

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1840
Committee Substitute Favorable 6/13/00
Third Edition Engrossed 6/14/00
Senate Appropriations/Base Budget Committee Substitute Adopted 6/21/00
Fifth Edition Engrossed 6/22/00

Short Title: 2000 Appropriations Act.

(Public)

Sponsors:

Referred to:

May 30, 2000

A BILL TO BE ENTITLED

**AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL
IMPROVEMENTS APPROPRIATIONS ACT OF 1999 AND TO MAKE OTHER
CHANGES IN THE BUDGET OPERATION OF THE STATE.**

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

INTRODUCTION

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

TITLE OF ACT

Section 1.1. This act shall be known as "The Current Operations and Capital Improvements Appropriations Act of 2000."

PART II. CURRENT OPERATIONS/GENERAL FUND

Section 2. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 2000-01 fiscal year.

<u>Current Operations - General Fund</u>	<u>2000-01</u>
General	Assembly
	\$ (27
2,500)	
Judicial	Department
	12,720,
311	
Office of the Governor	
01. Office of State Budget	
and Management	200,000
02. Office of State Budget and Management	
Special Appropriations	320,000
Department of Secretary of State	95,003
Department of State Auditor	28,054
Department of State Treasurer	567,817
Department of Public Instruction	(14,835
,567)	
Department of Justice	(238,31
6)	
Department of Administration	627,428

1	Office	of	the	Governor	-	Housing	Finance
2							3,000,0
3	00						
4							
5	Department of Agriculture and						
6	Consumer						Services
7							2,362,9
8	25						
9							
10	Department				of		Labor
11							(300,00
12	0)						
13							
14	Department				of		Insurance
15							(21,403
16)						
17							
18	Department of Environment and						
19	Natural						Resources
20							(1,856,
21	337)						
22							
23	Office		of		Administrative		Hearings
24							(73,178
25)						
26							
27	Rules Review Commission						48,000
28							
29	Department of Health and Human Services						
30	01.	Office of the Secretary	(17,595,000)				
31	02.	Division of Aging	250,000				
32	03.	Division of Child Development	(4,600,000)				
33	04.	Division of Services for the					
34		Deaf and Hard of Hearing	1,251,250				
35	05.	Division of Social Services	5,450,000				
36	06.	Division of Health Services	(3,628,871)				
37	07.	Division of Medical Assistance	(107,176,129)				
38	08.	Division of Services					
39		for the Blind	803,750				
40	09.	Division of Mental Health,					
41		Developmental Disabilities, and					
42		Substance Abuse Services	22,432,474				
43	10.	Division of Facility Services	1,649,000				

1	at Chapel Hill				
2	a. Health Affairs	(385,467)			
3	05. North Carolina State University				
4	at Raleigh				
5	a. Academic Affairs	(493,514)			
6	06. University of North Carolina at				
7	Wilmington	(140,039)			
8	07. Western Carolina University	(159,178)			
9	08. Winston-Salem State University	(69,448)			
10	09. North Carolina Central				
11	University	10,646			
12	Total University of North				
13	Carolina	-	Board	of	Governors
14					40,784,
15	503				
16					
17	Community		Colleges	System	Office
18					17,806,
19	602				
20					
21	Debt				Service
22					(52,200
23	,000)				
24					
25	Office of Juvenile Justice				936,726
26					
27	Reserve	for		Compensation	Increase
28					397,000
29	,000				
30					
31	Reserve	for	Retirees	Health	Benefits
32					(50,000
33	,000)				
34					
35	Reserve	for	State	Health	Plan
36					(32,700
37	,000)				
38					
39	Death	Benefit		Contribution	Adjustment
40					(10,864
41	,400)				
42					

1	Statewide	Reserve	for	Salary	Increases
2					(11,000
3	,000)				
4					
5	Reserve	for	Repairs	and	Renovations
6					100,000
7	,000				
8					
9	Clean	Water	Management	Trust	Fund
10					30,000,
11	000				
12					
13	Savings				Reserve
14					120,000
15	,000				
16					
17	GRAND TOTAL CURRENT OPERATIONS –				
18	GENERAL FUND				
19	455,040,880				
20					\$

PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

Section 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 fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Fund appropriations for the 2000-2001 fiscal year.

29	<u>Current Operations - Highway Fund</u>		<u>2000-2001</u>
30			
31	Department of Transportation		
32	01. Administration	\$ 1,214,914	
33	02. Operations	-	
34	03. Construction and Maintenance		
35	a. Construction		
36	(01) Primary Construction		-
37	(02) Secondary		Construction
38	192,000		
39	(03) Urban Construction		-
40	(04) Access and Public		
41	Service Roads		-
42	(05) Discretionary Fund		-
43	(06) Spot Safety Construction		-

1	b.	State Funds to Match Federal		
2		Highway Aid		-
3	c.	State Maintenance	24,628,852	
4	d.	Ferry Operations -		
5	e.	Capital Improvements	9,000,000	
6	f.	State Aid to Municipalities	192,000	
7	g.	State Aid for Public		
8		Transportation		and Railroads
9		7,700,000		
10	h.	OSHA - State	-	
11	04.	Governor's Highway Safety Program	-	
12	05.	Division of Motor Vehicles	765,284	
13	06.	Reserves and Transfers	<u>21,906,950</u>	
14	GRAND TOTAL CURRENT OPERATIONS/			
15	HIGHWAY FUND			
16				\$
17				65,600,000

PART IV. HIGHWAY TRUST FUND

Section 4. Appropriations from the Highway Trust Fund are made for the fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Trust Fund appropriations for the 2000-2001 fiscal year.

25	<u>Highway Trust Fund</u>			<u>2000-2001</u>
26				
27	01.	Intrastate System	\$ 48,538,626	
28	02.	Secondary Roads Construction	6,102,120	
29	03.	Urban Loops	19,626,998	
30	04.	State Aid - Municipalities	5,092,834	
31	05.	Program Administration	<u>4,119,422</u>	
32	GRAND TOTAL/HIGHWAY TRUST FUND			
33				\$
34				83,480,000

PART V. BLOCK GRANT FUNDS

Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

DHHS BLOCK GRANT PROVISIONS

Section 5.(a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2001, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT

1	01.	Community Action Agencies	\$ 12,377,017	
2				
3	02.	Limited Purpose Agencies	687,612	
4				
5	03.	Department of Health and Human Services		
6		to administer and monitor		
7		the activities of the		
8		Community Services Block Grant	687,612	
9				
10		TOTAL COMMUNITY SERVICES BLOCK GRANT		\$
11		13,752,241		
12				
13		SOCIAL SERVICES BLOCK GRANT		
14				
15	01.	County departments of social services	\$ 27,395,663	
16		(Transfer from TANF - \$4,500,000)		
17				
18	02.	Allocation for in-home services provided		
19		by county departments of		
20		social services	2,101,113	
21				
22	03.	Division of Mental Health, Developmental		
23		Disabilities, and Substance Abuse Services	3,234,601	
24				
25	04.	Division of Services for the Blind	3,105,711	
26				
27	05.	Division of Facility Services	426,836	
28				
29	06.	Division of Aging - Home and Community		
30		Care Block Grant	1,840,234	
31				
32	07.	Child Care Subsidies	3,000,000	
33				
34	08.	Division of Vocational Rehabilitation -		
35		United Cerebral Palsy	71,484	
36				
37	09.	State administration	1,693,368	
38				
39	10.	Child Medical Evaluation Program	238,321	
40				
41	11.	Adult day care services	2,155,301	
42				
43	12.	County departments of social services for		

1	child abuse prevention and	
2	permanency planning	394,841
3		
4	13. Transfer to Preventive Health Services	
5	Block Grant for emergency medical services	213,128
6		
7	14. Transfer to Preventive Health Services Block	
8	Grant for AIDS education, counseling, and	
9	testing	66,939
10		
11	15. Department of Administration	
12	for the N.C. Commission of Indian Affairs	
13	In-Home Services Program for the elderly	203,198
14		
15	16. Division of Vocational Rehabilitation -	
16	Easter Seals Society	116,779
17		
18	17. UNC-CH CARES Program for training and	
19	consultation services	247,920
20		
21	18. Office of the Secretary - Office of Economic	
22	Opportunity for N.C. Senior Citizens'	
23	Federation for outreach services to	
24	low-income elderly persons	41,302
25		
26	19. Special Children Adoption Fund	511,687
27		
28	20. Transfer from TANF Block Grant for	
29	Enhanced Employee Assistance Program	1,000,000
30		
31	21. Transfer from TANF Block Grant for	
32	Division of Social Services - Child	
33	Caring Agencies	1,500,000
34		
35	22. Division of Mental Health,	
36	Developmental Disabilities, and	
37	Substance Abuse Services - Developmentally	
38	Disabled Waiting List for services	5,000,000
39		
40	TOTAL SOCIAL SERVICES BLOCK GRANT	\$
41	54,558,426	
42		
43	LOW-INCOME ENERGY BLOCK GRANT	

1				
2	01.	Energy Assistance Programs	\$ 8,092,113	
3				
4	02.	Crisis Intervention	7,078,114	
5				
6	03.	Administration	1,988,234	
7				
8	04.	Department of Commerce -		
9		Weatherization Program	2,684,116	
10				
11	05.	Department of Administration -		
12		N.C. Commission of Indian Affairs	39,765	
13				
14	TOTAL LOW-INCOME ENERGY BLOCK GRANT			\$
15	19,882,342			
16				
17	MENTAL HEALTH SERVICES BLOCK GRANT			
18				
19	01.	Provision of community-based		
20		services in accordance with the		
21		Mental Health Study Commission's		
22		Adult Severe and Persistently		
23		Mentally Ill Plan	\$ 4,301,361	
24				
25	02.	Provision of community-based		
26		services to children	1,898,520	
27				
28	03.	Establish Child Residential		
29		Treatment Services Program	1,500,000	
30				
31	04.	Administration	783,911	
32				
33	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT			\$
34	8,483,792			
35				
36	SUBSTANCE ABUSE PREVENTION			
37	AND TREATMENT BLOCK GRANT			
38				
39	01.	Provision of community-based		
40		alcohol and drug abuse services,		
41		tuberculosis services, and services		
42		provided by the Alcohol and Drug Abuse		
43		Treatment Centers	\$ 15,043,841	

1				
2	02.	Continuation of services for		
3		pregnant women and women		
4		with dependent children	6,567,532	
5				
6	03.	Continuation of services to		
7		IV drug abusers and others at risk		
8		for HIV diseases	5,210,497	
9				
10	04.	Provision of services to children		
11		and adolescents	7,216,992	
12				
13	05.	Juvenile Services - Family Focus	893,811	
14				
15	06.	Juvenile offender services and substance		
16		abuse pilot	300,000	
17				
18	07.	Establish Child Residential Treatment		
19		Services Program	1,000,000	
20				
21	08.	Administration	2,623,049	
22				
23	TOTAL SUBSTANCE ABUSE PREVENTION			
24	AND TREATMENT BLOCK GRANT			\$
25	38,855,722			
26				
27	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT			
28				
29	01.	Child care subsidies	\$117,145,326	
30				
31	02.	Quality and availability initiatives	12,332,039	
32				
33	03.	Administrative expenses	6,814,598	
34				
35	04.	Transfer from TANF Block Grant for		
36		child care subsidies	57,957,188	
37				
38	05.	Transfer from TANF Block Grant for		
39		child care rate increases and quality		
40		initiatives	18,717,812	
41				
42	TOTAL CHILD CARE AND DEVELOPMENT FUND			

1	BLOCK		GRANT
2			\$2
3	12,966,963		
4			
5	TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
6	(TANF) BLOCK GRANT		
7			
8	01. Work First Cash Assistance		
9	Standard Counties	\$ 81,859,561	
10	Electing Counties	24,331,095	
11			
12	02. Work First County Block Grants	92,018,855	
13			
14	03. Transfer to the Child Care and		
15	Development Fund Block Grant		
16	for child care subsidies	57,957,188	
17			
18	04. Allocation to the Division of Mental		
19	Health, Developmental Disabilities, and		
20	Substance Abuse Services for Work First		
21	substance abuse screening, diagnostic, and		
22	support treatment services and drug testing	3,500,000	
23			
24	05. Allocation to the Division of Social		
25	Services for Work First Evaluation	1,500,000	
26			
27	06. Allocation to the Division of Social		
28	Services for staff development	500,000	
29			
30	07. Reduction of out-of-wedlock births	1,600,000	
31			
32	08. Substance Abuse Services for Juveniles	1,182,280	
33			
34	09. Special Children Adoption Fund	2,300,000	
35			
36	10. Employment Security Commission -		
37	First Stop Employment Assistance	1,000,000	
38			
39	11. Transfer to Social Services Block Grant -		
40	Enhanced Employee Assistance Program	1,000,000	
41			
42	12. Work First Job Retention and Follow-Up		
43	Initiatives	1,607,529	

- 1
- 2 13. Allocation to the Division of Public Health
- 3 for teen pregnancy prevention 2,000,000
- 4
- 5 14. Transfer to Social Services Block Grant
- 6 for Child Caring Agencies 1,500,000
- 7
- 8 15. Child Care Subsidies for TANF Recipients 26,621,241
- 9
- 10 16. Work First Housing Initiative 3,000,000
- 11
- 12 17. Transfer to Child Care and Development Fund
- 13 Block Grant for Child Care Rate Increases 18,717,812
- 14
- 15 18. Allocation to the Division of Social
- 16 Services for Domestic Violence
- 17 Prevention and Awareness 1,000,000
- 18
- 19 19. County Child Protective Services,
- 20 Foster Care and Adoption Workers 2,727,550
- 21
- 22 20. Intensive Family Preservation Program 2,000,000
- 23
- 24 21. Work First/Boys and Girls Clubs 1,000,000
- 25
- 26 22. Transfer to Social Services Block Grant for
- 27 County Departments of Social Services for
- 28 Children's Services 4,500,000
- 29
- 30 23. Adolescent Pregnancy Prevention Program 239,261
- 31
- 32 24. Expand Support Our Students -
- 33 Office of Juvenile Justice 2,750,674
- 34
- 35 25. Residential Substance Abuse Services
- 36 for Women with Children 5,000,000
- 37
- 38 26. Domestic Violence Services
- 39 for Work First families 3,000,000
- 40
- 41 27. Responsible Fatherhood Initiative 1,000,000
- 42
- 43 28. After-School Services for

1	At-Risk Children	2,000,000	
2			
3	29. Business Process Reengineering Project	5,012,000	
4			
5	30. Division of Social Services -		
6	Administration	500,000	
7			
8	31. Child Welfare workers for local		
9	departments of social services	8,250,000	
10			
11	32. Work First Pilots	5,400,000	
12			
13	33. Child Welfare Training	2,000,000	
14			
15	34. Work First Business Council	100,000	
16			
17	35. JobLink Pilots	750,000	
18			
19	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
20	(TANF)	BLOCK	GRANT
21			\$3
22	69,425,046		
23			
24	MATERNAL AND CHILD HEALTH BLOCK GRANT		
25			
26	01. Healthy Mothers/Healthy Children		
27	Block Grants to Local Health		
28	Departments	\$ 9,838,074	
29			
30	02. High-Risk Maternity Clinic Services,		
31	Perinatal Education and Training,		
32	Childhood Injury Prevention,		
33	Public Information and Education, and		
34	Technical Assistance to Local Health		
35	Departments	2,012,102	
36			
37	03. Services to Children With Special Health		
38	Care Needs	5,078,647	
39			
40	TOTAL MATERNAL AND CHILD		
41	HEALTH BLOCK GRANT		
42	16,928,823		\$
43			

1 PREVENTIVE HEALTH SERVICES BLOCK GRANT

2					
3	01.	Statewide Health Promotion Programs		\$3,184,399	
4					
5	02.	Dental Services/Fluoridation	100,800		
6					
7	03.	Rape Crisis/Victims' Services			
8		Program - Council for Women	190,134		
9					
10	04.	Rape Prevention and Education			
11		Program - Division of Public			
12		Health and Council for Women		1,137,186	
13					
14	05.	Transfer from Social Services			
15		Block Grant -			
16		AIDS/HIV Education, Counseling,			
17		and Testing	66,939		
18					
19	06.	Transfer from Social Services			
20		Block Grant -			
21		Emergency Medical Services	213,128		
22					
23	07.	Office of Minority Health	159,459		
24					
25	08.	Administrative Costs	143,151		
26					
27	TOTAL	PREVENTIVE	HEALTH	SERVICES	BLOCK GRANT
28					\$5
29					,195,196
30					

31 Section 5.(b) Decreases in Federal Fund Availability. – If the United States
 32 Congress reduces federal fund availability in the Social Services Block Grant below the
 33 amounts appropriated in this section, then the Department of Health and Human Services
 34 shall allocate these decreases giving priority first to those direct services mandated by
 35 State or federal law, then to those programs providing direct services that have
 36 demonstrated effectiveness in meeting the federally and State-mandated services goals
 37 established for the Social Services Block Grant. The Department shall not include
 38 transfers from TANF for specified purposes in any calculations of reductions to the
 39 Social Services Block Grant.

40 If the United States Congress reduces the amount of TANF funds below the
 41 amounts appropriated in this section after the effective date of this act, then the
 42 Department shall allocate the decrease in funds after considering any underutilization of
 43 the budget and the effectiveness of the current level of services. Any TANF Block Grant

1 fund changes shall be reported to the Senate Appropriations Committee on Human
2 Resources, the House of Representatives Appropriations Subcommittee on Health and
3 Human Services, and the Fiscal Research Division.

4 Decreases in federal fund availability shall be allocated for the Maternal and
5 Child Health and Preventive Health Services federal block grants by the Department of
6 Health and Human Services after considering the effectiveness of the current level of
7 services.

8 Section 5.(c) Increases in Federal Fund Availability. – Any block grant funds
9 appropriated by the United States Congress in addition to the funds specified in this act
10 shall be expended by the Department of Health and Human Services, with the approval of
11 the Office of State Budget and Management, provided the resultant increases are in
12 accordance with federal block grant requirements and are within the scope of the block
13 grant plan approved by the General Assembly.

14 Section 5.(d) Changes to the budgeted allocations to the block grants
15 appropriated in this act due to decreases or increases in federal funds shall be reported
16 immediately to the Senate Appropriations Committee on Human Resources, the House of
17 Representatives Appropriations Subcommittee on Health and Human Services, and the
18 Fiscal Research Division.

19 Section 5.(e) Limitations on Preventive Health Services Block Grant Funds. –
20 Twenty-five percent (25%) of funds allocated for Rape Prevention and Rape Education
21 shall be allocated as grants to nonprofit organizations to provide rape prevention and
22 education programs targeted for middle, junior high, and high school students.

