based Management, appointed~~  
16 ~~by the Superintendent of Public Instruction in accordance with~~  
17 ~~subsection (d) of this section;~~
- 18 (14) One parent of a public school child appointed by the Superintendent of  
19 Public Instruction;
- 20 (15) Two at-large members appointed by the Superintendent of Public  
21 Instruction;
- 22 (16) One representative of business and industry appointed by the Governor;
- 23 (17) One representative of institutions of higher education appointed by the  
24 Board of Governors of The University of North Carolina; and
- 25 (18) One county commissioner appointed by the Superintendent of Public  
26 Instruction after receiving recommendations from the North Carolina  
27 Association of County Commissioners.

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

29 All members of the Task Force shall be voting members. Vacancies in the appointed  
30 membership shall be filled by the officer who made the initial appointment. ~~The Director~~  
31 ~~of the Task Force on Site-Based Management shall~~ select a member of the Task Force to  
32 serve as chair of the Task Force.

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

35 (b) The Task Force shall:

- 36 (1) ~~Monitor~~ Advise the State Board of Education on the implementation of  
37 the School Improvement and Accountability Act of 1989, as amended,  
38 especially the development and implementation of building-level plans;
- 39 (2) ~~Advise the Director of the Task Force on Site-Based Management~~ State  
40 Board of Education on how to provide training and assistance to the  
41 public schools so as to facilitate the implementation of site-based  
42 management;

1 (3) Review publications produced by the Department of Public Instruction  
2 on the development and implementation of building-level plans;

3 (4) Report annually to the ~~General Assembly and the Joint Legislative~~  
4 ~~Education Oversight Committee~~ State Board of Education on the  
5 implementation of site-based management in the public schools on the  
6 first Friday in December. This report may contain a summary of  
7 recommendations for changes to any law, rule, and policy that would  
8 improve site-based management.

9 (c) The Department of Public Instruction ~~shall~~ shall, with the approval of the State  
10 Board of Education, provide staff to the Task Force at the request of the Task Force.

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

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

22 (b) The State Board of Education shall develop a plan for the reconfiguration  
23 of staff development activities, with an emphasis on assistance to schools.

24  
25 Requested by: Senators Plexico, Winner

## 26 **TEACHER ACADEMY TRANSFER**

27 Sec. 17.9. (a) The Task Force on Teacher Staff Development, established by  
28 Section 141 of Chapter 321 of the 1993 Session Laws, is transferred from the Department  
29 of Public Instruction to The University of North Carolina and renamed the North  
30 Carolina Teacher Academy Board of Trustees. This transfer shall have all of the  
31 elements of a Type I transfer, as that term is defined in G.S. 143A-6(a).

32 The Board of Governors of The University of North Carolina shall delegate to  
33 the Board of Trustees all the powers and duties the Board of Governors considers  
34 necessary or appropriate for the effective discharge of the functions of the North Carolina  
35 Teacher Academy.

36 (b) The North Carolina Teacher Academy Board of Trustees shall consist of 20  
37 members appointed as follows:

38 (1) The Superintendent of Public Instruction or the Superintendent's  
39 designee;

40 (2) One member of the State Board of Education appointed by the Chair of  
41 the State Board;

42 (3) One member of the Board of Governors of The University of North  
43 Carolina appointed by the Chair of the Board of Governors;

- 1 (4) The Director of the North Carolina Center for the Advancement of  
2 Teaching;
- 3 (5) Two deans of Schools of Education appointed by the President of The  
4 University of North Carolina;
- 5 (6) Four public school teachers appointed by the General Assembly upon  
6 the recommendation of the Speaker of the House of Representatives in  
7 accordance with G.S. 120-121, one of whom teaches in preschool  
8 through grade 2, one of whom teaches in grades 3 through 5, one of  
9 whom teaches in grades 6 through 8, and one of whom teaches in grades  
10 9 through 12;
- 11 (7) Four public school teachers appointed by the General Assembly upon  
12 the recommendation of the President Pro Tempore of the Senate in  
13 accordance with G.S. 120-121, one of whom teaches in preschool  
14 through grade 2, one of whom teaches in grades 3 through 5, one of  
15 whom teaches in grades 6 through 8, and one of whom teaches in grades  
16 9 through 12;
- 17 (8) Two public school teachers appointed by the Governor;
- 18 (9) One superintendent of a local school administrative unit appointed by  
19 the Governor;
- 20 (10) Two public school principals appointed by the Governor; and
- 21 (11) The President of the North Carolina Association of Independent  
22 Colleges and Universities, or a designee.
- 23 (c) Members appointed prior to July 1, 1995, shall serve until June 30, 1997.  
24 Subsequent appointments shall be for four-year terms. Members may serve two  
25 consecutive four-year terms.
- 26 The Board of Trustees shall elect a new chair every two years from its  
27 membership. The chair may serve two consecutive two-year terms as chair.
- 28 (d) The chief administrative officer of the Teacher Academy shall be a director  
29 appointed by the Board of Trustees.
- 30 (e) The Board of Trustees shall collaborate and coordinate its programming  
31 with NCCAT.
- 32 (f) This section becomes effective September 1, 1995.
- 33

34 Requested by: Senators Plexico, Winner

### 35 COSTS OF REORGANIZATION

36 Sec. 17.10. The State Board of Education shall use funds from the following  
37 sources to cover the costs incurred in accordance with G.S. 126-4(7a) related to the  
38 separation of Department of Public Instruction employees and the salaries of any  
39 positions that will be eliminated prior to January 1, 1996:

- 40 (1) Refunds from local school administrative units of funds allocated for the  
41 1994-95 fiscal year; and
- 42 (2) Funds carried forward from the 1994-95 fiscal year from State Aid to  
43 Local School Administrative Units.

1 If these funds are not adequate to cover the costs, the State Board may also use  
2 unexpended funds appropriated for the 1995-96 fiscal year for State Aid to Local School  
3 Administrative Units.

4  
5 Requested by: Senators Plexico, Winner

6 **CHILD NUTRITION SERVICES**

7 Sec. 17.11. The 16 personnel positions in the Department of Public Instruction  
8 that have responsibility in the areas of the Child and Adult Food Program and the  
9 Summer Food Program are transferred from Department of Public Instruction to the  
10 Maternal and Child Health Section of the Department of Environment, Health, and  
11 Natural Resources.

12 Where a conflict arises in connection with the transfer, the transfer shall be  
13 resolved by the Governor, and the decision of the Governor shall be final.

14  
15 Requested by: Senators Winner, Plexico

16 **TRANSFER OF NORTH CAROLINA EDUCATION STANDARDS AND**  
17 **ACCOUNTABILITY COMMISSION**

18 Sec. 17.12. (a) The North Carolina Education Standards and Accountability  
19 Commission is transferred from the Office of the Governor to the State Board of  
20 Education. This transfer shall have all of the elements of a Type II transfer, as that term  
21 is defined in G.S. 143A-6(b).

22 (b) G.S. 115C-105.1 reads as rewritten:

23 **"§ 115C-105.1. Creation of the Commission.**

24 The General Assembly believes that all children can learn. The General Assembly  
25 further believes that all graduates of North Carolina public schools should have mastered  
26 the skills required to become productive members of the workforce and succeed in life.  
27 The General Assembly further believes that having a highly qualified workforce is  
28 essential to strengthening North Carolina's competitive position in the modern world  
29 economy, improving workforce productivity, and ensuring a more prosperous future for  
30 all our citizens. With that mission as its guide, the General Assembly creates the North  
31 Carolina Education Standards and Accountability Commission.

32 The Commission shall be located administratively ~~in the Office of the Governor under~~  
33 the State Board of Education but shall exercise all its prescribed statutory powers  
34 independently of the ~~Office of the Governor.~~ State Board of Education."

35  
36 Requested by: Senators Winner, Plexico

37 **TRANSFER OF NORTH CAROLINA STANDARDS BOARD FOR PUBLIC**  
38 **SCHOOL ADMINISTRATION**

39 Sec. 17.13. (a) The North Carolina Standards Board for Public School  
40 Administration is transferred from the Office of the Governor to the State Board of  
41 Education. This transfer shall have all of the elements of a Type II transfer, as that term  
42 is defined in G.S. 143A-6(b).

43 (b) G.S. 115C-290.4(a) reads as rewritten:



1       (a) The North Carolina Standards Board for Public School Administration is  
2 created. The Board shall be located for administrative purposes in the ~~Office of the~~  
3 ~~Governor, State Board of Education.~~ The Board shall exercise its powers independently  
4 of that Office, the State Board of Education."

5  
6 Requested by: Senators Winner, Plexico

#### 7 **REPORTS ON REORGANIZATION**

8       Sec. 17.14. The State Board of Education shall report on a quarterly basis,  
9 beginning September 1, 1995, to the Joint Legislative Education Oversight Committee on  
10 its progress in reorganizing the Department of Public Instruction, transfers of funds and  
11 positions necessitated by the reorganization, and recommended statutory changes  
12 necessary to enable the Board to complete the reorganization and to implement the  
13 Board's proposed accountability model.

14  
15 Requested by: Senator Winner, Plexico, Hartsell

#### 16 **SUBSTITUTE TEACHER PAY**

17       Sec. 17.15. (a) G.S. 115C-12(8) reads as rewritten:

18       "(8) Power to Make Provisions for Sick ~~Leave.~~Leave and for Substitute  
19 Teachers. – The Board shall provide for ~~a minimum of five days per~~  
20 ~~school year term of~~ sick leave with pay for all public school employees  
21 in accordance with the provisions of this Chapter and shall promulgate  
22 rules and regulations providing for necessary substitutes on account of  
23 ~~said sick leave.~~leave and other teacher absences.

24       The pay for a substitute shall be fixed by the Board. If a teacher  
25 assistant assigned to a classroom in kindergarten through third grade  
26 acts as a substitute teacher for that classroom, the salary of the teacher  
27 assistant for the day shall be the same as the daily salary of an entry-  
28 level teacher with an 'A' certificate.

29       The Board may provide to each local school administrative unit not  
30 exceeding one percent (1%) of the cost of instructional services for the  
31 purpose of providing substitute teachers for those on sick leave as  
32 authorized by law or by regulations of the Board, but not exceeding the  
33 provisions made for other State employees."

34       (b) Substitute teachers who are not certified as teachers but have worked as teacher  
35 assistants in the public schools shall be paid at the same rate as substitute teachers who  
36 are not certified as teachers but have previously taken teacher effectiveness training.

#### 37 38 **PART 18. DEPARTMENT OF TRANSPORTATION**

39  
40 Requested by: Representatives Barbee, Bowie, Senator Hoyle

#### 41 **GENERAL SERVICES FOR THE DEPARTMENT OF TRANSPORTATION** 42 **CONSOLIDATED**

1           Sec. 18. The Facilities Management Branch of the Division of Highways and  
2 the General Services Branch of the Division of Motor Vehicles shall be merged into the  
3 General Services Division of the Department of Transportation. The Department of  
4 Transportation shall report to the Joint Legislative Transportation Oversight Committee  
5 on or before October 31, 1995, concerning the merger of these three agencies and the  
6 savings resulting from the consolidation and elimination of duplication.

7  
8 Requested by: Representatives Barbee, Bowie, Senator Hoyle

9 **ADOPT-A-HIGHWAY PROGRAM**

10           Sec. 18.1. Chapter 136 of the General Statutes is amended by adding a new  
11 section to read:

12 **"§ 136-140.1. Adopt-A-Highway.**

13           (a) Notwithstanding any other provision of this Article, the Department of  
14 Transportation may permit individuals or groups participating in its Adopt-A-Highway  
15 Program access to controlled access facilities for the purpose of removing litter from the  
16 right-of-way. Acknowledgment of participation in the program may be indicated by  
17 appropriate signs that shall be owned, controlled, and erected by the Department of  
18 Transportation. The size, style, specifications, and content of the signs shall be  
19 determined in the sole discretion of the Department of Transportation. The Department  
20 of Transportation may issue rules and policies necessary to administer the program.

21           (b) Adopt-A-Highway participants may use contract services to clean the roadside  
22 of the sections of highway the participants have adopted only in accordance with the rules  
23 and policies issued by the Department of Transportation."

24  
25 Requested by: Representatives Barbee, Bowie, Senator Hoyle

26 **RAILROAD DIVIDEND USES SUBMITTED AS PART OF ANNUAL**  
27 **DEPARTMENT OF TRANSPORTATION BUDGET**

28           Sec. 18.2. G.S. 136-16.6 reads as rewritten:

29 **"§ 136-16.6. Continuing rail appropriations.**

30           (a) There is annually appropriated one hundred percent (100%) of the annual  
31 dividends received in the prior fiscal year by the State from its ownership of stock in the  
32 North Carolina Railroad Company ~~and the Atlantic and North Carolina Railroad~~  
33 ~~Company~~ to the Highway Fund for use by the Department of Transportation for railroad  
34 purposes.

35           (b) The Department of Transportation shall include in its annual budget the  
36 purposes for which the annual dividends received by the State from its ownership of  
37 stock in the North Carolina Railroad Company will be used.

38           These purposes may include the following project types to be included in the annual  
39 Transportation Improvement Program:

- 40           (1) Track and signal improvements for passenger service.  
41           (2) Rail passenger stations and multimodal transportation centers.  
42           (3) Grade crossing protection, elimination, and hazard removal.  
43           (4) Rail rolling stock cars and locomotives.

1           (5)   Rail rehabilitation.

2           (6)   Industrial rail access."

3  
4 Requested by: Representatives Barbee, Bowie, Senator Hoyle

5 **GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND**  
6 **FROM FEDERAL SOURCES**

7           Sec. 18.3. When funds are provided from the Highway Fund to the Global  
8 TransPark Authority for environmental impact statements or assessments and the Global  
9 TransPark Authority applies for and receives reimbursement for those expenses from  
10 federal sources up to one million eight hundred thousand dollars (\$1,800,000), the federal  
11 reimbursements shall be paid over by the Global TransPark Authority into the Highway  
12 Fund within 30 days of receipt. These funds shall be allocated to State-funded  
13 maintenance appropriations in the manner approved by the Board of Transportation.

14  
15 Requested by: Representatives Barbee, Bowie, Senator Hoyle

16 **AIRCRAFT AND FERRY ACQUISITIONS**

17           Sec. 18.4. Before approving the purchase of an aircraft from the Equipment  
18 Fund or a ferry in a Transportation Improvement Program, the Board of Transportation  
19 shall prepare an estimate of the operational costs and capital costs associated with the  
20 addition of the aircraft or ferry and shall report those additional costs to the General  
21 Assembly pursuant to G.S. 136-12(b), and to the Joint Legislative Commission on  
22 Governmental Operations.

23  
24 Requested by: Representatives Barbee, Bowie, Senator Hoyle

25 **SOME FERRY OPERATIONAL FUNDS REVERTED**

26           Sec. 18.5. Of the unencumbered funds appropriated for Ferry Operations as of  
27 June 30, 1995, two hundred thousand dollars (\$200,000) shall revert to the Highway  
28 Fund.

29  
30 Requested by: Representatives Barbee, Bowie, Senator Hoyle

31 **DEPARTMENT OF TRANSPORTATION TO PAY DEPARTMENT OF**  
32 **CORRECTION ONLY FOR ACTUAL MEDIUM CUSTODY INMATE LABOR**

33           Sec. 18.6. The Department of Transportation shall pay the Department of  
34 Correction only for the actual labor performed by medium custody inmates.

35  
36 Requested by: Senator Hoyle

37 **VISITOR CENTER OPERATIONAL FUNDS**

38           Sec. 18.7. G.S. 20-79.7(c) reads as rewritten:

39       "(c) Use of Funds in Special Registration Plate Account. –

40       (1) The Division shall deduct the costs of special registration plates,  
41 including the costs of issuing, handling, and advertising the availability  
42 of the special plates, from the Special Registration Plate Account.

- 1           (2) From the funds remaining in the Special Registration Plate Account  
2 after the deductions in accordance with subdivision (1) of this  
3 subsection, there is annually appropriated from the Special Registration  
4 Plate Account the sum of ~~three hundred twenty-five thousand dollars~~  
5 ~~(\$325,000) for the 1993-94 fiscal year and the sum of three hundred~~  
6 ~~seventy five thousand dollars (\$375,000) for the 1994-95 fiscal year~~  
7 four hundred fifty thousand dollars (\$450,000) to provide operating  
8 assistance for the Visitor and Welcome Centers:  
9           a. on U.S. Highway 17 in Camden County, (\$75,000);  
10           b. on U.S. Highway 17 in Brunswick County, (\$75,000);  
11           c. on U.S. Highway 441 in Macon County, (\$75,000);  
12           d. in the Town of Boone, Watauga County, (\$75,000); ~~and~~  
13           e. on U.S. Highway 29 in Caswell County, ~~(\$25,000) for the 1993-~~  
14 ~~94 fiscal year and (\$75,000) for the 1994-95 fiscal year.~~  
15 (\$75,000); and  
16           f. on U.S. Highway 70 in Carteret County, (\$75,000).  
17       (3) The Division shall transfer the remaining revenue in the Account  
18 quarterly as follows:  
19           a. Thirty-three percent (33%) to the account of the Department of  
20 Commerce to aid in financing out-of-state print and other media  
21 advertising under the program for the promotion of travel and industrial  
22 development in this State.  
23           b. Fifty percent (50%) to the Department of Transportation to be used  
24 solely for the purpose of beautification of highways other than those  
25 designated as interstate. These funds shall be administered by the  
26 Department of Transportation for beautification purposes not  
27 inconsistent with good landscaping and engineering principles.  
28           c. Seventeen percent (17%) to the account of the Department of  
29 Human Resources to promote travel accessibility for disabled  
30 persons in this State. These funds shall be used to collect and  
31 update site information on travel attractions designated by the  
32 Department of Commerce in its publications, to provide technical  
33 assistance to travel attractions concerning accommodation of  
34 disabled tourists, and to develop, print, and promote the  
35 publication ACCESS NORTH CAROLINA as provided in G.S.  
36 168-2. Any funds allocated for these purposes that are neither  
37 spent nor obligated at the end of the fiscal year shall be  
38 transferred to the Department of Administration for removal of  
39 man-made barriers to disabled travelers at State-funded travel  
40 attractions. Guidelines for the removal of man-made barriers  
41 shall be developed in consultation with the Department of  
42 Human Resources."  
43

1 Requested by: Representatives Barbee, Bowie, Senator Hoyle

2 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

3 Sec. 18.8. The Controller of the Department of Transportation shall allocate at  
4 the beginning of each fiscal year from the various appropriations made to the Department  
5 of Transportation in this act, Titles:

6 State Construction

7 State Funds to Match Federal Highway Aid

8 State Maintenance

9 Ferry Operations,

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

12  
13 Requested by: Representatives Barbee, Bowie, Senator Hoyle

14 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**  
15 **APPROPRIATIONS**

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

18 For Fiscal Year 1997-98 \$1,075.6 Million

19 For Fiscal Year 1998-99 \$1,093.1 Million

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

22 For Fiscal Year 1997-98 \$ 775.8 Million

23 For Fiscal Year 1998-99 \$ 799.8 Million

24  
25 Requested by: Representatives Barbee, Bowie, Senator Hoyle

26 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

27 Sec. 18.10. (a) Overexpenditures from Section 3 of this act may be made by  
28 authorization of the Director of the Budget, Titles:

29 State Construction Primary Construction

30 State Construction Urban Construction

31 Spot Safety Construction

32 State Construction Access and Public Service Roads

33 State Funds to Match Federal Highway Aid

34 State Maintenance

35 Ferry Operations,

36 provided that there are corresponding underexpenditures from these same Titles.  
37 Overexpenditures or underexpenditures in any Titles shall not vary by more than ten  
38 percent (10%) without prior consultation with the Advisory Budget Commission.  
39 Written reports covering overexpenditures or underexpenditures of more than ten percent  
40 (10%) shall be made to the Joint Legislative Transportation Oversight Committee. The  
41 reports shall be delivered to the Director of the Fiscal Research Division not less than 96  
42 hours prior to the beginning of the Commission's full meeting.

43 (b) Overexpenditures from Section 3 of this act, Titles:

1 State Construction Primary Construction  
2 State Construction Urban Construction  
3 Spot Safety Construction  
4 State Construction Access and Public Service Roads  
5 State Funds to Match Federal Highway Aid  
6 State Maintenance  
7 Ferry Operations,

8 for the purpose of providing additional positions shall be approved by the Director of the  
9 Budget and shall be reported on a quarterly basis to the Joint Legislative Transportation  
10 Oversight Committee and to the Fiscal Research Division.

11  
12 Requested by: Representatives Barbee, Bowie, Senator Hoyle

### 13 **RESURFACED ROADS MAY BE WIDENED**

14 Sec. 18.11. Of the contract maintenance resurfacing program funds  
15 appropriated in this act to the Department of Transportation, an amount not to exceed  
16 fifteen percent (15%) of the Board of Transportation's allocation of these funds may be  
17 used for widening existing narrow pavements that are scheduled for resurfacing.

18  
19 Requested by: Senator Hoyle

### 20 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**

21 Sec. 18.12. Of the funds appropriated in this act to the Department of  
22 Transportation, fourteen million dollars (\$14,000,000) shall be allocated in each fiscal  
23 year for small urban construction projects. These funds shall be allocated equally in each  
24 fiscal year of the biennium among the 14 Highway Divisions for the small urban  
25 construction program for small urban construction projects that are located within the  
26 area covered by a one-mile radius of the municipal corporate limits. Discretionary funds  
27 of fourteen million dollars (\$14,000,000) shall be used statewide for rural or small urban  
28 highway improvements as approved by the Secretary of the Department of  
29 Transportation.

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

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

37  
38 Requested by: Representatives Barbee, Bowie, Senator Hoyle

### 39 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

40 Sec. 18.13. Any unreserved credit balance in the Highway Fund on June 30 of  
41 each of the fiscal years of this biennium shall support appropriations in the succeeding  
42 fiscal year. If all of the balance is not needed for these appropriations, the Director of the  
43 Budget may use the remaining excess to establish a reserve for access and public roads, a

1 reserve for unforeseen happening of a state of affairs requiring prompt action as provided  
2 by G.S. 136-44.1, and other required reserves. If all of the remaining excess is not used  
3 to establish these reserves, the remainder shall be allocated to the State-funded  
4 maintenance appropriations in the manner approved by the Board of Transportation. The  
5 Board of Transportation shall report monthly to the Joint Legislative Transportation  
6 Oversight Committee and the Fiscal Research Division about the use of the reserve for  
7 highway and maintenance.

8  
9 Requested by: Representatives Barbee, Bowie, Senator Hoyle

10 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**  
11 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**  
12 **MANAGEMENT**

13 Sec. 18.14. The Department of Transportation may enter into a design-build-  
14 warrant contract to develop, with Federal Highway Administration participation under  
15 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections  
16 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"  
17 system of traffic management for the greater Charlotte-Mecklenburg urban areas.  
18 Notwithstanding any other provision of law, contractors, contractors' employees, and  
19 Department of Transportation employees involved in this project only do not have to be  
20 licensed by occupational licensing boards as "license" and "occupational licensing board"  
21 are defined in G.S. 93B-1; and for the purpose of entering into contracts, the Department  
22 of Transportation is exempted from the provisions of the following General Statutes: G.S.  
23 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These statutory exemptions  
24 are limited and available only to the extent necessary to comply with federal rules,  
25 regulations, and policies for completion of this project.

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

32  
33 Requested by: Representatives Barbee, Bowie, Senator Hoyle

34 **BRANCH AGENT/DMV COST COMPARISON**

35 Sec. 18.16. The Division of Motor Vehicles shall conduct a cost comparison  
36 study comparing the costs of services provided by contract branch agents with the cost of  
37 providing those services at the Division of Motor Vehicles offices in Raleigh and  
38 Charlotte. The study shall also include an analysis of the impact the planned vehicle  
39 registration computer system improvements will have on the cost, efficiency, and  
40 delivery of services to the public. The Division of Motor Vehicles shall report the results  
41 of the study to the Joint Legislative Transportation Oversight Committee by March 1,  
42 1996.

1 Requested by: Senator Hoyle

2 **STUDY OF DRIVERS LICENSE MEDICAL EVALUATION PROGRAM**

3 Sec. 18.17. (a) There is established in the General Assembly a Commission to  
4 study the Drivers License Medical Evaluation Program operated pursuant to G.S. 20-9.  
5 The Commission shall study:

6 (1) Whether the program should be modified or abolished;

7 (2) Whether the program should be transferred entirely to the Division of  
8 Motor Vehicles rather than involving reviews by the Commission for  
9 Health Services; and

10 (3) How applicants for drivers licenses should be removed from the  
11 program when their conditions improve.

12 (b) The Commission shall be composed of six members appointed as follows:

13 (1) Three members appointed by the President Pro Tempore of the Senate,  
14 at least two of whom shall be members of the Senate at the time of their  
15 appointment; and

16 (2) Three members appointed by the Speaker of the House of  
17 Representatives, at least two of whom shall be members of the House of  
18 Representatives at the time of their appointment.

19 The President Pro Tempore of the Senate and the Speaker of the House of  
20 Representatives shall each select a legislative member from their appointments to serve  
21 as cochair of the Commission. Meetings shall be held at the call of the cochairs.

22 All members shall serve at the will of their appointing officer. Unless  
23 removed, or having resigned, members shall serve until the Commission has made its  
24 report. Vacancies in membership shall be filled by the officer having made the original  
25 appointment.

26 (c) Upon approval of the Legislative Services Commission, the Legislative  
27 Administrative Officer shall assign appropriate professional and clerical staff from the  
28 Fiscal Research, Research, or Bill Drafting Divisions of the Legislative Services Office  
29 of the General Assembly to assist with the study. Clerical staff shall be furnished to the  
30 Commission through the Senate and House of Representatives' Supervisors of Clerks.  
31 The employment of the clerical staff shall be borne by the Commission. The  
32 Commission may meet in the Legislative Building or the Legislative Office Building  
33 upon the approval of the Legislative Services Commission. The Commission, while in  
34 the discharge of its official duties may exercise all the powers provided under the  
35 provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all  
36 officers, agents, agencies, and departments of the State to provide any information and  
37 any data within their possession and ascertainable from their records, and the power to  
38 subpoena witnesses.

39 The Commission may request the assistance of the Department of  
40 Environment, Health, and Natural Resources, the Department of Transportation, and the  
41 Office of State Budget and Management in conducting this study.

42 Members of the Commission shall receive per diem, subsistence, and travel  
43 allowances as provided by law.



1 The Commission may make an interim report, including any legislative  
2 proposals, to the 1995 General Assembly, Regular Session 1996, and shall make a final  
3 report, including any legislative proposals, to the 1997 General Assembly.  
4

5 Requested by: Representatives Barbee, Bowie, Senator Hoyle

#### 6 **REVERSIONS FOR HIGHWAY FUND PROJECTS**

7 Sec. 18.18. Except as permitted in other sections of this act, the appropriations  
8 for capital improvements from the Highway Fund made by the 1995 General Assembly  
9 may be expended only for the specific projects set out by the 1995 General Assembly and  
10 for no other purpose.

11 Construction of all capital improvement projects enumerated by the 1995  
12 General Assembly shall be commenced, or self-liquidating indebtedness with respect to  
13 them shall be incurred, within 12 months following the first day of the fiscal year in  
14 which the funds are available.

15 If construction contracts on those projects have not been awarded or self-  
16 liquidating indebtedness has not been incurred within that period, the direct appropriation  
17 for those projects shall revert to the Highway Fund, and the self-liquidating appropriation  
18 shall lapse; except that direct appropriations may be placed in a reserve fund if so  
19 authorized in this act.

20 This deadline with respect to both direct and self-liquidating appropriations  
21 from the Highway Fund may be extended with the approval of the Director of the Budget  
22 up to an additional 12 months if circumstances and conditions warrant such extension.  
23

24 Requested by: Representatives Barbee, Bowie, Senator Hoyle

#### 25 **CAPITAL REVERSIONS**

26 Sec. 18.19. (a) The funds remaining unencumbered from the following projects  
27 shall revert to the Highway Fund:

28 DMV Additions Sec. 4 of Chapter 1101 of the 1987 Session Laws.

29  
30 DMV Additions Sec. 6 of Chapter 754 of the 1989 Session Laws.