23 If federal funds are received under the Maternal and Child Health Block Grant
24 for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. §
25 710), for the 2000-2001 fiscal year, then those funds shall be transferred to the State
26 Board of Education to be administered by the Department of Public Instruction. The
27 Department of Public Instruction shall use the funds to establish an Abstinence Until
28 Marriage Education Program and shall delegate to one or more persons the responsibility
29 of implementing the program and G.S. 115C-81(e1)(4). The Department of Public
30 Instruction shall carefully and strictly follow federal guidelines in implementing and
31 administering the abstinence education grant funds.

32 Section 5.(f) The sum of one million five hundred thousand dollars
33 (\$1,500,000) appropriated to the Department of Health and Human Services, Division of
34 Social Services, in the TANF Block Grant for the 2000-2001 fiscal year for the
35 evaluation of the Work First Program shall be used to do each of the following:

- 36 (1) Expand the current evaluation of the Work First Program to assess
37 former recipients' earnings, barriers to advancement to economic self-
38 sufficiency, utilization of community support services, and other
39 longitudinal employment data. Assessment periods shall include six
40 and 18 months following closure of the case.
- 41 (2) Expand the current evaluation of the Work First Program to profile the
42 State's child-only caseload to include indicators of economic and social
43 well-being, academic and behavioral performance, demographic data,

1 description of living arrangements including length of placement out of
2 the home, social and other human services provided to families, and
3 other information needed to assess the needs of the child-only Work
4 First Family Assistance clients and families.

- 5 (3) Expand the current evaluation to profile clients and families exempted
6 from federal and State work participation requirements. The evaluation
7 shall include an assessment of the client and family needs including why
8 clients and families have been exempted.

9 The Department of Health and Human Services shall make a report on its
10 progress in complying with this subsection to the Senate Appropriations Committee on
11 Human Resources, the House of Representatives Appropriations Subcommittee on Health
12 and Human Services, and the Fiscal Research Division no later than September 30, 2001,
13 and shall make a final report no later than September 30, 2002.

14 Section 5.(g) The sum of one million six hundred seven thousand five hundred
15 twenty-nine dollars (\$1,607,529) appropriated to the Department of Health and Human
16 Services, Division of Social Services, in this section in the TANF Block Grant in the
17 2000-2001 fiscal year for the Work First job retention and follow-up model programs
18 shall be used to continue pilots and strategies that support TANF recipients in attaining
19 and maintaining self-sufficiency through job retention, family support services, and pre-
20 and post-TANF follow-up.

21 The Department of Health and Human Services shall make a report on its use
22 of TANF funds for the Work First job retention pilots. This report shall include each of
23 the following:

- 24 (1) A description of the clients served by the program. This description
25 shall include demographic and geographic information about the clients.
26 (2) A description of services provided by the program.
27 (3) The effectiveness of services to clients. Effectiveness of services to
28 clients shall be measured, in part, by the percentage of clients who
29 remain employed at intervals of six months and one year after
30 commencement of employment.
31 (4) The estimated cost of services per client.
32 (5) A description of the development and design of the program and of any
33 evaluation mechanisms.
34 (6) A description of coordination efforts among local departments of social
35 services with other human services agencies.
36 (7) A description of progress in achieving other outcome goals such as
37 family economic progress and child/family well-being.

38 This report shall be made to the Senate Appropriations Committee on Human Resources,
39 the House of Representatives Appropriations Subcommittee on Health and Human
40 Services, and the Fiscal Research Division no later than April 1, 2001.

41 Section 5.(h) The sum of five hundred eleven thousand six hundred eighty-
42 seven dollars (\$511,687) appropriated in this section in the Social Services Block Grant
43 to the Department of Health and Human Services, Special Children Adoption Fund, for

1 the 2000-2001 fiscal year shall be used to implement this subsection. The Division of
2 Social Services, in consultation with the North Carolina Association of County Directors
3 of Social Services and representatives of licensed private adoption agencies, shall
4 develop guidelines for the awarding of funds to licensed public and private adoption
5 agencies upon the adoption of children described in G.S. 108A-50 and in foster care.
6 Payments received from the Special Children Adoption Fund by participating agencies
7 shall be used exclusively to enhance the adoption services program. No local match shall
8 be required as a condition for receipt of these funds.

9 Section 5.(i) If funds appropriated through the Child Care and Development
10 Fund for any program cannot be obligated or spent in that program within the obligation
11 or liquidation periods allowed by the federal grants, the Department may move funds to
12 other programs, in accordance with federal requirements of the grant, in order to use the
13 federal funds fully.

14 Section 5.(j) The sum of one million five hundred thousand dollars
15 (\$1,500,000) appropriated in this act in the TANF Block Grant and transferred to the
16 Social Services Block Grant to the Department of Health and Human Services, Division
17 of Social Services, for child caring agencies for the 2000-2001 fiscal year shall be
18 allocated to the State Private Child Caring Agencies Fund. These funds shall be
19 combined with all other funds allocated to the State Private Child Caring Agencies Fund
20 for the reimbursement of the State's portion of the cost of care for the placement of
21 certain children by the county departments of social services who are not eligible for
22 federal IV-E funds. These funds shall not be used to match other federal funds.

23 Section 5.(k) The sum of one million dollars (\$1,000,000) appropriated in this
24 section in the TANF Block Grant and transferred to the Social Services Block Grant to
25 the Department of Health and Human Services, Division of Mental Health,
26 Developmental Disabilities, and Substance Abuse Services, shall be used for the
27 Enhanced Employee Assistance Program, to continue a grant program of financial
28 incentives for private businesses employing former and current Work First recipients.
29 These grants may supply funds to private employers who agree to hire former or current
30 Work First recipients or their spouses at entry-level positions and wages and to supply
31 enhanced grant funds to private employers who agree to hire former or current Work First
32 recipients or their spouses at a level higher than entry-level positions, paying more than
33 the minimum wage, including fringe benefits.

34 The Department of Health and Human Services shall report no later than April
35 1, 2001, on the use of these funds to the Senate Appropriations Committee on Human
36 Resources, the House of Representatives Appropriations Subcommittee on Health and
37 Human Services, and the Fiscal Research Division. This report shall include each of the
38 following:

- 39 (1) The number of clients served since the inception of the program by
40 fiscal year.
- 41 (2) The amount of funds expended each fiscal year.
- 42 (3) A description of the clients served. This description shall include
43 demographic information about these clients.

- 1 (4) A description of coordination efforts with other human services
- 2 agencies, including local departments of social services.
- 3 (5) A description of specific services provided to clients.
- 4 (6) Statistics related to job retention, measured at least at intervals of six
- 5 months and one year after the commencement of employment.
- 6 (7) Statistics related to the wage history of clients.
- 7 (8) Any other information the Department and the Employment Security
- 8 Commission find relevant to an evaluation of the program.

9 Section 5.(l) The sum of two million dollars (\$2,000,000) appropriated in this
10 act in the TANF Block Grant to the Department of Health and Human Services, Division
11 of Social Services, for the 2000-2001 fiscal year for the Intensive Family Preservation
12 Services (IFPS) Program shall be used by the Division, in consultation with local
13 departments of social services and other human services agencies, to plan and implement
14 a revised IFPS Program.

15 Notwithstanding the provisions of G.S. 143B-150.6, the Program shall provide
16 intensive services to children and families in cases of abuse, neglect, and dependency
17 where a child is at imminent risk of removal from the home and to children and families
18 in cases of abuse where a child is not at imminent risk of removal. The Program shall be
19 developed and implemented statewide on a regional basis. The revised IFPS Program
20 shall ensure the application of standardized assessment criteria for determining imminent
21 risk and clear criteria for determining out-of-home placement.

22 The Department shall reexamine the existing IFPS Program design to ensure
23 the application of a standardized assessment and clear criteria for the determination of
24 imminent risk of removal. Additionally, the Department shall assess the education and
25 skill levels required of staff providing intensive family preservation services in existing
26 programs.

27 The Department shall develop a revised evaluation model for the current and
28 expanded IFPS Program. This evaluation shall not include area mental health or juvenile
29 justice programs. The model shall be scientifically rigorous, including the use of
30 treatment comparison groups, a review and description of interventions provided to
31 families as compared to customary services provided to other child welfare children and
32 families, and data regarding the number and type of referrals made for other human
33 services and the utilization of those services.

34 The Department shall report on the use of the funds appropriated under this
35 subsection, including the revised evaluation model and IFPS Program, to the Senate
36 Appropriations Committee on Human Resources, the House of Representatives
37 Appropriations Subcommittee on Health and Human Services, and the Fiscal Research
38 Division no later than April 1, 2001.

39 Section 5.(m) The Department of Health and Human Services and the
40 Employment Security Commission shall report on the use of funds appropriated under
41 this section from the TANF Block Grant to the First Stop Employment Assistance
42 Program. This report shall include each of the following:

- 1 (1) The number of clients served since the inception of the program by
- 2 fiscal year.
- 3 (2) The amount of funds expended each fiscal year.
- 4 (3) A description of the clients served. This description shall include
- 5 demographic information about these clients.
- 6 (4) A description of coordination efforts with other human services
- 7 agencies, including local departments of social services.
- 8 (5) A description of specific services provided to both initial and intensive
- 9 First Stop clients.
- 10 (6) The placement rates of clients in both the initial and intensive programs.
- 11 (7) Statistics related to job retention, measured at least at intervals of six
- 12 months and one year after the commencement of employment.
- 13 (8) Statistics related to the wage history of clients.
- 14 (9) Any other information the Department and the Employment Security
- 15 Commission find relevant to an evaluation of the program.

16 This report shall be made to the Senate Appropriations Committee on Human
17 Resources, the House of Representatives Appropriations Subcommittee on Health and
18 Human Services, and the Fiscal Research Division no later than April 1, 2001.

19 Section 5.(n) The sum of one million dollars (\$1,000,000) appropriated in this
20 section to the Department of Health and Human Services in the TANF Block Grant for
21 Boys and Girls Clubs shall be used to make grants for approved programs. The
22 Department of Health and Human Services, in accordance with federal regulations for the
23 use of TANF Block Grant funds, shall administer a grant program to award funds to the
24 Boys and Girls Clubs across the State in order to implement programs that improve the
25 motivation, performance, and self-esteem of youth and to implement other initiatives that
26 would be expected to reduce school dropout and teen pregnancy rates. The Department
27 shall encourage and facilitate collaboration between the Boys and Girls Clubs and
28 Support Our Students, Communities in Schools, and similar programs to submit joint
29 applications for the funds if appropriate. The Department shall report on its progress in
30 complying with this subsection to the Senate Appropriations Committee on Human
31 Resources, the House of Representatives Appropriations Subcommittee on Health and
32 Human Services, and the Fiscal Research Division no later that April 1, 2001.

33 Section 5.(o) Payment for subsidized child care services provided with federal
34 TANF funds shall comply with all regulations and policies issued by the Division of
35 Child Development for the subsidized child care program.

36 Section 5.(p) The sum of three million dollars (\$3,000,000) appropriated in
37 this section in the TANF Block Grant to the Department of Health and Human Services,
38 Division of Social Services, for the Work First Housing Initiative shall be used for direct
39 housing support to Work First clients and families. Direct housing support includes using
40 funds for rental assistance, loans, moving expenses, and other financial assistance. No
41 more than ten percent (10%) of these funds may be used for administration. These funds
42 may be used for counseling or similar services only if it is demonstrated that those
43 services are not otherwise available in the community.

1 Section 5.(q) The sum of five hundred thousand dollars (\$500,000)
2 appropriated in this section in the TANF Block Grant to the Department of Health and
3 Human Services, Division of Social Services, for the 2000-2001 fiscal year shall be used
4 to support administration of TANF-funded programs.

5 Section 5.(r) The sum of five million dollars (\$5,000,000) appropriated in this
6 section in the TANF Block Grant to the Department of Health and Human Services,
7 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
8 for the 2000-2001 fiscal year shall be used to establish and expand regional residential
9 substance abuse treatment and services for women with children. The Department of
10 Health and Human Services, the Division of Social Services, and the Division of Mental
11 Health, Developmental Disabilities, and Substance Abuse Services, in consultation with
12 local departments of social services, area mental health programs, and other State and
13 local agencies or organizations, shall coordinate this effort in order to facilitate the
14 expansion of regionally based substance abuse services for women with children. These
15 services shall be culturally appropriate and designed for the unique needs of TANF
16 women with children.

17 In order to expedite the expansion of these services, the Secretary of the
18 Department of Health and Human Services may enter into contracts with service
19 providers.

20 The Department of Health and Human Services, the Division of Social
21 Services, and the Division of Mental Health, Developmental Disabilities, and Substance
22 Abuse Services, shall report on their progress in complying with this subsection no later
23 than October 1, 2000, and March 1, 2001, to the Senate Appropriations Committee on
24 Human Resources, the House of Representatives Appropriations Subcommittee on Health
25 and Human Services, and the Fiscal Research Division. These reports shall include all of
26 the following:

- 27 (1) The number and location of additional beds created.
- 28 (2) The types of facilities established.
- 29 (3) The delineation of roles and responsibilities at the State and local levels.
- 30 (4) Demographics of the women served, the number of women served, and
31 the cost per client.
- 32 (5) Demographics of the children served, the number of children served,
33 and the services provided.
- 34 (6) Job placement services provided to women.
- 35 (7) A plan for follow-up and evaluation of services provided with an
36 emphasis on outcomes.
- 37 (8) Barriers identified to the successful implementation of the expansion.
- 38 (9) Identification of other resources needed to appropriately and efficiently
39 provide services to Work First recipients.
- 40 (10) Other information as requested.

41 Section 5.(s) The sum of two million seven hundred fifty thousand six hundred
42 seventy-four dollars (\$2,750,674) appropriated under this section in the TANF Block
43 Grant to the Department of Health and Human Services and transferred to the Office of

1 Juvenile Justice for the 2000-2001 fiscal year shall be used to support the existing
2 Support Our Students Program and to expand the Program statewide. These funds shall
3 not be used for administration of the program.

4 Section 5.(t) The sum of three million dollars (\$3,000,000) appropriated under
5 this section in the TANF Block Grant to the Department of Health and Human Services,
6 Division of Social Services, for the 2000-2001 fiscal year shall be used to provide
7 domestic violence services to Work First recipients. The Division of Social Services, in
8 consultation with the Council for Women and local departments of social services, shall
9 develop and implement a mechanism by which these funds may be used to facilitate
10 delivery of domestic violence counseling, support, and other direct services to clients.
11 These funds shall not be used to establish new domestic violence shelters, for State
12 administration, or to facilitate lobbying efforts. The Department of Health and Human
13 Services and the Council for Women shall report on the uses of these funds no later than
14 February 1, 2001, to the Senate Appropriations Committee on Human Resources, the
15 House of Representatives Appropriations Subcommittee on Health and Human Services,
16 and the Fiscal Research Division.

17 Section 5.(u) The sum of one million dollars (\$1,000,000) appropriated in this
18 section in the TANF Block Grant to the Department of Health and Human Services,
19 Division of Public Health, for the 2000-2001 fiscal year shall be used to support the
20 Responsible Fatherhood Initiative. These funds shall be used for responsible parenting
21 programs targeted at young-adult males. These funds shall be targeted at counties with
22 the highest needs as determined by the Division of Public Health. The evaluation of this
23 initiative shall be incorporated into the overall evaluation of the pregnancy prevention
24 and responsible parenting activities currently in place. This initiative shall be
25 administered as directed in subsection (v) of this section.

26 Section 5.(v) The funds appropriated to the Department of Health and Human
27 Services, Division of Public Health, in this act for the 2000-2001 fiscal year for teen
28 pregnancy prevention shall be used in accordance with the provisions of this subsection.

29 Effective July 1, 2000, the Department of Health and Human Services,
30 Division of Public Health, in collaboration with local program administrators, shall adopt
31 guidelines for the administration of funds for teen pregnancy prevention and for parenting
32 programs. The guidelines shall include the following programmatic requirements:

- 33 (1) Council development at the local level is encouraged but not required
34 for program funding. Councils that received first-year funding for the
35 1999-2000 fiscal year for administrative expenses for coalition building
36 and partnership development shall receive funds committed for the
37 second year of organizational development. The Division shall
38 encourage programs that receive funding under this section to involve
39 other health service organizations, nonprofit organizations, and task
40 forces in program efforts.
- 41 (2) In awarding grants, the Department shall target counties with the highest
42 teen pregnancy rates, increasingly higher teen pregnancy rates, or high
43 rates within demographic subgroups, and greatest need for parenting

1 programs. Grants may be renewed annually based on program
2 efficiency and effectiveness, teen pregnancy rates, and the level of need
3 for parenting programs. Grants shall be funded at a particular level and
4 shall not be funded on a multiyear cycle with annually decreasing grant
5 funding.

6 (3) The Division shall encourage all programs to implement best practice
7 models. While best practice models are encouraged, the Department
8 may fund innovative and promising projects that have not yet been
9 recognized as best practice. All existing programs not using best
10 practice models shall be encouraged to transition to the use of best
11 practice models.

12 (4) Programs are not required to provide a cash match for these funds,
13 however, the Department may require an in-kind match.

14 Funds for State-level administrative expenses of the Program shall not exceed
15 ten percent (10%) of the total budget for teen pregnancy prevention and parenting
16 programs. Administrative expenses include staffing and contracted services for
17 evaluation and coalition-building activities.

18 The Department shall contract with an independent private consulting firm to
19 evaluate the programs. The evaluation shall include standard data collection utilizing the
20 mechanism that has been developed by the University of North Carolina at Chapel Hill,
21 School of Social Work, and shall be conducted in a manner that objectively measures the
22 effectiveness of each program evaluated.

23 The Department shall report annually on March 1, to the House of
24 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
25 Appropriations Committee on Human Resources, and the Fiscal Research Division. The
26 report shall include information on all of the following for each teen pregnancy
27 prevention and parenting program:

28 (1) The program budget delineating all administrative expenses, contracts
29 for services, and technical assistance.

30 (2) A narrative describing each project funded and the amount of funds
31 received by the project.

32 (3) Effectiveness of the program in reducing teen pregnancy or developing
33 responsible parenting skills in young adults, as applicable.

34 (4) Status of the evaluation.

35 Section 5.(w) The sum of two million dollars (\$2,000,000) appropriated in this
36 section in the TANF Block Grant to the Department of Health and Human Services,
37 Division of Social Services, shall be used to expand after-school programs and services
38 for at-risk children. The Department shall develop and implement a grant program to
39 award grants to community-based programs that demonstrate the ability to reach children
40 at risk of teen pregnancy and school dropout. The Department shall award grants to
41 community-based organizations that demonstrate the ability to develop and implement
42 linkages with local departments of social services, area mental health programs, schools,
43 and other human services programs in order to provide support services and assistance to

1 the child and family. These funds may be used to establish one position within the
2 Division of Social Services to coordinate at-risk after-school programs and shall not be
3 used for other State administration. The Department shall report no later than March 1,
4 2001, on its progress in complying with this section to the Senate Appropriations
5 Committee on Human Resources, the House of Representatives Subcommittee on Health
6 and Human Services, and the Fiscal Research Division.

7 Section 5.(x) The sum of five million twelve thousand dollars (\$5,012,000)
8 appropriated in this section in the TANF Block Grant to the Department of Health and
9 Human Services shall be used to continue the Business Process Reengineering Project.
10 The Department shall report directly to the Information Resource Management
11 Commission in accordance with the Commission's requirements. The Department shall
12 report on the use of these funds no later than April 1, 2001, to the Senate Appropriations
13 Committee on Human Resources, the House of Representatives Appropriations
14 Subcommittee on Health and Human Services, and the Fiscal Research Division.

15 Section 5.(y) The sum of eight million two hundred fifty thousand dollars
16 (\$8,250,000) appropriated in this section in the TANF Block Grant to the Department of
17 Health and Human Services, Division of Social Services, for the 2000-2001 fiscal year
18 for Child Welfare Improvements shall be allocated to the county departments of social
19 services for hiring or contracting additional staff on or after July 1, 2000, to investigate
20 and provide services in Child Protective Services cases; to provide foster care and
21 support services; to recruit, train, license, and support prospective foster and adoptive
22 families; and to provide interstate and post-adoption services for eligible families.

23 Section 5.(z) The sum of one million five hundred thousand dollars
24 (\$1,500,000) appropriated in this section in the Mental Health Block Grant to the
25 Department of Health and Human Services, Division of Mental Health, Developmental
26 Disabilities, and Substance Abuse Services, for the 2000-2001 fiscal year and the sum of
27 one million dollars (\$1,000,000) appropriated in this section in the Substance Abuse
28 Prevention and Treatment Block Grant to the Department of Health and Human Services,
29 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
30 for the 2000-2001 fiscal year shall be used to establish a Child Residential Treatment
31 Services Program in accordance with Section 11.19 of this act.

32 Section 5.(aa) The Department of Health and Human Services, the Department
33 of Commerce, and the Department of Public Instruction may allocate available block
34 grant funds for pilot programs established pursuant to Section 11.4A of this act. These
35 funds may be used for the planning, implementation, and evaluation of those pilot
36 programs.

37 Section 5.(bb) The sum of two million dollars (\$2,000,000) appropriated in
38 this section in the TANF Block Grant to the Department of Health and Human Services,
39 Division of Social Services, for fiscal year 2000-2001 shall be used to support various
40 child welfare training projects as follows:

- 41 (1) The sum of three hundred fifty thousand dollars (\$350,000) shall be
42 used to establish a regional training center in southeastern North
43 Carolina.

1 (2) The sum of seven hundred fifty thousand dollars (\$750,000) shall be
2 used to support the Masters Degree in Social Work/Baccalaureate
3 Degree in Social Work Collaborative.

4 (3) The sum of one hundred eighty thousand dollars (\$180,000) to provide
5 training for residential child care facilities.

6 (4) The sum of seven hundred twenty thousand dollars (\$720,000) to
7 provide for various other child welfare training initiatives.

8 Section 5.(cc) The sum of seven hundred fifty thousand dollars (\$750,000)
9 appropriated in this section in the TANF Block Grant to the Department of Health and
10 Human Services, Division of Social Services, for the 2000-2001 fiscal year for JobLink
11 pilots shall be used to replicate the Ladders to Success model program at community
12 colleges.

13 The Department shall make two reports no later than February 15, 2001, and
14 May 15, 2001, respectively, to the Senate Appropriations Committee on Human
15 Resources, the House of Representatives Appropriations Subcommittee on Health and
16 Human Services, and the Fiscal Research Division. These reports shall include the
17 following:

18 (1) A detailed explanation by each recipient of start-up funds on the use of
19 these funds.

20 (2) A detailed explanation of the incentives offered to each county
21 department of social services to encourage collaboration with JobLink
22 programs including an explanation of the necessity of the incentives and
23 an explanation of the benefits obtained as a result of the incentives.

24 (3) A detailed explanation of services offered by JobLink as a result of the
25 incentives including an explanation of why the services are not
26 otherwise offered.

27 (4) A description of and justification for the use of incentive funds.

28 (5) A report on the individuals hired or contracted to staff JobLink
29 programs including the number of individuals hired or contracted, the
30 positions and primary responsibilities of individuals hired or contracted,
31 and the impact of these additional positions on JobLink clients.

32 (6) A detailed report on the employment outcomes of Work First clients
33 who have participated in JobLink programs including information on
34 job retention rates and salary level.

35 (7) Demographic information on clients served in the program.

36
37 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

38 **NER BLOCK GRANT FUNDS**

39 Section 5.1.(a) Appropriations from federal block grant funds are made for the
40 fiscal year ending June 30, 2001, according to the following schedule:

41 42 **COMMUNITY DEVELOPMENT BLOCK GRANT**

1	01.	State Administration	1,000,000		
2					
3	02.	Urgent Needs and Contingency		1,000,000	
4					
5	03.	Scattered Site Housing	10,340,000		
6					
7	04.	Economic Development	8,710,000		
8					
9	05.	Community Revitalization		13,500,000	
10					
11	06.	State Technical Assistance		450,000	
12					
13	07.	Housing Development	3,000,000		
14					
15	08.	Infrastructure	7,000,000		
16					
17	TOTAL COMMUNITY DEVELOPMENT				
18	BLOCK GRANT - 2001 Program Year				\$ 45,000,000

19
20 Section 5.1.(b) Decreases in Federal Fund Availability. – Decreases in federal fund
21 availability for the Community Development Block Grants. – If federal funds are reduced
22 below the amounts specified above after the effective date of this act, then every program
23 in each of these federal block grants shall be reduced by the same percentage as the
24 reduction in federal funds.

25 Section 5.1.(c) Increases in Federal Fund Availability for Community Development
26 Block Grant. – Any block grant funds appropriated by the Congress of the United States
27 in addition to the funds specified in this section shall be expended as follows: – Each
28 program category under the Community Development Block Grant shall be increased by
29 the same percentage as the increase in federal funds.

30 Section 5.1.(d) Limitations on Community Development Block Grant Funds. – Of
31 the funds appropriated in this section for the Community Development Block Grant, the
32 following shall be allocated in each category for each program year: up to one million
33 dollars (\$1,000,000) may be used for State administration; up to one million dollars
34 (\$1,000,000) may be used for Urgent Needs and Contingency; up to ten million three
35 hundred forty thousand dollars (\$10,340,000) may be used for Scattered Site Housing; up
36 to eight million seven hundred ten thousand dollars (\$8,710,000) may be used for
37 Economic Development; not less than thirteen million five hundred thousand dollars
38 (\$13,500,000) shall be used for Community Revitalization; up to four hundred fifty
39 thousand dollars (\$450,000) may be used for State Technical Assistance; up to three
40 million dollars (\$3,000,000) may be used for Housing Development; up to seven million
41 dollars (\$7,000,000) may be used for Infrastructure. If federal block grant funds are
42 reduced or increased by the Congress of the United States after the effective date of this

1 act, then these reductions or increases shall be allocated in accordance with subsection (b)
 2 or (c) of this section, as applicable.

3 Section 5.1.(e) Increase Capacity for Nonprofit Organizations. – Assistance to
 4 nonprofit organizations to increase their capacity to carry out CDBG-eligible activities in
 5 partnership with units of local government is an eligible activity under any program
 6 category in accordance with federal regulations. Capacity building grants may be made
 7 from funds available within program categories, program income, or unobligated funds.

8 Section 5.1.(f) Future CDBG Proposals. – In developing future CDBG
 9 proposals, the Department of Commerce shall consider ways in which to address the
 10 abatement of outhouses in the State.

11
 12 **PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY**
 13 **STATEMENTS**

14
 15 **GENERAL FUND AVAILABILITY STATEMENT**

16 Section 6.(a) The General Fund availability used to adjust the 2000-2001 fiscal
 17 year budget is shown below:

		FY 2000-2001
Budget Reform Statement	(\$ million)	
Beginning Unreserved Credit Balance	0.0	
Tax Revenues - Current Tax Law	13,216.3	
Non-Tax Revenues:		
Investment Income	214.0	
Judicial Fees	106.7	
Disproportionate Share	105.0	
Insurance	41.7	
Highway Trust Fund Transfer	170.0	
Highway Fund Transfer	13.8	
Other Non-Tax Revenues	96.3	
	Subtotal	13,963.8
HB 1854 - 2000 Fee Bill	6.1	
Y2K Reserve Transfer	9.0	
Hurricane Fran Reserve Transfer	48.0	
HB 1559 IRC Conformity Adjustment	(2.0)	
Disproportionate Share Reserve Transfer	1.0	
Crime Victims Compensation Fund Reversion	1.0	
State/Federal Retirees Administrative Cost Reimbursement		0.1
Federal Retirees Refund Reversion	0.3	

1 Capital Reversion 1.4

2
3 TOTAL GENERAL FUND AVAILABILITY 14,028.7

4
5 Section 6.(b) Effective June 30, 2000, the Director of the Budget shall transfer
6 from the 11th/12th month carryforward balance in the State Aid to Local School
7 Administrative Units the sum of two hundred forty million dollars (\$240,000,000) to a
8 reserve in the Department of State Treasurer. These funds shall be held in reserve for
9 allocation pursuant to a consent order entered in Wake County Superior Court for the
10 Class B plaintiffs in Smith, et al. v. State, 95 CVS 06715 and for all plaintiffs in Shaver,
11 et al. v. State, 98 CVS 00625.

12 Section 6.(c) The unencumbered balance remaining in the Department of
13 Commerce Y2K Conversion Fund shall be transferred to the General Fund on July 1,
14 2000.

15 Section 6.(d) Of the unencumbered balance remaining in Budget Code 13017-
16 1710, the Hurricane Fran Disaster Relief Fund, the sum of forty-eight million dollars
17 (\$48,000,000) shall be transferred to the General Fund on July 1, 2000.

18 Section 6.(e) Of the unencumbered balance in budget code 24701 in the
19 Department of Revenue, the sum of three hundred fifty thousand dollars (\$350,000) shall
20 be transferred to the General Fund on July 1, 2000.

21 Section 6.(f) Disproportionate Share Receipts reserved at the end of the 1999-
22 2000 fiscal year shall be deposited with the Department of State Treasurer as a nontax
23 revenue for the 2000-2001 fiscal year.

24 Section 6.(g) The unencumbered balance remaining in Capital Fund Budget
25 Code 49714-4701(7108) shall revert to the General Fund on July 1, 2000.

26 27 HIGHWAY FUND AVAILABILITY

28 Section 6.1. The Highway Fund appropriations availability used in developing
29 modifications to the 2000-2001 Highway Fund budget contained in this act is shown
30 below:

	<u>2000-2001</u>
31	
32	
33 Beginning Credit Balance	\$6,980,000
34 Estimated Revenue	1,240,030,000
35 Additional Reversions	—
36	
37 TOTAL HIGHWAY FUND AVAILABILITY	\$1,247,010,000
38	

39 PART VII. GENERAL PROVISIONS

40
41 Requested by: Senators Plyler, Perdue, Odom, Miller

42 RAISE STATE TORT CLAIMS LIMIT

43 Section 7.(a) G.S. 143-291(a) reads as rewritten:

1 "(a) The North Carolina Industrial Commission is hereby constituted a court for the
2 purpose of hearing and passing upon tort claims against the State Board of Education, the
3 Board of Transportation, and all other departments, institutions and agencies of the State.
4 The Industrial Commission shall determine whether or not each individual claim arose as
5 a result of the negligence of any officer, employee, involuntary servant or agent of the
6 State while acting within the scope of his office, employment, service, agency or
7 authority, under circumstances where the State of North Carolina, if a private person,
8 would be liable to the claimant in accordance with the laws of North Carolina. If the
9 Commission finds that there was ~~such~~ negligence on the part of an officer, employee,
10 involuntary servant or agent of the State while acting within the scope of his office,
11 employment, service, agency or ~~authority, which authority that~~ authority that was the proximate cause
12 of the injury and that there was no contributory negligence on the part of the claimant or
13 the person in whose behalf the claim is asserted, the Commission shall determine the
14 amount of damages ~~which that~~ that the claimant is entitled to be paid, including medical and
15 other expenses, and by appropriate order direct the payment of ~~such~~ damages ~~by the~~
16 ~~department, institution or agency concerned, as provided in subsection (a1) of this~~
17 ~~section, but in no event shall the amount of damages awarded exceed the sum of one~~
18 ~~hundred fifty thousand dollars (\$150,000) amounts authorized in G.S. 143-299.2~~
19 ~~cumulatively to all claimants on account of injury and damage to any one person. person~~
20 ~~arising out of a single occurrence.~~ Community colleges and technical colleges shall be
21 deemed State agencies for purposes of this Article. The fact that a claim may be brought
22 under more than one Article under this Chapter shall not increase the foregoing
23 maximum liability of the State."

24 Section 7.(b) G.S. 143-291 is amended by adding a new subsection to read:

25 "(a1) The unit of State government that employed the employee at the time the cause
26 of action arose shall pay the first one hundred fifty thousand dollars (\$150,000) of
27 liability, and the balance of any payment owed shall be paid in accordance with G.S. 143-
28 299.4."

29 Section 7.(c) G.S. 143-291.3 reads as rewritten:

30 "**§ 143-291.3. Counterclaims by State.**

31 The filing of a claim under this Article shall constitute consent by the ~~plaintiff(s)~~
32 plaintiff to the jurisdiction of the Industrial Commission to hear and determine
33 any counterclaim of ~~one hundred fifty thousand dollars (\$150,000) the maximum amount~~
34 authorized for a claim in G.S. 143-299.2 or less which that may be filed on behalf of a
35 State department, ~~institution, or agency~~ institution or agency, or a county or city board of
36 education. A final award of the Industrial Commission awarding damages on a
37 counterclaim shall be filed with the ~~Clerk of the Superior Court~~ clerk of the superior
38 court of the county wherein where the case was heard. These awards shall be docketed
39 and shall be enforceable in the same manner as judgments of the General Court of
40 Justice. Notwithstanding the provisions of Rule 12 of the Rules of Civil Procedure,
41 nothing in this section shall require the filing of ~~such~~ a counterclaim."

42 Section 7.(d) G.S. 143-299.2 reads as rewritten:

43 "**§ 143-299.2. Limitation on payments by the State.**

1 (a) The maximum amount ~~which that~~ the State may pay cumulatively to all
2 claimants on account of injury and damage to any one ~~person, person~~ arising out of any
3 one occurrence, whether the claim or claims are brought under this ~~Article~~ Article, or
4 Article 31A or ~~Article 31B~~, shall be ~~one hundred fifty thousand dollars (\$150,000),~~
5 Article 31B of this Chapter, shall be five hundred thousand dollars (\$500,000), less any
6 commercial liability insurance purchased by the State and applicable to the claim or
7 claims under G.S. 143-291(b), 143-300.6(c), or 143-300.16(c).

8 (b) The fact that a claim or claims may be brought under more than one Article
9 under this Chapter shall not increase the above maximum liability of the State."

10 Section 7.(e) Article 31 of Chapter 143 of the General Statutes is amended by
11 adding a new section to read:

12 "**§ 143-299.4. Payment of State excess liability.**

13 For each claim payable during any fiscal year in excess of one hundred fifty thousand
14 dollars (\$150,000) per claim arising under this Article, or Article 31A or 31B of this
15 Chapter, on account of injury or damage to any one person, each State agency shall
16 transfer to the Office of State Budget and Management its proportionate share of that
17 agency's estimated lapsed salaries, as determined by the Director of the Budget, and the
18 Director of the Budget shall use these transferred funds to pay the balance of that claim in
19 excess of one hundred fifty thousand dollars (\$150,000)."

20 Section 7.(f) G.S. 143-300.1(c) reads as rewritten:

21 "(c) In the event that the Industrial Commission ~~shall make award of~~
22 awards damages against any county or city board of education ~~pursuant to~~ under
23 this section, the Attorney General shall draw a voucher for the amount required to pay ~~such~~
24 the award. The funds necessary to cover the first one hundred fifty thousand dollars
25 (\$150,000) of liability per claim ~~vouchers written by the Attorney General~~ for claims
26 against county and city boards of education for accidents involving school buses and
27 school transportation service vehicles shall be made available from funds appropriated to
28 ~~the Department of Public Instruction.~~ State Board of Education. The balance of any
29 liability owed shall be paid in accordance with G.S. 143-299.4. Neither the county or city
30 boards of education, or the county or city administrative unit shall be liable for the
31 payment of any award made pursuant to the provisions of this section in excess of the
32 amount paid upon ~~such a~~ voucher by the Attorney General. Settlement and payment may
33 be made by the Attorney General as provided in G.S. 143-295."

34 Section 7.(g) G.S. 143-300.1(d) reads as rewritten:

35 "(d) The Attorney General may defend any civil action ~~which may be~~ brought
36 against the driver, transportation safety assistant, or monitor of a public school bus or
37 school transportation service vehicle or school bus maintenance mechanic when ~~such the~~
38 driver or mechanic is employed and paid by the local school administrative unit, when
39 the monitor is acting in accordance with G.S. 115C-245(d), when the transportation
40 safety assistant is acting in accordance with G.S. 115C-245(e), or when the driver is an
41 unpaid school bus driver trainee under the supervision of an authorized employee of the
42 Department of Transportation, Division of Motor Vehicles, or an authorized employee of
43 a county or city board of education or administrative ~~unit thereof.~~ unit. The Attorney

1 General may afford this defense through the use of a member of his staff or, in his
2 discretion, employ private counsel. The Attorney General is authorized to pay any
3 judgment rendered in ~~such~~the civil action not to exceed the limit provided under the Tort
4 Claims Act. The funds necessary to cover the first one hundred fifty thousand dollars
5 (\$150,000) of liability per claim shall be made available from funds appropriated to the
6 State Board of Education. The balance of any liability owed shall be paid in accordance
7 with G.S. 143-299.4. The Attorney General may compromise and settle any claim
8 covered by this section to the extent that he finds the same to be valid, up to the limit
9 provided in the Tort Claims Act, provided that the authority granted in this subsection
10 shall be limited to only those claims ~~which~~that would be within the jurisdiction of the
11 Industrial Commission under the Tort Claims Act."