31  
32 DMV Warehouse Sec. 6 of Chapter 754 of the 1989 Session  
33 Laws.

34  
35 Land, Asheville Sec. 8 of Chapter 1074 of the 1989 Session Laws.

36  
37 DMV Electrical Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

38  
39 DMV Building Sec. 5 of Chapter 561 of the 1993 Session Laws.

40 (b) From the funds reverted to the Highway Fund by subsection (a) of this section,  
41 sufficient funds shall be used to close the accounts on the following projects:

42 Handicap

43 Modifications Sec. 4 of Chapter 1101 of the 1987 Session Laws.

1  
2 Statesville DMV Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

3  
4 Handicap

5 Modifications Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

6  
7 Fire Alarm Sec. 30 of Chapter 1044 of the 1991 Session Laws.

8  
9 Goldsboro DMV Sec. 30 of Chapter 1044 of the 1991 Session Laws.

10  
11 Kinston DMV Sec. 30 of Chapter 1044 of the 1991 Session Laws.

12  
13 Requested by: Representatives Barbee, Bowie, Senator Hoyle

14 **UNSPENT BEAUFORT REST AREA FUNDS TO REVERT TO HIGHWAY**  
15 **FUND**

16 Sec. 18.20. Unused funds appropriated to the Department of Administration  
17 pursuant to Section 106 of Chapter 900 of the 1991 Session Laws shall revert to the  
18 Highway Fund.

19  
20 Requested by: Representatives Barbee, Bowie, Senator Hoyle

21 **LAND SALES PROCEEDS TO BE APPROPRIATED**

22 Sec. 18.21. The proceeds from the sales of the following properties shall be  
23 placed in a capital reserve to be appropriated by the 1996 General Assembly for capital  
24 projects to be funded during the 1996-97 fiscal year:

25 Goldsboro - Old District Office/Maintenance Yard

26 Durham - Property at 320 Club Drive

27 Dare County - Old Bridge Maintenance Yard

28 Greenville - Maintenance Subyard

29 Cashiers - Storage Yard.

30  
31 Requested by: Representatives Barbee, Bowie, Senator Hoyle

32 **HIGHWAY FUND/HIGHWAY TRUST FUND FINANCIAL MODEL**

33 Sec. 18.22. The Joint Legislative Transportation Oversight Committee shall  
34 prepare a request for proposal (RFP), select a qualified firm from bids submitted in  
35 response to the RFP to develop a Highway Fund/Highway Trust Fund financial model,  
36 and contract with that firm to develop the financial model by March 31, 1996, at a cost  
37 not to exceed sixty thousand dollars (\$60,000). The funds to pay for the development of  
38 the financial model shall come from the Highway Trust Fund.

39 The financial model shall be a computer-based financial model used to project  
40 long-term expenditure and revenue trends under various simulations. The model will  
41 identify quantitatively the long-term "structural" implications of the interplay between the  
42 Highway Fund and the Highway Trust Fund budget, the economy, and selected  
43 demographic factors.

1  
2 Requested by: Representatives Barbee, Bowie, Senator Hoyle

3 **STATE PRINTING OFFICER TO STUDY STATE PRINTING SERVICES**

4 Sec. 18.23. The State Printing Officer in the Division of Purchase and  
5 Contract, Department of Administration, shall study State government printing services  
6 to determine, inter alia:

- 7 (1) The feasibility of continuing separate departmental in-house printing  
8 operations;  
9 (2) The feasibility of the increased use of Correction Enterprises printing  
10 services; and  
11 (3) Whether contracting out printing orders worth more than ten thousand  
12 dollars (\$10,000) would provide savings to the State.

13 The State Printing Officer shall submit a report on his findings to the Joint  
14 Legislative Commission on Governmental Operations on or before October 31, 1995.

15  
16 Requested by: Representatives Barbee, Bowie, Senator Hoyle

17 **FINANCIAL ACCOUNTING AND REPORTING FUNDS REVERTED**

18 Sec. 18.24. Of the funds appropriated in fiscal year 1992-93 for the purpose of  
19 beginning the implementation of a new financial accounting and reporting system for the  
20 Department of Transportation, the sum of one million three hundred thousand dollars  
21 (\$1,300,000) shall revert to the Highway Fund on June 30, 1995.

22 The remaining unencumbered and unspent funds shall be used by the  
23 Department of Transportation in a joint effort with the Office of the State Controller to  
24 develop a comprehensive plan for the new financial accounting and reporting system for  
25 presentation to the 1996 Session of the General Assembly.

26 The comprehensive plan shall provide for the complete financial accounting  
27 and reporting requirements of the Department including those for work order funding and  
28 costing, billing for Federal Highway Aid and other sums owed to the Department,  
29 payment to highway and engineering contractors, fleet management and inventory  
30 management as well as core accounting functions of purchasing, accounts payable,  
31 accounts receivable, budget preparation, budget control, fixed assets, and grant  
32 accounting.

33 For all the above functions, the comprehensive plan shall identify:

- 34 (1) The processing concepts and methods that will be employed;  
35 (2) The computer hardware and software and associated manual processes  
36 required to perform the required functions efficiently and effectively;  
37 (3) The implementation cost for the computer hardware and software and  
38 related costs such as training;  
39 (4) The time required for implementation;  
40 (5) The projected operating costs for the new system; and  
41 (6) The projected operating savings, if any.

42 The planned system shall conform to the applicable standards and requirements  
43 of the State Accounting System.

1 The Department shall make quarterly reports on the development of the plan to  
2 the Joint Legislative Transportation Oversight Committee.

3  
4 Requested by: Senator Hoyle

5 **ALLOCATION OF FUNDS FOR DRIVER TRAINING**

6 Sec. 18.27. In allocating funds for driver training, the State Board of  
7 Education shall consider the needs of small and low-wealth local school administrative  
8 units.

9  
10 Requested by: Senator Hoyle

11 **RADIO ISLAND RAILROAD TRESTLE FUNDS**

12 Sec. 18.28. (a) Section 68 of Chapter 561 of the 1993 Session Laws reads as  
13 rewritten:

14 "Sec. 68. Of the funds appropriated in this act from the General Fund to the ~~North~~  
15 ~~Carolina Ports Railway Commission, the Department of Transportation,~~ the sum of two  
16 hundred fifty thousand dollars (\$250,000) for the 1993-94 fiscal year shall be used to  
17 plan for the replacement of the wooden trestle over the Newport River on the Beaufort  
18 and Morehead Railroad with a modern concrete trestle.

19 ~~The Attorney General and the Department of Transportation shall identify legal issues~~  
20 ~~related to the design, construction, and operation of the new trestle and shall report to the~~  
21 ~~Joint Legislative Commission on Governmental Operations and to the Fiscal Research~~  
22 ~~Division of the Legislative Services Office not later than March 1, 1994, on options~~  
23 ~~available to resolve those issues."~~

24 (b) The Department of Transportation shall proceed with the planning and  
25 construction of the trestle, Project P-3100 in the 1996-2002 Transportation Improvement  
26 Program, and shall commence construction of the trestle during calendar year 1996. The  
27 completed bridge shall be added to the State System for maintenance purposes.

28  
29 Requested by: Senator Hoyle

30 **CHARLOTTE MOTOR SPEEDWAY PEDESTRIAN BRIDGE**

31 Sec. 18.29. The Department of Transportation may permit private  
32 encroachments on the highway right-of-way of U.S. 29 in Cabarrus County for pedestrian  
33 bridges and tunnels to provide access for pedestrians and vehicles from the Charlotte  
34 Motor Speedway property on the north side of U.S. 29 to the Charlotte Motor Speedway  
35 property located on the south side of U.S. 29. Locations, plans, and specifications for the  
36 pedestrian bridges and tunnels shall be approved by the Department.

37 The encroachments shall not unreasonably interfere with or obstruct the public  
38 use of U.S. 29 and shall be subject to all other rules, regulations, and conditions of the  
39 Department of Transportation for encroachments.

40  
41 Requested by: Senator Hoyle

42 **ROOFING REPAIR REVERSIONS**

1           Sec. 18.30. Funds remaining unencumbered from the following roofing repair  
2 projects shall revert to the Highway Fund:

3  
4           Roofing            Sec. 8 of Chapter 1074 of the 1989 Session Laws.

5  
6           Roofing            Sec. 236.1 of Chapter 689 of the 1991 Session Laws.

7  
8           Roofing            Sec. 30 of Chapter 1044 of the 1991 Session Laws.

9  
10          Roofing            Sec. 5 of Chapter 561 of the 1993 Session Laws.

## 11           **PART 19. DEPARTMENT OF CORRECTION**

12  
13  
14 Requested by: Representatives Justus, Thompson, Redwine, Senator Ballance

### 15           **AMEND CRIMINAL JUSTICE PARTNERSHIP ACT**

16           Sec. 19. G.S. 143B-273.15 reads as rewritten:

#### 17           **"§ 143B-273.15. Funding formula.**

18           To determine the grant amount for which a county or counties may apply, the granting  
19 authority shall apply the following formula:

20           ~~(a)~~           (1)   Twenty percent (20%) of the total ~~fund—fiscal year~~  
21                           appropriation plus any unspent or unclaimed funds in the Account  
22                           shall be distributed in the discretion of the Secretary to encourage  
23                           innovative efforts to develop multicounty projects; to encourage  
24                           cooperation and collaboration among existing services and avoid  
25                           duplication of efforts; to provide for technical assistance to the  
26                           counties in the development of county plans and in the evaluation of  
27                           programs funded under this Article; to encourage the renovation of  
28                           existing facilities; and to encourage innovative substance abuse  
29                           programs.

30           ~~(b)~~           (2)   Of the remaining eighty percent (80%) of the ~~fund, fiscal year~~  
31                           appropriation, a total funding amount will be set for each county  
32                           based upon the following variables:

33           ~~(1)~~           a. Twenty percent (20%) based on a fixed equal dollar amount for each  
34                           county;

35           ~~(2)~~           b. Sixty percent (60%) based on the county share of the State  
36                           population; and

37           ~~(3)~~           c. Twenty percent (20%) based on the supervised probation admissions  
38                           rate for the county.

39           The sum of the amounts in subdivisions (1), (2), and (3) is the total amount of the  
40 funding that a county may apply for under this subsection.

41           Grants to participating counties are for a period of one fiscal year with unobligated  
42 funds being returned to the Account at the end of the grant period. Funds are provided to

1 participating counties on a reimbursement basis unless a county documents a need for an  
2 advance of grant funds."

3  
4 Requested by: Senator Ballance

5 **LIMIT USE OF OPERATIONAL FUNDS**

6 Sec. 19.1. Funds appropriated in this act to the Department of Correction for  
7 operational costs for additional facilities shall be used for personnel and operating  
8 expenses set forth in the budget approved by the General Assembly in this act. These  
9 funds may not be expended for any other purpose, except as provided for in this act, and  
10 may not be expended for additional prison personnel positions until the new facilities are  
11 within 90 days of projected completion, except for certain management, security, and  
12 support positions necessary to prepare the facility for opening, as authorized in the budget  
13 approved by the General Assembly.

14  
15 Requested by: Representatives Justus, Thompson, Senator Ballance

16 **REPORT ON SUMMIT HOUSE**

17 Sec. 19.2. Summit House shall report quarterly during each year of the 1995-  
18 97 biennium to the Joint Legislative Commission on Governmental Operations on the (i)  
19 expenditure of State appropriations and on the effectiveness of the program, including  
20 information on the number of clients served, the number of clients who have their  
21 probation revoked, and the number of clients who successfully complete the program  
22 while housed at Summit House; and (ii) the expansion of its program into Mecklenburg  
23 and Wake Counties.

24  
25 Requested by: Senators Ballance, Odom

26 **SUMMIT HOUSE FUNDS SHALL NOT REVERT**

27 Sec. 19.2A. (a) The balance of the nine hundred thousand dollars (\$900,000)  
28 appropriated in Chapter 321 of the 1993 Session Laws to the Department of Correction  
29 for the 1994-95 fiscal year for support and expansion of the programs at Summit House  
30 in Greensboro and Mecklenburg and Wake Counties shall not revert at the end of the  
31 fiscal year but shall remain in the Department for that purpose.

32 (b) This section becomes effective June 30, 1995.

33  
34 Requested by: Representatives Justus, Thompson, Senator Ballance

35 **REPORT ON BOOT CAMPS**

36 Sec. 19.3. Subsection (c) of Section 19 of Chapter 24 of the Session Laws of  
37 the 1994 Extra Session reads as rewritten:

38 "(c) The Department of Correction shall evaluate the IMPACT program and the  
39 post-Boot Camp probation program funded under this section and report by January 1 of  
40 each year to the Joint Legislative Commission on Governmental Operations, the Joint  
41 Legislative Corrections Oversight Committee, and the Fiscal Research ~~Division prior to~~  
42 ~~January 1, 1995, and annually thereafter.~~ Division. The evaluation of the IMPACT  
43 program and the post-Boot Camp probation program shall compare-include a comparison

1 of that program's effectiveness, cost, and recidivism rate to other corrections programs  
2 for offenders aged 16-25, in the same age group and similar offense classes as that  
3 covered by the IMPACT program. The evaluation of the post Boot Camp probation  
4 program shall compare that program's effectiveness, cost, and recidivism rate to other  
5 probation programs for offenders aged 16-25."  
6

7 Requested by: Senator Ballance

#### 8 **HARRIET'S HOUSE FUNDS SHALL NOT REVERT**

9 Sec. 19.6. (a) The balance of the two hundred thousand dollars (\$200,000)  
10 appropriated in Chapter 769 of the 1993 Session Laws to the Department of Correction  
11 for the 1994-95 fiscal year to support the programs at Harriet's House shall not revert at  
12 the end of the fiscal year but shall remain in the Department to be used for program  
13 operating costs, the purchase of equipment, and the rental of real property.

14 (b) This section becomes effective June 30, 1995.  
15

16 Requested by: Senator Ballance

#### 17 **REPORT ON TRANSFER OF COMMUNITY SERVICE WORK PROGRAM TO** 18 **THE DEPARTMENT OF CORRECTION**

19 Sec. 19.7. The Department of Correction shall report quarterly beginning  
20 October 1, 1995, to the Joint Legislative Corrections Oversight Committee and the Chairs  
21 of the Senate and House Appropriations Subcommittees on Justice and Public Safety on  
22 the integration of the community service work program into the Department of  
23 Correction, Division of Adult Probation and Parole. The report shall:

- 24 (1) Identify any changes in the organizational structure of the community  
25 service work program and probation and parole as a result of the  
26 transfer;
- 27 (2) List the number and type of position classification changes for  
28 community service work program positions and any accompanying  
29 salary and grade increases or reductions;
- 30 (3) Describe any changes in the responsibilities and activities of the  
31 community service work program;
- 32 (4) List the number of community service work program positions assigned  
33 to each judicial district as of June 30, 1995, compared to position  
34 numbers by district for each quarter thereafter; and
- 35 (5) Provide a progress report on any potential efficiencies and budget  
36 savings that result from reorganization or integration of the community  
37 service work program.  
38

39 Requested by: Senator Ballance

#### 40 **SUBSTANCE ABUSE FUNDS SHALL NOT REVERT**

41 Sec. 19.8. (a) The balance of the one hundred thousand dollars (\$100,000)  
42 appropriated in Chapter 591 of the 1993 Session Laws to the Department of Correction  
43 for the 1994-95 fiscal year for a pilot community-based treatment program for alcohol

1 and drug abusers on probation and parole shall not revert at the end of the fiscal year but  
2 shall remain in the Department for that purpose.

3 (b) This section becomes effective June 30, 1995.  
4

5 Requested by: Senator Rand

6 **REPEAL PRISON CAP/PREVENT PAROLE OF VIOLENT FELONS**

7 Section 19.9. (a)G.S. 148-4.1 is amended by adding a new subsection to read:

8 "(a1) Notwithstanding any other provision of this section, the Department of  
9 Correction shall at all times secure the necessary prison space to house any violent felon  
10 or habitual felon for the full active sentence imposed by the court. For purposes of this  
11 subsection, the term 'violent felon' means any person convicted of the following felony  
12 offenses: first or second degree murder, voluntary manslaughter, first or second degree  
13 rape, first or second degree sexual offense, any sexual offense involving a minor,  
14 robbery, kidnapping, or assault, or attempting, soliciting, or conspiring to commit any of  
15 those offenses."

16 (b) G.S. 148-4.1(c1) reads as rewritten:

17 "(c1) For purposes of this section only, 'prison capacity' means the number of  
18 prisoners housed in facilities located in North Carolina and owned or operated by the  
19 State of North Carolina, as set by the Governor. In setting the prison capacity for  
20 purposes of this section, the Governor shall consider the number of beds available and  
21 shall make a finding that the number set would not jeopardize the State's ability to  
22 perform its obligations under the law. In no event shall the number set by the Governor  
23 under this subsection exceed ~~24,500-~~27,500."

24 (c) G.S. 148-4(g) reads as rewritten:

25 "(g) In order to meet the requirements of this section, the Parole Commission shall not  
26 parole any person convicted under Article 7A of Chapter 14 of a sex offense, under G.S.  
27 14-39, 14-41, or 14-43.3, under G.S. 90-95(h) of a drug trafficking offense, or under ~~G.S.~~  
28 ~~14-17.~~ G.S. 14-17, or any other violent felon as defined in subsection (a1) of this  
29 section."The Parole Commission may continue to consider the suitability for release of  
30 such persons in accordance with the criteria set forth in Articles 85 and 85A of Chapter  
31 15A.

32 (d) G.S. 148-4.1(g1) reads as rewritten:

33 "(g1) Notwithstanding any other provision of law except for subsection (h) of this  
34 section, ~~whenever the Post-Release Supervision and Parole Commission is required to~~  
35 ~~release inmates in order to meet the requirements of this section,~~ the Post-Release  
36 Supervision and Parole Commission may parole nonviolent inmates who would not  
37 otherwise be eligible for parole instead of paroling violent inmates who are eligible for  
38 parole. This subsection does not apply to sentences under Article 81B of Chapter 15A of  
39 the General Statutes."

40 (e) Effective January 1, 1996, G.S. 148-4.1, as rewritten by subsections (a)  
41 and (b) of this section, reads as rewritten:

42 "**§ 148-4.1. Release of inmates.**



1 (a) Whenever the Secretary of Correction determines from data compiled by the  
2 Department of Correction that it is necessary to reduce the prison population to a more  
3 manageable ~~level,~~ level or to meet the State's obligations under law, he shall direct the  
4 Post-Release Supervision and Parole Commission to release on parole over a reasonable  
5 period of time a number of prisoners sufficient to that purpose. From the time the  
6 Secretary directs the Post-Release Supervision and Parole Commission until the prison  
7 population has been reduced to a more manageable level, the Secretary may not accept  
8 any inmates ordered transferred from local confinement facilities to the State prison  
9 system under G.S. 148-32.1(b). Further, the Secretary may return any inmate housed in  
10 the State prison system under an order entered pursuant to G.S. 148-32.1(b) to the local  
11 confinement facility from which the inmate was transferred. In order to meet the  
12 requirements of this section, the Parole Commission shall not parole any person  
13 convicted under Article 7A of Chapter 14 of a sex offense, under G.S. 14-39, 14-41, or  
14 14-43.3, under G.S. 90-95(h) of a drug trafficking offense, or under G.S. 14-17, or any  
15 other violent felon as defined in subsection (a1) of this section. The Parole Commission  
16 may continue to consider the suitability for release of such persons in accordance with the  
17 criteria set forth in Articles 85 and 85A of Chapter 15A.

18 (a1) Notwithstanding any other provision of this section, the Department of  
19 Correction shall at all times secure the necessary prison space to house any violent felon  
20 or habitual felon for the full active sentence imposed by the court. For purposes of this  
21 subsection, the term 'violent felon' means any person convicted of the following felony  
22 offenses: first or second degree murder, voluntary manslaughter, first or second degree  
23 rape, first or second degree sexual offense, any sexual offense involving a minor,  
24 robbery, kidnapping, or assault, or attempting, soliciting, or conspiring to commit any of  
25 those offenses.

26 (b) Except as provided in subsection ~~(e) and (e),~~ ~~(c),~~ only inmates who are  
27 otherwise eligible for parole pursuant to Article 85 of Chapter 15A or pursuant to Article  
28 3B of this Chapter may be released under this section.

29 (c) Persons eligible for parole under Article 85A of Chapter 15A shall be eligible  
30 for early parole under this section nine months prior to the discharge date otherwise  
31 applicable, and six months prior to the date of automatic 90-day parole authorized by  
32 G.S. 15A-1380.2.

33 ~~(e1) For purposes of this section only, 'prison capacity' means the number of~~  
34 ~~prisoners housed in facilities located in North Carolina and owned or operated by the~~  
35 ~~State of North Carolina, as set by the Governor. In setting the prison capacity for~~  
36 ~~purposes of this section, the Governor shall consider the number of beds available and~~  
37 ~~shall make a finding that the number set would not jeopardize the State's ability to~~  
38 ~~perform its obligations under the law. In no event shall the number set by the Governor~~  
39 ~~under this subsection exceed 27,500.~~

40 (d) ~~If the number of prisoners housed in facilities located in North Carolina and~~  
41 ~~owned or operated by the State of North Carolina for the Division of Prisons exceeds~~  
42 ~~ninety eight percent (98%) of prison capacity for 15 consecutive days, the Secretary of~~  
43 ~~Correction shall notify the Governor and the Chairman of the Parole Commission of this~~

1 fact. Upon receipt of this notification, the Parole Commission shall within 90 days release  
2 on parole a number of inmates sufficient to reduce the prison population to ninety seven  
3 percent (97%) of prison capacity.

4 From the date of the notification until the prison population has been reduced to  
5 ninety seven percent (97%) of prison capacity, the Secretary may not accept any inmates  
6 ordered transferred from local confinement facilities to the State prison system under  
7 G.S. 148-32.1(b). Further, the Secretary may return any inmate housed in the State prison  
8 system under an order entered pursuant to G.S. 148-32.1(b) to the local confinement  
9 facility from which the inmate was transferred.

10 (e) In addition to those persons otherwise eligible for parole, from the date of  
11 notification in subsection (d) until the prison population has been reduced to ninety seven  
12 percent (97%) of prison capacity, any person imprisoned only for a misdemeanor also  
13 shall be eligible for parole and immediate termination upon admission, notwithstanding  
14 any other provision of law, except:

15 (1) Those persons convicted under G.S. 20-138.1 of driving while impaired  
16 or any offense involving impaired driving, and

17 (2) Those persons convicted pursuant to G.S. 130A-25 of failing to obtain  
18 the treatment required by Part 3 or Part 5 of Article 6 of Chapter 130A  
19 or of violating G.S. 130A-144(f) or G.S. 130A-145.

20 (f) In complying with the mandate of subsection (d), the Parole Commission may  
21 exercise the discretion granted to refuse parole by G.S. 15A-1371 in selecting felons to be  
22 paroled under this section so long as the prison population does not exceed prison  
23 capacity.

24 (g) In order to meet the requirements of this section, the Parole Commission shall  
25 not parole any person convicted under Article 7A of Chapter 14 of a sex offense, under  
26 G.S. 14-39, 14-41, or 14-43.3, under G.S. 90-95(h) of a drug trafficking offense, or under  
27 G.S. 14-17, or any other violent felon as defined in subsection (a1) of this section. The  
28 Parole Commission may continue to consider the suitability for release of such persons in  
29 accordance with the criteria set forth in Articles 85 and 85A of Chapter 15A.

30 (g1) Notwithstanding any other provision of law except for subsection (h) of this  
31 section, the Post-Release Supervision and Parole Commission may parole nonviolent  
32 inmates who would not otherwise be eligible for parole instead of paroling violent  
33 inmates who are eligible for parole. This subsection does not apply to sentences under  
34 Article 81B of Chapter 15A of the General Statutes.

35 (h) A person sentenced under Article 81B of Chapter 15A of the General Statutes  
36 shall not be released pursuant to this section."

37 (f) Effective January 1, 1996, G.S. 148-32.1(b) reads as rewritten:

38 "(b) In the event that the custodian of the local confinement facility certifies in  
39 writing to the clerk of the superior court in the county in which said local confinement  
40 facility is located that the local confinement facility is filled to capacity, or that the  
41 facility cannot reasonably accommodate any more prisoners due to segregation  
42 requirements for particular prisoners, or that the custodian anticipates, in light of local  
43 experiences, an influx of temporary prisoners at that time, or if the local confinement

1 facility does not meet the minimum standards published pursuant to G.S. 153A-221, any  
2 judge of the district court in the district court district as defined in G.S. 7A-133 where the  
3 facility is located, or any superior court judge who has jurisdiction pursuant to G.S. 7A-  
4 47.1 or 7A-48 in a district or set of districts as defined in G.S. 7A-41.1 where the facility  
5 is located may order that the prisoner be transferred to any other qualified local  
6 confinement facility within that district or within another such district where space is  
7 available, including a satellite jail unit operated pursuant to G.S. 153A-230.3 if the  
8 prisoner is a non-violent misdemeanor, which local facility shall accept the transferred  
9 prisoner, if the prison population has exceeded ~~the limits established in G.S. 148-4.1(d)~~. a  
10 manageable level as provided for in G.S. 148-4.1(a). If no such local confinement facility  
11 is available, then any such judge may order the prisoner transferred to such camp or  
12 facility as the proper authorities of the Department of Correction shall designate,  
13 notwithstanding that the term of imprisonment of the prisoner is 90 days or less. In no  
14 event, however, shall a prisoner whose term of imprisonment is less than 30 days be  
15 assigned or ordered transferred to any such camp or facility."

16 (g) Subsections (e) and (f) of this section become effective January 1, 1996.  
17 The remainder of this section is effective upon ratification.

## 18

## 19 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

## 20

21 Requested by: Representatives Justus, Thompson, Senator Ballance

### 22 **LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER**

### 23 **GRANTS**

24 Sec. 20. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act  
25 of 1968 provides that State applications for drug law enforcement grants are subject to  
26 review by the State legislature or its designated body.

27 (b) The North Carolina General Assembly hereby provides that State applications  
28 for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of  
29 the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of P.L.  
30 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint Legislative  
31 Commission on Governmental Operations if at the time of review the General Assembly  
32 is not in session. Any State agency submitting a grant application for review shall also  
33 report to the House Appropriations Subcommittee on Justice and Public Safety and to the  
34 Senate Appropriations Subcommittee on Justice and Public Safety with regard to the  
35 grant.

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

1  
2 Requested by: Senator Ballance  
3 **ELIMINATE DEPARTMENT OF CRIME CONTROL AND PUBLIC**  
4 **SAFETY/RELOCATE DIVISIONS**

5 Sec. 20.4. (a) There is established within the Office of the Governor the Office of  
6 Public Safety.

7 (b) The statutory authority, powers, duties, and functions, records, personnel,  
8 property, unexpended balances of appropriations, allocations or other funds, including the  
9 functions of budgeting and purchasing, of the Crime Prevention Division of the  
10 Department of Crime Control and Public Safety are transferred to the Department of  
11 Justice.

12 (c) The statutory authority, powers, duties, and functions, records, personnel,  
13 property, unexpended balances of appropriations, allocations or other funds, including the  
14 functions of budgeting and purchasing, of the Highway Patrol Division of the Department  
15 of Crime Control and Public Safety are transferred to the Office of Public Safety in the  
16 Office of the Governor.

17 (d) The statutory authority, powers, duties, and functions, records, personnel,  
18 property, unexpended balances of appropriations, allocations or other funds, including the  
19 functions of budgeting and purchasing, of the Department of Crime Control and Public  
20 Safety, Division of Victim and Justice Services, to conduct the Community Service Work  
21 Program, are transferred to the Department of Correction, Division of Adult Probation  
22 and Parole.