12 Section 7.(h) G.S. 143-300.6(a) reads as rewritten:

13 "(a) Payment of Judgments and Settlements. In an action to which this Article
14 applies, the State shall pay (i) a final judgment awarded in a court of competent
15 jurisdiction against a State employee or (ii) the amount due under a settlement of the
16 action under this section. The unit of State government ~~by which~~that employed the
17 employee ~~was employed~~ shall ~~make the payment.~~ pay the first one hundred fifty thousand
18 dollars (\$150,000) of liability, and the balance of any payment owed shall be paid in
19 accordance with G.S. 143-299.4. This section does not waive the sovereign immunity of
20 the State with respect to any claim. A payment of a judgment or settlement of a claim
21 against a State employee or several State employees as joint tort-feasors may not exceed
22 the amount payable for one claim under the Tort Claims Act."

23 Section 7.(i) G.S. 143-300.16(a) reads as rewritten:

24 "(a) Any final judgment awarded against an employee in an action ~~which~~that meets
25 the requirements of G.S. 143-300.14, or any amount payable under a settlement of ~~such~~
26 ~~an~~the action, shall be paid by the State. The first one hundred fifty thousand dollars
27 (\$150,000) of liability shall be paid from funds appropriated to the State Board of
28 Education for the payment of State Tort Claims. The balance of any payment owed shall
29 be paid in accordance with G.S. 143-299.4. ~~from the appropriation for the payment of~~
30 State Tort Claims, except that no ~~No~~ payment shall be made from ~~that appropriation~~
31 either funds appropriated to the State Board of Education or funds transferred from State
32 agencies under G.S. 143-299.4 for any judgment for punitive damages. Nothing in this
33 section shall be deemed to waive the sovereign immunity of the State with respect to a
34 claim covered under this section or authorize the payment of any judgment or settlement
35 against a public school employee in excess of the limit provided in the Tort Claims Act."

36 Section 7.(j) Notwithstanding the limitations of G.S. 143-291.3, for claims
37 pending on the effective date of this act, any counterclaim made by the State under G.S.
38 143-291.3 shall not exceed the greater of one hundred fifty thousand dollars (\$150,000)
39 or the amount of the plaintiff's claim.

40 Section 7.(k) Subsections (a), (b), and (d) through (j) of this section apply to
41 claims or actions pending on or after the effective date of this section. Subsection (c) of
42 this section applies to claims filed on or after the effective date of this section.

43

1 Requested by: Senators Plyler, Perdue, Odom

2 **STATE SUPPORTED**

SCIENCE/TECHNOLOGY

3 **RECOMMENDATIONS/STUDY**

4 Section 7.3.(a) The General Assembly finds that significant State funding or
5 in-kind support of scientific or technological development activity by a non-State entity
6 has been provided, but questions have arisen about whether there has been adequate
7 provision for reimbursement of these expenses or a sharing by the State of the returns on
8 the activities. The General Assembly desires to develop a policy to ensure that the State
9 will share in the return on these development activities in return for the substantial
10 investment provided by the State, without discouraging traditional scientific or
11 technological development activities provided through research institutions in the
12 University system. The General Assembly finds that any solution should not cause
13 unintended consequences, but shall protect the interest of the taxpayers who have
14 provided the funds.

15 The General Assembly further finds that the constituent institutions of The
16 University of North Carolina and the North Carolina System of Community Colleges
17 already have in place licensing, royalty, intellectual property, and other arrangements that
18 ensure the interests of the taxpayers are protected; therefore, further review of scientific
19 and technological activities involving licensing and royalty arrangements conducted by
20 institutions within The University of North Carolina and the North Carolina System of
21 Community Colleges is not needed at this time.

22 Section 7.3.(b) The Legislative Research Commission shall study whether,
23 consistent with the findings of subsection (a) of this section, the following should be
24 required from the non-State entity as conditions of the funding or in-kind support:

- 25 (1) An acknowledgement that State funding or in-kind support is provided
26 to serve a public purpose.
- 27 (2) A copy of the non-State entity's audited annual financial report for the
28 year before and then each year after the extension of State funding or in-
29 kind support.
- 30 (3) A quarterly report of marketing activities related to any of its scientific
31 or technological development activity that has received State funding or
32 in-kind support.
- 33 (4) Prior notice of any acquisition, merger, or corporate activity by the non-
34 State entity that would:
- 35 a. Affect the public purpose and public benefit contemplated in the
36 extension of State funding or in-kind support.
- 37 b. Benefit any of its corporate officers in the form of receiving
38 directly or indirectly stock, stock options, or other valuable
39 interest in a for-profit entity.

40 Section 7.3.(c) The Legislative Research Commission shall further study, consistent
41 with the findings in subsection (a) of this section, whether the State shall provide funding
42 or in-kind support to a non-State entity for scientific or technological development only

1 as a contractual agreement and whether a condition of the contract shall be that the non-
2 State entity do the following:

- 3 (1) Reimburse the State for all State support of any invention, innovation,
4 discovery, or process that is transferred or marketed for a profit by the
5 non-State entity.
- 6 (2) Agree to provide to the State prospectively a share in the future profits
7 generated by a State-supported scientific or technological development.

8 Section 7.3.(d) The Legislative Research Commission shall report its
9 recommendations to the 2001 Session of the General Assembly.

10
11 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

12 **BUDGETING OF FUNDS TO IMPLEMENT THE ABCs OF PUBLIC** 13 **EDUCATION PROGRAM**

14 Section 7.4. The Director of the Budget shall include in the proposed
15 continuation budget for the 2001-2003 fiscal biennium funds necessary to provide:

- 16 (1) Incentive funding for schools that meet or exceed the projected levels of
17 improvement in student performance in accordance with the ABCs of
18 Public Education Program; and
- 19 (2) Financial awards for personnel in schools that obtain the goals of the
20 pilot program established in Section 8.36 of S.L. 1999-237. The
21 purpose of this program is to test and evaluate a revised school
22 accountability model for the ABCs of Public Education Program.

23
24 Requested by: Senators Plyler, Perdue, Odom

25 **DISASTER RELIEF FUNDS**

26 Section 7.5. The Director of the Budget may use lapsed salary funds for the
27 2000-2001 fiscal biennium to match federal funds for disaster relief.

28
29 Requested by: Senators Plyler, Perdue, Odom, Martin of Pitt, Robinson, Carter, Metcalf

30 **CLEAN WATER MANAGEMENT TRUST FUND**

31 Section 7.7.(a) Notwithstanding G.S. 143-15.3B(a), the State Controller shall not
32 reserve to the Clean Water Management Trust Fund any portion of the unreserved credit
33 balance remaining in the General Fund at the end of the 2000-2001 fiscal year.

34 Section 7.7.(b) Effective July 1, 2001, G.S. 143-15.3B(a) reads as rewritten:

35 "(a) The Clean Water Management Trust Fund is established in G.S. 113-145.3.
36 ~~The State Controller shall reserve to the Clean Water Management Trust Fund six and~~
37 ~~one-half percent (6.5%) of any unreserved credit balance remaining in the General Fund~~
38 ~~at the end of each fiscal year or thirty million dollars (\$30,000,000), whichever is greater.~~
39 The General Assembly finds that, due to the critical need in this State to clean up
40 pollution in the State's surface waters and to protect and conserve those waters that are
41 not yet polluted, it is imperative that the State provide a minimum of forty million dollars
42 (\$40,000,000) each calendar year to the Clean Water Management Trust Fund; therefore,

1 there is annually appropriated from the General Fund to the Clean Water Management
2 Trust Fund the sum of forty million dollars (\$40,000,000)."

3 Section 7.7.(c) Effective July 1, 2002, G.S. 143-15.3B(a), as rewritten by subsection
4 (b) of this section, reads as rewritten:

5 "(a) The Clean Water Management Trust Fund is established in G.S. 113-145.3.
6 The General Assembly finds that, due to the critical need in this State to clean up
7 pollution in the State's surface waters and to protect and conserve those waters that are
8 not yet polluted, it is imperative that the State provide a minimum of ~~forty million dollars~~
9 ~~(\$40,000,000)~~ seventy million dollars (\$70,000,000) each calendar year to the Clean
10 Water Trust Fund; therefore, there is annually appropriated from the General Fund to the
11 Clean Water Management Trust Fund the sum of ~~forty million dollars (\$40,000,000)~~
12 seventy million dollars (\$70,000,000)."

13 Section 7.7.(d) Effective July 1, 2003, G.S. 143-15.3B(a), as rewritten by
14 subsections (b) and (c) of this section, reads as rewritten:

15 "(a) The Clean Water Management Trust Fund is established in G.S. 113-145.3.
16 The General Assembly finds that, due to the critical need in this State to clean up
17 pollution in the State's surface waters and to protect and conserve those waters that are
18 not yet polluted, it is imperative that the State provide a minimum of ~~seventy million~~
19 ~~dollars (\$70,000,000)~~ one hundred million dollars (\$100,000,000) each calendar year to
20 the Clean Water Management Trust Fund; therefore, there is annually appropriated from
21 the General Fund to the Clean Water Management Trust Fund the sum of ~~seventy million~~
22 ~~dollars (\$70,000,000)~~ one hundred million dollars (\$100,000,000)."

23 Section 7.7.(e) G.S. 143-15.2 reads as rewritten:

24 **"§ 143-15.2. Use of General Fund credit balance; priority uses.**

25 (a) As used in G.S. 143-15.3, 143-15.3A, and 143-15.3B, the term 'unreserved
26 credit balance' means the credit balance amount, as determined on a cash basis, before
27 funds are reserved by the State Controller to the Savings Reserve ~~Account, the Account~~
28 ~~or the~~ Repairs and Renovations Reserve Account, or the Clean Water Management Trust
29 Fund Account pursuant to ~~G.S. 143-15.3, 143-15.3A, and 143-15.3B.~~ G.S. 143-15.3 and
30 G.S. 143-15.3A.

31 (b) The State Controller shall transfer funds from the unreserved credit balance to
32 the Savings Reserve Account in accordance with G.S. 143-15.3(a).

33 (c) The State Controller shall transfer funds from the unreserved credit balance to
34 the Repairs and Renovation Reserve Account in accordance with G.S. 143-15.3A(a).

35 ~~(d) The State Controller shall transfer funds from the unreserved credit balance to~~
36 ~~the Clean Water Management Trust Fund in accordance with G.S. 143-15.3B(a).~~

37 (e) The General Assembly may appropriate that part of the anticipated General
38 Fund credit balance not expected to be reserved only for capital improvements or other
39 one-time expenditures."

40 Section 7.7.(f) G.S. 143-15.3(a) reads as rewritten:

41 "(a) There is established a Savings Reserve Account as a restricted reserve in the
42 General Fund. The State Controller shall reserve to the Savings Reserve Account one-
43 fourth of any unreserved credit balance remaining in the General Fund at the end of each

1 fiscal year until the account contains funds equal to five percent (5%) of the amount
2 appropriated the preceding year for the General Fund operating budget, including local
3 government tax-sharing funds, that were directly appropriated. In the event that the one-
4 fourth exceeds the amount necessary to reach the five percent (5%) level, only funds
5 necessary to reach that level shall be reserved. If there are insufficient funds in the
6 unreserved credit balance for the Savings Reserve ~~Account, the Account and the Repairs~~
7 ~~and Renovations Reserve Account, and the Clean Water Management Trust Fund,~~ then
8 the requirements of this section shall be complied with first, and any remaining funds
9 shall be reserved to the Repairs and Renovations Reserve Account, in accordance with
10 G.S. 143-15.3A, ~~and the Clean Water Management Trust Fund, in accordance with G.S.~~
11 ~~143-15.3B.~~ G.S. 143-15.3A."

12 Section 7.7.(g) Except as otherwise provided in this section, this section
13 becomes effective June 30, 2001.

14
15 Requested by: Senators Reeves, Plyler, Perdue, Odom

16 **ELECTRONIC PROCUREMENT**

17 Section 7.8. Article 10 of Chapter 143B of the General Statutes is amended by
18 adding a new Part to read:

19 **"PART 17. ELECTRONIC PROCUREMENT IN GOVERNMENT.**

20 **"§ 143B-472.70. Electronic procurement.**

21 (a) Electronic or digital procurement by State departments, agencies, and
22 institutions and by community colleges and local school administrative units shall be
23 conducted in accordance with requirements and operating standards developed by the
24 Department of Administration and the Office of State Controller, in conjunction with the
25 Office of Information Technology Services (ITS), the Office of the State Auditor, the
26 Office of the State Treasurer, the University of North Carolina General Administration,
27 the Community College System Office, and the Department of Public Instruction. ITS
28 shall act as an Application Service Provider for an electronic procurement system and
29 shall establish, manage, and operate this electronic procurement system, through State
30 ownership or commercial leasing, in accordance with the requirements and operating
31 standards developed by the Department of Administration and Office of State Controller.

32 (b) The Department of Administration, in conjunction with Office of State
33 Controller and the Office of Information Technology Services, may, upon request,
34 provide to all State agencies, universities, local school administrative units and the
35 community colleges, training in the use of the electronic procurement system."

36
37 Requested by: Senators Reeves, Plyler, Perdue, Odom

38 **DEVELOPMENT AND IMPLEMENTATION OF WEB PORTALS/PUBLIC** 39 **AGENCY LINKS**

40 Section 7.9. Chapter 66 of the General Statutes is amended by adding a new
41 Article to read:

42 **"ARTICLE 11B.**

43 **"ELECTRONIC ACCESS TO STATE SERVICES.**

1 **"§ 66-58.12. Development and implementation of Web portals; public agency links.**

2 (a) The Office of Information Technology Services (ITS) shall develop the
3 architecture, requirements, and standards for the development, implementation and
4 operation of one or more centralized Web portals that will allow persons to access State
5 government services on a 24-hour basis. ITS shall submit its plan for the implementation
6 of the Web portals to the Information Resource Management Commission (IRMC) for its
7 review and approval. When the plan is approved by the IRMC, ITS shall move forward
8 with development and implementation of the statewide Web Portal system.

9 (b) Each State department, agency, and institution under the review of the IRMC
10 shall functionally link its Internet or electronic services to a centralized Web portal
11 system established pursuant to subsection (a) of this section."

12
13 Requested by: Senators Plyler, Perdue, Odom, Hagan

14 **DATE LABELS FOR MEAT/POULTRY/SEAFOOD**

15 Section 7.10. G.S. 106-130 is amended by adding a new subdivision to read:

16 **"§ 106-130. Foods deemed misbranded.**

17 A food shall be deemed to be misbranded:

- 18 ...
- 19 (15) If the labeling provided by the manufacturer, packer, distributor, or
20 retailer on meat, meat products, poultry, or seafood includes a 'sell-by'
21 date or other indicator of a last recommended day of sale, and the date
22 has been removed, obscured, or altered by any person other than the
23 customer. This subdivision does not prohibit the removal of a label for
24 the purpose of repackaging and relabeling a food item so long as the
25 new package or new label does not bear a 'sell-by' date or other
26 indicator of a last recommended day of sale later than the original
27 package. This subdivision does not prohibit relabeling of meat, meat
28 products, poultry, or seafood that has had its shelf life extended through
29 freezing, cooking, or other additional processing that extends the shelf
30 life of the product."

31
32 Requested by: Senators Plyler, Perdue, Odom, Hartsell

33 **TRAINING FOR MEMBERS OF THE PROPERTY TAX COMMISSION**

34 Section 7.11. G.S. 105-288(d) reads as rewritten:

35 "(d) Expenses. – The members of the Property Tax Commission shall receive travel
36 and subsistence expenses in accordance with G.S. 138-5 and a salary of two hundred
37 dollars (\$200.00) a day when hearing ~~eases~~ or deciding cases and when attending
38 training or continuing education classes on property taxes or judicial procedure. The
39 Secretary of Revenue shall supply all the clerical and other services required by the
40 Commission. All expenses of the Commission and the Department of Revenue in
41 performing the duties enumerated in this Article shall be paid as provided in G.S. 105-
42 501.

PART VIII. PUBLIC SCHOOLS

Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

EXPENDITURE OF FUNDS TO IMPROVE STUDENT ACCOUNTABILITY

Section 8. Section 8.17 of S.L. 1999-237 reads as rewritten:

"Section 8.17. (a) Funds appropriated for the ~~1999-2001 fiscal biennium~~ 2000-2001 fiscal year for Student Accountability Standards shall be used to assist students in performing at or above grade level in reading and mathematics in grades 3-8 as measured by the State's end-of-grade tests. The State Board of Education shall allocate these funds to local school administrative units based on the number of students who score at Level I or Level II on either reading or mathematics end-of-grade tests in grades 3-8. Funds in this allocation category shall be ~~spent only~~ used to improve the academic performance of ~~children~~ (i) students who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and ~~children~~ (ii) students who are performing at Level I or II on the writing tests in grades 4 and 7. These funds may also be used to improve the academic performance of students who are performing at Level I or II on the high school end-of-course tests. These funds shall not be transferred to other allocation categories or otherwise used for other purposes. Except as otherwise provided by law, local boards of education may transfer other funds available to them into this allocation category.

The principal of a school receiving these funds, in consultation with the faculty and the site-based management team, shall implement plans for expending these funds to improve the performance of students.

Continuation budget funds previously appropriated for NC Helps and for the middle school pilot project shall be transferred to this allocation category.

Local boards of education are encouraged to use federal funds such as Goals 2000 and Title I Comprehensive School Reform Development Funds and to examine the use of State funds to ensure that every student is performing at or above grade level in reading and mathematics.

The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to the convening of the 2000 Regular Session of the General Assembly on the implementation of this section. The report may include recommendations regarding the transfer of other funds into this allocation category.

Section 8.17.(b) Funds appropriated for Student Accountability Standards shall not revert at the end of each fiscal year but shall remain available for expenditure until August 31 of the subsequent fiscal year."

Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

USE OF STAFF DEVELOPMENT FUNDS MENTOR TRAINING

Section 8.1. G.S. 115C-105.27 reads as rewritten:

"§ 115C-105.27. Development and approval of school improvement plans.

In order to improve student performance, each school shall develop a school improvement plan that takes into consideration the annual performance goal for that school that is set by the State Board under G.S. 115C-105.35. The principal of each school, representatives of the assistant principals, instructional personnel, instructional

1 support personnel, and teacher assistants assigned to the school building, and parents of
2 children enrolled in the school shall constitute a school improvement team to develop a
3 school improvement plan to improve student performance. Representatives of the
4 assistant principals, instructional personnel, instructional support personnel, and teacher
5 assistants shall be elected by their respective groups by secret ballot. Unless the local
6 board of education has adopted an election policy, parents shall be elected by parents of
7 children enrolled in the school in an election conducted by the parent and teacher
8 organization of the school or, if none exists, by the largest organization of parents formed
9 for this purpose. Parents serving on school improvement teams shall reflect the racial and
10 socioeconomic composition of the students enrolled in that school and shall not be
11 members of the building-level staff. Parental involvement is a critical component of
12 school success and positive student achievement; therefore, it is the intent of the General
13 Assembly that parents, along with teachers, have a substantial role in developing school
14 improvement plans. To this end, school improvement team meetings shall be held at a
15 convenient time to assure substantial parent participation. The strategies for improving
16 student performance shall ~~performance~~:

- 17 (1) Shall include a plan for the use of staff development funds that may be
18 made available to the school by the local board of education to
19 implement the school improvement plan and shall plan. The plan may
20 provide that a portion of these funds is used for mentor training and for
21 release time and substitute teachers while mentors and teachers
22 mentored are meeting;
23 (2) Shall include a plan to address school safety and discipline concerns in
24 accordance with the safe school plan developed under Article 8C of this
25 Chapter. The strategies may Chapter;
26 (3) May include a decision to use State funds in accordance with G.S.
27 115C-105.25. The strategies for improving student performance shall
28 G.S. 115C-105.25;
29 (4) Shall include a plan that specifies the effective instructional practices
30 and methods to be used to improve the academic performance of
31 students identified as at risk of academic failure or at risk of dropping
32 out of school. The strategies may also school;
33 (5) May include requests for waivers of State laws, rules, or policies for that
34 school. A request for a waiver shall meet the requirements of G.S.
35 115C-105.26.

36 Support among affected staff members is essential to successful implementation of a
37 school improvement plan to address improved student performance at that school. The
38 principal of the school shall present the proposed school improvement plan to all of the
39 principals, assistant principals, instructional personnel, instructional support personnel,
40 and teacher assistants assigned to the school building for their review and vote. The vote
41 shall be by secret ballot. The principal shall submit the school improvement plan to the
42 local board of education only if the proposed school improvement plan has the approval
43 of a majority of the staff who voted on the plan.

1 The local board of education shall accept or reject the school improvement plan. The
2 local board shall not make any substantive changes in any school improvement plan that
3 it accepts. If the local board rejects a school improvement plan, the local board shall state
4 with specificity its reasons for rejecting the plan; the school improvement team may then
5 prepare another plan, present it to the principals, assistant principals, instructional
6 personnel, instructional support personnel, and teacher assistants assigned to the school
7 building for a vote, and submit it to the local board to accept or reject. If no school
8 improvement plan is accepted for a school within 60 days after its initial submission to
9 the local board, the school or the local board may ask to use the process to resolve
10 disagreements recommended in the guidelines developed by the State Board under G.S.
11 115C-105.20(b)(5). If this request is made, both the school and local board shall
12 participate in the process to resolve disagreements. If there is no request to use that
13 process, then the local board may develop a school improvement plan for the school. The
14 General Assembly urges the local board to utilize the school's proposed school
15 improvement plan to the maximum extent possible when developing such a plan.

16 A school improvement plan shall remain in effect for no more than three years;
17 however, the school improvement team may amend the plan as often as is necessary or
18 appropriate. If, at any time, any part of a school improvement plan becomes unlawful or
19 the local board finds that a school improvement plan is impeding student performance at
20 a school, the local board may vacate the relevant portion of the plan and may direct the
21 school to revise that portion. The procedures set out in this subsection shall apply to
22 amendments and revisions to school improvement plans."
23

24 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

25 **EXCEPTIONAL CHILDREN**

26 Section 8.2. The funds appropriated for exceptional children for the 2000-
27 2001 fiscal year shall be allocated as follows:

- 28 (1) Each local school administrative unit shall receive for academically or
29 intellectually gifted children the sum of eight hundred forty-three dollars
30 and fifty-nine cents (\$843.59) per child for four percent (4%) of the
31 2000-2001 allocated average daily membership in the local school
32 administrative unit, regardless of the number of children identified as
33 academically or intellectually gifted in the local school administrative
34 unit. The total number of children for which funds shall be allocated
35 pursuant to this subdivision is 51,542 for the 2000-2001 school year.
- 36 (2) Each local school administrative unit shall receive for children with
37 special needs the sum of two thousand five hundred forty-nine dollars
38 and seventy-four cents (\$2,549.74) per child for the lesser of (i) all
39 children who are identified as children with special needs or (ii) twelve
40 and five-tenths percent (12.5%) of the 2000-2001 allocated average
41 daily membership in the local school administrative unit. The maximum
42 number of children for which funds shall be allocated pursuant to this
43 subdivision is 156,296 for the 2000-2001 school year.

1 The dollar amounts allocated under this section for exceptional children shall
2 also increase in accordance with legislative salary increments for personnel who serve
3 exceptional children.

4
5 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

6 **LIMITED ENGLISH PROFICIENCY**

7 Section 8.3. Section 8.10 of S.L. 1999-237 reads as rewritten:

8 "Section 8.10. The State Board of Education shall develop guidelines for identifying
9 and providing services to students with limited proficiency in the English language.

10 The State Board shall allocate these funds to local school administrative units and to
11 charter schools under a formula that takes into account the average percentage of students
12 in the units or the charters over the past three years who have limited English proficiency.
13 If data for the prior three years are not available, the State Board shall use the most recent
14 reliable data. The State Board shall allocate funds to a unit or a charter school only if (i)

15 average daily membership of the unit or the charter school includes at least 20
16 students with limited English proficiency or (ii) students with limited English proficiency
17 comprise at least two and one-half percent (2 1/2%) of the average daily membership of
18 the unit or charter school. ~~No unit or charter school shall receive funds for more than~~ For
19 the portion of the funds that is allocated on the basis of the number of identified students,
20 the maximum number of identified students for whom a unit or charter school receives
21 funds shall not exceed ten and six-tenths percent (10.6%) of its average daily
22 membership.

23 Local school administrative units shall use funds allocated to them to pay for
24 classroom teachers, teacher assistants, tutors, textbooks, classroom materials/instructional
25 supplies/equipment, transportation costs, and staff development for students with limited
26 English proficiency.

27 A county in which a local school administrative unit receives funds under this section
28 shall use the funds to supplement local current expense funds and shall not supplant local
29 current expense funds."

30
31 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

32 **EXCEPTIONAL CHILDREN HEAD COUNT**

33 Section 8.4. The Commission on Children with Special Needs shall study the
34 issue of when the head count of children with special needs should be performed and
35 whether a single head count during a school year is adequate. The Commission shall
36 report the results of its study to the 2001 General Assembly.

37
38 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

39 **REDUCE IMPACT OF SIGNIFICANT REDUCTIONS IN ADM IN SMALL** 40 **SCHOOLS SYSTEMS**

41 Section 8.5. If a county school administrative unit with 3,000 or fewer
42 students experiences a greater than four percent (4%) loss in projected average daily
43 membership due to shifts of enrollment to charter schools located within the unit, the

1 State Board of Education may use funds appropriated to State Aid to Local School
2 Administrative Units for the 2000-2001 fiscal year to reduce the loss of funds to the unit's
3 schools, other than charter schools, to a maximum of four percent (4%).
4

5 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

6 **FUNDS FOR THE TESTING AND IMPLEMENTATION OF THE NEW**
7 **STUDENT INFORMATION SYSTEM**

8 Section 8.6. The State Board of Education may transfer up to one million
9 dollars (\$1,000,000) in funds appropriated for the Uniform Education Reporting System
10 for the 2000-2001 fiscal year to the Department of Public Instruction to lease or purchase
11 equipment necessary for the testing and implementation of NC WISE, the new student
12 information system in the public schools.
13

14 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

15 **USES OF THE ADM RESERVE**

16 Section 8.7. If a local school administrative unit has inadequate resources due
17 to (i) the establishment of a new charter school or (ii) authorization from the State Board
18 of Education to increase the enrollment of an existing charter school by more than ten
19 percent (10%), the State Board of Education may allocate additional funds to the unit
20 from the Reserve for Average Daily Membership Adjustment. The State Board shall
21 develop policies for the implementation of this section.
22

23 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

24 **CLASS-SIZE COMPUTATION FOR K-2**

25 Section 8.8. Local school administrative units shall use teacher positions
26 allocated for kindergarten through second grade (i) to hire classroom teachers and reading
27 teachers for children in kindergarten through second grade and (ii) to otherwise reduce
28 the student-teacher ratio in kindergarten through second grade.

29 Notwithstanding the provisions of G.S. 115C-301(c), both the maximum
30 average class size for the grade span kindergarten, first grade, and second grade, and the
31 maximum size of an individual class within the grade span shall be 26 students.
32

33 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

34 **LITIGATION RESERVE**

35 Section 8.9.(a) Funds in the State Board of Education's Litigation Reserve that are
36 not expended or encumbered on June 30, 2000, shall not revert on July 1, 2000, but shall
37 remain available for expenditure until June 30, 2001.

38 Section 8.9.(b) Subsection (a) of this section becomes effective June 30, 2000.

39 Section 8.9.(c) The State Board of Education may expend up to five hundred
40 thousand dollars (\$500,000) for the 2000-2001 fiscal year from unexpended funds for
41 certified employees' salaries to pay expenses related to pending litigation.
42

43 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

TEACHER SALARY SCHEDULES

Section 8.10.(a) Effective for the 2000-2001 school year, the Director of the Budget may transfer from the Reserve for Compensation Increase for the 2000-2001 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for annual longevity payments at one and one-half percent (1.5%) of base salary for 10 to 14 years of State service, two and twenty-five hundredths percent (2.25%) of base salary for 15 to 19 years of State service, three and twenty-five hundredths percent (3.25%) of base salary for 20 to 24 years of State service, and four and one-half percent (4.5%) of base salary for 25 or more years of State service, commencing July 1, 2000, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education. The longevity payment shall be paid in a lump sum once a year.

Section 8.10.(b) For the 2000-2001 school year, the following monthly salary schedules shall apply to certified personnel of the public schools who are classified as teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

**2000-2001 MONTHLY SALARY SCHEDULE
"A" TEACHERS**

Years of Experience	"A" Teachers	NBPTS Certification
0	\$2,500	N/A
1	\$2,542	N/A
2	\$2,585	N/A
3	\$2,737	\$3,065
4	\$2,875	\$3,220
5	\$3,006	\$3,366
6	\$3,133	\$3,508
7	\$3,234	\$3,622
8	\$3,281	\$3,674
9	\$3,329	\$3,728
10	\$3,378	\$3,783
11	\$3,427	\$3,838
12	\$3,476	\$3,893
13	\$3,526	\$3,949
14	\$3,578	\$4,007
15	\$3,631	\$4,066
16	\$3,685	\$4,127
17	\$3,740	\$4,188
18	\$3,796	\$4,251

1	19	\$3,853	\$4,315
2	20	\$3,911	\$4,380
3	21	\$3,971	\$4,447
4	22	\$4,032	\$4,515
5	23	\$4,095	\$4,586
6	24	\$4,158	\$4,656
7	25	\$4,222	\$4,728
8	26	\$4,287	\$4,801
9	27	\$4,354	\$4,876
10	28	\$4,423	\$4,953
11	29+	\$4,493	\$5,032

**2000-2001 MONTHLY SALARY SCHEDULE
"M"TEACHERS**

Years of Experience	"M" Teachers	NBPTS Certification
0	\$2,750	N/A
1	\$2,796	N/A
2	\$2,844	N/A
3	\$3,011	\$3,372
4	\$3,163	\$3,542
5	\$3,307	\$3,703
6	\$3,446	\$3,859
7	\$3,557	\$3,983
8	\$3,609	\$4,042
9	\$3,662	\$4,101
10	\$3,716	\$4,161
11	\$3,770	\$4,222
12	\$3,824	\$4,282
13	\$3,879	\$4,344
14	\$3,936	\$4,408
15	\$3,994	\$4,473
16	\$4,054	\$4,540
17	\$4,114	\$4,607
18	\$4,176	\$4,677
19	\$4,238	\$4,746
20	\$4,302	\$4,818
21	\$4,368	\$4,892
22	\$4,435	\$4,967
23	\$4,505	\$5,045
24	\$4,574	\$5,122

1	25	\$4,644	\$5,201
2	26	\$4,716	\$5,281
3	27	\$4,789	\$5,363
4	28	\$4,865	\$5,448
5	29+	\$4,942	\$5,535

6
7

8 Section 8.10.(b1) Certified public school teachers with certification based on
9 academic preparation at the six-year degree level shall receive a salary supplement of one
10 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
11 for certified personnel of the public schools who are classified as "M"teachers. Certified
12 public school teachers with certification based on academic preparation at the doctoral
13 degree level shall receive a salary supplement of two hundred fifty-three dollars
14 (\$253.00) per month in addition to the compensation provided for certified personnel of
15 the public schools who are classified as "M"teachers.

16 Section 8.10.(c) Effective for the 2000-2001 school year, the first step of the salary
17 schedule for school psychologists shall be equivalent to Step 5, corresponding to five
18 years of experience, on the salary schedule established in this section for certified
19 personnel of the public schools who are classified as "M"teachers. Certified
20 psychologists shall be placed on the salary schedule at an appropriate step based on their
21 years of experience. Certified psychologists shall receive longevity payments based on
22 years of State service in the same manner as teachers.

23 Certified psychologists with certification based on academic preparation at the
24 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
25 (\$126.00) per month in addition to the compensation provided for certified psychologists.
26 Certified psychologists with certification based on academic preparation at the doctoral
27 degree level shall receive a salary supplement of two hundred fifty-three dollars
28 (\$253.00) per month in addition to the compensation provided for certified psychologists.

29 Section 8.10.(d) Effective for the 2000-2001 school year, speech pathologists
30 who are certified as speech pathologists at the masters degree level and audiologists who
31 are certified as audiologists at the masters degree level and who are employed in the
32 public schools as speech and language specialists and audiologists shall be paid on the
33 school psychologist salary schedule.

34 Speech pathologists and audiologists with certification based on academic
35 preparation at the six-year degree level shall receive a salary supplement of one hundred
36 twenty-six dollars (\$126.00) per month in addition to the compensation provided for
37 speech pathologists and audiologists. Speech pathologists and audiologists with
38 certification based on academic preparation at the doctoral degree level shall receive a
39 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
40 the compensation provided for speech pathologists and audiologists.

41 Section 8.10.(e) Certified school nurses who are employed in the public
42 schools as nurses shall be paid on the "M"salary schedule.

43

1 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

2 **SCHOOL-BASED ADMINISTRATOR SALARIES**

3 Section 8.11.(a) Funds appropriated to the Reserve for Compensation Increase shall
4 be used for the implementation of the salary schedule for school-based administrators as
5 provided in this section. These funds shall be used for State-paid employees only.

6 Section 8.11.(b) The base salary schedule for school-based administrators shall apply
7 only to principals and assistant principals. The base salary schedule for the 2000-2001
8 fiscal year, commencing July 1, 2000, is as follows:

9
10 **2000-2001**

11 **PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES**

12
13 **Classification**

14 Yrs of	Assistant	Prin I	Prin II	Prin III	Prin IV
15 Exp	Principal	(0-10)	(11-21)	(22-32)	(33-43)
17 0-4	\$3,195				
18 5	\$3,340				
19 6	\$3,480				
20 7	\$3,593				
21 8	\$3,645	\$3,645			
22 9	\$3,699	\$3,699			
23 10	\$3,753	\$3,753	\$3,808		
24 11	\$3,808	\$3,808	\$3,862		
25 12	\$3,862	\$3,862	\$3,918	\$3,975	
26 13	\$3,918	\$3,918	\$3,975	\$4,034	\$4,095
27 14	\$3,975	\$3,975	\$4,034	\$4,095	\$4,155
28 15	\$4,034	\$4,034	\$4,095	\$4,155	\$4,218
29 16	\$4,095	\$4,095	\$4,155	\$4,218	\$4,280
30 17	\$4,155	\$4,155	\$4,218	\$4,280	\$4,345
31 18	\$4,218	\$4,218	\$4,280	\$4,345	\$4,412
32 19	\$4,280	\$4,280	\$4,345	\$4,412	\$4,479
33 20	\$4,345	\$4,345	\$4,412	\$4,479	\$4,550
34 21	\$4,412	\$4,412	\$4,479	\$4,550	\$4,620
35 22	\$4,479	\$4,479	\$4,550	\$4,620	\$4,690
36 23	\$4,550	\$4,550	\$4,620	\$4,690	\$4,763
37 24	\$4,620	\$4,620	\$4,690	\$4,763	\$4,837
38 25	\$4,690	\$4,690	\$4,763	\$4,837	\$4,914
39 26	\$4,763	\$4,763	\$4,837	\$4,914	\$4,991
40 27	\$4,837	\$4,837	\$4,914	\$4,991	\$5,091
41 28	\$4,914	\$4,914	\$4,991	\$5,091	\$5,193
42 29	\$4,991	\$4,991	\$5,091	\$5,193	\$5,297
43 30	\$5,091	\$5,091	\$5,193	\$5,297	\$5,403

1	31	\$5,193	\$5,193	\$5,297	\$5,403	\$5,511
2	32		\$5,297	\$5,403	\$5,511	\$5,621
3	33			\$5,511	\$5,621	\$5,733
4	34			\$5,621	\$5,733	\$5,848
5	35				\$5,848	\$5,965
6	36				\$5,965	\$6,084
7	37					\$6,206

2000-2001

PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES

CLASSIFICATION

14	Yrs of	Prin V	Prin VI	Prin VII	Prin VIII
15	Exp	(44-54)	(55-65)	(66-100)	(101+)
17	14	\$4,218			
18	15	\$4,280			
19	16	\$4,345	\$4,412		
20	17	\$4,412	\$4,479	\$4,620	
21	18	\$4,479	\$4,550	\$4,690	\$4,763
22	19	\$4,550	\$4,620	\$4,763	\$4,837
23	20	\$4,620	\$4,690	\$4,837	\$4,914
24	21	\$4,690	\$4,763	\$4,914	\$4,991
25	22	\$4,763	\$4,837	\$4,991	\$5,091
26	23	\$4,837	\$4,914	\$5,091	\$5,193
27	24	\$4,914	\$4,991	\$5,193	\$5,297
28	25	\$4,991	\$5,091	\$5,297	\$5,403
29	26	\$5,091	\$5,193	\$5,403	\$5,511
30	27	\$5,193	\$5,297	\$5,511	\$5,621
31	28	\$5,297	\$5,403	\$5,621	\$5,733
32	29	\$5,403	\$5,511	\$5,733	\$5,848
33	30	\$5,511	\$5,621	\$5,848	\$5,965
34	31	\$5,621	\$5,733	\$5,965	\$6,084
35	32	\$5,733	\$5,848	\$6,084	\$6,206
36	33	\$5,848	\$5,965	\$6,206	\$6,330
37	34	\$5,965	\$6,084	\$6,330	\$6,457
38	35	\$6,084	\$6,206	\$6,457	\$6,586
39	36	\$6,206	\$6,330	\$6,586	\$6,718
40	37	\$6,330	\$6,457	\$6,718	\$6,852
41	38	\$6,457	\$6,586	\$6,852	\$6,989
42	39		\$6,718	\$6,989	\$7,129
43	40		\$6,852	\$7,129	\$7,272

1 41 \$7,272 \$7,417

2 Section 8.11.(c) The appropriate classification for placement of principals and
3 assistant principals on the salary schedule, except for principals in alternative schools,
4 shall be determined in accordance with the following schedule:

	Classification	Number of Teachers Supervised
5	Assistant Principal	
6	Principal I	Fewer than 11 Teachers
7	Principal II	11-21 Teachers
8	Principal III	22-32 Teachers
9	Principal IV	33-43 Teachers
10	Principal V	44-54 Teachers
11	Principal VI	55-65 Teachers
12	Principal VII	66-100 Teachers
13	Principal VIII	More than 100 Teachers

14 The number of teachers supervised includes teachers and assistant principals paid from
15 State funds only; it does not include teachers or assistant principals paid from non-State
16 funds or the principal or teacher assistants.