23 (e) The statutory authority, powers, duties, and functions, records, personnel,  
24 property, unexpended balances of appropriations, allocations or other funds, including the  
25 functions of budgeting and purchasing, of the Department of Crime Control and Public  
26 Safety, Division of Victim and Justice Services, to conduct the Crime Victims  
27 Compensation Program, are transferred to the Administrative Office of the Courts.

28 (f) The statutory authority, powers, duties, and functions, records, personnel,  
29 property, unexpended balances of appropriations, allocations or other funds, including the  
30 functions of budgeting and purchasing, of the Alcohol Law Enforcement Division of the  
31 Department of Crime Control and Public Safety are transferred to the Department of  
32 Justice.

33 (g) The statutory authority, powers, duties, and functions, records, personnel,  
34 property, unexpended balances of appropriations, allocations or other funds, including the  
35 functions of budgeting and purchasing, of the Emergency Management Division of the  
36 Department of Crime Control and Public Safety are transferred to the Office of Public  
37 Safety in the Office of the Governor.

38 (h) The statutory authority, powers, duties, and functions, records, personnel,  
39 property, unexpended balances of appropriations, allocations or other funds, including the  
40 functions of budgeting and purchasing, of the National Guard Division of the Department  
41 of Crime Control and Public Safety are transferred to the Office of Public Safety in the  
42 Office of the Governor.

1 (i) The statutory authority, powers, duties, and functions, records, personnel,  
2 property, unexpended balances of appropriations, allocations or other funds, including the  
3 functions of budgeting and purchasing, of the Civil Air Patrol Division of the Department  
4 of Crime Control and Public Safety are transferred to the Office of Public Safety in the  
5 Office of the Governor.

6 (j) The statutory authority, powers, duties, and functions, records, personnel,  
7 property, unexpended balances of appropriations, allocations or other funds, including the  
8 functions of budgeting and purchasing, of the Governor's Crime Commission of the  
9 Department of Crime Control and Public Safety are transferred to the Office of Public  
10 Safety in the Office of the Governor.

11 (k) The statutory authority, powers, duties, and functions, records, personnel,  
12 property, unexpended balances of appropriations, allocations or other funds, including the  
13 functions of budgeting and purchasing, of the Butner Public Safety Division of the  
14 Department of Crime Control and Public Safety are transferred to the Office of Public  
15 Safety in the Office of the Governor.

16 (l) G.S. 143B-475.1 is recodified as G.S. 143B-264.1. The Revisor of Statutes  
17 shall change any reference in that section to "Crime Control and Public Safety" to  
18 "Correction".

19 (m) Part 3A of Article 11 of Chapter 143B of the General Statutes, G.S. 143B-  
20 480.1 through G.S. 143B-480.3, is recodified as Subchapter XIV, Article 62 of Chapter  
21 7A of the General Statutes, G.S. 7A-778 through G.S. 7A-780. The Revisor of Statutes  
22 shall change any reference to "Department of Crime Control and Public Safety" to  
23 "Administrative Office of the Courts" and any reference to "Secretary" to "Director of the  
24 Administrative Office of the Courts".

25 (n) Chapter 147 of the General Statutes is amended by adding a new Article  
26 3C to be entitled "Office of Public Safety".

27 (o) Part 5A of Article 11 of Chapter 143B of the General Statutes, G.S. 143B-  
28 495 through G.S. 143B-499.6, is recodified as Part 1 of Article 3C of Chapter 147 of the  
29 General Statutes, G.S. 147-33.30 through G.S. 147-33.40. The Revisor of Statutes shall  
30 change any reference to "Department of Crime Control and Public Safety" to "Office of  
31 Public Safety" and shall change any reference to "Secretary" or "Secretary of Crime  
32 Control and Public Safety" to "Director of the Office of Public Safety".

33 (p) Part 5 of Article 11 of Chapter 143B of the General Statutes, G.S. 143B-  
34 490 through G.S. 143B-492, is recodified as Part 2 of Article 3C of Chapter 147 of the  
35 General Statutes, G.S. 147-33.45 through G.S. 147-33.47. The Revisor of Statutes shall  
36 change any reference to "Department of Crime Control and Public Safety" to "Office of  
37 Public Safety" and shall change any reference to "Secretary" to "Director of the Office of  
38 Public Safety".

39 (q) Part 3 of Article 11 of Chapter 143B of the General Statutes, G.S. 143B-  
40 478 through G.S. 143B-480, is recodified as Part 3 of Article 3C of Chapter 147 of the  
41 General Statutes, G.S. 147-33.50 through G.S. 147-33.52.

42 (r) Article 11 of Chapter 143B is repealed, and the Department of Crime  
43 Control and Public Safety is abolished.

1 (s) The Revisor of Statutes shall change any reference to "Department of  
2 Crime Control and Public Safety" to "Department of Justice" and any references to  
3 "Secretary of Crime Control and Public Safety" to "Attorney General" whenever they  
4 appear in each of the following sections of the General Statutes:

- 5 (1) G.S. 18B-101. Definitions.
- 6 (2) G.S. 18B-500. Alcohol law-enforcement agents.
- 7 (3) G.S. 20-39. Administering and enforcing law; rules and regulations;  
8 agents, etc.; seal; fees; licenses and plates for undercover officers.
- 9 (4) G.S. 105-259. Secrecy required of officials; penalty for violation.

10 (t) The Revisor of Statutes shall change any references to "Crime Control and  
11 Public Safety", "Department of Crime Control and Public Safety", or "Department" to  
12 "Office of Public Safety" and any references to "Secretary" or "Secretary of Crime Control  
13 and Public Safety" to "Director of the Office of Public Safety" whenever they appear in  
14 each of the following sections of the General Statutes:

- 15 (1) G.S. 7A-289.13. Legislative intent.
- 16 (2) G.S. 8-50.2. Results of speed-measuring instruments; admissibility.
- 17 (3) G.S. 17C-6. Powers of Commission.
- 18 (4) G.S. 20-184. Patrol under supervision of Department of Crime Control  
19 and Public Safety.
- 20 (5) G.S. 20-185. Personnel; appointment; salaries.
- 21 (6) G.S. 20-186. Oath of office.
- 22 (7) G.S. 20-187. Orders and rules for organization and conduct.
- 23 (8) G.S. 20-187.1. Awards.
- 24 (9) G.S. 20-187.3. Quotas prohibited.
- 25 (10) G.S. 20-188. Duties of Highway Patrol.
- 26 (11) G.S. 20-189. Patrolmen assigned to Governor's office.
- 27 (12) G.S. 20-190. Uniforms; motor vehicles and arms; expense incurred;  
28 color of vehicle.
- 29 (13) G.S. 20-191. Use of facilities.
- 30 (14) G.S. 20-192. Shifting of patrolmen from one district to another.
- 31 (15) G.S. 20-195. Cooperation between patrol and local officers.
- 32 (16) G.S. 20-196. Statewide radio system authorized; use of telephone lines  
33 in emergencies.
- 34 (17) G.S. 20-196.3. Who may hold supervisory positions over uniformed  
35 personnel.
- 36 (18) G.S. 66-165. Permits required.
- 37 (19) G.S. 66-166. Exemption from permits.
- 38 (20) G.S. 66-168. Bond or trust account required.
- 39 (21) G.S. 104E-8. Radiation Protection Commission – Members; selections;  
40 removal; compensation; quorum; services.
- 41 (22) G.S. 122C-408. Butner Public Safety Division of the Department of  
42 Crime Control and Public Safety; jurisdiction; fire and police district.

- 1 (23) G.S. 122C-409. Community of Butner comprehensive emergency  
2 management plan.
- 3 (24) G.S. 122C-411. Fire protection contracts.
- 4 (25) G.S. 127A-17.1. Confidentiality of national guard records.
- 5 (26) G.S. 127A-20. Administrative and operational relationships of the  
6 Adjutant General.
- 7 (27) G.S. 127A-80. Authority to organize and maintain State defense militia  
8 of North Carolina.
- 9 (28) G.S. 127A-81. State defense militia cadre.
- 10 (29) G.S. 127A-107. Rate of pay for other service.
- 11 (30) G.S. 127A-139. Allowance made to different organizations and  
12 personnel.
- 13 (31) G.S. 127A-162. Authority to foster development of armories and  
14 facilities.
- 15 (32) G.S. 127A-163. Powers of Department specified.
- 16 (33) G.S. 127A-164. Power to acquire land, make contracts, etc.
- 17 (34) G.S. 143B-181. Governor's Advisory Council on Aging – members;  
18 selection; quorum; compensation.
- 19 (35) G.S. 143B-478, as recodified as G.S. 147-33.50 by Section 17 of this act.  
20 Governor's Crime Commission – creation; composition; terms;  
21 meetings, etc.
- 22 (36) G.S. 143B-479, as recodified as G.S. 147-33.51 by Section 17 of this  
23 act. Governor's Crime commission – powers and duties.
- 24 (37) G.S. 164-37. Membership; chairman; meetings; quorum.
- 25 (38) G.S. 166A-5. State emergency management.
- 26 (39) G.S. 166A-6. State of disaster.
- 27 (40) G.S. 166A-6.1. Emergency planning; charge.
- 28 (41) G.S. 166A-21. Definitions.
- 29 (42) G.S. 166A-22. Hazardous materials emergency response program.
- 30 (43) G.S. 166A-23. Contracts; equipment loans.
- 31 (44) G.S. 166A-26. Regional Response Team Advisory Committee.
- 32 (45) G.S. 166A-27. Action for the recovery of costs of hazardous materials  
33 emergency response.
- 34 (46) G.S. 166A-28. Hazardous Materials Emergency Response Fund.
- 35 (u) The Revisor of Statutes shall delete any references to "the Secretary of  
36 Crime Control and Public Safety", "Secretary of the Department of Crime Control and  
37 Public Safety", "Department of Crime Control and Public Safety", or "Crime Control and  
38 Public Safety", and delete any extraneous punctuation, whenever these references appear  
39 in the following sections of the General Statutes:
- 40 (1) G.S. 58-78-1. State Fire and Rescue Commission created: membership.
- 41 (2) G.S. 126-5. Employees subject to Chapter; exemptions.
- 42 (3) G.S. 127A-35. Elimination and disposition of officers; efficiency board;  
43 transfer to inactive status.

- 1 (4) G.S. 127A-42. Distinguished Service Medal by Governor of North  
2 Carolina.
- 3 (5) G.S. 143-341. Powers and duties of Department.
- 4 (6) G.S. 143B-2. Interim applicability of the Executive Organization Act of  
5 1973.
- 6 (7) G.S. 143B-417. North Carolina Internship Council – creation; powers  
7 and duties.
- 8 (8) G.S. 143B-426.22. Governor's Management Council.
- 9 (v) G.S. 7A-343.1 reads as rewritten:

10 **"§ 7A-343.1. Distribution of copies of the appellate division reports.**

11 The Administrative Officer of the Courts shall, at the State's expense distribute such  
12 number of copies of the appellate division reports to federal, State departments and  
13 agencies, and to educational institutions of instruction, as follows:

14 Governor, Office of the	1
15 Lieutenant Governor, Office of the	1
16 Secretary of State, Department of the	2
17 State Auditor, Department of the	1
18 Treasurer, Department of the State	1
19 Superintendent of Public Instruction	1
20 Office of the Attorney General	11
21 State Bureau of Investigation	1
22 Agriculture, Department of	1
23 Labor, Department of	1
24 Insurance, Department of	1
25 Budget Bureau, Department of Administration	1
26 Property Control, Department of Administration	1
27 State Planning, Department of Administration	1
28 Board of Environment, Health, and Natural Resources	1
29 Revenue, Department of	1
30 Board of Human Resources	1
31 Commission for the Blind	1
32 Board of Transportation	1
33 Motor Vehicles, Division of	1
34 Utilities Commission	8
35 Industrial Commission	11
36 Office of Administrative Hearings	2
37 Community Colleges, Department of	38
38 Employment Security Commission	1
39 Commission of Correction	1
40 Parole Commission	1
41 Archives and History, Division of	1
42 <del>Crime Control and Public Safety, Department of</del>	<del>2</del>
43 Department of Cultural Resources	3



1	Legislative Building Library	2
2	Justices of the Supreme Court	1
3	ea.	
4	Judges of the Court of Appeals	1
5	ea.	
6	Judges of the Superior Court	1
7	ea.	
8	Clerks of the Superior Court	1
9	ea.	
10	District Attorneys	1
11	ea.	
12	Emergency and Special Judges of the Superior Court	1
13	ea.	
14	Supreme Court	Library
15		A
16	S MANY AS REQUESTED	
17	Appellate Division Reporter	1
18	University of North Carolina, Chapel Hill	71
19	University of North Carolina, Charlotte	1
20	University of North Carolina, Greensboro	1
21	University of North Carolina, Asheville	1
22	North Carolina State University, Raleigh	1
23	Appalachian State University	1
24	East Carolina University	1
25	Fayetteville State University	1
26	North Carolina Central University	17
27	Western Carolina University	1
28	Duke University	17
29	Davidson College	2
30	Wake Forest University	25
31	Lenoir Rhyne College	1
32	Elon College	1
33	Campbell College University	25
34	Federal, Out-of-State and Foreign	
35	Secretary of State	1
36	Secretary of Defense	1
37	Secretary of Health, Education and Welfare	1
38	Secretary of Housing and Urban Development	1
39	Secretary of Transportation	1
40	Attorney General	1
41	Department of Justice	1
42	Internal Revenue Service	1
43	Veterans' Administration	1

1	Library of Congress		5
2	Federal Judges resident in North Carolina	1 ea.	
3	Marshal of the United States Supreme Court	1	
4	Federal District Attorneys resident		
5	in North Carolina	1 ea.	
6	Federal Clerks of Court resident		
7	in North Carolina	1 ea.	
8	Supreme Court Library exchange list	1	

9 Each justice of the Supreme Court and judge of the Court of Appeals shall receive for  
10 his private use, one complete and up-to-date set of the appellate division reports. The  
11 copies of reports furnished each justice or judge as set out in the table above may be  
12 retained by him personally to enable him to keep up-to-date his personal set of reports."

13 (w) G.S. 14-86.1 reads as rewritten:

14 **"§ 14-86.1. Seizure and forfeiture of conveyances used in committing larceny and**  
15 **similar crimes.**

16 (a) All conveyances, including vehicles, watercraft or aircraft, used to unlawfully  
17 conceal, convey or transport property in violation of G.S. 14-71, 14-71.1, or 20-106, or  
18 used by any person in the commission of armed or common-law robbery, or used by any  
19 person in the commission of any larceny when the value of the property taken is more  
20 than two thousand dollars (\$2,000) shall be subject to forfeiture as provided herein,  
21 except that:

- 22 (1) No conveyance used by any person as a common carrier in the  
23 transaction of the business of the common carrier shall be forfeited  
24 under the provisions of this section unless it shall appear that the owner  
25 or other person in custody or control of such conveyance was a  
26 consenting party or privy to a violation that may subject the conveyance  
27 to forfeiture under this section;
- 28 (2) No conveyance shall be forfeited under the provisions of this section by  
29 reason of any act or omission committed or omitted while such  
30 conveyance was unlawfully in the possession of a person other than the  
31 owner in violation of the criminal laws of the United States, or any  
32 state;
- 33 (3) No conveyance shall be forfeited pursuant to this section unless the  
34 violation involved is a felony;
- 35 (4) A forfeiture of a conveyance encumbered by a bona fide security  
36 interest is subject to the interest of the secured party who neither had  
37 knowledge of nor consented to the act or omission;
- 38 (5) No conveyance shall be forfeited under the provisions of this section  
39 unless the owner knew or had reason to believe the vehicle was being  
40 used in the commission of any violation that may subject the  
41 conveyance to forfeiture under this section;
- 42 (6) The trial judge in the criminal proceeding which may subject the  
43 conveyance to forfeiture may order the seized conveyance returned to

1 the owner if he finds forfeiture inappropriate. If the conveyance is not  
2 returned to the owner the procedures provided in subsection (e) shall  
3 apply.

4 (b) Any conveyance subject to forfeiture under this section may be seized by any  
5 law-enforcement officer upon process issued by any district or superior court having  
6 original jurisdiction over the offense except that seizure without such process may be  
7 made when:

8 (1) The seizure is incident to an arrest or subject to a search under a search  
9 warrant; or

10 (2) The property subject to seizure has been the subject of a prior judgment  
11 in favor of the State in a criminal injunction or forfeiture proceeding  
12 under this section.

13 (c) The conveyance shall be deemed to be in custody of the law-enforcement  
14 agency seizing it. The law-enforcement agency may remove the property to a place  
15 designated by it or request that the North Carolina Department of Justice ~~or Department~~  
16 ~~of Crime Control and Public Safety~~ take custody of the property and remove it to an  
17 appropriate location for disposition in accordance with law; provided, the conveyance  
18 shall be returned to the owner upon execution by him of a good and valid bond, with  
19 sufficient sureties, in a sum double the value of the property, which said bond shall be  
20 approved by an officer of the agency seizing the conveyance and shall be conditioned  
21 upon the return of said property to the custody of said officer on the day of trial to abide  
22 the judgment of the court.

23 (d) Whenever a conveyance is forfeited under this section, the law-enforcement  
24 agency having custody of it may:

25 (1) Retain the conveyance for official use; or

26 (2) Transfer the conveyance which was forfeited under the provisions of  
27 this section to the North Carolina Department of Justice ~~or to the North~~  
28 ~~Carolina Department of Crime Control and Public Safety~~ when, in the  
29 discretion of the presiding judge and upon application of the North  
30 Carolina Department of Justice ~~or the North Carolina Department of~~  
31 ~~Crime Control and Public Safety, Justice,~~ said conveyance may be of  
32 official use to the North Carolina Department of ~~Justice-Justice; or the~~  
33 ~~North Carolina Department of Crime Control and Public Safety; or~~

34 (3) Upon determination by the director of any law-enforcement agency that  
35 a conveyance transferred pursuant to the provisions of this section is of  
36 no further use to said agency, such conveyance may be sold as surplus  
37 property in the same manner as other conveyances owned by the law-  
38 enforcement agency. The proceeds from such sale, after deducting the  
39 cost thereof, shall be paid to the school fund of the county in which said  
40 conveyance was seized. Any conveyance transferred to any law-  
41 enforcement agency under the provisions of this section which has been  
42 modified or especially equipped from its original manufactured  
43 condition so as to increase its speed shall be used in the performance of

1 official duties only. Such conveyance shall not be resold, transferred or  
2 disposed of other than as junk unless the special equipment or  
3 modification has been removed and destroyed, and the vehicle restored  
4 to its original manufactured condition.

5 (e) All conveyances subject to forfeiture under the provisions of this section shall  
6 be forfeited pursuant to the procedures for forfeiture of conveyances used to conceal,  
7 convey, or transport intoxicating beverages found in G.S. 18B-504. Provided, nothing in  
8 this section or G.S. 18B-504 shall be construed to require a conveyance to be sold when it  
9 can be used in the performance of official duties of the law-enforcement agency."

10 (x) G.S. 15B-3 reads as rewritten:

11 **"§ 15B-3. Crime Victims Compensation Commission.**

12 (a) There is established the Crime Victims Compensation Commission of the  
13 ~~Department of Crime Control and Public Safety, Administrative Office of the Courts,~~  
14 consisting of five members as follows:

15 (1) One member to be appointed by the Governor;

16 (2) One member to be appointed by the General Assembly upon the  
17 recommendation of the President of the Senate under G.S. 120-121;

18 (3) One member to be appointed by the General Assembly upon the  
19 recommendation of the Speaker of the House of Representatives under  
20 G.S. 120-121;

21 (4) The Attorney General or his designee; and

22 (5) ~~The Secretary of the Department of Crime Control and Public Safety~~  
23 Director of the Administrative Office of the Courts or his designee.

24 (b) Members shall serve terms of four years. A member shall continue to serve  
25 until his successor is duly appointed, but a holdover under this provision does not affect  
26 the expiration date of the succeeding term.

27 (c) In case of a vacancy on the Commission before the expiration of a member's  
28 term, a successor shall be appointed within 30 days of the vacancy for the remainder of  
29 the unexpired term by the appropriate official pursuant to subsection (a). Vacancies in  
30 legislative appointments shall be filled under G.S. 120-122.

31 (d) The Commission shall elect one of its members as chairman to serve until the  
32 expiration of his term.

33 (e) A majority of the Commission constitutes a quorum to transact business.

34 (f) Members shall receive compensation and reimbursement for expenses as  
35 provided in G.S. 138-5.

36 (g) The Commission shall name a Director upon the recommendation of the  
37 ~~Secretary of Crime Control and Public Safety, Director of the Administrative Office of~~  
38 the Courts. The Director shall serve at the pleasure of the Commission. The ~~Department~~  
39 ~~of Crime Control and Public Safety, Administrative Office of the Courts~~ shall provide for  
40 the compensation of the Director and shall provide professional and clerical staff  
41 necessary for the work of the Commission."

42 (y) G.S. 15B-6 reads as rewritten:

43 **"§ 15B-6. Powers of the Commission and Director.**

1 (a) In addition to powers authorized by this Chapter and Chapter 150B, the  
2 Commission may:

3 (1) Adopt rules in accordance with Part 3, Article 1 of Chapter 143B and  
4 Article 2 of Chapter 150B of the General Statutes necessary to carry out  
5 the purposes of this Chapter;

6 (2) Establish general policies and guidelines for awarding compensation  
7 and provide guidance to the staff assigned by the ~~Secretary of the~~  
8 ~~Department of Crime Control and Public Safety~~ Director of the  
9 Administrative Office of the Courts to administer the program;

10 (3) Accept for any lawful purpose and functions under this Chapter any and  
11 all donations, both real and personal, and grants of money from any  
12 governmental unit or public agency, or from any institution, person,  
13 firm, or corporation, and may deposit the same to the Crime Victims  
14 Compensation Fund.

15 (b) The Director shall have the following authority:

16 (1) With the consent of the district attorney, to request that law enforcement  
17 officers employed by the State or any political subdivision provide  
18 copies of any information or data gathered in the investigation of  
19 criminally injurious conduct that is the basis of any claim to enable the  
20 Director or Commission to determine whether, and the extent to which,  
21 a claimant qualifies for an award of compensation;

22 (2) With the consent of the district attorney, to request that prosecuting  
23 attorneys, law enforcement officers, and State agencies conduct  
24 investigations and provide information necessary to enable the Director  
25 or Commission to determine whether, and the extent to which, a  
26 claimant qualifies for an award of compensation; and

27 (3) To require the claimant to supplement the application for an award of  
28 compensation with any reasonably available medical or psychological  
29 reports pertaining to the injury for which the award of compensation is  
30 claimed.

31 Information obtained pursuant to this subsection is subject to the same privilege against  
32 public disclosure that may be asserted by the providing source."

33 (z) G.S. 17C-3 reads as rewritten:

34 **"§ 17C-3. North Carolina Criminal Justice Education and Training Standards**  
35 **Commission established; members; terms; vacancies.**

36 (a) There is established the North Carolina Criminal Justice Education and  
37 Training Standards Commission, hereinafter called 'the Commission,' in the Department  
38 of Justice. The Commission shall be composed of ~~26-25~~ members as follows:

39 (1) Police Chiefs. – Three police chiefs selected by the North Carolina  
40 Association of Chiefs of Police and one police chief appointed by the  
41 Governor.

42 (2) Police Officers. – Three police officials appointed by the North Carolina  
43 Police Executives Association and two criminal justice officers certified

- 1 by the Commission as selected by the North Carolina Law-Enforcement  
2 Officers' Association.
- 3 (3) ~~Departments. – The Attorney General of the State of North Carolina; the~~  
4 ~~Secretary of the Department of Crime Control and Public Safety; the~~  
5 Secretary of the Department of Human Resources; the Secretary of the  
6 Department of Correction; the President of the Department of  
7 Community Colleges.
- 8 (4) At-large Groups. – One individual representing and appointed by each  
9 of the following organizations: one mayor selected by the League of  
10 Municipalities; one law-enforcement training officer selected by the  
11 North Carolina Law-Enforcement Training Officers' Association; one  
12 criminal justice professional selected by the North Carolina Criminal  
13 Justice Association; one sworn law-enforcement officer selected by the  
14 North State Law-Enforcement Officers' Association; one member  
15 selected by the North Carolina Law-Enforcement Women's Association;  
16 and one District Attorney selected by the North Carolina Association of  
17 District Attorneys.
- 18 (5) Citizens and Others. – The President of The University of North  
19 Carolina; the Director of the Institute of Government; and two citizens,  
20 one of whom shall be selected by the Governor and one of whom shall  
21 be selected by the Attorney General. The General Assembly shall  
22 appoint two persons, one upon the recommendation of the Speaker of  
23 the House of Representatives and one upon the recommendation of the  
24 President of the Senate. Appointments by the General Assembly shall  
25 be made in accordance with G.S. 120-122. Appointments by the General  
26 Assembly shall serve two-year terms to conclude on June 30th in odd-  
27 numbered years.
- 28 (b) The members shall be appointed for staggered terms. The initial appointments  
29 shall be made prior to September 1, 1983, and the appointees shall hold office until July 1  
30 of the year in which their respective terms expire and until their successors are appointed  
31 and qualified as provided hereafter:
- 32 For the terms of one year: one member from subdivision (1) of subsection (a),  
33 serving as a police chief; three members from subdivision (2) of subsection (a), one  
34 serving as a police official, and two criminal justice officers; one member from  
35 subdivision (4) of subsection (a), appointed by the North Carolina Law-Enforcement  
36 Training Officers' Association; and two members from subdivision (5) of subsection (a),  
37 one appointed by the Governor and one appointed by the Attorney General.
- 38 For the terms of two years: one member from subdivision (1) of subsection (a),  
39 serving as a police chief; one member from subdivision (2) of subsection (a), serving as a  
40 police official; and two members from subdivision (4) of subsection (a), one appointed by  
41 the League of Municipalities and one appointed by the North Carolina Association of  
42 District Attorneys.

1 For the terms of three years: two members from subdivision (1) of subsection (a),  
2 one police chief appointed by the North Carolina Association of Chiefs of Police and one  
3 police chief appointed by the Governor; one member from subdivision (2) of subsection  
4 (a), serving as a police official; and three members from subdivision (4) of subsection (a),  
5 one appointed by the North Carolina Law-Enforcement Women's Association, one  
6 appointed by the North Carolina Criminal Justice Association, and one appointed by the  
7 North State Law-Enforcement Officers' Association.

8 Thereafter, as the term of each member expires, his successor shall be appointed for a  
9 term of three years. Notwithstanding the appointments for a term of years, each member  
10 shall serve at the will of the appointing authority.

11 The Attorney General, ~~the Secretary of the Department of Crime Control and Public~~  
12 ~~Safety~~, the Secretary of the Department of Human Resources, the Secretary of the  
13 Department of Correction, the President of The University of North Carolina, the  
14 Director of the Institute of Government, and the President of the Department of  
15 Community Colleges shall be continuing members of the Commission during their  
16 tenure. These members of the Commission shall serve ex officio and shall perform their  
17 duties on the Commission in addition to the other duties of their offices. The ex officio  
18 members may elect to serve personally at any or all meetings of the Commission or may  
19 designate, in writing, one member of their respective office, department, university or  
20 agency to represent and vote for them on the Commission at all meetings the ex officio  
21 members are unable to attend.

22 Vacancies in the Commission occurring for any reason shall be filled, for the  
23 unexpired term, by the authority making the original appointment of the person causing  
24 the vacancy. A vacancy may be created by removal of a Commission member by  
25 majority vote of the Commission for misconduct, incompetence, or neglect of duty. A  
26 Commission member may be removed only pursuant to a hearing, after notice, at which  
27 the member subject to removal has an opportunity to be heard."

28 (aa) G.S. 18B-110 reads as rewritten:

29 "**§ 18B-110. Emergency.**

30 When the Governor finds that a 'state of emergency,' as defined in G.S. 14-288.1,  
31 exists anywhere in this State, he may

32 (1) Order the closing of all ABC stores, and

33 (2) Order the cessation of all sales, transportation, manufacture, and  
34 bottling of alcoholic beverages.

35 The Governor's order shall apply in those portions of the State designated in the order,  
36 for the duration of the state of emergency. Any order by the Governor under this section  
37 shall be directed to the ~~Chairman of the Commission~~ Commission, ~~and to the Secretary~~  
38 ~~of Crime Control and Public Safety.~~"

39 (bb) G.S. 20-79.5(a) reads as rewritten:

40 "(a) Plates. – The State government officials listed in this section are  
41 eligible for a special registration plate under G.S. 20-79.4. The plate shall bear the  
42 number designated in the following table for the position held by the official.  
43

1	Position	Number on Plate			
2	Governor				1
3	Lieutenant Governor				2
4	Speaker of the House of Representatives				3
5	President Pro Tempore of the Senate				4
6	Secretary of State				5
7	State Auditor				6
8	State Treasurer				7
9	Superintendent of Public Instruction				8
10	Attorney General				9
11	Commissioner of Agriculture				10
12	Commissioner of Labor				11
13	Commissioner of Insurance				12
14	Speaker Pro Tempore of the House				13
15	Legislative Administrative Officer				14
16	Secretary of Administration				15
17	Secretary of Environment, Health, and Natural Resources				16
18	Secretary of Revenue				17
19	Secretary of Human Resources				18
20	Secretary of Commerce				19
21	Secretary of Correction				20
22	Secretary of Cultural Resources				21
23	<del>Secretary of Crime Control and Public Safety</del>				<del>22</del>
24	Governor's				Staff
25					23
26	-29				
27	State Budget Officer				30
28	State Personnel Director				31
29	Advisory	Budget	Commission	Nonlegislative	Member
30					32
31	-41				
32	Chair of the State Board of Education				42
33	President of the U.N.C. System				43
34	Alcoholic	Beverage		Control	Commission
35					44
36	-46				
37	Assistant	Commissioners		of	Agriculture
38					47
39	-48				
40	Deputy Secretary of State				49
41	Deputy State Treasurer				50
42	Assistant State Treasurer				51
43	Deputy Commissioner for the Department of Labor				52



1 Chief Deputy for the Department of Insurance 53  
 2 Assistant Commissioner of Insurance 54  
 3 Deputies and Assistant to the Attorney General 55  
 4  
 5 -65  
 6 Board of Economic Development Nonlegislative Member 66  
 7  
 8 -88  
 9 State Ports Authority Nonlegislative Member 89  
 10  
 11 -96  
 12 Utilities Commission Member 97  
 13  
 14 -104  
 15 Parole Commission Member 10  
 16  
 17 5-109  
 18 State Board Member, Commission Member, or State Employee 11  
 19  
 20 0-200".

21 Not Named in List

22 (cc) G.S. 20-125(b) reads as rewritten:

23 "(b) Every vehicle owned and operated by a police ~~department~~ department, or by  
 24 ~~the Department of Crime Control and Public Safety including the State Highway Patrol~~  
 25 ~~or by Patrol, the Office of Public Safety, the Department of Justice, the Wildlife~~  
 26 ~~Resources Commission~~ Commission, or the Division of Marine Fisheries and used  
 27 exclusively for law enforcement purposes, or by the Division of Emergency  
 28 Management, or by a fire department, either municipal or rural, or by a fire patrol,  
 29 whether such fire department or patrol be a paid organization or a voluntary association,  
 30 vehicles used by an organ procurement organization or agency for the recovery and  
 31 transportation of human tissues and organs for transplantation, and every ambulance or  
 32 emergency medical service emergency support vehicle used for answering emergency  
 33 calls, shall be equipped with special lights, bells, sirens, horns or exhaust whistles of a  
 34 type approved by the Commissioner of Motor Vehicles.

35 The operators of all such vehicles so equipped are hereby authorized to use such  
 36 equipment at all times while engaged in the performance of their duties and services, both  
 37 within their respective corporate limits and beyond.

38 In addition to the use of special equipment authorized and required by this subsection,  
 39 the chief and assistant chiefs of any police department or of any fire department, whether  
 40 the same be municipal or rural, paid or voluntary, county fire marshals, assistant fire  
 41 marshals, transplant coordinators, and emergency management coordinators, are hereby  
 42 authorized to use such special equipment on privately owned vehicles operated by them

1 while actually engaged in the performance of their official or semiofficial duties or  
2 services either within or beyond their respective corporate limits.

3 ~~And Any~~ vehicles driven by law enforcement officers of the North Carolina Division  
4 of Motor Vehicles shall be equipped with a bell, siren, or exhaust whistle of a type  
5 approved by the Commissioner, and all vehicles owned and operated by the State Bureau  
6 of Investigation for the use of its agents and officers in the performance of their official  
7 duties may be equipped with special lights, bells, sirens, horns or exhaust whistles of a  
8 type approved by the Commissioner of Motor Vehicles.

9 Every vehicle used or operated for law enforcement purposes by the sheriff or any  
10 salaried deputy sheriff or salaried rural policeman of any county, whether owned by the  
11 county or not, may be, but is not required to be, equipped with special lights, bells, sirens,  
12 horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles.  
13 Such special equipment shall not be operated or activated by any person except by a law  
14 enforcement officer while actively engaged in performing law enforcement duties.

15 In addition to the use of special equipment authorized and required by this subsection,  
16 the chief and assistant chiefs of each emergency rescue squad which is recognized or  
17 sponsored by any municipality or civil preparedness agency, are hereby authorized to use  
18 such special equipment on privately owned vehicles operated by them while actually  
19 engaged in their official or semiofficial duties or services either within or beyond the  
20 corporate limits of the municipality which recognizes or sponsors such organization."

21 (dd) G.S. 20-179.4 reads as rewritten:

22 **"§ 20-179.4. Community service alternative punishment; responsibilities of the**  
23 **Department of ~~Crime Control and Public Safety; Correction; fee.~~**

24 (a) The Department of ~~Crime Control and Public Safety; Correction~~ must conduct a  
25 community service alternative punishment program for persons sentenced under G.S. 20-  
26 179(i), (j) or (k).

27 (b) The Secretary of ~~Crime Control and Public Safety; Correction~~ must assign  
28 at least one coordinator to each district court district as defined in G.S. 7A-133 to assure  
29 and report to the court the person's compliance with the community service sentence. The  
30 appointment of each coordinator shall be made in consultation with and is subject to the  
31 approval of the chief district court judge in the district to which the coordinator is  
32 assigned. Each county must provide office space in the courthouse or other convenient  
33 place, necessary equipment, and secretarial service for the use of each coordinator  
34 assigned to that county.

35 (c) A fee of one hundred dollars (\$100.00) must be paid by all persons serving a  
36 community service sentence. That fee must be paid to the clerk of court in the county in  
37 which the person is convicted. The fee must be paid in full within two weeks unless the  
38 court, upon a showing of hardship by the person, allows him additional time to pay the  
39 fee. The person may not be required to pay the fee before he begins the community  
40 service unless the court specifically orders that he do so. If the person is also ordered to  
41 attend an Alcohol and Drug Education Traffic School established pursuant to G.S. 20-  
42 179.2, the fee for supervision of community service punishment is fifty dollars (\$50.00).

43 (d) Fees collected under this section must be deposited in the general fund.

1 (e) The coordinator must report to the court in which the community service was  
2 ordered a significant violation of the terms of the probation judgment related to  
3 community service. In such cases, the court must conduct a hearing to determine if there  
4 is a willful failure to comply. If the court determines there is a willful failure to pay the  
5 prescribed fee or to complete the work as ordered by the coordinator within the  
6 applicable time limits, the court must revoke any limited driving privilege issued in the  
7 impaired driving case, and in addition may take any further action authorized by Article  
8 82 of General Statutes Chapter 15A for violation of a condition of probation."

9 (ee) G.S. 58-32-1 reads as rewritten:

10 **"§ 58-32-1. Commission created; membership.**

11 There is hereby created within the Department a Public Officers and Employees  
12 Liability Insurance Commission. The Commission shall consist of ~~11~~10 members who  
13 shall be appointed as follows: the Commissioner shall appoint six members as follows:  
14 two members who are members of the insurance industry who may be chosen from a list  
15 of three nominees submitted to the Commissioner by the Independent Insurance Agents  
16 of North Carolina, Inc., and a list of three nominees submitted by the Carolinas  
17 Association of Professional Insurance Agents, North Carolina Division; one member who  
18 is employed by a police department who may be chosen from a list of three nominees  
19 submitted to the Commissioner jointly by the North Carolina Police Chiefs Association  
20 and North Carolina Police Executives Association, and one member who is employed by  
21 a sheriff's department who may be chosen from a list of three nominees submitted to the  
22 Commissioner by the North Carolina Sheriff's Association; one member representing city  
23 government who may be chosen from a list of three nominees submitted to the  
24 Commissioner by the North Carolina League of Municipalities; and one member  
25 representing county government who may be chosen from a list of three nominees  
26 submitted to the Commissioner by the North Carolina Association of County  
27 Commissioners; and the General Assembly shall appoint two persons, one upon the  
28 recommendation of the Speaker of the House of Representatives, and one upon the  
29 recommendation of the President of the Senate. The Commissioner or his designate shall  
30 be an ex officio member. Appointments by the General Assembly shall be made in  
31 accordance with G.S. 120-121, and vacancies in those appointments shall be filled in  
32 accordance with G.S. 120-122. The terms of the initial appointees by the General  
33 Assembly shall expire on June 30, 1983. ~~The Secretary of the Department of Crime~~  
34 ~~Control and Public Safety or his designate shall be an ex officio member.~~ The Attorney  
35 General or his designate shall be an ex officio member. One insurance industry member  
36 appointed by the Commissioner shall be appointed to a term of two years and one  
37 insurance industry member shall be appointed to a term of four years. The police  
38 department member shall be appointed to a term of two years and the sheriff's department  
39 member shall be appointed to a term of four years. The representative of county  
40 government shall be appointed to a term of two years and the representative of city  
41 government to a term of four years. Beginning July 1, 1983, the appointment made by  
42 the General Assembly upon the recommendation of the Speaker shall be for two years,  
43 and the appointment made by the General Assembly upon the recommendation of the

1 President of the Senate shall be for four years. Except as provided in this section, if any  
2 vacancy occurs in the membership of the Commission, the appointing authority shall  
3 appoint another person to fill the unexpired term of the vacating member. After the  
4 initial terms established herein have expired, all appointees to the Commission shall be  
5 appointed to terms of four years.

6 The Commission members shall elect the chairman and vice-chairman of the  
7 Commission. The Commission may, by majority vote, remove any member of the  
8 Commission for chronic absenteeism, misfeasance, malfeasance or other good cause."

9 (ff) G.S. 127A-19 reads as rewritten:

10 **"§ 127A-19. Adjutant General.**

11 The military head of the militia shall be the Adjutant General who shall hold the rank  
12 of major general. The Adjutant General shall be appointed by the Governor in his  
13 capacity as commander in chief of the ~~militia, in consultation with the Secretary of Crime~~  
14 ~~Control and Public Safety, militia,~~ and shall serve at the pleasure of the Governor. No  
15 person shall be appointed as Adjutant General who has less than five years'  
16 commissioned service in an active status in any component of the armed forces of the  
17 United States. The Adjutant General, while holding such office, may be a member of the  
18 active national guard or naval militia.

19 Subject to the approval of the ~~Governor-Governor, and in consultation with the~~  
20 ~~Secretary, Department of Crime Control and Public Safety,~~ the Adjutant General may  
21 appoint a deputy adjutant general for army national guard and an assistant adjutant  
22 general for air national guard, both of whom may hold the rank of brigadier general and  
23 who shall serve at the pleasure of the Governor. The Adjutant General may also employ  
24 such staff members and other personnel as may be authorized by the Secretary and  
25 funded."

26 (gg) G.S. 127A-21(a) reads as rewritten:

27 "(a) The Governor of the ~~State, State in consultation with the Secretary of Crime~~  
28 ~~Control and Public Safety,~~ shall appoint, designate, or detail, subject to the approval of  
29 the Secretary of the Army and the Secretary of the Air Force, a qualified commissioned  
30 officer of the North Carolina national guard who is also a commissioned officer of the  
31 army national guard of the United States or the air national guard of the United States, as  
32 the case may be, to be the United States property and fiscal officer for North Carolina. If  
33 the officer is not on active duty, the President may order him to active duty, with his  
34 consent, to serve as a property and fiscal officer."

35 (hh) G.S. 127A-22 reads as rewritten:

36 **"§ 127A-22. North Carolina property and fiscal officer.**

37 (a) Upon full mobilization of the North Carolina national guard into federal  
38 service to the extent that the functions of a United States property and fiscal officer no  
39 longer exist or are authorized under federal statutes, the Governor of the ~~State, State in~~  
40 ~~consultation with the Secretary of Crime Control and Public Safety,~~ may appoint,  
41 designate or detail a qualified individual to serve at the pleasure of the Governor as the  
42 North Carolina property and fiscal officer for any composition of a nonfederally

1 recognized State national guard or State defense militia organized under the provisions of  
2 G.S. 127A-1 et seq.

3 (b) In consideration of his services for the responsibility, care, utilization, and  
4 issue of State or federal facilities and property, under the jurisdiction of the State of North  
5 Carolina, the North Carolina property and fiscal officer shall receive from the State such  
6 salary as the Governor may authorize to be just and proper; the salary to constitute a  
7 charge upon appropriations made to the ~~Department of Crime Control and Public Safety-~~  
8 Office of the Governor.

9 (c) The property and fiscal officer for North Carolina shall be an employee of the  
10 ~~Department of Crime Control and Public Safety-~~Office of the Governor. He shall be  
11 required to give good and sufficient bond to the State, the amount thereof to be  
12 determined by the Governor, for the faithful performance of his duties and for the  
13 safekeeping and proper distribution of such funds and property entrusted to his care. He  
14 shall receipt for and account for all funds and property allotted to his custody from the  
15 appropriation for military purposes by State and federal agencies, and shall make such  
16 returns and reports through the ~~Secretary of Crime Control and Public Safety-~~Office of  
17 the Governor concerning same as may be required by the Governor or State laws."

18 (ii) G.S. 127A-40(f) reads as rewritten:

19 "(f) The ~~Secretary of Crime Control and Public Safety-~~Director of the Office of  
20 Public Safety shall determine the eligibility of guard members for the benefits herein  
21 provided and shall certify those eligible to the State Treasurer. In addition, the  
22 ~~Department of Crime Control and Public Safety-~~Office of Public Safety shall, on and  
23 after July 1, ~~1983-~~1995, provide the Department of State Treasurer with an annual census  
24 population, by age and the number of years of creditable service, for all former members  
25 of the National Guard in receipt of a pension as well as for all active members of the  
26 National Guard who are not in receipt of a pension and who have seven and more years  
27 of creditable service. The ~~Department of Crime Control and Public Safety-~~Office of  
28 Public Safety shall also provide the State Treasurer a census population of all former  
29 members of the National Guard who are not in receipt of a pension and who have 15 and  
30 more years of creditable service. The Department of State Treasurer shall make pension  
31 payments to those persons certified from the North Carolina National Guard Pension  
32 Fund, which shall include general fund appropriations made to and transferred from the  
33 ~~Department of Crime Control and Public Safety-~~Office of Public Safety. The Department  
34 of State Treasurer shall have performed an annual actuarial valuation of the fund and  
35 shall have the financial responsibility for maintaining the fund on a generally accepted  
36 actuarial basis. The ~~Department of Crime Control and Public Safety-~~Office of Public  
37 Safety shall provide the Department of State Treasurer with whatever assistance is  
38 required by the State Treasurer in carrying out his financial responsibilities."

39 (jj) G.S. 127A-43 reads as rewritten:

40 "**§ 127A-43. North Carolina National Guard Meritorious Service Medal.**

41 There is hereby created the North Carolina National Guard Meritorious Service Medal  
42 which shall be of appropriate design, and a ribbon, together with a rosette or other device  
43 to be worn in lieu thereof. This medal and appurtenances thereto shall be of a design

1 approved by the Governor or his designated representative. The Governor or his  
2 designated representative is authorized to award this medal upon the recommendation of  
3 the ~~Secretary of Crime Control and Public Safety in consultation with the~~ Adjutant  
4 General and a board of officers appointed by the Adjutant General. Any member or  
5 former member of the armed forces discharged under honorable conditions, who has  
6 distinguished himself by heroism, meritorious achievement, or meritorious service to the  
7 North Carolina national guard, is eligible for this award. The Governor, on his own  
8 authority, may award such medal to the ~~Secretary of Crime Control and Public Safety,~~ the  
9 Adjutant General or any other active or inactive general officer of the armed forces who  
10 has distinguished himself by heroism, meritorious achievement, or meritorious service to  
11 the North Carolina national guard. The required heroism, achievement, or service, while  
12 of a lesser degree than that required for awarding of the North Carolina Distinguished  
13 Service Medal, must nevertheless be accomplished with distinction."

14 (kk) G.S. 127A-161 reads as rewritten:

15 **"§ 127A-161. Definitions.**

16 As used in this Article, the following terms mean:

- 17 (1) Armory: Any building or building complex and related facilities,  
18 including the lands for them, which are intended to be utilized by the  
19 militia for training, administration, storage, and the maintenance and  
20 servicing of equipment.
- 21 (2) Armory site: That land, meeting federal and State specifications, upon  
22 which an armory may be constructed.
- 23 ~~(3) Department: The North Carolina Department of Crime Control and~~  
24 ~~Public Safety.~~
- 25 (4) Facilities: Those adjuncts to an armory, including but not limited to  
26 yards, storage buildings, sheds, ramps, racks, target ranges, furniture,  
27 fixtures and other equipment and installations.
- 28 (5) Funds: Any moneys appropriated by any municipality, county, the State  
29 or the United States government and made available for the purpose of  
30 acquiring armory sites or constructing or repairing any armory,  
31 warehouse, or other facility for the use of any unit or for any other  
32 purpose in connection with the housing, training, instruction or  
33 promotion of the interest of any unit.
- 34 (6) Municipality: Any incorporated city, town or village.
- 35 (7) Unit: Any organizational entity of the militia."

36 (ll) G.S. 127A-192 reads as rewritten:

37 **"§ 127A-192. Definitions.**

38 (a) 'Business or Trade School'. – Any school within the State of North Carolina  
39 which is licensed by the State Board of Education and listed by that Board as an approved  
40 private business school or an approved private trade school.

41 (b) 'Private Educational Institutions'. – Any junior college, senior college or  
42 university which is operated and governed by private interests not under the control of the  
43 federal, State or any local government, which is located within and licensed by the State

1 of North Carolina, which does not operate for profit, whose curriculum is primarily  
2 directed toward the awarding of associate, baccalaureate or graduate degrees, which  
3 agrees to the applicable administration and funding provisions of this Article.

4 (e) ~~'Secretary'. — The Secretary of Crime Control and Public Safety or his~~  
5 ~~designee.~~

6 (d) 'State Educational Institutions'. — Any of the constituent institutions of the  
7 University of North Carolina, or any community college operated under the provisions of  
8 Chapter 115D of the General Statutes of North Carolina.

9 (e) 'Academic Year'. — Any period of 365 days beginning with the first day of  
10 enrollment for a course of instruction."

11 (mm) G.S. 127A-195 reads as rewritten:

12 **"§ 127A-195. Administration and funding.**

13 (a) ~~The Secretary of Crime Control and Public Safety~~ Director of the Office of  
14 Public Safety is charged with the administration of the tuition assistance program under  
15 this Article. ~~He may delegate administrative tasks to other persons within the Department~~  
16 ~~of Crime Control and Public Safety as he deems best for the orderly administration of this~~  
17 ~~program.~~

18 (b) ~~The Secretary~~ Director of the Office of Public Safety shall determine the  
19 eligibility of applicants, select the benefit recipients, establish the effective date of the  
20 benefit, and may suspend or revoke the benefit if he finds that the recipient does not  
21 maintain an adequate academic status, or if the recipient engages in riots, unlawful  
22 demonstrations, the seizure of educational buildings, or otherwise engages in disorderly  
23 conduct, breaches of the peace, or unlawful assemblies. ~~The Secretary~~ Director of the  
24 Office of Public Safety shall maintain such records and shall promulgate such rules and  
25 regulations as he deems necessary for the orderly administration of this program. The  
26 ~~Secretary~~ Director of the Office of Public Safety may require of business or trade schools  
27 or State or private educational institutions such reports and other information as he may  
28 need to carry out the provisions of this Article and he shall disburse benefit payments for  
29 recipients upon certification of enrollment by the enrolling institutions.

30 (c) All benefit disbursements shall be made to the business or trade school or State  
31 or private educational institution concerned, for credit to the tuition account of each  
32 recipient.

33 (d) The participation by any business or trade school or private educational  
34 institution in this program shall be subject to the applicable provisions of this Article and  
35 to examination by the State Auditor of the accounts of the benefit recipients attending or  
36 having attended such private schools or institutions. ~~The Secretary~~ Director of the Office  
37 of Public Safety may defer making an award or may suspend an award in any business or  
38 trade school or private educational institution which does not comply with the provisions  
39 of this Article relating to said institutions. The manner of payment to any business or  
40 trade school or private educational institution shall be as prescribed by the ~~Secretary~~.  
41 Director of the Office of Public Safety.

42 (e) Irrespective of other provisions of this Article, the ~~Secretary~~ Director of the  
43 Office of Public Safety may prescribe special procedures for adjusting the accounts of

1 benefit recipients who, for reasons of illness, physical inability to attend classes or for  
2 other valid reason satisfactory to the ~~Secretary~~, Director of the Office of Public Safety,  
3 may withdraw from any business or trade school or State or private educational  
4 institution prior to the completion of the term, semester, quarter or other academic period  
5 being attended at the time of withdrawal."

6 (nn) G.S. 143-166.13(a) reads as rewritten:

7 "**§ 143-166.13. Persons entitled to benefits under Article.**

8 (a) The following persons who are subject to the Criminal Justice Training and  
9 Standards Act are entitled to benefits under this Article:

- 10 (1) State Government Security Officers, Department of Administration;
- 11 (2) State Correctional Officers, Department of ~~Corrections~~; Correction;
- 12 (3) State Probation and Parole Officers, Department of ~~Corrections~~;  
13 Correction;
- 14 (4) Sworn State Law-Enforcement Officers with the power of arrest,  
15 Department of ~~Corrections~~; Correction;
- 16 (5) Alcohol Law-Enforcement Agents, ~~Department of Crime Control and~~  
17 ~~Public Safety~~; Department of Justice;
- 18 (6) State Highway Patrol Officers, ~~Department of Crime Control and Public~~  
19 ~~Safety~~; Office of Public Safety;
- 20 (7) State Legislative Building Special Police, General Assembly;
- 21 (8) Sworn State Law-Enforcement Officers with the power of arrest,  
22 Department of Human Resources;
- 23 (9) Youth Correctional Officers, Department of Human Resources;
- 24 (10) Insurance Investigators, Department of Insurance;
- 25 (11) State Bureau of Investigation Officers and Agents, Department of  
26 Justice;
- 27 (12) Director and Assistant Director, License and Theft Enforcement  
28 Section, Division of Motor Vehicles, Department of Transportation;
- 29 (13) Members of License and Theft Enforcement Section, Division of Motor  
30 Vehicles, Department of Transportation, designated by the  
31 Commissioner of Motor Vehicles as either 'inspectors' or uniformed  
32 weigh station personnel;
- 33 (14) Utilities Commission Transportation Inspectors and Special  
34 Investigators;
- 35 (15) North Carolina Ports Authority Police, Department of Commerce;
- 36 (16) Sworn State Law-Enforcement Officers with the power of arrest,  
37 Department of Environment, Health, and Natural Resources;
- 38 (17) Sworn State Law-Enforcement Officers with the power of arrest,  
39 ~~Department of Crime Control and Public Safety~~. Office of Public  
40 Safety."

41 (oo) G.S. 143-215.93A(a) reads as rewritten:

42 "(a) Except as provided in subsection (b) of this section, a person is not liable under  
43 this Part, Part 2C of this Article, Articles 21 and 21B of this Chapter, other provisions of



1 the General Statutes relating to protection of the environment or public health, Chapter  
 2 1B of the General Statutes, or common law causes of action in tort for removal costs or  
 3 damages which result from, arise out of, or are related to the discharge or threatened  
 4 discharge of oil, when such removal costs or damages result from acts or omissions in the  
 5 course of rendering care, assistance, or advice consistent with the National Contingency  
 6 Plan or as otherwise directed by the President of the United States, the Federal On-Scene  
 7 Coordinator, the Governor, the Secretary, ~~the Secretary of Crime Control and Public~~  
 8 ~~Safety,~~ or any person designated to direct oil discharge removal activities by the  
 9 President of the United States, the Governor, ~~the Secretary, or the Secretary of Crime~~  
 10 ~~Control and Public Safety, or the Secretary."~~

11 (pp) Article 19 of Chapter 143A of the General Statutes is repealed.

12 (qq) G.S. 143B-6 reads as rewritten:

13 **"§ 143B-6. Principal departments.**

14 In addition to the principal departments enumerated in the Executive Organization  
 15 Act of 1971, all executive and administrative powers, duties, and functions not including  
 16 those of the General Assembly and its agencies, the General Court of Justice and the  
 17 administrative agencies created pursuant to Article IV of the Constitution of North  
 18 Carolina, and higher education previously vested by law in the several State agencies, are  
 19 vested in the following principal departments:

- 20 (1) Department of Cultural Resources
- 21 (2) Department of Human Resources
- 22 (3) Department of Revenue
- 23 ~~(4) Department of Crime Control and Public Safety~~
- 24 (5) Department of Correction
- 25 (6) Department of Environment, Health, and Natural Resources
- 26 (7) Department of Transportation
- 27 (8) Department of Administration
- 28 (9) Department of Commerce
- 29 (10) Department of Community Colleges."