17 The beginning classification for principals in alternative schools shall be the
18 Principal III level. Principals in alternative schools who supervise 33 or more teachers
19 shall be classified according to the number of teachers supervised.

20 Section 8.11.(d) A principal shall be placed on the step on the salary schedule that
21 reflects total number of years of experience as a certificated employee of the public
22 schools and an additional step for every three years of experience as a principal.

23 Section 8.11.(e) For the 2000-2001 fiscal year, a principal or assistant
24 principal shall be placed on the appropriate step plus one percent (1%) if:

- 25 (1) The employee's school met or exceeded the projected levels of
26 improvement in student performance for the 1997-98 fiscal year, in
27 accordance with the ABCs of Public Education Program;
- 28 (2) The local board of education found in 1997-98 that the employee's
29 school met objectively measurable goals set by the local board of
30 education for maintaining a safe and orderly school;
- 31 (3) The employee's school met or exceeded the projected levels of
32 improvement in student performance for the 1998-99 fiscal year, in
33 accordance with the ABCs of Public Education Program;
- 34 (4) The local board of education found in 1998-99 that the employee's
35 school met objectively measurable goals set by the local board of
36 education for maintaining a safe and orderly school;
- 37 (5) The employee's school met or exceeded the projected levels of
38 improvement in student performance for the 1999-2000 fiscal year, in
39 accordance with the ABCs of Public Education Program; or
40
41

- 1 (6) The local board of education found in 1999-2000 that the employee's
2 school met objectively measurable goals set by the local board of
3 education for maintaining a safe and orderly school.

4 The principal or assistant principal shall be placed on the appropriate step plus an
5 additional one percent (1%) for meeting each additional condition set out in subdivisions
6 (1) through (6). Under no circumstance shall placement of a principal or assistant
7 principal be higher than six percent (6%) above the appropriate step on the salary
8 schedule.

9 Section 8.11.(f) For the 2000-2001 fiscal year, a principal or assistant
10 principal shall receive a lump-sum payment of:

- 11 (1) One percent (1%) of his or her State-paid salary if the employee's school
12 meets or exceeds the projected levels of improvement in student
13 performance for the 2000-2001 fiscal year, in accordance with the
14 ABCs of Public Education Program.

- 15 (2) One percent (1%) of his or her State-paid salary if the local board of
16 education finds that the employee's school has met the 2000-2001 goals
17 of the local plan for maintaining a safe and orderly school.

18 The principal or assistant principal shall receive a lump-sum payment of two percent
19 (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

20 The lump sum shall be paid as determined by guidelines adopted by the State
21 Board. Except as provided in subsection (l) of this section, placement on the salary
22 schedule in the following year shall be based upon these increases.

23 Section 8.11.(g) Principals and assistant principals with certification based on
24 academic preparation at the six-year degree level shall be paid a salary supplement of one
25 hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be
26 paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

27 Section 8.11.(h) There shall be no State requirement that superintendents in
28 each local school unit shall receive in State-paid salary at least one percent (1%) more
29 than the highest paid principal receives in State salary in that school unit: Provided,
30 however, the additional State-paid salary a superintendent who was employed by a local
31 school administrative unit for the 1992-93 fiscal year received because of that
32 requirement shall not be reduced because of this subsection for subsequent fiscal years
33 that the superintendent is employed by that local school administrative unit so long as the
34 superintendent is entitled to at least that amount of additional State-paid salary under the
35 rules in effect for the 1992-93 fiscal year.

36 Section 8.11.(i) Longevity pay for principals and assistant principals shall be
37 as provided for State employees under the State Personnel Act.

38 Section 8.11.(j)

- 39 (1) If a principal is reassigned to a higher job classification because the
40 principal is transferred to a school within a local school administrative
41 unit with a larger number of State-allotted teachers, the principal shall
42 be placed on the salary schedule as if the principal had served the
43 principal's entire career as a principal at the higher job classification.

(2) If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subdivision applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subdivision for one calendar year following the date of the merger.

Section 8.11.(k) Participants in an approved full-time masters in school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the masters program. Certification of eligible full-time interns shall be supplied to the Department of Public Instruction by the Principal's Fellow Program or a school of education where the intern participates in a full-time masters in school administration.

Section 8.11.(l) During the 2000-2001 fiscal year, the placement on the salary schedule of an administrator with a one-year provisional assistant principal's certificate shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher. Lump-sum payments received pursuant to subsection (f) of this section shall not be considered in placing the employee on the salary schedule in subsequent years that the employee is employed under either a provisional or a full certificate.

Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

SCHOOL CENTRAL OFFICE SALARIES

Section 8.12.(a) The following monthly salary ranges apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2000-2001 fiscal year, beginning July 1, 2000:

School Administrator I	\$2,932
	\$5,154
School Administrator II	\$3,112
	\$5,470
School Administrator III	\$3,303
	\$5,806
School Administrator IV	\$3,436
	\$6,039
School Administrator V	\$3,574
	\$6,285
School Administrator VI	\$3,792
	\$6,670
School Administrator VII	\$3,945
	\$6,940

1 The local board of education shall determine the appropriate category and placement for
2 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
3 or finance officer within the salary ranges and within funds appropriated by the General
4 Assembly for central office administrators and superintendents. The category in which
5 an employee is placed shall be included in the contract of any employee hired on or after
6 July 1, 2000.

7 Section 8.12.(b) The following monthly salary ranges apply to public school
8 superintendents for the 2000-2001 fiscal year, beginning July 1, 2000:

- | | | | | |
|----|-----|---|---------|---------|
| 9 | (1) | Superintendent I (Up to 2,500 ADM) | \$4,187 | \$7,365 |
| 10 | (2) | Superintendent II (2,501 - 5,000 ADM) | \$4,445 | \$7,813 |
| 11 | (3) | Superintendent III (5,001 - 10,000 ADM) | \$4,716 | \$8,292 |
| 12 | (4) | Superintendent IV (10,001 - 25,000 ADM) | \$5,005 | \$8,799 |
| 13 | (5) | Superintendent V (Over 25,000 ADM) | \$5,312 | \$9,338 |

14 The local board of education shall determine the appropriate category and placement for
15 the superintendent based on the average daily membership of the local school
16 administrative unit and within funds appropriated by the General Assembly for central
17 office administrators and superintendents.

18 Notwithstanding the provisions of this subsection, a local board of education
19 may pay an amount in excess of the applicable range to a superintendent who is entitled
20 to receive the higher amount under Section 8.11(h) of this act.

21 Section 8.12.(c) Longevity pay for superintendents, assistant superintendents,
22 associate superintendents, directors/coordinators, supervisors, and finance officers shall
23 be as provided for State employees under the State Personnel Act.

24 Section 8.12.(d) Superintendents, assistant superintendents, associate
25 superintendents, directors/coordinators, supervisors, and finance officers with
26 certification based on academic preparation at the six-year degree level shall receive a
27 salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to
28 the compensation provided for pursuant to this section. Superintendents, assistant
29 superintendents, associate superintendents, directors/coordinators, supervisors, and
30 finance officers with certification based on academic preparation at the doctoral degree
31 level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per
32 month in addition to the compensation provided for under this section.

33 Section 8.12.(e) The State Board shall not permit local school administrative
34 units to transfer State funds from other funding categories for salaries for public school
35 central office administrators.

36 Section 8.12.(f) The Director of the Budget shall transfer from the Reserve for
37 Compensation Increase created in this act for fiscal year 2000-2001, beginning July 1,
38 2000, funds necessary to provide an average annual salary increase of three percent (3%),
39 including funds for the employer's retirement and social security contributions,
40 commencing July 1, 2000, for all permanent full-time personnel paid from the Central
41 Office Allotment. The State Board of Education shall allocate these funds to local school
42 administrative units. The local boards of education shall establish guidelines for
43 providing their salary increases to these personnel.

1
2 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

3 **NONCERTIFIED PERSONNEL SALARY FUNDS**

4 Section 8.13.(a) The Director of the Budget may transfer from the Reserve for
5 Compensation Increase created in this act for fiscal year 2000-2001, commencing July 1,
6 2000, funds necessary to provide a salary increase of three percent (3%), including funds
7 for the employer's retirement and social security contributions, commencing July 1, 2000,
8 for all noncertified public school employees, except for teacher assistants, whose salaries
9 are supported from the State's General Fund.

10 Section 8.13.(b) Except as provided in subsection (c) of this section, local boards of
11 education shall increase the rates of pay for all such employees who were employed for
12 fiscal year 1999-2000 and who continue their employment for fiscal year 2000-2001 by
13 at least three percent (3%), commencing July 1, 2000.

14 Section 8.13.(c) A local board of education may adopt a policy that provides for
15 raises of less than three percent (3%) for all such employees who were employed for less
16 than two-thirds of the employment period for fiscal year 1999-2000 and who continue
17 their employment for fiscal year 2000-2001. A local board of education adopting such a
18 policy shall increase the salaries of those employees in accordance with the local policy.

19 Section 8.13.(d) These funds shall not be used for any purpose other than for the
20 salary increases and necessary employer contributions provided by this section.

21 Section 8.13.(e) The State Board of Education may adopt salary ranges for
22 noncertified personnel to support increases of three percent (3%) for the 2000-2001 fiscal
23 year.

24
25 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

26 **TEACHER ASSISTANT SALARY SCHEDULE**

27 Section 8.13A. (a) The allotment formula for teacher assistants for the 2000-
28 2001 fiscal year shall be a dollar allotment. Local boards of education shall use these
29 funds to increase the rates of pay for teacher assistants who were employed for fiscal year
30 1999-2000 and who continue their employment for fiscal year 2000-2001. This increase
31 shall be at least three percent (3%), commencing July 1, 2000, for all such teacher
32 assistants unless a local board of education adopts a policy that provides for raises of less
33 than three percent (3%) for all those teacher assistants who were employed for less than
34 two-thirds of the employment period for fiscal year 1999-2000 and who continue their
35 employment for fiscal year 2000-2001. A local board of education adopting such a
36 policy shall increase the salaries of those teacher assistants who were employed for less
37 than two-thirds of the employment period for fiscal year 1999-2000 in accordance with
38 the local policy; that local board shall increase the salaries of those teacher assistants who
39 were employed for two-thirds or more of the employment period for fiscal year 1999-
40 2000 by at least three percent (3%).

41 (b) Prior to the adoption and implementation of a minimum experienced-based
42 salary schedule for teacher assistants, the General Assembly is committed to determining

1 the cost of implementing such a schedule. Such a salary schedule should be similar to the
2 following:

3	Years of	Base Salary
4	Experience	(Salary Without a Degree)
5		
6	0	\$13,800
7	1	\$14,020
8	2	\$14,240
9	3	\$14,470
10	4	\$14,700
11	5	\$14,940
12	6	\$15,180
13	7	\$15,420
14	8	\$15,670
15	9	\$15,920
16	10	\$16,170
17	11	\$16,430
18	12	\$16,690
19	13	\$16,960
20	14	\$17,230
21	15	\$17,510
22	16	\$17,790
23	17	\$18,070
24	18	\$18,360
25	19	\$18,650
26	20	\$18,950
27	21+	\$19,250

28
29 The salary schedule should also include incremental increases for teacher assistants for
30 educational certification and degree standards. The Joint Education Oversight
31 Committee shall obtain the experience and education levels of all teacher assistants and
32 report to the 2001 General Assembly on its recommendations regarding the salary
33 schedule and the cost of implementation.

34 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

35 **FUNDS TO IMPLEMENT THE ABCs OF PUBLIC EDUCATION PROGRAM**

36 Section 8.14. The State Board of Education shall use funds appropriated for
37 State Aid to Local School Administrative Units for the 1999-2000 fiscal year and the
38 2000-2001 fiscal year to provide incentive funding for schools that met or exceeded the
39 projected levels of improvement in student performance during the 1999-2000 school
40 year, in accordance with the ABCs of Public Education Program. In accordance with
41 State Board of Education policy:

- 42 (1) Incentive awards in schools that achieve higher than expected
43 improvements may be up to:

- 1 a. \$1,500 for each teacher and for certified personnel; and
2 b. \$500.00 for each teacher assistant.
3 (2) Incentive awards in schools that meet the expected improvements may
4 be up to:
5 a. \$750.00 for each teacher and for certified personnel; and
6 b. \$375.00 for each teacher assistant.
7

8 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

9 SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

10 Section 8.15. Section 8.5(b) of S.L. 1999-237 reads as rewritten:

11 "Section 8.5.(b) Use of Funds for Supplemental Funding. – All funds received
12 pursuant to this section shall be used only (i) to provide instructional positions,
13 instructional support positions, teacher assistant positions, clerical positions, school
14 computer technicians, instructional supplies and equipment, staff development, and
15 textbooks, and (ii) for salary supplements for instructional personnel and instructional
16 support personnel.

17 Local boards of education are encouraged to use at least ~~twenty percent (20%)~~
18 twenty-five percent (25%) of the funds received pursuant to this section to improve the
19 academic performance of children who are performing at Level I or II on either reading
20 or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level
21 I or II on the writing tests in grades 4 and 7. Local boards of education shall report to the
22 State Board of Education on an annual basis on funds used for this purpose, and the State
23 Board shall report this information to the Joint Legislative Education Oversight
24 Committee."
25

26 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

27 NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS 28 CERTIFICATION

29 Section 8.16. Chapter 115C of the General Statutes is amended by adding a
30 new section to read:

31 **"§ 115C-296.2. National Board for Professional Teaching Standards Certification.**

32 (a) State Policy. – It is the goal of the State to provide opportunities and
33 incentives for good teachers to become excellent teachers and to retain them in the
34 teaching profession; to attain this goal, the State shall support the efforts of teachers to
35 achieve national certification by providing approved paid leave time for teachers
36 participating in the process, paying the participation fee, and paying a significant salary
37 differential to teachers who attain national certification from the National Board for
38 Professional Teaching Standards (NBPTS).

39 The National Board for Professional Teaching Standards (NBPTS) was
40 established in 1987 as an independent, nonprofit organization to establish high standards
41 for teachers' knowledge and performance and for development and operation of a national
42 voluntary system to assess and certify teachers who meet those standards. Participation
43 in the program gives teachers the time and the opportunity to analyze in a systematic way

1 their professional development as teachers, successful teaching strategies, and the
2 substantive areas in which they teach. Participation also gives teachers an opportunity to
3 demonstrate superior ability and to be compensated as superior teachers. To receive
4 NBPTS certification, a teacher must successfully (i) complete a year-long process of
5 developing a portfolio of student work and videotapes of teaching and learning activities
6 and (ii) participate in NBPTS assessment center simulation exercises, including
7 performance-based activities and a content knowledge examination.

8 (b) Definitions. – As used in this subsection:

9 (1) A 'North Carolina public school' is a school operated by a local board of
10 education, the Department of Health and Human Services, the
11 Department of Correction, or The University of North Carolina; a
12 school affiliated with The University of North Carolina; or a charter
13 school approved by the State Board of Education.

14 (2) A 'teacher' is a person who:

15 a. Either:

16 1. Is certified to teach in North Carolina or

17 2. Holds a certificate or license issued by the State Board of
18 Education that meets the professional license requirement
19 for NBPTS certification;

20 b. Is a State-paid employee of a North Carolina public school;

21 c. Is paid on the teacher salary schedule; and

22 d. Spends at least seventy percent (70%) of his or her work time:

23 1. In classroom instruction, if the employee is employed as a
24 teacher. The remainder of the teacher's time shall be spent
25 in one or more of the following: mentoring teachers,
26 doing demonstration lessons for teachers, writing
27 curricula, developing and leading staff development
28 programs for teachers; or

29 2. In work within the employee's area of certification or
30 licensure, if the employee is employed in an area of
31 NBPTS certification other than direct classroom
32 instruction.

33 (c) Payment of the NBPTS Participation Fee; Paid Leave. – The State shall pay the
34 NBPTS participation fee and shall provide up to three days of approved paid leave to all
35 teachers participating in the NBPTS program who:

36 (1) Have completed three years of teaching in a North Carolina public
37 school; and

38 (2) Have (i) not previously received State funds for participating in any
39 certification area in the NBPTS program, (ii) repaid any State funds
40 previously received for the NBPTS certification process, or (iii)
41 received a waiver of repayment from the State Board of Education.

42 Teachers participating in the program shall take paid leave only with the approval of their
43 supervisors.

1 (d) Repayment by a Teacher Who Does Not Complete the Process. – A teacher for
2 whom the State pays the participation fee who does not complete the process shall repay
3 the certification fee to the State.

4 Repayment is not required if a teacher does not complete the process due to the death
5 or disability of the teacher. Upon the application of the teacher, the State Board of
6 Education may waive the repayment requirement if the State Board finds that the teacher
7 was unable to complete the process due to the illness of the teacher, the death or
8 catastrophic illness of a member of the teacher's immediate family, parental leave to care
9 for a newborn, or other extraordinary circumstances.