30 (rr) G.S. 147-45 reads as rewritten:

31 **"§ 147-45. Distribution of copies of State publications.**

32 The Secretary of State shall, at the State's expense, as soon as possible after  
 33 publication, provide such number of copies of the Session Laws and Senate and House  
 34 Journals to federal, State, and local governmental officials, departments and agencies,  
 35 and to educational institutions of instruction and exchange use, as is set out in the table  
 36 below:

	Session	Assembly
<u>Agency or Institution</u> <u>Laws</u> <u>Journals</u>		
Governor, Office of the	3	2
<u>North Carolina Crime Commission</u>	<u>1</u>	<u>0</u>
<u>Adjutant General</u>	<u>2</u>	<u>0</u>
Lieutenant Governor, Office of the	1	1
Secretary of State, Department of the	3	3

1	Auditor, Department of the State	3	1
2	Treasurer, Department of the State	3	1
3	Local Government Commission	2	0
4	State Board of Education	1	0
5	Department of Public Instruction	3	1
6	Controller	1	0
7	Technical Assistance Centers	1 ea.	0
8	Department of Community Colleges	3	1
9	Justice, Department of		
10	Office of the Attorney General	25	3
11	Budget Bureau (Administration)	1	0
12	Property Control (Administration)	1	1
13	State Bureau of Investigation	1	0
14	Agriculture, Department of	3	1
15	Labor, Department of	5	1
16	Insurance, Department of	5	1
17	Administration, Department of	1	1
18	Budget Bureau	2	1
19	Controller	1	0
20	Property Control	1	0
21	Purchase and Contract	2	0
22	Policy and Development	1	0
23	Veterans Affairs Commission	1	0
24	Environment, Health, and Natural		
25	Resources, Department of	1	0
26	Division of Environmental Management	2	0
27	Board of Environment, Health, and		
28	Natural Resources	1	0
29	Soil and Water Conservation Commission	1	0
30	Wildlife Resources Commission	2	0
31	Revenue, Department of	5	1
32	Human Resources, Department of	3	0
33	Board of Human Resources	1	0
34	Health Services, Division of	3	0
35	Mental Health, Developmental		
36	Disabilities, and Substance Abuse		
37	Services, Division of	1	0
38	Social Services, Division of	3	0
39	Facilities Services, Division of	1	0
40	Youth Services, Division of	1	0
41	Hospitals and Institutions	1 ea.	0
42	Transportation, Department of	1	0
43	Board of Transportation	3	0

1	Motor Vehicles, Division of	1	0
2	Commerce, Department of	1	0
3	Economic Development, Division of	2	0
4	State Ports Authority	1	0
5	Alcoholic Beverage Control Commission,		
6	North Carolina	2	0
7	Banking Commission	2	0
8	Utilities Commission	8	1
9	Industrial Commission	7	0
10	Labor Force Development Council	1	0
11	<del>Milk Commission</del>	<del>5</del>	<del>0</del>
12	Employment Security Commission	1	1
13	Correction, Department of	1	0
14	Department of Correction	<del>26</del>	<del>0</del> <u>1</u>
15	Parole Commission	2	0
16	State Prison	1	0
17	<del>Correctional Institutions</del>	<del>1 ea.</del>	<del>0</del>
18	Cultural Resources, Department of	1	0
19	Archives and History, Division of	5	1
20	State Library	5	5
21	Publications Division	1	1
22	<del>Crime Control and Public Safety,</del>		
23	<del>Department of</del>	<del>2</del>	<del>1</del>
24	<del>North Carolina Crime Commission</del>	<del>1</del>	<del>0</del>
25	<del>Adjutant General</del>	<del>2</del>	<del>0</del>
26	Elections, State Board of	2	0
27	Office of Administrative Hearings	2	0
28	Legislative Branch		
29	State Senators	1 ea.	1 ea.
30	State Representatives	1 ea.	1 ea.
31	Principal Clerk – Senate	1	1
32	Principal Clerk – House	1	1
33	Reading Clerk – Senate	1	1
34	Reading Clerk – House	1	1
35	Sergeant at Arms – House	1	1
36	Sergeant at Arms – Senate	1	1
37	Enrolling Clerk	1	0
38	Engrossing Clerk	1	0
39	Indexer of the Laws	1	0
40	Legislative Building Library	35	15
41	Judicial System		
42	Justices of the Supreme Court	1 ea.	1 ea.
43	Judges of the Court of Appeals	1 ea.	1 ea.

1	Judges of the Superior Court		1 ea.	0
2	Emergency and Special Judges of the			
3	Superior Court	1 ea.		0
4	District Court Judges		1 ea.	0
5	District Attorneys		1 ea.	0
6	Clerk of the Supreme Court		1	1
7	Clerk of the Court of Appeals		1	1
8	Administrative Office of the Courts		4	1
9	Supreme Court Library		AS MANY AS REQUESTED	
10	Colleges and Universities			
11	The University of North Carolina System			
12	Administrative Offices	3		0
13	University of North Carolina,			
14	Chapel Hill	65		25
15	University of North Carolina,			
16	Charlotte	3		1
17	University of North Carolina,			
18	Greensboro	3		1
19	University of North Carolina,			
20	Asheville	2		1
21	University of North Carolina,			
22	Wilmington	2		1
23	North Carolina State University,			
24	Raleigh	5		3
25	Appalachian State University	2		1
26	East Carolina University	3		2
27	Elizabeth City State University	2		1
28	Fayetteville State University	2		1
29	North Carolina Agricultural and			
30	Technical University	2		1
31	North Carolina Central University	5		5
32	Western Carolina University	2		1
33	Pembroke State University	2		1
34	Winston-Salem State University	2		1
35	North Carolina School of the Arts	1		1
36	Private Institutions			
37	Duke University	6		6
38	Davidson College	3		2
39	Wake Forest University	5		5
40	Lenoir Rhyne College	1		1
41	Elon College		1	1
42	Guilford College		1	1
43	Campbell College		5	5

1	Wingate College	1	1
2	Pfeiffer College	1	1
3	Barber Scotia College	1	1
4	<del>Atlantic Christian</del> <u>Barton</u> College	1	1
5	Shaw University	1	1
6	St. Augustine's College	1	1
7	J.C. Smith University	1	1
8	Belmont Abbey College	1	1
9	Bennett College	1	1
10	Catawba College	1	1
11	Gardner-Webb College	1	1
12	Greensboro College	1	1
13	High Point College	1	1
14	Livingstone College	1	1
15	Mars Hill College	1	1
16	Meredith College	1	1
17	Methodist College	1	1
18	North Carolina Wesleyan College	1	1
19	Queens College	1	1
20	Sacred Heart College	1	1
21	St. Andrews Presbyterian College	1	1
22	Salem College	1	1
23	Warren Wilson College	1	1
24	County and Local Officials		
25	Clerks of the Superior Court	1 ea.	1 ea.
26	Register of Deeds	1 ea.	1 ea.
27	Federal, Out-of-State and Foreign		
28	Secretary to the President	1	0
29	Secretary of State	1	1
30	Secretary of Defense	1	0
31	Secretary of Agriculture	1	0
32	Secretary of the Interior	1	0
33	Secretary of Labor	1	1
34	Secretary of Commerce	1	1
35	Secretary of the Treasury	1	0
36	Secretary of Health, Education		
37	and Welfare	1	0
38	Secretary of Housing and Urban		
39	Development	1	0
40	Secretary of Transportation	1	0
41	Attorney General	1	0
42	Postmaster General	1	0
43	Bureau of Census	1	0

1	Bureau of Public Roads	1	0
2	Department of Justice	1	0
3	Department of Internal Revenue	1	0
4	Veterans' Administration	1	0
5	Farm Credit Administration	1	0
6	Securities and Exchange Commission	1	0
7	Social Security Board	1	0
8	Environmental Protection Agency	1	0
9	Library of Congress	8	2
10	Federal Judges resident in North Carolina	1 ea.	0
11	Federal District Attorneys resident in		
12	North Carolina	1 ea.	0
13	Marshal of the United States		
14	Supreme Court	1	0
15	Federal Clerks of Court resident		
16	in North Carolina	1 ea.	0
17	Supreme Court Library exchange list	1 ea.	0

18 One copy of the Session Laws shall be furnished the head of any department of State  
 19 government created in the future.

20 State agencies, institutions, etc., not found in or covered by this list may, upon written  
 21 request from their respective department head to the Secretary of State, and upon the  
 22 discretion of the Secretary of State as to need, be issued copies of the Session Laws on a  
 23 permanent loan basis with the understanding that should said copies be needed they will  
 24 be recalled."

25 (ss) G.S. 166A-21(e) is repealed.  
 26

27 Requested by: Senator Ballance

28 **STUDY TRANSFER OF BUTNER PUBLIC SAFETY**

29 Sec. 20.5. (a) There is established a Study Commission on the Transfer of  
 30 Butner Public Safety to be composed of 12 members: six members to be appointed by  
 31 the Speaker of the House of Representatives and six members to be appointed by the  
 32 President Pro Tempore of the Senate. The appointees shall serve until the termination of  
 33 the Commission. The Speaker of the House and the President Pro Tempore of the Senate  
 34 shall each designate a cochair from their appointees. Either cochair may call the first  
 35 meeting of the Commission. Vacancies shall be filled in the same manner as the original  
 36 appointments were made.

37 (b) The Commission shall:

- 38 (1) Examine the potential for transferring the functions and responsibilities
- 39 of Butner Public Safety from the Office of the Governor to other State
- 40 or local entities, including the sale or transfer of equipment, State
- 41 buildings, or property currently occupied by Butner Public Safety;

1 (2) Determine the most appropriate means of meeting the service needs of  
2 both the State institutions and the local residents that would be affected  
3 by such a transfer, including the feasibility of incorporating Butner; and

4 (3) Determine the most cost-effective means of accomplishing such a  
5 transfer.

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

13 (d) The Study Commission shall submit a final written report of its findings  
14 and recommendations to the General Assembly by March 31, 1996. All reports shall be  
15 filed with the Speaker of the House of Representatives and the President Pro Tempore of  
16 the Senate. Upon filing its final report, the Commission shall terminate.

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

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

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

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

24 (f) There is allocated from the funds appropriated to the Legislative Services  
25 Commission's studies reserve to the Study Commission on the Transfer of Butner Public  
26 Safety the sum of twenty-five thousand dollars (\$25,000) for the 1995-96 fiscal year to  
27 conduct the study directed by this section.

## 28 29 **PART 21. JUDICIAL DEPARTMENT**

30  
31 Requested by: Representatives Justus, Thompson, Senator Ballance

### 32 **JUDICIAL DEPARTMENT REDUCTIONS**

33 Sec. 21. In addition to specific position reductions provided for in this act, the  
34 Director of the Administrative Office of the Courts shall reduce the salary and wage line  
35 item for the Judicial Department by four hundred thousand dollars (\$400,000) for each  
36 year of the 1995-97 biennium by either eliminating positions, using salary reserve funds,  
37 or both.

38  
39 Requested by: Representatives Justus, Thompson, Senator Ballance

### 40 **JURY FEE WAIVER PROGRAM**

41 Sec. 21.1. (a) G.S. 7A-312 reads as rewritten:  
42 **"§ 7A-312. Uniform fees for jurors; meals.**

1 A juror in the General Court of Justice including a petit juror, or a coroner's juror, but  
2 excluding a grand juror, shall receive twelve dollars (\$12.00) per day, except that if any  
3 person serves as a juror for more than five days in any 24-month period, the juror shall  
4 receive thirty dollars (\$30.00) per day for each day of service in excess of five days. A  
5 grand juror shall receive twelve dollars (\$12.00) per day. However, any juror may waive  
6 payment of the per diem fees provided for in this section. A juror required to remain  
7 overnight at the site of the trial shall be furnished adequate accommodations and  
8 subsistence. If required by the presiding judge to remain in a body during the trial of a  
9 case, meals shall be furnished the jurors during the period of sequestration. Jurors from  
10 out of the county summoned to sit on a special venire shall receive mileage at the same  
11 rate as State employees."

12 (b) The Administrative Office of the Courts shall conduct a program to determine  
13 the extent to which cost savings may be generated by allowing jurors to waive payment  
14 of the per diem jury fees pursuant to subsection (a) of this section. The Administrative  
15 Office of the Courts shall report its findings on savings generated by this program to the  
16 Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate  
17 and House Appropriations Subcommittees on Justice and Public Safety by March 1,  
18 1997.

19 (c) Subsection (a) of this section expires June 30, 1997.  
20

21 Requested by: Representatives Justus, Thompson, Senator Ballance

## 22 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

23 Sec. 21.3. Funds appropriated to the Judicial Department in the 1995-97  
24 biennium for equipment and supplies shall be certified in a reserve account. The  
25 Administrative Office of the Courts shall have the authority to transfer these funds to the  
26 appropriate programs and between programs as the equipment priorities and supply  
27 consumptions occur during the operating year. These funds may not be expended for any  
28 other purpose. The Administrative Office of the Courts shall make quarterly reports on  
29 transfers made pursuant to this section to the Joint Legislative Commission on  
30 Governmental Operations and the Chairs of the Senate and House Appropriations  
31 Subcommittees on Justice and Public Safety.  
32

33 Requested by: Representatives Justus, Thompson, Senator Ballance

## 34 **REPORT ON DISPUTE SETTLEMENT CENTERS**

35 Sec. 21.5. (a) All local dispute settlement centers currently receiving State funds  
36 shall report annually to the Judicial Department on the program's funding and activities,  
37 including:

- 38 (1) Types of dispute settlement services provided;
- 39 (2) Clients receiving each type of dispute settlement service;
- 40 (3) Number and type of referrals received, cases actually mediated, cases  
41 resolved in mediation, and total clients served in the cases mediated;
- 42 (4) Total program funding and funding sources;



- 1 (5) Itemization of the use of funds, including operating expenses and  
2 personnel;  
3 (6) Itemization of the use of State funds;  
4 (7) Level of volunteer activity; and  
5 (8) Identification of future service demands and budget requirements.

6 The Judicial Department shall compile and summarize the information  
7 provided pursuant to this subsection and shall provide the information to the Chairs of the  
8 House and Senate Appropriations Committees and the Chairs of the House and Senate  
9 Appropriations Subcommittees on Justice and Public Safety by February 1 of each year.

10 (b) Each local dispute settlement center requesting State funds for the first time  
11 shall provide the General Assembly with (i) the information enumerated in subsection (a)  
12 of this section, or projections where historical data is not available, as well as a detailed  
13 statement justifying the need for State funding, and (ii) certification that at least fifty  
14 percent (50%) of total funding for the first fiscal year in which funding is requested shall  
15 come from non-State sources, and (iii) if funding is requested for a second fiscal year,  
16 certification that at least sixty percent (60%) of total funding for the second fiscal year  
17 shall come from non-State sources.

18 (c) Each local dispute settlement center requesting an expansion of State funding  
19 shall provide the General Assembly with (i) the information enumerated in subsection (a)  
20 of this section, or projections where historical data is not available, as well as a detailed  
21 statement justifying the need for the expansion of State funding, and (ii) certification that  
22 at least sixty percent (60%) of total funding shall come from non-State sources.

23  
24 Requested by: Representatives Justus, Thompson, Senator Ballance

#### 25 **SPECIAL CAPITAL CASE REHEARING FUND**

26 Sec. 21.8. There is continued in the Judicial Department the nonreverting  
27 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be  
28 used to provide for resentencing hearings, related appeals, and postconviction hearings  
29 required by the decisions of the United States Supreme Court in McKoy v. North  
30 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon  
31 remand of that case, including the payment of attorneys' fees and related expenses for  
32 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the  
33 General Statutes. As determined by the Director of the Administrative Office of the  
34 Courts, any amounts in this fund not required to meet the needs of special capital case  
35 rehearings may be transferred to the Indigent Persons' Attorney Fee Fund.

36  
37 Requested by: Senator Ballance

#### 38 **COMMUNITY PENALTIES PROGRAM**

39 Sec. 21.9. (a) Of the funds appropriated from the General Fund to the Judicial  
40 Department for the 1995-97 biennium to conduct the Community Penalties program, the  
41 sum of three million nine hundred eighty-four thousand nine hundred twelve dollars  
42 (\$3,984,912) for the 1995-96 fiscal year and the sum of four million six hundred thirty-  
43 four thousand nine hundred twelve dollars (\$4,634,912) for the 1996-97 fiscal year may

1 be allocated by the Judicial Department in each year of the biennium in any amount  
2 among existing community penalties programs, including any State-operated programs,  
3 or may be used to establish new State-operated community penalties programs.

4 (b) The Judicial Department shall report annually to the Senate and  
5 House Appropriations Subcommittees on Justice and Public Safety and to the Fiscal  
6 Research Division on the administrative expenditures of the community penalties  
7 programs. The Judicial Department shall report quarterly to the Joint Legislative  
8 Commission on Governmental Operations on any elimination or reduction of funding for  
9 community penalties programs funded in the 1994-95 fiscal year or any program  
10 receiving initial funding during the 1995-97 biennium.

11 (c) G.S. 7A-771(1) reads as rewritten:

12 "(1) 'Community penalties program' means an agency or State-run office  
13 within the judicial district which shall (i) prepare community penalty  
14 plans; (ii) arrange or contract with public and private agencies for  
15 necessary services for offenders; and (iii) monitor the progress of  
16 offenders placed on community penalty plans."

17 (d) G.S. 7A-772 reads as rewritten:

18 **"§ 7A-772. Allocation of funds.**

19 (a) The Director may award grants in accordance with the policies established by  
20 this Article and in accordance with any laws made for that purpose, including  
21 appropriations acts and provisions in appropriations acts, and adopt regulations for the  
22 implementation, operation, and monitoring of community penalties programs.  
23 Community penalties programs that are grantees shall use such funds to develop,  
24 implement, and monitor community penalty plans. Grants shall be awarded by the  
25 Director to agencies whose comprehensive program plans promise best to meet the goals  
26 set forth herein.

27 (b) The Director may establish local community penalties programs and appoint  
28 those staff as the Director deems necessary. These personnel may serve as full-time or  
29 part-time State employees or may be hired on a contractual basis when determined  
30 appropriate by the director. Contracts entered under the authority of this subsection shall  
31 be exempt from the competitive bidding procedures under Chapter 143 of the General  
32 Statutes. The Administrative Office of the Courts shall adopt rules necessary and  
33 appropriate for the administration of the program. Funds appropriated by the General  
34 Assembly for the establishment and maintenance of community penalties programs under  
35 this Article shall be administered by the Administrative Office of the Courts."

36 (e) G.S. 7A-773 reads as rewritten:

37 **"§ 7A-773. Responsibilities of a community penalties program.**

38 A community penalties program shall be responsible for:

39 (1) Targeting offenders who are eligible to receive an intermediate  
40 punishment based on their class of offense and prior record level and  
41 who face an imminent and substantial threat of imprisonment.

- 1 (2) Preparing detailed community penalty plans for presentation to the  
2 sentencing judge by the offender's ~~attorney~~ attorney or at the request of  
3 the sentencing judge.
- 4 (3) Contracting or arranging with public or private agencies for services  
5 described in the community penalty plan.
- 6 (4) Monitoring the progress of offenders under community penalty plans."  
7

8 Requested by: Senator Ballance

### 9 **COURT REPORTING/USE OF AUDIO AND VIDEO EQUIPMENT**

10 Sec. 21.10. (a) The Administrative Office of the Courts may use funds appropriated  
11 in this act for State court reporter positions and support, including contractual services, to  
12 purchase audio and video recording equipment for use in the courtroom, provided that the  
13 purchase is to implement budget reductions for court reporter programs as required in this  
14 act.

15 (b) The Office of the State Auditor shall study the court reporting system and  
16 determine the most cost-effective and appropriate use of official State court reporters,  
17 contractual reporters, and audio and video recording equipment for court reporting. The  
18 Office of the State Auditor shall consult with the Association of Official Court Reporters  
19 as part of the study. The study shall identify specific cost savings that would result from  
20 the implementation of the study recommendations. The Office of the State Auditor shall  
21 report to the Chairs of the Senate and House Appropriations Committees and the Chairs  
22 of the Senate and House Appropriations Subcommittees on Justice and Public Safety on  
23 the results of this study by April 1, 1996.

24 (c) Any reduction in official court reporter positions pursuant to this section shall  
25 be implemented notwithstanding the provisions of G.S. 7A-198(f) and G.S. 7A-95(e).

26 (d) The Administrative Office of the Courts shall make reasonable efforts to assist  
27 official State court reporters and district court reporters in obtaining employment within  
28 the court system.  
29

30 Requested by: Representatives Justus, Thompson, Senator Ballance

### 31 **FUNDING OF JUDGESHIPS**

32 Sec. 21.11. The Judicial Department may use funds available to the  
33 Department to fund the district court judgeships authorized in Section 200.6 of Chapter  
34 321 of the 1993 Session Laws for District Court Districts 3A, 8, 12, and 18 upon the  
35 assumption of office by the initial holders of those judgeships.  
36

37 Requested by: Senator Ballance

### 38 **GUARDIAN AD LITEM STUDY**

39 Sec. 21.12. (a) The Legislative Research Commission may study the Guardian Ad  
40 Litem program in the Judicial Department and the Children's Services program in the  
41 Division of Social Services. The study shall:

- 1 (1) Identify the amount and source of funding for legal services and  
2 administration in child abuse and neglect and dependency cases in those  
3 programs;
  - 4 (2) Identify the legal participants involved in child abuse and neglect and  
5 dependency court cases and each participant's responsibilities;
  - 6 (3) Study the purpose and activities of each program and identify activities  
7 that are similar;
  - 8 (4) Identify federal mandates and any federal funding that would be  
9 affected by any changes in legal services or administration of either  
10 program, and determine whether any federal funds are available to fund  
11 the Guardian Ad Litem program;
  - 12 (5) Review guardian ad litem programs and children's services in other  
13 states, including cost-saving measures taken by those states, and identify  
14 other methods of administering and funding those programs;
  - 15 (6) Identify methods of reducing the costs for attorneys involved in child  
16 abuse and neglect and dependency cases;
  - 17 (7) Review administrative costs of each program and identify possible cost  
18 savings; and
  - 19 (8) Determine the extent to which guardian ad litem attorneys are  
20 performing duties normally handled by volunteers and identify methods  
21 to reduce such practices.
- 22 (b) The Commission may report its findings to the 1996 Regular Session of the  
23 1995 General Assembly.

24  
25 Requested by: Senator Ballance

#### 26 **CHANGE GUARDIAN AD LITEM ATTORNEY APPOINTMENT**

27 Sec. 21.13. G.S. 7A-586(a) reads as rewritten:

28 "(a) When in a petition a juvenile is alleged to be abused or neglected, the judge  
29 shall appoint a guardian ad litem to represent the juvenile. When a juvenile is alleged to  
30 be dependent, the judge may appoint a guardian ad litem to represent the juvenile. The  
31 guardian ad litem and attorney advocate have standing to represent the juvenile in all  
32 actions under this Subchapter where they have been appointed. The appointment shall be  
33 made pursuant to the program established by Article 39 of this Chapter unless  
34 representation is otherwise provided pursuant to G.S. 7A-491 or G.S. 7A-492. In every  
35 case where a nonattorney is appointed as a guardian ad litem, an attorney shall be  
36 appointed in the case in order to assure protection of the child's legal rights ~~within the~~  
37 proceeding through the dispositional phase of the proceedings, and after disposition  
38 when necessary to further the best interests of the child. The duties of the guardian ad  
39 litem program shall be to make an investigation to determine the facts, the needs of the  
40 juvenile, and the available resources within the family and community to meet those  
41 needs; to facilitate, when appropriate, the settlement of disputed issues; to offer evidence  
42 and examine witnesses at adjudication; to explore options with the judge at the

1 dispositional hearing; and to protect and promote the best interest of the juvenile until  
2 formally relieved of the responsibility by the judge."

3  
4 Requested by: Senator Ballance

5 **DRUG TREATMENT COURTS/FUNDS IN RESERVE**

6 Sec. 21.14. (a) Chapter 7A of the General Statutes is amended by adding a new  
7 Subchapter to read:

8 **"SUBCHAPTER XIV. DRUG TREATMENT COURTS.**

9 **"ARTICLE 62.**

10 **"NORTH CAROLINA DRUG TREATMENT COURT ACT.**

11 **"§ 7A-790. Short title.**

12 This Article shall be known and may be cited as the 'North Carolina Drug Treatment  
13 Court Act of 1995'.

14 **"§ 7A-791. Purpose.**

15 The General Assembly recognizes that a critical need exists in this State for criminal  
16 justice system programs that will reduce the incidence of drug use and drug addiction and  
17 crimes committed as a result of drug use and drug addiction. It is the intent of the  
18 General Assembly by this Article to create a program to facilitate the creation of drug  
19 treatment court pilot programs in a minimum of two judicial districts.

20 **"§ 7A-792. Goals.**

21 The goals of the drug treatment court programs funded under this Article include the  
22 following:

- 23 (1) To reduce alcoholism and other drug dependencies among offenders;
- 24 (2) To reduce recidivism;
- 25 (3) To reduce the drug-related court workload;
- 26 (4) To increase the personal, familial, and societal accountability of  
27 offenders; and
- 28 (5) To promote effective interaction and use of resources among criminal  
29 justice personnel and community agencies.

30 **"§ 7A-793. Establishment of Program.**

31 The North Carolina Drug Treatment Court Program is established in the  
32 Administrative Office of the Courts to facilitate the creation of drug treatment court  
33 programs and the funding of pilot drug treatment court programs. Drug treatment court  
34 programs funded pursuant to this Article shall be operated consistent with the guidelines  
35 promulgated by the Director of the Administrative Office of the Courts in consultation  
36 with the State Drug Treatment Court Advisory Committee established in G.S. 7A-795. In  
37 promulgating the guidelines, the Director and the Advisory Committee shall consider the  
38 Substance Abuse and the Courts Action Plan and other recommendations of the  
39 Substance Abuse and the Courts State Task Force.

40 **"§ 7A-794. Fund administration.**

41 The Drug Treatment Court Program Fund is created in the Administrative Office of  
42 the Courts and is administered by the Director of the Administrative Office of the Courts  
43 in consultation with the State Drug Treatment Court Advisory Committee. The Director

1 of the Administrative Office of the Courts shall award grants from this Fund and  
2 implement drug treatment court programs in a minimum of two judicial districts. Grants  
3 shall be awarded based upon the general guidelines set forth by the Director of the  
4 Administrative Office of the Courts and the State Drug Treatment Court Advisory  
5 Committee.

6 **"§ 7A-795. State Drug Treatment Court Advisory Committee.**

7 The State Drug Treatment Court Advisory Committee is established to develop  
8 guidelines for the drug treatment court program and to monitor programs wherever they  
9 are implemented. The Committee shall be chaired by the Director of the Administrative  
10 Office of the Courts or the Director's designee and shall consist of not less than seven  
11 members appointed by the Director and broadly representative of the courts, corrections,  
12 and substance abuse treatment communities.

13 **"§ 7A-796. Local drug treatment court management committee.**

14 Each judicial district choosing to establish a drug treatment court or applying to  
15 participate in a funded pilot program shall form a local drug treatment court management  
16 committee which may consist of some or all of the following:

- 17 (1) A judge of the superior court;
- 18 (2) A judge of the district court;
- 19 (3) A district attorney or assistant district attorney;
- 20 (4) A public defender or assistant public defender in judicial districts served  
21 by a public defender;
- 22 (5) A member of the private criminal defense bar;
- 23 (6) A clerk of superior court;
- 24 (7) The trial court administrator in judicial districts served by a trial court  
25 administrator;
- 26 (8) A probation officer;
- 27 (9) A local law enforcement officer;
- 28 (10) A representative of the local community college;
- 29 (11) A representative of the treatment providers;
- 30 (12) The local program director provided for in G.S. 7A-798; and
- 31 (13) Any other persons selected by the local management committee.

32 The local drug treatment court management committee shall develop local guidelines  
33 and procedures, not inconsistent with the State guidelines, that are necessary for the  
34 operation and evaluation of the local drug treatment court.

35 **"§ 7A-797. Eligible population; drug treatment court procedures.**

36 The Director of the Administrative Office of the Courts, in conjunction with the State  
37 Drug Treatment Court Advisory Committee, shall develop criteria for eligibility and  
38 other procedural and substantive guidelines for drug treatment court operation.

39 **"§ 7A-798. Drug treatment court grant application; local program director.**

40 (a) Grant applications for the pilot programs shall be submitted to the Director of  
41 the Administrative Office of the Courts, in such form and with such information as the  
42 Director may require consistent with the provisions of this Article. Grants shall be  
43 awarded to two or more judicial districts that submit the most comprehensive and feasible

1 plans for the implementation and operation of a drug treatment court. The Director shall  
2 award and administer grants in accordance with any laws made for that purpose,  
3 including appropriations acts and provisions in appropriations acts, and may adopt rules  
4 for the implementation, operation, and monitoring of grant-funded programs.

5 (b) Grant applications shall specify a local program director who shall be  
6 responsible for local administration of the project. Grant funds may be used to fund a  
7 full-time or part-time local program director position. The local program director may be  
8 an employee of the grant recipient, an employee of the court, or a grant-established  
9 position under the senior resident superior court judge or chief district court judge.

10 **"§ 7A-799. Treatment not guaranteed.**

11 Nothing contained in this Article shall confer a right or an expectation of a right to  
12 treatment for a defendant or offender within the criminal justice system.

13 **"§ 7A-800. Payment of costs of treatment program.**

14 Each defendant shall contribute to the cost of the substance abuse treatment received  
15 in the drug treatment court program, based upon guidelines developed by the local drug  
16 treatment court management committee.

17 **"§ 7A-801. Plan for evaluation.**

18 Each grant application requesting funding for the pilot program shall include a  
19 method for evaluating the pilot program's effectiveness, based upon the goals stated in  
20 G.S. 7A-792. Each funded program shall submit evaluation reports to the Administrative  
21 Office of the Courts as requested. Additionally, the Administrative Office of the Courts  
22 shall be responsible for developing an evaluation model on the State level to compare the  
23 effectiveness of all pilot programs and shall submit a report to the General Assembly by  
24 May 1, 1998."

25 (b) Funds to implement and evaluate the pilot programs established under the  
26 North Carolina Drug Treatment Court Act shall be allocated from the reserve of eight  
27 hundred thousand dollars (\$800,000) created in Section 41 of Chapter 24 of the Session  
28 Laws of the 1994 Extra Session. These funds shall be used primarily to provide  
29 substance abuse treatment, but the sum of forty-three thousand seven hundred seventy-  
30 five dollars (\$43,775) for the 1995-96 fiscal year and the sum of fifty-two thousand five  
31 hundred fifty-one thousand dollars (\$52,551) for the 1996-97 fiscal year may be used to  
32 fund one program administrator position.

33 (c) Section 1 of this act becomes effective July 1, 1995, and expires June 30, 1998.  
34 The remainder of this act becomes effective October 1, 1995.

35  
36 **PART 22. DEPARTMENT OF JUSTICE**

37  
38 Requested by: Senator Ballance

39 **REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS**

40 Sec. 22. (a) Section 23.5 of Chapter 769 of the 1993 Session Laws, Regular  
41 Session 1994, is repealed.

42 (b) Any funds received by the Department of Justice in settlement of insurance  
43 claims arising from damage to the Blue Bell building at the North Carolina Justice

1 Academy shall be expended by the Department for replacement of the building and for no  
2 other purpose. If any appropriation is made to the Department for replacement of the  
3 Blue Bell Building, then any funds received as insurance settlement proceeds shall revert  
4 to the General Fund.

5 (c) Subsection (a) of this section becomes effective June 30, 1995.

6  
7 Requested by: Representatives Justus, Thompson, Senator Ballance

#### 8 **DEPARTMENT OF JUSTICE SALARY FUNDS**

9 Sec. 22.1. Of the funds appropriated to the Department of Justice in this act,  
10 the sum of ninety-three thousand four hundred fifty-three dollars (\$93,453) for the 1995-  
11 96 fiscal year and the sum of ninety-three thousand four hundred fifty-three dollars  
12 (\$93,453) for the 1996-97 fiscal year may be used for one-time annual salary adjustments  
13 for attorneys who are determined to be eligible for the adjustments based upon  
14 outstanding job performance for the preceding year.

15  
16 Requested by: Representatives Justus, Thompson, Senator Ballance

#### 17 **SBI FUNDS/SPENDING PRIORITIES**

18 Sec. 22.2. Of the funds appropriated in this act to the Department of Justice,  
19 State Bureau of Investigation, for the 1995-97 biennium for overtime payments, the first  
20 priority for use of the funds by the Department shall be:

- 21 (1) To make overtime payments to SBI agents in the Field Investigations  
22 Division; and
- 23 (2) To make overtime payments to supervisory personnel receiving  
24 overtime payments as of June 30, 1995, up to a maximum of five  
25 thousand two hundred dollars (\$5,200) annually per individual.

26  
27 Requested by: Representatives Justus, Thompson, Senator Ballance

#### 28 **SBI USE OF COURT-ORDERED REIMBURSEMENT FUNDS**

29 Sec. 22.3. The State Bureau of Investigation (SBI) may use funds available  
30 from court-ordered reimbursement in undercover drug operations.

31  
32 Requested by: Representatives Justus, Thompson, Senator Ballance

#### 33 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING 34 BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

35 Sec. 22.4. The Private Protective Services and Alarm Systems Licensing  
36 Boards shall pay the appropriate State agency for the use of physical facilities and  
37 services provided to those boards by the State.

38  
39 Requested by: Senator Ballance

#### 40 **LIMITS ON COMPUTER SYSTEM UPGRADE**

41 Sec. 22.5. Any proposed increase in mainframe computer capacity or system  
42 upgrade for the Judicial Department, the Department of Correction, or the Department of  
43 Justice, to be funded from the Continuation Budget, shall be reported to the Joint



1 Legislative Commission on Governmental Operations, to the Senate and House Chairs of  
2 the Appropriations Committees, and to the Chairs of the Justice and Public Safety  
3 Committees before the department enters into any contractual agreement. This report is  
4 to be made jointly by the Information Resource Management Commission, the Office of  
5 State Budget and Management, and the requesting department.

6  
7 Requested by: Senator Ballance

#### 8 **CERTAIN LITIGATION EXPENSES TO BE PAID BY CLIENT AGENCIES**

9 Sec. 22.6. Client departments, agencies, and boards shall reimburse the  
10 Department for reasonable court fees, attorney travel and subsistence costs, and other  
11 costs directly related to litigation in which the Department is representing that client  
12 department, agency, or board.

13  
14 Requested by: Senator Ballance

#### 15 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE** 16 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

17 Sec. 22.7. (a) Assets transferred to the Department of Justice during the 1995-97  
18 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that  
19 Department and shall result in an increase of law enforcement resources for the  
20 Department. Assets transferred to the Office of Public Safety, Office of the Governor,  
21 during the 1995-97 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the  
22 budget of that Office and shall result in an increase of law enforcement resources for the  
23 Office of Public Safety. The Department and the Office shall report to the Joint  
24 Legislative Commission on Governmental Operations upon the receipt of these assets  
25 and, before using these assets, shall report the intended use of these assets and the  
26 departmental priorities on which the assets may be expended.

27 The General Assembly finds that the use of these assets for new personnel  
28 positions, new projects, the acquisition of real property, repair of buildings where such  
29 repair includes structural change, and construction of or additions to buildings may result  
30 in additional expenses for the State in future fiscal periods; therefore, the Department of  
31 Justice and the Office of Public Safety are prohibited from using these assets for such  
32 purposes without the prior approval of the General Assembly, except during the 1995-97  
33 biennium, the Department of Justice may:

- 34 (1) Use an amount not to exceed the sum of twenty-five thousand dollars  
35 (\$25,000) of the funds to extend the lease of space in the Town of  
36 Salemburg for SBI training; and  
37 (2) Use an amount not to exceed fifty thousand dollars (\$50,000) of the  
38 funds to lease space for its technical operations unit, storage of its  
39 equipment and vehicles, and command post vehicle.

40 (b) Nothing in this section prevents North Carolina law enforcement agencies from  
41 receiving funds from the United States Department of Justice pursuant to 19 U.S.C. §  
42 1616a.

1 Requested by: Senator Ballance

2 **VICTIMS ASSISTANCE NETWORK FUNDS**

3 Sec. 22.8. (a) Of the funds appropriated in this act to the Department of Justice, the  
4 sum of one hundred fifty thousand dollars (\$150,000) for the 1995-96 fiscal year and the  
5 sum of one hundred fifty thousand dollars (\$150,000) for the 1996-97 fiscal year shall be  
6 used to support the Victims Assistance Network. These funds shall be used by the  
7 Victims Assistance Network to perform the following functions under the direction of  
8 and as required by the Department of Justice:

- 9 (1) Conduct surveys and gather data on crime victims and their needs;
  - 10 (2) Act as a clearinghouse for crime victims services;
  - 11 (3) Provide an automated crime victims bulletin board for subscribers;
  - 12 (4) Coordinate and support the activities of other crime victims advocacy  
13 groups;
  - 14 (5) Identify training needs of crime victims services providers and criminal  
15 justice personnel and coordinate training efforts for those persons; and
  - 16 (6) Provide other services as identified by the Governor's Crime  
17 Commission or the Department of Justice.
- 18 (b) This section becomes effective July 1, 1995.
- 19

20 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

21  
22 Requested by: Senator Martin of Guilford  
23 **REDUCE DHR FUNDS IN ANTICIPATION OF RECEIPT OF FEDERAL FUNDS**

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

32  
33 Requested by: Senator Martin of Guilford

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

35 Sec. 23.1. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary  
36 of the Department of Human Resources may assign employees of the Office of Rural  
37 Health and Resource Development to serve as in-kind match to nonprofit corporations  
38 working to establish health care programs that will improve health care access while  
39 controlling costs.

40  
41 Requested by: Senator Martin of Guilford

42 **LIABILITY INSURANCE**

1           Sec. 23.2. The Secretary of the Department of Human Resources, the  
2 Secretary of the Department of Environment, Health, and Natural Resources, and the  
3 Secretary of the Department of Correction may provide medical liability coverage not to  
4 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments  
5 licensed to practice medicine or dentistry and on behalf of physicians in all residency  
6 training programs from The University of North Carolina who are in training at  
7 institutions operated by the Department of Human Resources. This coverage may  
8 include commercial insurance or self-insurance and shall cover these individuals for their  
9 acts or omissions only while they are engaged in providing medical and dental services  
10 pursuant to their State employment or training.

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

16           The coverage provided pursuant to this section shall not require any additional  
17 appropriations and shall not apply to any individual providing contractual service to the  
18 Department of Human Resources, the Department of Environment, Health, and Natural  
19 Resources, or the Department of Correction, with the exception that coverage may  
20 include physicians in all residency training programs from The University of North  
21 Carolina who are in training at institutions operated by the Department of Human  
22 Resources.

23  
24 Requested by: Senator Martin of Guilford

#### 25 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

26           Sec. 23.3. In order to assure maximum utilization of funds in county  
27 departments of social services, county or district health agencies, and area mental health,  
28 developmental disabilities, and substance abuse authorities, the Director of the Budget  
29 may transfer excess funds appropriated to a specific service, program, or fund, whether  
30 specified service in a block grant plan or General Fund appropriation, into another  
31 service, program, or fund for local services within the budget of the respective State  
32 agency.

33  
34 Requested by: Senator Martin of Guilford

#### 35 **HEALTH CENTERS' PURCHASE OF MEDICATIONS**

36           Sec. 23.4. Notwithstanding any provisions of law to the contrary, State rural  
37 health centers and federally funded community and migrant health centers shall be  
38 permitted to purchase medications by participating in contracts administered by the  
39 Department of Administration, Division of Purchase and Contract.

40  
41 Requested by: Senator Martin of Guilford

#### 42 **S.O.S. AND FAMILY RESOURCE CENTER GRANT PROGRAMS** 43 **ADMINISTRATIVE COSTS LIMITS**

1       Sec. 23.6. (a)   Of the funds appropriated to the Department of Human Resources in  
2 this act, the Department may use up to a total of three hundred fifty thousand dollars  
3 (\$350,000) each fiscal year of the biennium to administer the S.O.S. Program, to provide  
4 technical assistance to applicants and to local S.O.S. programs, and to evaluate the local  
5 S.O.S. programs. The Department may contract with appropriate public or nonprofit  
6 agencies to provide the technical assistance, including training and related services.

7       (b)   Of the funds appropriated in this act to the Department of Human Resources  
8 for the Family Resource Center Grant Program, the Department may use up to three  
9 hundred thousand dollars (\$300,000) each fiscal year of the biennium to administer the  
10 Program.

11  
12 Requested by: Senator Martin of Guilford

### 13 **COUNCIL ON DEVELOPMENTAL DISABILITIES SERVICES MAINTAINED**

14       Sec. 23.6A. The Department of Human Resources shall ensure that grants  
15 provided at the local level through the Council on Developmental Disabilities are  
16 provided at the level funded in the 1994-95 fiscal year, at a minimum. Notwithstanding  
17 any law to the contrary, the Department may use funds available to it to maintain this  
18 minimum level of funding.

19  
20 Requested by: Senator Martin of Guilford

### 21 **DHR RESOURCE STUDIES**

22       Sec. 23.6B. The Department shall study the following two issues and shall  
23 report these two issues, together with any recommendations, to the 1995 General  
24 Assembly, Regular Session 1996, within one week of convening:

- 25       (1)   The average staff vacancy rate by division over the last five fiscal years,  
26           to determine its effect on lapsed salaries; and  
27       (2)   An analysis of unbudgeted revenues in excess of revenues in the  
28           certified budget as amended by the General Assembly received by the  
29           Department in the last two fiscal years, including:  
30           a.    Indirect cost receipts; and  
31           b.    Prior year earned revenue.

32  
33 Requested by: Senator Martin of Guilford

### 34 **DAY CARE FUNDS MATCHING REQUIREMENT**

35       Sec. 23.7. No local matching funds may be required by the Department of  
36 Human Resources as a condition of any locality's receiving any State day care funds  
37 appropriated by this act unless federal law requires such a match.

38  
39 Requested by: Senator Martin of Guilford

### 40 **DAY CARE ALLOCATION FORMULA**

41       Sec. 23.8. (a) To simplify current day care allocation methodology and more  
42 equitably distribute State day care funds, the Department of Human Resources shall

1 apply the following allocation formula to all noncategorical federal and State day care  
2 funds used to pay the costs of necessary day care for minor children of needy families:

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

5 (2) One-third of the budgeted funds shall be distributed according to the  
6 number of children under 6 years of age in a county who are living in  
7 families whose income is below the State poverty level in relation to the  
8 total number of children under 6 years of age in the State in families  
9 whose income is below the poverty level; and

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

14 (b) A county's initial allocation shall not be less than that county's initial allocation  
15 was in fiscal year 1990-91 under the formula prescribed by Section 102 of Chapter 500 of  
16 the 1989 Session Laws. However, if the total amount available to allocate is less than the  
17 amount allocated by formula in the 1990-91 fiscal year, a county's allocation may be less  
18 than the county's initial allocation was in that fiscal year.

19  
20 Requested by: Senator Martin of Guilford

#### 21 **CHILD DAY CARE REVOLVING LOAN FUND**

22 Sec. 23.9. Notwithstanding any law to the contrary, funds budgeted for the  
23 Child Day Care Revolving Loan Fund may be transferred to and invested by the financial  
24 institution contracted to operate the Fund. The principal and any income to the Fund may  
25 be used to make loans, reduce loan interest to borrowers, serve as collateral for  
26 borrowers, pay the contractor's cost of operating the Fund, or to pay the Department's  
27 cost of administering the program.

28  
29 Requested by: Senator Martin of Guilford

#### 30 **DAY CARE**

31 Sec. 23.10. Except for the allocation of support costs from federal grants by  
32 the General Assembly or the reallocation of federal grant funds by the Office of State  
33 Budget and Management, the Department of Human Resources shall distribute the funds  
34 appropriated and otherwise available to it for the purchase of day care for minor children  
35 of needy families so as to serve the greatest number of children possible.

36  
37 Requested by: Senator Martin of Guilford

#### 38 **DAY CARE RATES**

39 Sec. 23.11. (a) Rules for the monthly schedule of payments for the purchase of day  
40 care services for low-income children shall be established by the Social Services  
41 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following  
42 requirements:

- 1 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer than  
2 fifty percent (50%) of the enrollees are subsidized by State or federal  
3 funds, the State shall continue to pay the same fee paid by private  
4 paying parents for a child in the same age group in the same facility.
- 5 (2) Facilities in which fifty percent (50%) or more of the enrollees are  
6 subsidized by State or federal funds may be paid the rate established by  
7 the local purchasing agency, not to exceed the county market rate.
- 8 (3) A market rate shall be calculated for each county and for each age group  
9 or age category of enrollees and shall be representative of fees charged  
10 to unsubsidized private paying parents for each age group of enrollees  
11 within the county. The county market rates shall be calculated from  
12 facility fee schedules collected by the Division of Child Development  
13 on a routine basis. The Division shall also calculate a statewide market  
14 rate for each age category. The Division may also calculate regional  
15 market rates for each age group and age category. The Social Services  
16 Commission shall adopt rules to establish minimum county rates that  
17 use the statewide market rates as a reference point.
- 18 (4) Child day care homes as defined in G.S. 110-86(4) and other home-  
19 based day care arrangements that are not required to be regulated by the  
20 State licensing agency may be paid the rate established by the local  
21 purchasing agency, not to exceed market rate for day care homes, which  
22 shall be calculated at least biennially by the Division of Child  
23 Development according to the method described in subdivision (3) of  
24 subsection (a) of this section.

25 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes  
26 may participate in the program that provides for the purchase of care in day care facilities  
27 for minor children of needy families. No separate licensing requirements shall be used to  
28 select facilities to participate. In addition, day care facilities shall be required to meet any  
29 additional applicable requirements of federal law or regulations.

30 Day care homes as defined in G.S. 110-86(4) from which the State purchases  
31 day care services shall meet the standards established by the Child Day Care Commission  
32 pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of State  
33 law or federal law or regulations. Child care arrangements exempt from State regulation  
34 pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements  
35 established by other State law and by the Social Services Commission.

36 County departments of social services or other local contracting agencies shall  
37 not use a provider's failure to comply with requirements in addition to those specified in  
38 this subsection as a condition for reducing the provider's subsidized child day care rate.

39 (c) County departments of social services shall continue to negotiate with day care  
40 providers for day care services below those rates prescribed by subsection (a) of this  
41 section. County departments shall purchase day care services so as to serve the greatest  
42 number of children possible with existing resources.

43

1 Requested by: Senator Martin of Guilford

2 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**  
3 **QUALITY ASSURANCE/ACCOUNTABILITY**

4 Sec. 23.12. (a) The General Assembly finds, in consultation with the Governor, that  
5 it is essential to begin to develop comprehensive programs that provide high quality early  
6 childhood education and development services locally for children and their families.  
7 The General Assembly also finds that it is equally essential that these programs be  
8 developed in a manner that will provide both quality assurance and performance-based  
9 accountability to the children, their families, their communities, and the State.

10 (b) The Department of Human Resources shall develop and implement a  
11 performance-based evaluation system to evaluate the Early Childhood Education and  
12 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the  
13 General Statutes, if enacted. The Department shall design this system:

- 14 (1) To incorporate the elements of a formative evaluation, including process  
15 and efficiency studies, and of a summative evaluation, including  
16 outcome and effectiveness studies, in order to:
- 17 a. Provide information to the Department and to the General  
18 Assembly on how to improve and refine the Programs;
  - 19 b. Enable the Department and the General Assembly to assess the  
20 overall quality and impact of the existing Programs and any  
21 future ones; and
  - 22 c. Enable the Department and the General Assembly to determine  
23 whether to make the Early Childhood Education and  
24 Development Initiatives statewide;
- 25 (2) To focus the Programs, as they develop and continue, on quality  
26 assurance, by making quality a central and ongoing priority and to  
27 ensure that quality improvement efforts address outcomes, such as  
28 functions and processes, rather than persons, specific details, or  
29 paperwork;
- 30 (3) To use reliable statistical methods to measure performance of processes,  
31 functions, efforts, and outcomes, which methods shall allow adequate  
32 tracking of children and families through the program and into the  
33 school system, in order to provide a real, objective measure of the  
34 outcome of the Programs; and
- 35 (4) To provide a detailed fiscal analysis of the use to which State funds for  
36 these Programs are put.

37

38 Requested by: Senator Martin of Guilford

39 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**  
40 **PLAN**

41 Sec. 23.13. Counties participating in the Early Childhood Education and  
42 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the  
43 General Statutes may use the county's allocation of State and federal child care funds to

1 subsidize child care according to the county's Early Childhood Education and  
2 Development Initiatives Plan as approved by the Department of Human Resources. The  
3 use of federal funds shall be consistent with the appropriate federal regulations. Day care  
4 providers shall, at a minimum, comply with the applicable requirements for State  
5 licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with  
6 other applicable requirements of State law or rule, including rules adopted for  
7 nonregistered day care by the Social Services Commission, and with applicable federal  
8 regulations.

9  
10 Requested by: Senator Martin of Guilford

#### 11 **SUPPLEMENTAL HEAD START FUNDS**

12 Sec. 23.13A. Supplemental Head Start funds appropriated in this act to the  
13 Department of Human Resources shall continue to be allocated to those counties  
14 currently receiving these funds.

15  
16 Requested by: Senator Martin of Guilford

#### 17 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES** 18 **LOCAL PARTNERSHIP FUNDING FOR ADMINISTRATIVE COSTS**

19 Sec. 23.13B. The Secretary of Human Resources may allow local partnerships  
20 receiving funds for Early Childhood Education and Development Initiatives to use up to  
21 five percent (5%) or up to one hundred thousand dollars (\$100,000) of their total  
22 allocation, whichever is greater, to fund the staff and administrative support for local  
23 partnership board activities if the local partnership demonstrates that this additional  
24 administrative funding is needed.

25  
26 Requested by: Senator Martin of Guilford

#### 27 **MEDICAID**

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

33 Services and payment bases:

- 34 (1) Hospital-Inpatient - Payment for hospital inpatient services will be  
35 prescribed in the State Plan as established by the Department of Human  
36 Resources. Administrative days for any period of hospitalization shall  
37 be limited to a maximum of three days.
- 38 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a  
39 prospective reimbursement plan as established by the Department of  
40 Human Resources.
- 41 (3) Nursing Facilities - Payment for nursing facility services will be  
42 prescribed in the State Plan as established by the Department of Human  
43 Resources. Nursing facilities providing services to Medicaid recipients



- 1           who also qualify for Medicare, must be enrolled in the Medicare  
2           program as a condition of participation in the Medicaid program. State  
3           facilities are not subject to the requirement to enroll in the Medicare  
4           program.
- 5           (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed  
6           in the State Plan as established by the Department of Human Resources.
- 7           (5) Drugs - Drug costs as allowed by federal regulations plus a professional  
8           services fee per month excluding refills for the same drug or generic  
9           equivalent during the same month. Reimbursement shall be available  
10          for up to six prescriptions per recipient, per month, including refills.  
11          Payments for drugs are subject to the provisions of subsection (f) of this  
12          section and to the provisions at the end of subsection (a) of this section,  
13          or in accordance with the State Plan adopted by the Department of  
14          Human Resources consistent with federal reimbursement regulations.  
15          Payment of the professional services fee shall be made in accordance  
16          with the Plan adopted by the Department of Human Resources,  
17          consistent with federal reimbursement regulations. The professional  
18          services fee shall be five dollars and sixty cents (\$5.60) per prescription.  
19          Adjustments to the professional services fee shall be established by the  
20          General Assembly.
- 21          (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified  
22          Nurse Midwife Services - Fee schedules as developed by the  
23          Department of Human Resources. Payments for dental services are  
24          subject to the provisions of subsection (g) of this section.
- 25          (7) Community Alternative Program, EPSDT Screens - Payment to be  
26          made in accordance with rate schedule developed by the Department of  
27          Human Resources.
- 28          (8) Home Health and Related Services, Private Duty Nursing, Clinic  
29          Services, Prepaid Health Plans, Durable Medical Equipment - Payment  
30          to be made according to reimbursement plans developed by the  
31          Department of Human Resources.
- 32          (9) Medicare Buy-In - Social Security Administration premium.
- 33          (10) Ambulance Services - Uniform fee schedules as developed by the  
34          Department of Human Resources.
- 35          (11) Hearing Aids - Actual cost plus a dispensing fee.
- 36          (12) Rural Health Clinic Services - Provider-based - reasonable cost;  
37          nonprovider based - single cost reimbursement rate per clinic visit.
- 38          (13) Family Planning - Negotiated rate for local health departments. For  
39          other providers - see specific services, for instance, hospitals,  
40          physicians.
- 41          (14) Independent Laboratory and X-Ray Services - Uniform fee schedules as  
42          developed by the Department of Human Resources.

- 1 (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale  
2 cost of materials.
- 3 (16) Ambulatory Surgical Centers - Payment as prescribed in the  
4 reimbursement plan established by the Department of Human  
5 Resources.
- 6 (17) Medicare Crossover Claims - An amount up to the actual coinsurance or  
7 deductible or both, in accordance with the Plan, as approved by the  
8 Department of Human Resources.
- 9 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT  
10 eligible children. Payments are to be made only to the Children's  
11 Special Health Services program at rates negotiated by the Department  
12 of Human Resources.
- 13 (19) Personal Care Services - Payment in accordance with Plan approved by  
14 the Department of Human Resources.
- 15 (20) Case Management Services - Reimbursement in accordance with the  
16 availability of funds to be transferred within the Department of Human  
17 Resources.
- 18 (21) Hospice - Services may be provided in accordance with Plan developed  
19 by the Department of Human Resources.
- 20 (22) Other Mental Health Services - Unless otherwise covered by this  
21 section, coverage is limited to agencies meeting the requirements of the  
22 rules established by the Commission for Mental Health, Developmental  
23 Disabilities, and Substance Abuse Services, and reimbursement is made  
24 in accordance with a Plan developed by the Department of Human  
25 Resources not to exceed the upper limits established in federal  
26 regulations.
- 27 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible  
28 Children - Reimbursement in accordance with Plan approved by the  
29 Department of Human Resources.
- 30 (24) Health Insurance Premiums - Payments to be made in accordance with  
31 the Plan adopted by the Department of Human Resources consistent  
32 with federal regulations.
- 33 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in  
34 this section include related services in schools; health professional  
35 services provided outside the clinic setting to meet maternal and infant  
36 health goals; and services to meet federal EPSDT mandates. Services  
37 addressed by this paragraph are limited to those prescribed in the State  
38 Plan as established by the Department of Human Resources. Providers  
39 of these services must be certified as meeting program standards of the  
40 Department of Environment, Health, and Natural Resources.
- 41 (26) Pregnancy Related Services - Covered services for pregnant women  
42 shall include nutritional counseling, psychosocial counseling, and

1 predelivery and postpartum home visits by maternity care coordinators  
 2 and public health nurses.

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

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

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

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

18 (d) Medicaid and Aid to Families With Dependent Children Income Eligibility  
 19 Standards. The maximum net family annual income eligibility standards for Medicaid  
 20 and Aid to Families with Dependent Children, and the Standard of Need for Aid to  
 21 Families with Dependent Children shall be as follows:

22

		<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>	
26	1	\$ 4,344	\$ 2,172	\$ 2,900	
27	2	5,664	2,832	3,800	
28	3	6,528	3,264	4,400	
29	4	7,128	3,564	4,800	5 7,776 3,888 5,200
30	6	8,376	4,188	5,600	
31	7	8,952	4,476	6,000	
32	8	9,256	4,680	6,300	

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

35  
 36 The payment level for Aid to Families With Dependent Children shall be fifty percent  
 37 (50%) of the standard of need.

38 These standards may be changed with the approval of the Director of the  
 39 Budget with the advice of the Advisory Budget Commission.

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

42 (f) ICF and ICF/MR Work Incentive Allowances. The Department of Human  
 43 Resources may provide an incentive allowance to Medicaid-eligible recipients of ICF and

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

7  
8 Monthly Net Wages Monthly Incentive Allowance

9 \$1.00 to \$100.99 Up to \$50.00

10 \$101.00 - \$200.99 \$80.00

11 \$201.00 to \$300.99 \$130.00

12 \$301.00 and greater \$212.00.

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

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

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

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

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

41 (k) Cost Containment Programs. The Department of Human Resources,  
42 Division of Medical Assistance, may undertake cost containment programs including

1 preadmissions to hospitals and prior approval for certain outpatient surgeries before they  
2 may be performed in an inpatient setting.

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

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

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

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

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

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

19 (4) Children aged 6 through 18 with family incomes equal to or less than  
20 the federal poverty guidelines as revised each April 1 shall be covered  
21 for Medicaid benefits. Services to pregnant women eligible under this  
22 section continue throughout the pregnancy but include only those  
23 related to pregnancy and to those other conditions determined by the  
24 Department as conditions that may complicate pregnancy. In order to  
25 reduce county administrative costs and to expedite the provision of  
26 medical services to pregnant women, to infants, and to children eligible  
27 under this section, no resources test shall be applied; and

28 (5) The Department of Human Resources shall provide Medicaid coverage  
29 for adoptive children with special or rehabilitative needs regardless of  
30 the adoptive family's income.