10 (e) Repayment by a Teacher Who Does Not Teach for a Year After Completing
11 the Process. – A teacher for whom the State pays the participation fee who does not teach
12 for a year in a North Carolina public school after completing the process shall repay the
13 certification fee to the State.

14 Repayment is not required if a teacher does not teach in a North Carolina public
15 school for at least one year after completing the process due to the death or disability of
16 the teacher. Upon the application of the teacher, the State Board of Education may
17 extend the time before which a teacher must either teach for a year or repay the
18 participation fee if the State Board finds that the teacher is unable to teach the next year
19 due to the illness of the teacher, the death or catastrophic illness of a member of the
20 teacher's immediate family, parental leave to care for a newborn, or other extraordinary
21 circumstances.

22 (f) Salary differential for teachers with NBPTS certification who changes
23 employment. – If a teacher who attained NBPTS certification as a classroom teacher
24 moves to an instructional support position, the teacher shall continue to receive the
25 NBPTS salary differential for two years in the new position. If a teacher who attained
26 NBPTS certification in an instructional support position moves to a position in a different
27 instructional support position or to a position as a classroom teacher, the teacher shall
28 continue to receive the NBPTS salary differential for two years in the new position.

29 (g) Rules. – The State Board shall adopt policies and guidelines to implement this
30 section."

31
32 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

33 **REDUCTION OF PAPERWORK IN PUBLIC SCHOOLS**

34 Section 8.18.(a) G.S. 115C-307(g) reads as rewritten:

35 "(g) To Make Required Reports. –~~Every teacher of a public school shall make such~~
36 reports as are ~~A teacher shall make all reports required by the boards of education, and~~
37 the local board of education. The superintendent shall not approve the vouchers for the
38 pay of teachers voucher for a teacher's pay until the required monthly and annual reports
39 are made: Provided, that the superintendents may require teachers made.

40 The superintendent may require a teacher to make reports to the principals-principal.

41 A teacher shall be given access to the information in the student information
42 management system to expedite the process of preparing reports or otherwise providing
43 information. A teacher shall not be required by the local board, the superintendent, or the

1 principal to (i) provide information that is already available on the student
2 information management system; (ii) provide the same written information more than
3 once during a school year unless the information has changed during the ensuing period;
4 or (iii) complete forms that are not necessary to ensure compliance with the federal
5 Individuals with Disabilities Education Act (IDEA). Notwithstanding the forgoing, a
6 local board may require information available on its Student Information Management
7 system or require the same information twice if the local board can demonstrate a
8 compelling need and can demonstrate there is not a more expeditious manner of getting
9 the information.

10 ~~Provided further, that any~~ Any teacher who knowingly and willfully makes or
11 procures another to make any false report or records, requisitions, or payrolls, respecting
12 daily attendance of pupils in the public schools, payroll data sheets, or other reports
13 required to be made to any board or officer in the performance of their duties, shall be
14 guilty of a Class 1 misdemeanor and the certificate of such person to teach in the public
15 schools of North Carolina shall be revoked by the Superintendent of Public Instruction."

16 Section 8.18.(b) G.S. 115C-47(18) reads as rewritten:

17 "(18) To Make Rules Concerning the Conduct and Duties of Personnel. –
18 Local boards of education, upon the recommendation of the
19 superintendent, shall have full power to make all just and needful
20 rules and regulations governing the conduct of teachers, principals,
21 and supervisors, the kind of reports they shall make, and their duties
22 in the care of school property.

23 Prior to the beginning of each school year, each local board of
24 education shall identify all reports, including local school required
25 reports, that are required at the local level for the school ~~year~~ year and
26 shall, to the maximum extent possible, eliminate any duplicate or
27 obsolete reporting requirements. No additional reports shall be required
28 at the local level after the beginning of the school year without the prior
29 approval of the local board of education.

30 Each local board of education shall appoint a person or establish
31 a paperwork control committee to monitor all reports and other
32 paperwork produced by or required by the central office, as requested
33 by the committee or appointed person."

34 Section 8.18.(c) The State Board of Education shall:

- 35 (1) Review requirements for reports from local school administrative units
36 and, to the extent possible, eliminate any duplicate or obsolete reporting
37 requirements;
- 38 (2) Develop a plan for the implementation of a paperless student
39 information management system prior to the 2005-2006 school year and
40 request funds necessary for the implementation of the system;
- 41 (3) Work with the United States Department of Education to standardize all
42 forms required under the federal Individuals with Disabilities Education
43 Act (IDEA);

- 1 (4) Study the amount of State and local funds expended to meet compliance
2 standards established under IDEA and State law;
- 3 (5) Develop a plan to cut spending for compliance issues related to special
4 education by fifty percent (50%) for the 2001-2002 fiscal year and to
5 direct the savings to direct services for children with special needs; and
- 6 (6) Develop a plan to fund compliance issues related to special education
7 only with federal funds provided specifically for that purpose for the
8 2002-2003 fiscal year and to eliminate all State funding for compliance
9 issues.

10 The State Board shall report to the Joint Legislative Education Oversight Committee
11 prior to December 15, 2001, on its and the school systems' progress with implementing
12 this section.

13
14 Requested by: Senators Lee, Dalton, Metcalf, Carter, Soles, Plyler, Perdue, Odom

15 **SCHOOL LEADERSHIP PILOT PROJECT**

16 Section 8.19. Local school administrative units that participate in the School
17 Leadership Pilot Project of the Center for Leadership in School Reform shall receive
18 State funds for this purpose for no more than three fiscal years.

19
20 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

21 **HIGH SCHOOL EXIT EXAMS**

22 Section 8.21. Of the funds appropriated to State Aid to Local School
23 Administrative Units, the State Board of Education may use up to three million dollars
24 (\$3,000,000) for the 2000-2001 fiscal year to:

- 25 (1) Continue to develop a high school exit examination;
- 26 (2) Develop the computer skills test;
- 27 (3) Purchase equipment for scoring tests and for ABCs reporting; and
- 28 (4) Retest for standards and assessments and for revisions to the science and
29 English language arts tests.

30
31 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

32 **GUIDELINES FOR CHARTER SCHOOL EXPANDED ENROLLMENT**

33 Section 8.23. G.S. 115C-238.29D(d) reads as rewritten:

34 "(d) The State Board of Education may grant the initial charter for a period not to
35 exceed five years and may renew the charter upon the request of the chartering entity for
36 subsequent periods not to exceed five years each. A material revision of the provisions of
37 a charter application shall be made only upon the approval of the State Board of
38 Education. Beginning with the charter school's second year of operation and annually
39 thereafter, the State Board shall allow a charter school to increase its enrollment by ten
40 percent (10%) of the school's previous year's enrollment or as is otherwise provided in
41 the charter. This enrollment growth shall not be considered a material revision of the
42 charter application and shall not require the prior approval of the State Board.

1 An enrollment growth of greater than ten percent (10%) shall be considered a material
2 revision of the charter application. The State Board may approve an enrollment growth
3 of greater than ten percent (10%) only if the State Board finds that:

- 4 (1) The actual enrollment of the charter school is within ten percent (10%)
5 of its maximum authorized enrollment;
6 (2) The charter school has commitments for ninety percent (90%) of the
7 requested maximum growth;
8 (3) The board of education of the local school administrative unit in which
9 the charter school is located has had an opportunity to be heard by the
10 State Board of Education on any adverse impact the proposed growth
11 would have on the unit's ability to provide a sound basic education to its
12 students;
13 (4) The charter school is not currently identified as low-performing;
14 (5) The charter school meets generally accepted standards of fiscal
15 management; and
16 (6) It is otherwise appropriate to approve the enrollment growth."

17
18 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

19 **ENCOURAGE RETIRED TEACHERS TO RETURN TO THE CLASSROOM**

20 Section 8.24. G.S. 135-3(8)c. reads as rewritten:

21 "c. **(Effective until July 1, 2003)** Should a beneficiary who
22 retired on an early or service retirement allowance under
23 this Chapter be reemployed, or otherwise engaged to
24 perform services, by an employer participating in the
25 Retirement System on a part-time, temporary, interim, or
26 on a fee-for-service basis, whether contractual or
27 otherwise, and if such beneficiary earns an amount in any
28 calendar year which exceeds fifty percent (50%) of the
29 reported compensation, excluding terminal payments,
30 during the 12 months of service preceding the effective
31 date of retirement, or twenty thousand dollars (\$20,000),
32 whichever is greater, as hereinafter indexed, then the
33 retirement allowance shall be suspended as of the first day
34 of the month following the month in which the
35 reemployment earnings exceed the amount above, for the
36 balance of the calendar year. The retirement allowance of
37 the beneficiary shall be reinstated as of January 1 of each
38 year following suspension. The amount that may be
39 earned before suspension shall be increased on January 1
40 of each year by the ratio of the Consumer Price Index to
41 the Index one year earlier, calculated to the nearest tenth
42 of a percent (1/10 of 1%).

1 The computation of postretirement earnings of a beneficiary
2 under this sub-subdivision, G.S 135-3(8)c., who has been retired
3 at least 12 months and has not been employed in any capacity,
4 except as a substitute teacher, with a public school for at least 12
5 ~~months, months immediately preceding the effective date of~~
6 ~~reemployment, shall not include earnings while:~~

- 7 1. ~~The beneficiary is employed to teach on a substitute or~~
8 ~~interim basis, and not on a permanent basis, in a public~~
9 ~~school;~~
- 10 2. ~~The beneficiary is employed to teach in the teacher's area~~
11 ~~of certification in a low-performing school. As used in this~~
12 ~~sub-subdivision, a low-performing school is a public~~
13 ~~elementary or middle school at which forty eight percent~~
14 ~~(48%) or more of the students were below grade level~~
15 ~~during either of the prior two school years or a public high~~
16 ~~school identified by the State Board of Education as low-~~
17 ~~performing. If the designation of low performing is~~
18 ~~removed while the beneficiary is employed to teach at the~~
19 ~~school, the provisions of this sub-subdivision apply for the~~
20 ~~next two school years after the designation is removed; or~~
- 21 3. ~~The beneficiary is employed to teach in a public school in~~
22 ~~the teacher's area of certification in a geographical area in~~
23 ~~which the State Board of Education determines that there~~
24 ~~is a shortage of teachers in the beneficiary's area of~~
25 ~~certification.~~

26 while the beneficiary is employed to teach on a substitute,
27 interim, or permanent basis in a public school. The Department
28 of Public Instruction shall certify to the Retirement System that a
29 beneficiary is employed to teach by a local school administrative
30 unit under the provisions of this sub-subdivision and as a retired
31 teacher as the term is defined under the provisions of G.S. 115C-
32 325(a)(5a).

33 Beneficiaries employed under this sub-subdivision are not
34 entitled to any benefits otherwise provided under this Chapter as
35 a result of this period of employment."
36

37 Senators Lee, Dalton, Plyler, Perdue, Odom

38 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

39 Section 8.25. Section 8.6 of S.L. 1999-237 reads as rewritten:

40 "Section 8.6.(a) Funds for Small School Systems. – Except as provided in subsection
41 (b) of this section, the State Board of Education shall allocate funds appropriated for
42 small school system supplemental funding (i) to each county school administrative unit
43 with an average daily membership of fewer than 3,150 students and (ii) to each county

1 school administrative unit with an average daily membership of from 3,150 to 4,000
2 students if the county in which the local school administrative unit is located has a
3 county-adjusted property tax base per student that is below the State-adjusted property
4 tax base per student and if the total average daily membership of all local school
5 administrative units located within the county is from 3,150 to 4,000 students. The
6 allocation formula shall:

- 7 (1) Round all fractions of positions to the next whole position.
- 8 (2) Provide five and one-half additional regular classroom teachers in
9 counties in which the average daily membership per square mile is
10 greater than four, and seven additional regular classroom teachers in
11 counties in which the average daily membership per square mile is four
12 or fewer.
- 13 (3) Provide additional program enhancement teachers adequate to offer the
14 standard course of study.
- 15 (4) Change the duty-free period allocation to one teacher assistant per 400
16 average daily membership.
- 17 (5) Provide a base for the consolidated funds allotment of at least ~~three~~
18 ~~hundred fifty five thousand dollars (\$355,000)~~, four hundred sixty-six
19 thousand dollars (\$466,000) excluding textbooks.
- 20 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

21 If funds appropriated for each fiscal year for small school system supplemental
22 funding are not adequate to fund fully the program, the State Board of Education shall
23 reduce the amount allocated to each county school administrative unit on a pro rata basis.
24 This formula is solely a basis for distribution of supplemental funding for certain county
25 school administrative units and is not intended to reflect any measure of the adequacy of
26 the educational program or funding for public schools. The formula is also not intended
27 to reflect any commitment by the General Assembly to appropriate any additional
28 supplemental funds for such county administrative units."
29

30 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

31 **PROSPECTIVE TEACHER SCHOLARSHIP LOAN PROGRAM**

32 Section 8.26. Of the funds appropriated for State Aid to Local School
33 Administrative Units, the State Board of Education may use up to five hundred thousand
34 dollars (\$500,000) for the 2000-2001 fiscal year to assure that all scholarships awarded
35 under the Prospective Teacher Scholarship Loan Program prior to June 15, 2000, are
36 funded.
37

38 Requested by: Senator Wellons

39 **APA PETITIONS FOR CHILDREN WITH SPECIAL NEEDS**

40 Section 8.27. G.S. 150B-23(f) reads as rewritten:

41 "(f) Unless-Except as otherwise provided in this subsection, and unless another
42 statute or a federal statute or regulation sets a time limitation for the filing of a petition in
43 contested cases against a specified agency, the general limitation for the filing of a

1 petition in a contested case is 60 days. Regarding the filing of a petition in a contested
2 case under G.S. 115C-116(d) where the subject matter of the impartial due process
3 hearing is to be programs and services for children with special needs, the general
4 limitation for the filing of a petition on that contested case is 180 days. The time
5 limitation, whether established by another statute, federal statute, or federal regulation, or
6 this section, shall commence when notice is given of the agency decision to all persons
7 aggrieved who are known to the agency by personal delivery or by the placing of the
8 notice in an official depository of the United States Postal Service wrapped in a wrapper
9 addressed to the person at the latest address given by the person to the agency. The notice
10 shall be in writing, and shall set forth the agency action, and shall inform the persons of
11 the right, the procedure, and the time limit to file a contested case petition. When no
12 informal settlement request has been received by the agency prior to issuance of the
13 notice, any subsequent informal settlement request shall not suspend the time limitation
14 for the filing of a petition for a contested case hearing."

15
16 Requested by: Senator Martin of Guilford

17 **CLOSING THE ACHIEVEMENT GAP**

18 Section 8.28.(a) The State Board of Education (Board) shall study the
19 connection between the identification of minority and at-risk students as students with
20 behavioral or emotional disabilities and the gap in student achievement. As part of this
21 study, the Board shall examine the following:

- 22 (1) The criteria used to identify whether a student has a behavioral or
23 emotional disability and requires special education. The study shall
24 determine whether identification and placement decisions of these
25 students are based primarily on valid and objective criteria.
- 26 (2) The curricula for these students, to determine whether they are
27 sufficiently rigorous and the teaching methodologies are sound and
28 appropriate.
- 29 (3) Utilization of other services, such as mental health, mentoring, and
30 consultation, to improve academic and social success for these students.
- 31 (4) Qualifications of teachers who are assigned to teach these students.

32 The Board shall make an interim report by January 15, 2001, and a final report
33 by May 15, 2001, on the results of this study, including findings and any
34 recommendations, to the Committee on Improving the Academic Achievement of
35 Minority and At-Risk Students (Academic Achievement Committee) and to the Joint
36 Legislative Education Oversight Committee (Education Oversight Committee).

37 Section 8.28.(b) The Board shall study the underrepresentation of minority and
38 at-risk students in honors classes, advanced placement classes, and academically gifted
39 programs. The Board shall evaluate whether this underrepresentation contributes to the
40 gap in student achievement. In particular, the Board shall examine the criteria used to
41 identify whether a student is eligible for one of these classes or programs. The study
42 shall determine whether identification and placement decisions of these students are
43 based primarily on valid and objective criteria. The Board also shall examine whether

1 low academic expectations or certain instructional practices, such as tracking, contribute
2 to this underrepresentation. The Board shall make an interim report by January 15, 2001,
3 and a final report by May 15, 2001, on the results of this study, including findings and
4 any recommendations needed to increase representation of students in these programs, to
5 the Committee on Improving the Academic Achievement of Minority and At-Risk
6 Students (Academic Achievement Committee) and to the Joint Legislative Education
7 Oversight Committee (Education Oversight Committee).

8 Section 8.28.(c) The Board shall design an annual Minority Achievement
9 Report Card to be implemented fully beginning with the 2001-2002 school year. The
10 report card shall be based on data the Board collects from local school administrative
11 units and individual schools. Local school administrative units shall collect, maintain,
12 and submit data needed to prepare the report card. The Board shall establish a baseline in
13 accordance with its plan for the report card. The Board may combine this information
14 with another report, as long as the information reported under this section is readily
15 discernible. The Board shall condense and publicly disseminate the data in a form that
16 can be accessed easily, such as through a web site.

17 The Board shall report to the Academic Achievement Committee and
18 Education Oversight Committee by November 15, 2000, on the development of the report
19 card under this section.

20 Section 8.28.(d) The Board shall develop guidelines to enable the formation of a local
21 task force in each local school administrative unit. The purpose of this task force is to
22 advise and work with the local board of education and administration on closing the gap
23 in academic achievement and on developing a collaborative plan for achieving that goal.
24 The guidelines shall provide for the following:

- 25 (1) Each local school administrative unit shall have a task force, if
26 appropriate.
- 27 (2) Each task force shall be racially diverse and shall include parents,
28 school personnel, and representatives from human service agencies,
29 nonprofit organizations, and the business sector.

30 The Board shall determine the funding needed to implement these guidelines
31 and shall report this information to the Academic Achievement Committee and the
32 Education Oversight Committee by November 15, 2000.

33 Section 8.28.(e) The Board shall develop a plan and budget (projecting five-
34 year cost) to:

- 35 (1) Provide sufficient staff development activities so as to ensure teachers
36 have the tools needed for success in teaching a diverse student
37 population and interacting with their families. These activities shall
38 include understanding and respecting racial, ethnic, religious, and
39 cultural impact on a child's development and personality.
- 40 (2) Provide sufficient funding for Limited English Proficiency (LEP)
41 students.
- 42 (3) Translate the State-level forms and basic school information that will be
43 made available to parents or to the general public into Spanish and

1 include them on the Department of Public Instruction's web site in
2 English and Spanish.