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

36 (p) The Department of Human Resources shall submit a monthly status report  
37 on expenditures for acute care and long-term care services to the Fiscal Research  
38 Division and to the Office of State Budget and Management. This report shall include an  
39 analysis of budgeted versus actual expenditures for eligibles by category and for long-  
40 term care beds. In addition, the Department shall revise the program's projected spending  
41 for the current fiscal year and the estimated spending for the subsequent fiscal year on a  
42 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal

1 Research Division and to the Office of State Budget and Management no later than the  
 2 third Thursday of the month.

3  
 4 Requested by: Senator Martin of Guilford

5 **NONMEDICAID REIMBURSEMENT**

6 Sec. 23.16. Providers of medical services under the various State programs,  
 7 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at  
 8 rates no more than those under the North Carolina Medical Assistance Program.

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

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

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

25  
 26

27 <u>Family Size</u>	28 <u>Medical Eye Care Adults</u>	29 <u>All Rehabilitation</u>	30 <u>Other</u>
31 1	32 \$ 4,860	33 \$ 8,364	34 \$ 4,200
35 2	36 5,940	37 10,944	38 5,300
39 3	40 6,204	41 13,500	6,400
4 4	7,284	16,092	7,500
5 5	7,824	18,648	7,900
6 6	8,220	21,228	8,300
7 7	8,772	21,708	8,800
8 8	9,312	22,220	9,300

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

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

4  
5 Requested by: Senator Martin of Guilford

6 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

7 Sec. 23.17. To ensure uniformity in rates charged to area programs and funded  
8 with State-allocated resources, the Division of Mental Health, Developmental  
9 Disabilities, and Substance Abuse Services of the Department of Human Resources may  
10 require a private agency that provides services under contract with two or more area  
11 programs, except for hospital services that have an established Medicaid rate, to complete  
12 an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a) and G.S.  
13 122C-147.2. The resulting cost shall be the maximum included for the private agency in  
14 the contracting area program's unit cost finding.

15  
16 Requested by: Senator Martin of Guilford

17 **CLIENT SERVICES MONITORING**

18 Sec. 23.17A. The Department of Human Resources, Division of Mental  
19 Health, Developmental Disabilities, and Substance Abuse Services, shall utilize a system  
20 of monitoring and control for client services. This system shall ascertain whether  
21 services are provided in a timely manner. Notwithstanding any other provisions of law,  
22 the Division shall withhold area mental health agencies' administrative funds until  
23 services are provided in a timely manner.

24  
25 Requested by: Senator Martin of Guilford

26 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL  
27 DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

28 Sec. 23.18. The Department of Human Resources shall ensure that counties do  
29 not reduce county appropriations and expenditures for area mental health, developmental  
30 disabilities, and substance abuse authorities because the authorities have received  
31 additional State appropriations for services.

32  
33 Requested by: Senator Martin of Guilford

34 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

35 Sec. 23.19. Funds received by the Department of Human Resources from the  
36 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the  
37 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be  
38 allocated to the area mental health programs for substance abuse services on a per capita  
39 basis as determined by the Office of State Budget and Management's most recent  
40 estimates of county populations.

41  
42 Requested by: Senator Martin of Guilford

43 **WILLIE M.**

1       Sec. 23.20. (a) Legislative Findings. – The General Assembly finds:

- 2           (1) That there is a need in North Carolina to provide appropriate treatment  
3           and education programs to children under the age of 18 who suffer from  
4           emotional, mental, or neurological handicaps accompanied by violent or  
5           assaultive behavior;
- 6           (2) That children meeting these criteria have been identified as a Class in  
7           the case of Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v.  
8           Martin, et al.; and
- 9           (3) That these children have a need for a variety of services, in addition to  
10          those normally provided, that may include, but are not limited to,  
11          residential treatment services, educational services, and independent  
12          living arrangements.

13          (b) Funds appropriated by the General Assembly to the Department of Human  
14          Resources for serving members of the Willie M. Class shall be expended only for  
15          programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,  
16          et al., formerly Willie M., et al. v. Martin, et al., including evaluations of potential Class  
17          members. The Department shall reallocate these funds among services to Willie M.  
18          Class members during the year as it deems advisable in order to use the funds efficiently  
19          in providing appropriate services to Willie M. Class children.

20          (c) Funds for Department of Public Education. – Funds appropriated to the  
21          Department of Public Education in this act for members of the Willie M. Class are to  
22          establish a supplemental reserve fund to serve only members of the Class identified in  
23          Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. These funds  
24          shall be allocated by the State Board of Education to the local education agencies to serve  
25          those Class members who were not included in the regular average daily membership and  
26          the census of children with special needs, and to provide the additional program costs  
27          which exceed the per pupil allocation from the State Public School Fund and other State  
28          and federal funds for children with special needs.

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

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

40          (d1) The Department of Human Resources shall implement a process to  
41          review those cases for whom treatment has been recommended whose annual cost is  
42          anticipated to be in excess of one hundred fifty percent (150%) of the average annual per



1 client expenditure of the previous fiscal year and shall take actions to reduce these  
2 treatment costs where appropriate.

3 (e) Reporting Requirements. – The Department of Human Resources and the  
4 Department of Public Education shall submit, by May 1 of each fiscal year, a joint report  
5 to the Governor and the General Assembly on the progress achieved in serving members  
6 of the Willie M. Class. The report shall include the following unduplicated data for each  
7 county: (i) the number of children nominated for the Willie M. Class; (ii) the number of  
8 children actually identified as members of the Class in each county; (iii) the number of  
9 children served as members of the Class in each county; (iv) the number of children who  
10 remain unserved or for whom additional services are needed in order to be determined to  
11 be appropriately served; (v) the types and locations of treatment and education services  
12 provided to Class members; (vi) the cost of services, by type, to members of the Class  
13 and the maximum and minimum rates paid to providers for each service; (vii) the number  
14 of cases whose treatment costs were in excess of one hundred fifty percent (150%) of the  
15 average annual per client expenditure; (viii) information on the impact of treatment and  
16 education services on members of the Class; (ix) an explanation of, and justification for,  
17 any waiver of departmental rules that affect the Willie M. program; and (x) the total State  
18 funds expended, by program, on Willie M. Class members, other than those funds  
19 specifically appropriated for the Willie M. programs and services.

20 (e1) From existing funds available to it, the Department of Human Resources  
21 shall begin a process to document and assess individual Class members' progress through  
22 the continuum of services. Standardized measures of functioning shall be administered  
23 periodically to each member of the Class, and the information generated from these  
24 measures shall be used to assess client progress and program effectiveness.

25 (f) The Departments of Human Resources and Public Education shall provide  
26 periodic reports of expenditures and program effectiveness on behalf of the Willie M.  
27 Class to the Fiscal Research Division. As part of these reports, the Departments shall  
28 explain measures they have taken to control and reduce program expenditures.

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

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

34 (2) That the funds appropriated will enable the development and  
35 implementation of placement and services for the Class members in  
36 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et  
37 al., within a reasonable period of time considered within the context of  
38 the needs of the Class members, the other needs of the State and the  
39 resources available to the State.

40 (h) The General Assembly supports the efforts of the responsible officials and  
41 agencies of the State to meet the requirements of the court order in Willie M., et al. v.  
42 Hunt, et al., formerly Willie M., et al. v. Martin, et al. To ensure that Willie M. Class

1 members are appropriately served, no State funds shall be expended on placement and  
2 services for Willie M. Class members except:

- 3 (1) Funds specifically appropriated by the General Assembly for the  
4 placement and services of Willie M. Class members; and
- 5 (2) Funds for placement and services for which Willie M. Class members  
6 are otherwise eligible.

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

11 (i) Notwithstanding any other provision of law, if the Department of Human  
12 Resources determines that a local program is not providing appropriate services to  
13 members of the Class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et  
14 al. v. Martin, et al., the Department may ensure the provision of these services through  
15 contracts with public or private agencies or by direct operation by the Department of such  
16 programs.

17  
18 Requested by: Senator Martin of Guilford

19 **THOMAS S.**

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

- 25 (1) Adults with mental retardation, or who have been treated as if they had  
26 mental retardation, who were admitted to a State psychiatric hospital on  
27 or after March 22, 1984, and who are included on the Division of  
28 Mental Health, Developmental Disabilities, and Substance Abuse  
29 Services' official list of prospective Class members;
- 30 (2) Adults with mental retardation who have a documented history of State  
31 psychiatric hospital admissions regardless of admission date and who,  
32 without funding support, have a good probability of being readmitted to  
33 a State psychiatric hospital;
- 34 (3) Adults with mental retardation who have never been admitted to a State  
35 psychiatric hospital but who have a documented history of behavior  
36 determined to be of danger to self or others that results in referrals for  
37 inpatient psychiatric treatment and who, without funding support, have a  
38 good probability of being admitted to a State psychiatric hospital; or
- 39 (4) Adults who are included on the Division of Mental Health,  
40 Developmental Disabilities, and Substance Abuse Services' official list  
41 of prospective Class members and have yet to be confirmed as Class  
42 members, who currently reside in the community, and who have a good

1 probability of being admitted to a facility licensed as a 'home for the  
2 aged and disabled'.

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

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

7 (1) Funds specifically appropriated by the General Assembly for the  
8 placement and services of Thomas S. Class members; and

9 (2) Funds for placement and services for which Thomas S. Class members  
10 are otherwise eligible.

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

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

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

20 (2) The number of prospective Class members evaluated;

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

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

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

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

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

34

35 Requested by: Senator Martin of Guilford

### 36 PHYSICIAN SERVICES

37 Sec. 23.21A. With the approval of the Office of State Budget and  
38 Management, the Department of Human Resources may use funds appropriated in this  
39 act for across-the-board salary increases and performance pay to offset similar increases  
40 in the costs of contracting with private and independent universities for the provision of  
41 physician services to clients in facilities operated by the Division of Mental Health,  
42 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be done

1 in the same manner as is currently done with constituent institutions of The University of  
2 North Carolina.

3  
4 Requested by: Senator Martin of Guilford

5 **MENTAL HEALTH COUNTY FUNDS REQUIREMENT**

6 Sec. 23.21B. Notwithstanding any other provisions of law, the Department of  
7 Human Resources shall ensure that counties do not reduce county appropriations and  
8 expenditures for area mental health, developmental disabilities, and substance abuse  
9 authorities because of the availability of State-allocated funds, fees, or capitation amounts  
10 to the authorities.

11  
12 Requested by: Senator Martin of Guilford

13 **FOSTER CARE REPORTING**

14 Sec. 23.22. Counties receiving funds for foster care shall report annually,  
15 beginning with the 1995-96 fiscal year, to the Division of Social Services, Department of  
16 Human Resources, the following:

- 17 (1) A narrative description of the use of State funds;  
18 (2) Workload statistics and indicators for foster care as established by the  
19 Division of Social Services; and  
20 (3) Development of a coordinated approach to providing children's services,  
21 with emphasis on meeting the total needs of the children and families  
22 being served.

23  
24 Requested by: Senator Martin of Guilford

25 **ADOPTION SUBSIDY**

26 Sec. 23.23. The maximum rates for State participation in the adoption  
27 assistance program are established on a graduated scale as follows:

- 28 (1) \$315.00 per child per month for children aged birth through 5;  
29 (2) \$365.00 per child per month for children aged 6 through 12; and  
30 (3) \$415.00 per child per month for children aged 13 through 18.

31  
32 Requested by: Senator Martin of Guilford

33 **FOSTER CARE**

34 Sec. 23.24. The maximum rates for State participation in the foster care  
35 assistance program are established on a graduated scale as follows:

- 36 (1) \$315.00 per child per month for children aged birth through 5;  
37 (2) \$365.00 per child per month for children aged 6 through 12; and  
38 (3) \$415.00 per child per month for children aged 13 through 18.

39 Of these amounts, fifteen dollars (\$15.00) is a special needs allowance for the child.

40  
41 Requested by: Senator Martin of Guilford

42 **FOSTER CARE AND ADOPTION TRAINING**

1           Sec. 23.25. The Division of Social Services, Department of Human Resources,  
2 shall continue the in-house training component that provides a mandated minimum of 30  
3 hours of preservice training for foster care parents and 84 hours for foster care workers  
4 and adoption care workers and a mandated minimum of 10 hours of continuing education  
5 for all foster care parents and 18 hours for foster care workers and adoption care workers.

6           This section remains in effect until modified or repealed by the General  
7 Assembly.

8  
9 Requested by: Senator Martin of Guilford

#### 10 **CHILD PROTECTIVE SERVICES**

11       Sec. 23.26. (a) The funds appropriated in this act to the Department of Human  
12 Resources, Division of Social Services, for the 1995-96 fiscal year for Child Protective  
13 Services shall be allocated to county departments of social services based upon a formula  
14 which takes into consideration the number of Child Protective Services cases in that  
15 county and the number of Child Protective Services workers necessary to meet  
16 recommended standards adopted by the North Carolina Association of County Directors  
17 of Social Services.

18       (b) Funds allocated under subsection (a) of this section shall be used by county  
19 departments for carrying out investigations of reports of child abuse or neglect or for  
20 providing protective or preventive services in which the department confirms abuse,  
21 neglect, or dependency.

22       (c) The Division of Social Services, Department of Human Resources, shall  
23 establish criteria and guidelines to ensure that the allocations to county departments of  
24 social services are used in accordance with this section and that available Federal  
25 Emergency Assistance funds for Child Protective Services are maximized.

26       (d) As long as federal Emergency Assistance funds are available, counties shall  
27 use these federal funds, State Child Protective Services appropriations, and county funds  
28 to provide Child Protective Services.

29  
30 Requested by: Senator Martin of Guilford

#### 31 **LIMITATION ON STATE ABORTION FUND**

32       Sec. 23.27. (a) No State funds, whether from tax revenues, gifts, bequests,  
33 grants, or any other source, in excess of fifty thousand dollars (\$50,000) each fiscal year  
34 of the biennium shall be expended for the State Abortion Fund's funding of the  
35 performance of abortions.

36       (b) Eligibility for services of the State Abortion Fund shall be limited to  
37 women whose income is below the federal poverty level, as revised annually, or who are  
38 eligible for Medicaid. The State Abortion Fund shall be used to fund abortions only to  
39 terminate pregnancies resulting from cases of rape or incest, or to terminate pregnancies  
40 that, in the written opinion of one doctor licensed to practice medicine in North Carolina,  
41 endanger the life of the mother.

42  
43 Requested by: Senator Martin of Guilford

**HIV FOSTER CARE AND ADOPTIONS BOARD PAYMENT**

Sec. 23.28. The maximum rates for State participation in HIV Foster Care and Adoptions Board Payments are established on a graduated scale as follows:

- (1) \$800.00 per month per child with indeterminate HIV status;
- (2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;
- (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and
- (4) \$1,600 per month per child terminally ill with complex care needs.

Requested by: Senator Martin of Guilford

**FOOD STAMP OUTREACH**

Sec. 23.29. The Department of Human Resources shall continue a Food Stamp Outreach Program. Under the Program, the Department shall inform public and private agencies, community groups, potentially eligible persons, and the general public regarding the eligibility requirements of the Food Stamp Program. The Department shall maintain a referral list of public and private agencies, community groups, and interested persons and organizations who serve low-income persons. The Department shall inform these agencies and persons regarding the Food Stamp Program and changes in the law that affect client eligibility or the extent of benefits. The Department shall develop and distribute informational materials, such as public service announcements, brochures, pamphlets, posters, and correspondence.

Requested by: Senator Martin of Guilford

**AFDC PROGRAMS AND SERVICES FOR WOMEN IN THE THIRD TRIMESTER OF PREGNANCY**

Sec. 23.29A. Women in their third trimester of pregnancy with their first child who otherwise meet all the eligibility criteria for Aid to Families with Dependent Children (AFDC) are eligible for all programs and services available to AFDC recipients other than AFDC cash assistance.

Requested by: Senator Martin of Guilford

**RETROSPECTIVE ACCOUNTING ADJUSTMENT**

Sec. 23.29B. The Department of Human Resources shall use funds appropriated to it by this act to provide a State supplementary payment to Aid to Families with Dependent Children (AFDC) households adversely affected by the retrospective accounting procedure as allowed under section 403(a) of the Social Security Act, as amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The amount of the State supplement shall not exceed the maximum payment standard for the AFDC Program.

Requested by: Senator Martin of Guilford

**EMERGENCY ASSISTANCE**

Sec. 23.29C. The Division of Social Services, Department of Human Resources, shall not expend more State funds than are appropriated for the cash

1 assistance component of the Emergency Assistance Program for the 1995-97 fiscal  
2 biennium. Within this limit, Emergency Assistance cash benefits shall not exceed three  
3 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this  
4 30-day period, Emergency Assistance cash benefits are not available to that family until  
5 12 months have elapsed from the initial authorization date. The family may have no  
6 more than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for  
7 the cash assistance component of the Emergency Assistance Program pursuant to this  
8 section.

9 It is the intent of the General Assembly that cash benefits under the Emergency  
10 Assistance Program shall only be used to provide assistance to persons to alleviate an  
11 emergency. In evaluating whether an emergency exists, the agency receiving the  
12 application shall apply prudent judgment to evaluate each emergency on its own merits.  
13 Prudent judgment will permit the agency to consider whether the client created the  
14 emergency and whether the assistance will resolve the emergency.

15  
16 Requested by: Senator Martin of Guilford

#### 17 **FAMILY SUPPORT ACT**

18 Sec. 23.29D. (a) The General Assembly finds that it is in the best interest of the State  
19 and of all its citizens to encourage recipients of Aid to Families with Dependent Children  
20 (AFDC) to obtain jobs and become self-sufficient. It further finds that, by continuing  
21 medical assistance and providing limited wage assistance to those recipients who are  
22 working, the State will make it possible to help many recipients to be able to keep their  
23 jobs, support their families, and become self-sufficient.

24 Therefore, the General Assembly adopts a payment method that will result in  
25 more recipients being able to find work and keep working.

26 (b) AFDC payments shall be determined by subtracting countable income  
27 from the State standard of need, and paying a percentage of the difference. The  
28 percentage that shall be applied to determine the amount of assistance shall be the same  
29 percentage set in the Current Operations Appropriations Act that determines the AFDC  
30 payment level from the standard of need.

31  
32 Requested by: Senator Martin of Guilford

#### 33 **SENIOR CENTER OUTREACH**

34 Sec. 23.30. (a) Funds appropriated to the Department of Human Resources,  
35 Division of Aging, for the 1995-97 fiscal biennium, shall be used by the Division of  
36 Aging to enhance senior center programs as follows:

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

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

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

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

- 1 (1) Formally endorse the need for such a center;
- 2 (2) Formally agree on the sponsoring agency for the center; and
- 3 (3) Make a formal commitment to use local funds to support the ongoing
- 4 operation of the center.
- 5 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.
- 6

7 Requested by: Senator Martin of Guilford

#### 8 **CAREGIVER SUPPORT SHARING**

9 Sec. 23.31. (a) Of the funds appropriated to the Division of Aging, Department of  
10 Human Resources, for the 1995-97 fiscal biennium, the sum of one million eight  
11 thousand dollars (\$1,008,000) for the 1995-96 fiscal year and the sum of one million  
12 eight thousand dollars (\$1,008,000) for the 1996-97 fiscal year shall be used for services  
13 that support family caregivers of elderly persons with functional disabilities, whether  
14 physical or mental, who want to stay in their homes rather than be institutionalized but  
15 who need assistance with the activities of daily living in order to remain at home. The  
16 services that may be purchased from funds received under this section include:

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

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

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

35  
36 Requested by: Senator Martin of Guilford

#### 37 **REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH** 38 **CAROLINA VOCATIONAL REHABILITATION ADVISORY COUNCIL, THE** 39 **STATEWIDE INDEPENDENT LIVING COUNCIL, AND THE COMMISSION** 40 **FOR THE BLIND**

41 Sec. 23.32. Notwithstanding G.S. 138-5(a)(1), those members of the North  
42 Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living  
43 Council, and the Commission for the Blind, who are unemployed or who must forfeit



1 wages from other employment to attend council or commission meetings or to perform  
2 related duties, may receive compensation not to exceed fifty dollars (\$50.00) a day for  
3 attending these meetings or for performing related duties, as authorized in Sections 105  
4 and 705 of P.L. 102-569, the Rehabilitation Act of 1973, 42 U.S.C. § 701 et seq., as  
5 amended. This compensation is instead of the compensation specified in G.S. 138-  
6 5(a)(1). Reimbursement for subsistence and travel expenses is as specified in G.S. 138-5.

7  
8 Requested by: Senator Martin of Guilford

9 **DHR STUDY OF DIVISION OF YOUTH SERVICES' PROGRAMS AND**  
10 **SERVICES EXTENDED**

11 Sec. 23.34. Section 25.26 of Chapter 769 of the 1993 Session Laws, Regular  
12 Session 1994, which amended subsection (d) of Section 36 of Chapter 24 of the Session  
13 Laws of the 1994 Extra Session reads as rewritten:

14 "Sec. 25.26. Subsection (d) of Section 36 of Chapter 24 of the 1994 Extra Session  
15 reads as rewritten:

16 '(d) The Department shall complete this study by ~~March 1, 1995~~, October 1, 1995,  
17 and shall report the results of this study to the 1995 General Assembly by ~~April 1, 1995~~.  
18 November 1, 1995."

19  
20 Requested by: Senator Martin of Guilford

21 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

22 Sec. 23.35. County governments participating in the Community-Based  
23 Alternatives Program shall certify annually to the Division of Youth Services,  
24 Department of Human Resources, that Community-Based Alternatives Aid to Counties  
25 shall not be used to duplicate or supplant other programs within the county.

26  
27 Requested by: Senator Martin of Guilford

28 **EDUCATION AND SERVICES FOR CERTAIN DEAF AND HARD-OF-**  
29 **HEARING STUDENTS**

30 Sec. 23.35A. Of the funds appropriated to the Division of Services for the  
31 Deaf and Hard of Hearing, Department of Human Resources, for the 1995-96 fiscal year,  
32 the sum of five hundred thousand dollars (\$500,000) for the 1995-96 fiscal year shall be  
33 used as transition grants for the local school administrative units for the 1995-96  
34 academic year that are educating students who were educated at the Central North  
35 Carolina School for the Deaf during the 1994-95 academic year. These funds shall be  
36 allocated to the local school administrative units on the basis of twenty-four thousand  
37 dollars (\$24,000) per such student per academic year.

38  
39 Requested by: Senator Clark

40 **REINSTATE FUNDS FOR REGIONAL OFFICES**

41 Sec. 23.35B. The Department of Human Resources shall reallocate funds  
42 appropriated in this act for the support of positions in the Central Office of the Division

1 of Social Services in sufficient amount to reinstate the 12 positions in Regional Offices  
2 eliminated in this act.

3  
4 **PART 24. DEPARTMENT OF AGRICULTURE**

5  
6 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

7 **AUTHORIZE THE AGRICULTURAL FINANCE AUTHORITY TO USE THE**  
8 **INTEREST FROM THE RESERVE FOR FARM LOANS FOR**  
9 **ADMINISTRATIVE EXPENSES**

10 Sec. 24. Funds in the Reserve for Farm Loans shall be used for the purposes  
11 set out in Chapter 122D of the General Statutes, but shall not be used for the  
12 administration of that Chapter. Interest on funds in the Reserve for Farm Loans and  
13 interest from agricultural loans, as defined in G.S. 122D-3, may be used for any of the  
14 purposes set out in Chapter 122D of the General Statutes and for the administration of  
15 that Chapter.

16  
17 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

18 **STUDY REGARDING THE STATE FARMERS MARKETS COSTS**

19 Sec. 24.1. The Department of Agriculture shall evaluate and recommend  
20 options for each of the State's Farmers Markets to reach a goal of becoming self-  
21 supporting within four years. No later than April 1, 1996, the Department shall report its  
22 findings and recommendations to the Joint Legislative Commission on Governmental  
23 Operations.

24  
25 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

26 **FEASIBILITY STUDY REGARDING FEES AT THE MARITIME MUSEUM**

27 Sec. 24.2. The Department of Agriculture shall study the feasibility of  
28 charging admission fees at the North Carolina Maritime Museum. This study shall  
29 evaluate different options for admission fees and shall include a proposed implementation  
30 plan, anticipated revenues, anticipated costs of developing and implementing admission  
31 fees, and anticipated personnel that would be required for each admission fee option. No  
32 later than April 1, 1996, the Department shall report its findings and recommendations to  
33 the Joint Legislative Commission on Governmental Operations.

34  
35 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

36 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS**  
37 **FORESTLANDS**

38 Sec. 24.3. From funds received from the sale of timber that are deposited with  
39 the State Treasurer pursuant to G.S. 146-30 to the credit of the Department of Agriculture  
40 in a capital improvement account, the sum of twenty thousand dollars (\$20,000) is  
41 transferred to the Reserve for Forest Management for expenditure during the 1995-96  
42 fiscal year and the sum of twenty thousand dollars (\$20,000) is transferred to the Reserve  
43 for Forest Management for expenditure during the 1996-97 fiscal year. The Department

1 may increase its expenditures of timber receipts by twenty thousand dollars (\$20,000)  
2 each year, provided that the maximum expenditure in each fiscal year shall not exceed  
3 fifty thousand dollars (\$50,000). These funds are in addition to any other funds already in  
4 that Reserve.

## 6 **PART 25. DEPARTMENT OF COMMERCE**

8 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

### 9 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

10 Sec. 25. Local governments requesting financial assistance from the Industrial  
11 Development Fund that wish to request to be exempted from the local matching  
12 requirements placed on the receipt of this assistance shall demonstrate to the satisfaction  
13 of the Department of Commerce that it would be an economic hardship for the local  
14 government to match State assistance from the Fund with local funds. The Department  
15 shall develop guidelines for determining hardship.

17 Requested by: Senator Martin of Pitt

### 18 **REGIONAL COMMISSION REPORTS**

19 Sec. 25.3. The regional economic development commissions receiving grants-  
20 in-aid from the Department of Commerce shall report on their programs to the Joint  
21 Legislative Commission on Governmental Operations on or before March 1 and October  
22 1 of each fiscal year, and more frequently as requested by the Commission. The reports  
23 shall include information on the activities and accomplishments during the past fiscal  
24 year, itemized expenditures during the past fiscal year with sources of funding, planned  
25 activities and accomplishments for at least the next 12 months, and itemized anticipated  
26 expenditures with sources of funding for the next 12 months.

28 Requested by: Senator Martin of Pitt

### 29 **REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS**

30 Sec. 25.4. (a) Funds appropriated in this act to the Department of Commerce for  
31 regional economic development commissions shall be allocated to the following  
32 commissions in accordance with subsection (b) of this section: Western North Carolina  
33 Regional Economic Development Commission, Research Triangle Regional  
34 Commission, Southeastern North Carolina Regional Economic Development  
35 Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional  
36 Economic Development Commission, Global TransPark Development Commission, and  
37 Carolinas Partnership, Inc.

38 (b) Funds appropriated pursuant to subsection (a) of this section shall be allocated  
39 to each regional economic development commission as follows:

- 40 (1) First, the Department shall establish each commission's allocation by  
41 determining the sum of allocations to each county that is a member of  
42 that commission. Each county's allocation shall be determined by  
43 dividing the county's distress factor by the sum of the distress factors for

1 eligible counties and multiplying the resulting percentage by the amount  
2 of the appropriation. As used in this subdivision, the term "distress  
3 factor" means a county's distress factor as calculated under G.S. 105-  
4 130.40(c);

5 (2) Next, the Department shall subtract from funds allocated to the Global  
6 TransPark Development Zone the sum of three hundred fifteen thousand  
7 dollars (\$315,000) in each fiscal year, which sum represents the interest  
8 earnings of the Global TransPark Development Zone in each fiscal year;  
9 and

10 (3) Next, the Department shall redistribute the sum of three hundred fifteen  
11 thousand dollars (\$315,000) in each fiscal year to the seven regional  
12 economic development commissions named in subsection (a) of this  
13 section. Each commission's share of this redistribution shall be  
14 determined according to the distress factor formula set out in  
15 subdivision (1) of this subsection. This redistribution shall be in  
16 addition to each commission's allocation determined under subdivision  
17 (1) of this subsection.  
18

19 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

#### 20 **TOURISM PROMOTION FUNDS**

21 Sec. 25.5. Funds appropriated in this act to the Department of Commerce for  
22 tourism promotion grants shall be allocated according to per capita income,  
23 unemployment, and population growth in an effort to direct funds to counties most in  
24 need in terms of lowest per capita income, highest unemployment, and slowest  
25 population growth, in the following manner:

26 (1) Counties 1 through 20 are each eligible to receive a maximum grant of  
27 \$7,500 for each fiscal year, provided these funds are matched on the  
28 basis of one non-State dollar for every four State dollars.

29 (2) Counties 21 through 50 are each eligible to receive a maximum grant of  
30 \$3,500 for two of the next three fiscal years, provided these funds are  
31 matched on the basis of one non-State dollar for every three State  
32 dollars.

33 (3) Counties 51 through 100 are each eligible to receive a maximum grant  
34 of \$3,500 for alternating fiscal years, beginning with the 1991-92 fiscal  
35 year, provided these funds are matched on the basis of four non-State  
36 dollars for every State dollar.  
37

38 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

#### 39 **BIOTECHNOLOGY CENTER**

40 Sec. 25.7. (a) The North Carolina Biotechnology Center shall recapture funds  
41 spent in support of successful research efforts in the nonacademic private sector.

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

4 (c) The North Carolina Biotechnology Center shall report on all of the Center's  
5 programs to the Joint Legislative Commission on Governmental Operations and the  
6 Fiscal Research Division on or before March 1 of each fiscal year, and more frequently as  
7 requested by the Commission. The initial report shall include information on the  
8 activities and accomplishments during the past fiscal year, itemized expenditures during  
9 the past fiscal year with sources of funding, planned activities and accomplishments for at  
10 least the next 12 months, and itemized anticipated expenditures with sources of funding  
11 for the next 12 months. Subsequent reports shall include updates of the initial report.

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

16  
17 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

#### 18 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

19 Sec. 25.8. Of the funds appropriated in this act from the General Fund to the  
20 North Carolina Biotechnology Center for the 1995-96 and the 1996-97 fiscal years, the  
21 sum of one million dollars (\$1,000,000) in each fiscal year shall be used to continue the  
22 special biotechnology program initiative for North Carolina's Public Historically Black  
23 Universities and Pembroke State University. This program initiative is a means to get  
24 more funds to these institutions of higher education in the short run to help them develop  
25 their biotechnology programs and a means to develop a mechanism to improve these  
26 institutions' capacity over the long term. The Center's special initiative shall, at a  
27 minimum, provide for:

- 28 (1) A range of program activities, including grants, designed to enhance the  
29 existing strengths and capabilities of Pembroke State University, and the  
30 Public Historically Black Universities;
- 31 (2) A Facilities and Infrastructure Review Committee to advise the Center  
32 on major program elements and priority projects that would be most  
33 helpful to these institutions; and
- 34 (3) A Program Advisory Panel with representation from these institutions to  
35 advise and make recommendations to the Center's President and Board  
36 of Directors on funding proposals under this initiative.

37 The Center shall report on its biotechnology program grants to universities to  
38 the Joint Legislative Commission on Governmental Operations and the Fiscal Research  
39 Division on or before March 1 of each fiscal year, and more frequently as requested by  
40 the Commission. These reports shall include the current number of enrollments and the  
41 capacity of enrollments in the biotechnology program in each of the universities, the  
42 number of faculty in the biotechnology program in each of the universities, whether and  
43 to what extent the enrollments, capacity, and number of faculty have changed in the last

1 three academic years in the biotechnology program in each of the universities, how the  
2 funds allocated by this section are being used in each of the universities, and any other  
3 information that indicates whether these grants are accomplishing their purpose.

4  
5 Requested by: Senator Martin of Pitt

6 **MCNC**

7 Sec. 25.9. (a) MCNC shall report on all of its programs to the Joint Legislative  
8 Commission on Governmental Operations and the Fiscal Research Division on or before  
9 March 1 of each fiscal year, and more frequently as requested by the Commission. The  
10 reports shall include information on the activities and accomplishments during the past  
11 fiscal year, itemized expenditures during the past fiscal year with sources of funding,  
12 planned activities, and accomplishments for at least the next 12 months, and itemized  
13 anticipated expenditures with sources of funding for the next 12 months. The report on  
14 the activities of the Supercomputer program shall identify the users of the  
15 Supercomputer, the major projects conducted by the users, and the potential benefits of  
16 the projects.

17 (b) MCNC shall provide a report containing detailed budget information to the  
18 Office of State Budget and Management in the same manner as State departments and  
19 agencies in preparation for biennium budget requests. Specific salary information will be  
20 provided upon written request by the Chairs of the Joint Legislative Commission on  
21 Governmental Operations or the Chairs of the House Appropriations Subcommittee on  
22 Natural and Economic Resources and the Chairs of the Senate Appropriations Committee  
23 on Natural and Economic Resources.

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

	<u>FY 1995-96</u>	<u>FY 1996-97</u>
25 Microelectronics Program	\$5,362,523	
26 \$5,362,523		
27 Supercomputer	9,576,319	
28 9,576,319		
29 Telecommunications	4,826,158	
30 4,826,158		

31 (d) Of the funds appropriated to MCNC for the Microelectronics Program, five  
32 million three hundred sixty-two thousand five hundred twenty-three dollars (\$5,362,523)  
33 in each fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

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

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

39 (1) To cover the costs of connecting and operating the North Carolina  
40 Research and Education Network through the North Carolina  
41 Information Highway so that universities and research centers will  
42

- 1 continue to have the capability currently available through the North
- 2 Carolina Research and Education Network,
- 3 (2) For program support, and
- 4 (3) For MCNC to serve as gateway to the North Carolina Information
- 5 Highway for the 18 sites.
- 6

7 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

8 **MCNC PLAN FOR SELF-SUPPORT**

9 Sec. 25.10. MCNC shall develop a plan for carrying out its statutory,  
 10 contractual, and other duties, responsibilities, and purposes without financial support  
 11 from the State through General Fund or other appropriations. The plan shall provide for  
 12 MCNC to be totally self-supporting by July 1, 1999. MCNC shall submit the plan to the  
 13 Joint Legislative Commission on Governmental Operations not later than April 1, 1996.  
 14 The plan shall indicate, at a minimum, the following:

- 15 (1) Financial support received from State appropriations for each of the last
- 16 six years;
- 17 (2) Activities and purposes for which State appropriated funds were used
- 18 over the last six years;
- 19 (3) Funds that will be needed to continue operations over each of the fiscal
- 20 years commencing July 1, 1995; and
- 21 (4) Public and private sources and amounts of anticipated revenue for each
- 22 fiscal year commencing July 1, 1995 through June 30, 2001.
- 23

24 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

25 **RURAL ECONOMIC DEVELOPMENT CENTER**

26 Sec. 25.11. (a) Of the funds appropriated in this act to the Rural Economic  
 27 Development Center the sum of one million two hundred seventy thousand dollars  
 28 (\$1,270,000) for the 1995-96 fiscal year and the sum of one million two hundred seventy  
 29 thousand dollars (\$1,270,000) for the 1996-97 fiscal year shall be allocated as follows:

	<u>95-96 FY</u>	<u>96-97 FY</u>
30 Research & Demonstration Grants	\$475,864	\$475,864
31 Technical Assistance and Center		
32 Administration of Research and		
33 Demonstration Grants		444,136
34		444,136
35		
36 Center Administration, Oversight,		
37 and Other Programs		350,000
38		350,000

39 (b) The Rural Economic Development Center, Inc., shall report on the Center's  
 40 programs to the Joint Legislative Commission on Governmental Operations on or before  
 41 March 1 of each fiscal year, and more frequently as requested by the Commission. The  
 42 report shall include information on the activities and accomplishments during the fiscal  
 43 year, itemized expenditures during the fiscal year with sources of funding, planned

1 activities and accomplishments for at least the next 12 months, and itemized anticipated  
2 expenditures with sources of funding for the next fiscal year.

3 (c) The Rural Economic Development Center, Inc., shall provide a report  
4 containing detailed budget, personnel, and salary information to the Office of State  
5 Budget and Management in the same manner as State departments and agencies in  
6 preparation for biennium budget requests.

7 (d) Not more than fifty percent (50%) of the interest earned on State funds  
8 appropriated to the Rural Economic Development Center, Inc., may be used by the Rural  
9 Economic Development Center, Inc., for administrative purposes, including salaries and  
10 fringe benefits.

11  
12 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

### 13 **OPPORTUNITIES INDUSTRIALIZATION CENTER FUNDS**

14 Sec. 25.12. Of the funds appropriated in this act to the Rural Economic  
15 Development Center, Inc., the sum of one hundred thousand dollars (\$100,000) for the  
16 1995-96 fiscal year and the sum of one hundred thousand dollars (\$100,000) for the  
17 1996-97 fiscal year shall be allocated as follows:

- 18 (1) \$25,000 in each fiscal year to the Opportunities Industrialization Center  
19 of Wilson, Inc., for its ongoing job training programs;
- 20 (2) \$25,000 in each fiscal year to Opportunities Industrialization Center,  
21 Inc., in Rocky Mount, for its ongoing job training programs;
- 22 (3) \$25,000 in each fiscal year to Pitt-Greenville Opportunities  
23 Industrialization Center, Inc. for its ongoing job training programs; and
- 24 (4) \$25,000 in each fiscal year to the Opportunities Industrialization Center  
25 of Lenoir, Green, and Jones Counties.

26 The Rural Economic Development Center, Inc., shall report on the use of these  
27 funds to the Joint Legislative Commission on Governmental Operations on or before  
28 March 1 of each fiscal year, and more frequently as requested by the Commission.

29  
30 Requested by: Senator McKoy

### 31 **COMMUNITY DEVELOPMENT INITIATIVE**

32 Sec. 25.13. Of the funds appropriated in this act to the Department of  
33 Commerce, the sum of one million eight hundred thousand dollars (\$1,800,000) for fiscal  
34 year 1995-96 and the sum of one million eight hundred thousand dollars (\$1,800,000) for  
35 fiscal year 1996-97 shall be used to support the grant and loan fund and operations of the  
36 North Carolina Community Development Initiative, Inc. The Initiative shall provide  
37 operating and project activity grants to mature community development corporations that  
38 have demonstrated project and organizational capacity.

39 The North Carolina Community Development Initiative, Inc., shall report to  
40 the Joint Legislative Commission on Governmental Operations on the use of these funds  
41 on or before March 1 of each fiscal year, and more frequently as requested by the  
42 Commission.



1 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**  
2 **RESOURCES**

3  
4 Requested by: Representatives Baker, Nichols, Senator Martin of Pitt

5 **EHNR STUDY STATE-FUNDED ENVIRONMENTAL EDUCATION**

6 Sec. 26. The Department of Environment, Health, and Natural Resources shall  
7 prepare a report identifying all State-funded environmental education programs,  
8 activities, and initiatives statewide, including efforts by all State entities as well as efforts  
9 by other entities funded by grants-in-aid. In addition, the Department shall include in its  
10 report a plan for consolidating some or all of these programs, activities, and initiatives.  
11 The Department shall submit this report on or before January 15, 1996, to the Joint  
12 Legislative Commission on Governmental Operations.

13  
14 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

15 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

16 Sec. 26.1. (a) During the 1995-97 fiscal biennium, the Secretary of Environment,  
17 Health, and Natural Resources may contribute from the Inactive Hazardous Sites Cleanup  
18 Fund up to ten percent (10%) of the cost each fiscal year, not to exceed fifty thousand  
19 dollars (\$50,000) per site, of implementing a voluntary remedial action program at up to  
20 three high-priority sites that substantially endanger public health or the environment.

21 (b) No later than April 1 of each year of the 1995-97 fiscal biennium, the  
22 Department of Environment, Health, and Natural Resources shall report to the General  
23 Assembly. Each report shall contain the location of the sites for which a voluntary  
24 remedial action program was implemented under subsection (a) of this section, the  
25 rationale for the State contributing to the cost of that remedial action, and the amount of  
26 the contribution made from the Inactive Hazardous Sites Cleanup Fund.

27  
28 Requested by: Senator Martin of Pitt

29 **WASTE REDUCTION ASSISTANCE TO SMALL BUSINESSES WITH NEED**

30 Sec. 26.2A. The Office of Waste Reduction shall, to the extent feasible, give  
31 greatest priority to small businesses that can demonstrate financial need when the Office  
32 of Waste Reduction awards grants or otherwise provides technical or financial assistance.

33  
34 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

35 **PARTNERSHIP FOR THE SOUNDS, INC.**

36 Sec. 26.3. Partnership for the Sounds, Inc., shall report on all of its programs  
37 to the Joint Legislative Commission on Governmental Operations and the Fiscal  
38 Research Division on March 1 of each fiscal year, and more frequently as requested by  
39 the Commission. The reports shall include information on the activities and the  
40 accomplishments during the past fiscal year, itemized expenditures during the past fiscal  
41 year with sources of funding, planned activities, and accomplishments for at least the  
42 next 12 months, and itemized anticipated expenditures with sources of funding for the  
43 next 12 months.

1  
2 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

3 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY**

4 Sec. 26.4. (a) For the 1995-96 and 1996-97 fiscal years, the Department of  
5 Environment, Health, and Natural Resources may combine and allocate funds  
6 appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the  
7 Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into one  
8 Acute Communicable Disease Control Aid to Counties Grant. Communicable Disease  
9 Aid to Counties funding to local health departments and other authorized recipients will  
10 be based on a general communicable disease formula to be developed by the Department  
11 of Environment, Health, and Natural Resources.

12 (b) The Department of Environment, Health, and Natural Resources, in  
13 conjunction with local health departments, will maintain a system to monitor and identify  
14 Aid to Counties communicable disease expenditures by each communicable disease  
15 group. The Department shall report to the Joint Legislative Commission on  
16 Governmental Operations not later than October 1, 1995, and annually thereafter, on Aid  
17 to Counties expenditures by county for each communicable disease group and the  
18 purpose of the expenditures for the fiscal year. The report shall also include an  
19 evaluation of the effectiveness of combining Aid to Counties funding into one grant fund  
20 and the effectiveness of the formula used to allocate funds.

21  
22 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

23 **DWI TEST CHANGES**

24 Sec. 26.5. (a) Section 272 of Chapter 321 of the 1993 Session Laws is repealed.

25 (b) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-94 and 1994-95  
26 and designated for the alcohol testing program of the Injury Control Section of the  
27 Department of Environment, Health, and Natural Resources shall not revert to the  
28 General Fund unless the amounts exceed the amounts appropriated by the General  
29 Assembly for the 1993-94 and 1994-95 fiscal years.

30 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-  
31 16.5(j) that are designated for the alcohol testing program of the Injury Control Section of  
32 the Department of Environment, Health, and Natural Resources and are not needed for  
33 that program shall be transferred annually to the Governor's Highway Safety Program for  
34 grants to local law enforcement agencies for training and enforcement of the laws on  
35 driving while impaired. The Governor's Highway Safety Program shall expend funds  
36 transferred to it under this section within 13 months of receipt of the funds. Amounts  
37 received by the Governor's Highway Safety Program shall not revert until the June 30  
38 following the 13-month period.

39  
40 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

41 **IMMUNIZATION PROGRAM FUNDING**

42 Sec. 26.6. (a) Of the funds appropriated to the Department of Environment,  
43 Health, and Natural Resources for the 1995-97 fiscal biennium for childhood

1 immunization programs for positions, operating support, equipment, and  
2 pharmaceuticals, the sum of up to one million dollars (\$1,000,000) each fiscal year may  
3 be used for projects and activities that are also designed to increase childhood  
4 immunization rates in North Carolina. These projects and activities shall include the  
5 following:

6 (1) Outreach efforts at the State and local levels to improve service delivery  
7 of vaccines. Outreach efforts may include educational seminars, media  
8 advertising, support services to parents to enable children to be  
9 transported to clinics, longer operating hours for clinics, and mobile  
10 vaccine units; and

11 (2) Continued development of an automated immunization registry.

12 (b) Funds authorized to be used for immunization efforts under subsection (a) of  
13 this section shall not be used to fund additional State positions in the Department of  
14 Environment, Health, and Natural Resources.

15  
16 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

#### 17 **PUBLIC HEALTH NUTRITION INTERN PROGRAM**

18 Sec. 26.7. Of the funds appropriated to the Department of Environment,  
19 Health, and Natural Resources for the Special Supplemental Food Program for Women,  
20 Infants, and Children (WIC), the sum of up to one hundred seventy thousand dollars  
21 (\$170,000) for the 1995-96 fiscal year and the sum of up to one hundred seventy  
22 thousand dollars (\$170,000) for the 1996-97 fiscal year may be used for the purpose of  
23 establishing and maintaining a Public Health Nutritionist Internship Program.

24  
25 Requested by: Senator Martin of Pitt

#### 26 **MOSQUITO CONTROL FUNDS/USAGE**

27 Sec. 26.7A. G.S. 130A-347 reads as rewritten:

#### 28 **"§ 130A-347. Mosquito control funds.**

29 Funds received by the Department for mosquito control may be used to aid mosquito  
30 control districts and other units of local government engaged in mosquito control. The  
31 Commission shall adopt rules concerning the allocation of the funds. The rules shall  
32 provide for priority funding to those local activities that involve the abatement of  
33 breeding grounds. The rules may include provisions to withhold part of the mosquito  
34 control funds for the suppression of potential or documented mosquito-borne disease  
35 outbreaks. State aid for local physical control methods such as, but not limited to,  
36 cleaning, reopening or construction of ditches, restoration of streams and construction of  
37 impoundments shall not exceed the amount of funds and the value of services and  
38 facilities provided locally except State aid may be provided up to twice the locally  
39 provided amount for physical control methods in salt marsh areas. State aid for local  
40 chemical and biological control methods such as, but not limited to, control of immature  
41 and adult mosquitoes by use of chemicals, bacteria, fungi and mosquito fish shall not  
42 exceed the amount of funds and the value of services and facilities provided locally. State  
43 aid shall not be granted with respect to each individual project until the Department finds

1 and certifies in writing for each project that: (i) the required local share is available; (ii)  
2 there is a documented mosquito problem which requires abatement; (iii) a work plan  
3 describing the method and procedures to be used for abatement is appropriate; and (iv)  
4 the rules of the Commission have been met."  
5

6 Requested by: Senator Martin of Pitt

7 **ADOLESCENT PREGNANCY PREVENTION COALITION OF**  
8 **N.C./REPORTING**

9 Sec. 26.7B. The Adolescent Pregnancy Prevention Coalition of N.C. shall  
10 report on all of its programs to the Joint Legislative Commission on Governmental  
11 Operations on or before March 1 of each fiscal year and more frequently as requested by  
12 the Commission. The reports shall include information on the Coalition's activities and  
13 accomplishments during the past fiscal year, a list of the groups, organizations,  
14 communities, and other recipients of assistance from the Coalition in the last 12 months,  
15 itemized expenditures during the past fiscal year with sources of funding, planned  
16 activities, and accomplishments for at least the next 12 months, and itemized anticipated  
17 expenditures with sources of funding for the next 12 months.  
18

19 Requested by: Senator Martin of Pitt

20 **ADDITIONAL USE OF AQUARIUM FEES**

21 Sec. 26.8A. Notwithstanding the provisions of G.S. 143B-344.17, the  
22 Department of Environment, Health, and Natural Resources may use funds in the North  
23 Carolina Special Aquariums Fund for one full-time position at each aquarium site to  
24 collect admission fees and to maintain records of visitors at the sites and, during high  
25 visitation periods, for seasonal temporary positions at each site for additional  
26 maintenance, housekeeping, and educational services and to collect admission fees.  
27

28 Requested by: Senator Martin of Pitt

29 **STATE PARK FUNDS**

30 Sec. 26.8B. Of the funds appropriated to the Department of Environment,  
31 Health, and Natural Resources in this act, the sum of one million dollars (\$1,000,000) for  
32 each fiscal year of the 1995-97 fiscal biennium shall be allocated to the Parks and  
33 Recreation Trust Fund established in G.S. 113-44.15 and expended in accordance with  
34 the provisions of G.S. 113-44.15(b).  
35

36 Requested by: Senator Martin of Pitt

37 **BLUE RIBBON ADVISORY COUNCIL ON OYSTERS**

38 Sec. 26.8C. (a) Subsection (f) of Section 27.16 of Chapter 769 of the 1993  
39 Session Laws reads as rewritten:

40 "(f) The Advisory Council shall make written quarterly reports to the Marine  
41 Fisheries Commission and the Joint Legislative Commission on Seafood and Aquaculture  
42 beginning October 1, 1994. The Advisory Council shall complete its study and make its

1 final written report on or before ~~October 1, 1995.~~ June 30, 1997. Upon making its final  
 2 written report, the Advisory Council shall terminate."

3 (b) Of the funds appropriated in this act to the Department of Environment,  
 4 Health, and Natural Resources, the sum of one hundred thousand dollars (\$100,000) for  
 5 the 1995-96 fiscal year and the sum of one hundred thousand dollars (\$100,000) for the  
 6 1996-97 fiscal year shall be used for administrative and other expenses incurred by the  
 7 Blue Ribbon Advisory Council on Oysters.

8  
 9 Requested by: Senator Martin of Pitt

10 **OCCONEECHEE MOUNTAIN, BIRD ISLAND, HAMMOCKS BEACH STATE**  
 11 **PARK LAND ACQUISITION FUNDS**

12 Sec. 26.8D. Notwithstanding G.S. 143-16.3, the Divisions of Parks and  
 13 Recreation and of Coastal Management of the Department of Environment, Health, and  
 14 Natural Resources may apply to the Natural Heritage Trust Fund and to other State and  
 15 federal agencies for funds to acquire Occoneechee Mountain, Bird Island, and additional  
 16 land at Hammocks Beach State Park.

17  
 18 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

19 **GRASSROOTS SCIENCE PROGRAM**

20 Sec. 26.10. Of the funds appropriated in this act to the Department of  
 21 Environment, Health, and Natural Resources for the Grassroots Science Program, the  
 22 sum of five hundred thousand dollars (\$500,000) for fiscal year 1995-96 and the sum of  
 23 five hundred thousand dollars (\$500,000) for fiscal year 1996-97 are allocated as grants-  
 24 in-aid for each fiscal year as follows:

25	Catawba	Science	Center
26	\$50,000		
27	Discovery		Place
28	\$50,000		
29	Imagination		Station
30	\$50,000		
31	North Carolina Museum of		
32	Life	and	Science
33	\$50,000		
34	Rocky Mount	Children's	Museum
35	\$50,000		
36	Schiele Museum	of	Natural History
37	\$50,000		
38	Sci Works Science Center and Environmental		
39	Park of	Forsyth	County
40	\$50,000		
41	Natural Science	Center	of Greensboro
42	\$50,000		

1 Western North Carolina Nature Center  
2 \$15,000  
3 The Health Adventure Museum of Pack Place  
4 Education, Arts and Science  
5 Center, Inc.  
6 \$35,000  
7 Cape Fear Museum  
8 \$50,000  
9

## 10 PART 27. DEPARTMENT OF LABOR

11  
12 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

### 13 ELEVATOR DIVISION SELF-SUPPORTING

14 Sec. 27. The Department of Labor shall study and make recommendations to  
15 the General Assembly on a plan to make the Elevator Division of the Department of  
16 Labor self-supporting. The report shall study the corresponding fee increases that will be  
17 required for inspection periods of six months, nine months, and twelve months. The  
18 report shall also state the corresponding operating costs and personnel requirements,  
19 including expansions and reductions of positions, for each inspection period. The  
20 Department's plan shall be developed as if it were to be implemented in the 1996-97  
21 fiscal year. The Department shall report to the Joint Legislative Commission on  
22 Governmental Operations of the General Assembly on or before April 1, 1996.

23  
24 Requested by: Representatives Mitchell, Weatherly, Senator Martin of Pitt

### 25 OSHA POSITIONS

26 Sec. 27.1. (a) The Department of Labor may use funds appropriated to the  
27 Department of Labor for the Occupational Safety and Health Act of North Carolina  
28 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of  
29 the OSHANC program, provided the Department of Labor certifies to the Office of State  
30 Budget and Management that no federal match is available for the 1995-96 fiscal year  
31 and for the 1996-97 fiscal year.

32 (b) If federal Occupational Safety and Health Administration funds are granted to  
33 match all or part of the funds for enforcement positions and support that are one hundred  
34 percent (100%) State-funded, then State funds equivalent to the federal match shall revert  
35 to the General Fund at the end of the fiscal year for which the federal match was  
36 received.

37  
38 Requested by: Representative Ken Miller, Senator Martin of Pitt

### 39 DEPARTMENTAL STUDY OF WORKPLACE RETALIATORY 40 DISCRIMINATION DIVISION OF THE DEPARTMENT OF LABOR

41 Sec. 27.2. The Department of Labor, the Department of Commerce, and the  
42 Employment Security Commission shall jointly undertake a study to determine if the  
43 functions of the Workplace Retaliatory Discrimination Division of the Department of

1 Labor can effectively and efficiently be combined with certain related activities of the  
2 Employment Security Commission. The study shall include review of federal law  
3 pertaining to employment security and retaliatory discrimination to ensure that the  
4 combining of these functions would not conflict with pertinent federal law. The  
5 Department of Labor shall be the lead agency on this study and shall report the results  
6 and recommendations of the study to the Joint Legislative Commission on Governmental  
7 Operations by March 1, 1996.

## 8 9 **PART 28. MISCELLANEOUS PROVISIONS**

10  
11 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
12 Perdue

### 13 **EFFECT OF HEADINGS**

14 Sec. 28. The headings to the Parts and sections of this act are a convenience to  
15 the reader and are for reference only. The headings do not expand, limit, or define the  
16 text of this act.

17  
18 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
19 Perdue

### 20 **EXECUTIVE BUDGET ACT REFERENCE**

21 Sec. 28.1. The provisions of the Executive Budget Act, Chapter 143, Article 1  
22 of the General Statutes, are reenacted and shall remain in full force and effect and are  
23 incorporated in this act by reference.

24  
25 Requested by: Senators Odom, Plyler, Perdue

### 26 **COMMITTEE REPORT**

27 Sec. 28.2. (a) The Senate Appropriations Committee Continuation Budget Report,  
28 dated May 17, 1995, which was distributed in the Senate and used to explain this act,  
29 shall indicate action by the General Assembly on this act and shall therefore be used to  
30 construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these  
31 purposes shall be considered a part of this act.

32 (b) The budget enacted by the General Assembly for the maintenance of the  
33 various departments, institutions, and other spending agencies of the State for the 1995-  
34 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure  
35 and the State Accounting System Uniform Chart of Accounts set out in the  
36 Administrative Policies and Procedures Manual of the Office of the State Controller.  
37 This budget includes the appropriations made from all sources including the General  
38 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental  
39 receipts.

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

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

3 (2) The base budget was adjusted in accordance with the base budget cuts  
4 and additions that were set out in the Senate Appropriations Committee  
5 Continuation Budget Report, dated May 17, 1995.

6 (3) Transfers of funds supporting programs were made in accordance with  
7 the Senate Appropriations Committee Continuation Budget Report,  
8 dated May 17, 1995.

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

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

15  
16 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
17 Perdue

18 **MOST TEXT APPLIES ONLY TO 1995-97**

19 Sec. 28.3. Except for statutory changes or other provisions that clearly indicate  
20 an intention to have effects beyond the 1995-97 biennium, the textual provisions of this  
21 act shall apply only to funds appropriated for and activities occurring during the 1995-97  
22 biennium.

23  
24 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
25 Perdue

26 **SEVERABILITY CLAUSE**

27 Sec. 28.4. If any section or provision of this act is declared unconstitutional or  
28 invalid by the courts, it does not affect the validity of the act as a whole or any part other  
29 than the part so declared to be unconstitutional or invalid.

30  
31 Requested by: Representatives Holmes, Creech, Esposito, Senators Odom, Plyler,  
32 Perdue

33 **EFFECTIVE DATE**

34 Sec. 28.5. Except as otherwise provided, this act becomes effective July 1,  
35 1995.