3 (4) Evaluate the level of funding needed to have LEAs hire translators to
4 work with Spanish-speaking parents and those school personnel whose
5 jobs require regular contact with those parents.

6 (5) Provide appropriate staff development funds for training in English as
7 Second Language (ESL) methodologies and pedagogy for teachers,
8 administrators, and support personnel.

9 (6) Review implementation guidelines for student accountability standards
10 and promotion policies for LEP students.

11 (7) Develop guidelines for evaluating students' instructional portfolios and
12 for waiving test standards for LEP students. In its development of
13 guidelines, the Board shall consider extending the End-of-Grade testing
14 exemption period to more than two years for LEP students, to the extent
15 that this extension does not conflict with federal law or regulation.

16 The Board shall report to the Academic Achievement Committee and to the
17 Education Oversight Committee on the plan and budget developed under this subsection
18 by November 15, 2000.

19 Section 8.28.(f) The Board shall develop a plan to establish a hotline to collect
20 complaints alleging disparate treatment of minority students and students from low-
21 income families. In developing the plan, the Board shall give strong consideration to the
22 following:

23 (1) The establishment of teams to review and categorize the complaints for
24 reporting annually to the General Assembly.

25 (2) The appropriate number of hotline personnel who speak and understand
26 Spanish.

27 (3) A mechanism, where warranted, for the Board to respond to and secure
28 an independent and impartial investigation of systemic problems
29 revealed through the complaints.

30 (4) A procedure for the Board to report individual complaints, unless the
31 person making the complaint requests otherwise, to the appropriate local
32 school administrative unit so that it also may investigate.

33 (5) The criteria for a local investigation that assures fair and impartial
34 investigation.

35 (6) Any additional information that is required so that the hotline is fully
36 implemented by the beginning of the 2001-2002 school year.

37 The Board shall report to the Academic Achievement Committee and to the
38 Education Oversight Committee by November 15, 2000, on the implementation of this
39 subsection. This report may include recommendations and a request for funding to
40 establish the hotline.

41 Section 8.28.(g) The Board shall report data, to the extent those data are
42 reasonably available, from the 1998-99 and 1999-2000 school years on student
43 suspensions and expulsions. All such data shall be collected and reported beginning with

1 the effective date of this act. The report shall show, for each local school administrative
2 unit and by race, gender, and the reason for the suspensions and expulsions, the number
3 of students suspended for less than 11 days, the number of students suspended for more
4 than 10 days, the number of students expelled, and the number of students placed in an
5 alternative program as the result of student conduct which could have led to a suspension
6 or expulsion. Each local school administrative unit shall submit to the Board by October
7 15, 2000, any information the Board needs to make this report. The Board shall report to
8 the Academic Achievement Committee and to the Education Oversight Committee by
9 January 15, 2001.

10 Section 8.28.(h) Of the funds appropriated to State Aid to Local School
11 Administrative Units, the State Board of Education may use up to four hundred thousand
12 dollars (\$400,000) to implement this section.

13
14 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

15 **TYRRELL COUNTY SCHOOL PAY**

16 Section 8.29. Notwithstanding the provisions of G.S. 115C-302.1, G.S. 115C-
17 316, or any other provision of law, the Tyrrell County Board of Education may elect to
18 pay all or part of its monthly-paid employees every two weeks rather than on a monthly
19 basis.

20 21 **PART IX. COMMUNITY COLLEGES**

22
23 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

24 **EXPAND FOCUSED INDUSTRIAL TRAINING PROGRAM**

25 Section 9. The State Board of Community Colleges may expand the scope of
26 the Focused Industrial Training (FIT) Program. The expanded program may provide
27 customized training programs for manufacturing industries and for companies and
28 industries involved in the design and programming of computers and telecommunications
29 systems.

30
31 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

32 **STATE BOARD RESERVE ALLOCATIONS**

33 Section 9.1. Section 9.6 of S.L. 1999-237 reads as rewritten:

34 "Section 9.6.(a) The State Board of Community Colleges shall use funds from the
35 State Board Reserve in the amount of one hundred thousand dollars (\$100,000) for each
36 fiscal year to assist small rural low-wealth community colleges with operation and
37 maintenance of plant costs if they need to assist new or expanding industries in their
38 service delivery areas.

39 Section 9.6.(b) The State Board of Community Colleges shall use funds from
40 the State Board Reserve in the amount of forty thousand dollars (\$40,000) for the 1999-
41 2000 fiscal year to support the recruitment activities of the North Carolina Industries for
42 Technical Education (NCITE). NCITE recruits students to community colleges with

1 Heavy Equipment and Transportation Technology Programs in an effort to revitalize
2 those programs.

3 Section 9.6.(c) The State Board of Community Colleges, in consultation with
4 Cape Fear Community College, Brunswick Community College, and Southeastern
5 Community College, shall use funds from the State Board Reserve in the amount of one
6 hundred thousand dollars (\$100,000) for the 1999-2000 fiscal year for planning a
7 Southeastern North Carolina Regional Fire Training Program and twenty thousand
8 dollars (\$20,000) for the 1999-2000 fiscal year for other fire training programs.

9 Section 9.6.(d) The State Board of Community Colleges shall use funds from
10 the State Board Reserve in the amount of seventy-five thousand dollars (\$75,000) for the
11 2000-2001 fiscal year for surveys, research, data collection, and analysis required to
12 implement performance budgeting and improve accountability.

13 Section 9.6.(e) The State Board of Community Colleges shall use funds from
14 the State Board Reserve in the amount of one hundred thousand dollars (\$100,000) for
15 the 2000-2001 fiscal year to provide funds to the Community Colleges System Office to
16 continue development of the virtual learning community."

17

18 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

19 **REPORT CARD ON TEACHER EDUCATION PROGRAMS/STUDY OF HIGH**
20 **SCHOOL PROGRAMS**

21 Section 9.2.(a) G.S. 115C-296(b1) reads as rewritten:

22 "(b1) The State Board of Education shall develop a plan to provide a focused review
23 of teacher education programs and the current process of accrediting these programs in
24 order to ensure that the programs produce graduates that are well prepared to teach. The
25 plan shall include the development and implementation of a school of education
26 performance report for each teacher education program in North Carolina. The
27 performance report shall include at least the following elements: (i) quality of students
28 entering the schools of education, including the average grade point average and average
29 score on preprofessional skills tests that assess reading, writing, math and other
30 competencies; (ii) graduation rates; (iii) time-to-graduation rates; (iv) average scores of
31 graduates on professional and content area examination for the purpose of certification;
32 (v) percentage of graduates receiving initial certification; (vi) percentage of graduates
33 hired as teachers; (vii) percentage of graduates remaining in teaching for four years; (viii)
34 graduate satisfaction based on a common survey; and (ix) employer satisfaction based on
35 a common survey. The performance reports shall follow a common format. The
36 performance reports shall be submitted ~~annually for the 1998-99, 1999-2000, and 2000-~~
37 ~~2001 school years. The performance reports shall be submitted biannually thereafter to~~
38 ~~coincide with the Board of Governors' biannual report institutional effectiveness.~~
39 annually. The State Board of Education shall develop a plan to be implemented beginning
40 in the 1998-99 school year to reward and sanction approved teacher education programs
41 and masters of education programs and to revoke approval of those programs based on
42 the performance reports and other criteria established by the State Board of Education.

1 The State Board also shall develop and implement a plan for annual performance
2 reports for all masters degree programs in education and school administration in North
3 Carolina. To the extent it is appropriated, the performance report shall include similar
4 indicators to those developed for the performance report for teacher education programs.
5 The performance reports shall follow a common format.

6 Both plans for performance reports also shall include a method to provide the annual
7 performance reports to the Board of Governors of The University of North Carolina, the
8 State Board of Education, and the boards of trustees of the independent colleges. The
9 State Board of Education shall review the schools of education performance reports and
10 the performance reports for masters degree programs in education and school
11 administration each year the performance reports are submitted. The State Board shall
12 submit the performance report for the 1999-2000 school year to the Joint Legislative
13 Education Oversight Committee by December 15, 2000. Subsequent performance reports
14 shall be submitted to the Joint Legislative Education Oversight Committee on an annual
15 basis by October 1."

16 Section 9.2.(b) The General Assembly believes educational programs for high
17 school students should provide student accountability, program accountability, access,
18 and efficiency. Therefore, the Education Cabinet, created under G.S. 116C-1, shall study
19 public school, community college, and university programs offered to high school
20 students. These programs include the cooperative high school program, the adult high
21 school diploma program, advanced placement courses, honors courses, and university
22 courses offered to high school students. The Cabinet shall do the following:

- 23 (1) Examine these programs for overlap.
- 24 (2) Consider which education entity is the most appropriate one to offer
25 each program.
- 26 (3) Consider distance learning options.
- 27 (4) Examine whether there should be tuition waivers for high school
28 students who take courses at community colleges or universities.
- 29 (5) Determine whether there should be a minimum age for participation in
30 the adult high school program.
- 31 (6) Determine the feasibility, advantages and disadvantages, procedures,
32 and costs for requiring students who participate in the adult high school
33 program to take tests required of high school students taking the same
34 courses.
- 35 (7) Evaluate the recent recommendations concerning the cooperative high
36 school program that were made to the Joint Legislative Education
37 Oversight Committee by the State Board of Education and the State
38 Board of Community Colleges. In particular, the Cabinet shall
39 determine whether students should receive weighted credit on their high
40 school transcripts for college level courses taken at community colleges,
41 universities, or colleges, and whether this program is an appropriate
42 venue for developmental courses.

1 The Cabinet shall report its findings, including any recommendations, to the
2 Joint Legislative Education Oversight Committee by January 16, 2001.

3 Section 9.2.(c) This section is effective when it becomes law.
4

5 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

6 **BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION**
7 **AUTHORIZED**

8 Section 9.3. Notwithstanding G.S. 143-23 or any other provision of law, the
9 State Board of Community Colleges may transfer funds within the budget of the
10 Community Colleges System Office to the extent necessary to implement the
11 departmental reorganization plan recommended by the President of the North Carolina
12 Community College System and adopted by the State Board in September 1999.

13 The State Board of Community Colleges shall report on its implementation of
14 this section to the Joint Legislative Education Oversight Committee, the chairs of the
15 Education Appropriations Subcommittees of the House of Representatives and the
16 Senate, and the Fiscal Research Division within 30 days of completion of the budget
17 realignment.
18

19 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

20 **USE OF 1999-2000 OVER-REALIZED RECEIPTS**

21 Section 9.4.(a) Notwithstanding the provisions of G.S. 115D-31(e), over-realized
22 receipts for the 1999-2000 fiscal year in the amount of two million dollars (\$2,000,000)
23 shall be used for the operations of the Community Colleges System Office for the 2000-
24 2001 fiscal year. These funds are used in this act to offset a base budget reduction of an
25 equal amount.

26 Section 9.4.(b) This section becomes effective June 30, 2000.
27

28 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom, Metcalf, Carter

29 **ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE FUNDS DO**
30 **NOT REVERT**

31 Section 9.5.(a) Funds appropriated to Asheville-Buncombe Technical
32 Community College in S.L. 1999-237 for its Small Business Center shall not revert at the
33 end of the 1999-2000 fiscal year, but shall remain available for expenditure in the 2000-
34 2001 fiscal year.

35 Section 9.5.(b) This section becomes effective June 30, 2000.
36

37 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

38 **STUDY DISTANCE LEARNING/EDUCATION PROGRAMS**

39 Section 9.6. The State Board of Community Colleges shall contract with an
40 independent consultant to study funding methods and delivery of distance learning and
41 education programs. Distance learning and education shall include, but not be limited, to
42 telecourses, two-way interactive video, Internet-based courses, and a combination of
43 these technologies.

1 The study shall include:

- 2 (1) An analysis of tuition rates, registration fees, and other related charges
3 for in-State and out-of-state students enrolling in distance course
4 offerings;
- 5 (2) A survey of current distance course offerings, delivery systems, and
6 sources of funding, including an assessment of the ability of individual
7 colleges to provide and support distance learning now and in the future;
8 and
- 9 (3) A plan for efficient and effective expansion of course offerings and
10 delivery systems to (i) improve workforce education and training, (ii)
11 avoid duplication within the Community College System and with
12 distance learning programs offered by The University of North
13 Carolina, and (iii) promote coordination of distance learning programs
14 among the institutions of the Community College System and The
15 University of North Carolina.

16 The consultant shall take into account two approaches to distance learning currently
17 being considered by the Community College System. One model emphasizes a regional
18 approach involving consolidation of equipment and staff at six regional operating centers
19 across the State with all colleges having equal access to a designated center. The other
20 model emphasizes a decentralized approach with a minimum level of distance programs
21 supported at each of the 59 institutions.

22 The State Board of Community Colleges shall use funds from the State Board
23 Reserve to implement this section.

24 The State Board of Community Colleges shall report to the Joint Legislative
25 Education Oversight Committee and the Fiscal Research Division by January 15, 2001,
26 on the results of the study and the recommendations of the consultant.

27
28 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

29 **PERFORMANCE BUDGETING/CLARIFICATIONS**

30 Section 9.7. G.S. 115D-31.3 reads as rewritten:

31 **"§ 115D-31.3. Performance budgeting.**

32 (a) Creation of Accountability Measures and Performance Standards. – The State
33 Board of Community Colleges shall create new accountability measures and performance
34 standards to be used for performance budgeting for the Community College System. ~~The~~
35 ~~results of a survey may~~ Survey results shall be used as a performance standard only if the
36 survey is statistically valid. The State Board of Community Colleges shall review
37 annually the accountability measures and performance standards to ensure that they are
38 appropriate for use in performance budgeting.

39 ~~(b) Notwithstanding any other provision of law, the State Board shall authorize~~
40 ~~each institution meeting the new performance standards to carry forward funds remaining~~
41 ~~in its budget at the end of each fiscal year in an amount not to exceed two percent (2%) of~~
42 ~~the State funds allocated to the institution for that fiscal year. The funds carried forward~~
43 ~~shall be used for the purchase of equipment and initial program start-up costs excluding~~

1 regular faculty salaries. These funds shall not be used for continuing salary increases or
2 for other obligations beyond the fiscal year into which they were carried forward. These
3 funds shall be encumbered within 12 months of the fiscal year into which they were
4 carried forward.

5 (e) ~~The five required performance measures are (i) progress of basic skills~~
6 ~~students, (ii) passing rate for licensure and certification examinations, (iii) goal~~
7 ~~completion of program completers, (iv) employment status of graduates, and (v)~~
8 ~~performance of students who transfer to the university system. Colleges may choose one~~
9 ~~other performance measure from the list contained in the State Board's Phase 4 Funding~~
10 ~~Formula Study, which was presented to the Joint Legislative Education Oversight~~
11 ~~Committee. Successful performance on each of the six performance measures shall allow~~
12 ~~a college to retain and carry forward up to one-third of one percent (1/3 of 1%) of its~~
13 ~~final fiscal year General Fund appropriations into the next fiscal year.~~

14 (d) Each college shall publish its performance on these six measures in its catalog
15 each year beginning with the 2001 academic year.

16 (e) Mandatory Performance Measures. – The State Board of Community Colleges
17 shall evaluate each college on the following 12 performance standards:

- 18 (1) Progress of basic skills students,
- 19 (2) Passing rate for licensure and certification examinations,
- 20 (3) Goal completion of program completers and noncompleters,
- 21 (4) Employment status of graduates,
- 22 (5) Performance of students who transfer to the university system,
- 23 (6) Passing rates in developmental courses,
- 24 (7) Success rates of developmental students in subsequent college-level
25 courses,
- 26 (8) The level of satisfaction of students who complete programs and those
27 who do not complete programs,
- 28 (9) Curriculum student retention and graduation,
- 29 (10) Employer satisfaction with graduates,
- 30 (11) Client satisfaction with customized training, and
- 31 (12) Program enrollment.

32 (f) Publication of Performance Ratings. – Each college shall publish its
33 performance on the 12 measures set out in subsection (e) of this section (i) annually in its
34 electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is
35 reprinted.

36 The Community Colleges System Office shall publish the performance of all colleges
37 on all 12 measures in its annual Critical Success Factors Report.

38 (g) Performance Budgeting; Recognition for Successful Performance. – For the
39 purpose of performance budgeting, the State Board of Community Colleges shall
40 evaluate each college on six performance measures. These six shall be the five set out in
41 subdivisions (1) through (5) of subsection (e) of this section and one selected by the
42 college from the remainder set out in subdivisions (6) through (11). For each of these six
43 performance measures on which a college performs successfully or attains the standard of

1 significant improvement, the college may retain and carry forward into the next fiscal
2 year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund
3 appropriations.

4 (h) Performance Budgeting; Recognition for Superior Performance. – Funds not
5 allocated to colleges in accordance with subsection (g) of this section shall be used to
6 reward superior performance. After all State aid budget obligations have been met, the
7 State Board of Community Colleges shall distribute the remainder of these funds equally
8 to colleges that perform successfully on at least five of the six performance measures.

9 (i) Permissible Uses of Funds. – Funds retained by colleges or distributed to
10 colleges pursuant to this section shall be used for the purchase of equipment, initial
11 program start-up costs including faculty salaries for the first year of a program, and one-
12 time faculty and staff bonuses. These funds shall not be used for continuing salary
13 increases or for other obligations beyond the fiscal year into which they were carried
14 forward. These funds shall be encumbered within 12 months of the fiscal year into which
15 they were carried forward."

16
17 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

18 **COMMUNITY COLLEGE TUITION/LEGAL IMMIGRANTS**

19 Section 9.8. G.S. 115D-39 reads as rewritten:

20 **"§ 115D-39. Student tuition and fees.**

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

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

26 The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and
27 G.S. 116-143.3, shall apply to students attending institutions operating pursuant to this
28 Chapter; provided, however, that when an employer other than the armed services, as that
29 term is defined in G.S. 116-143.3, pays tuition for an employee to attend an institution
30 operating pursuant to this Chapter and when the employee works at a North Carolina
31 business location, the employer shall be charged the in-State tuition rate; provided
32 further, however, a community college may charge in-State tuition to up to one percent
33 (1%) of its out-of-state students, rounded up to the next whole number, to accommodate
34 the families transferred by business, the families transferred by industry, or the civilian
35 families transferred by the military, consistent with the provisions of G.S. 116-143.3, into
36 the State. Notwithstanding these requirements, a refugee who lawfully entered the United
37 States and who is living in this State shall be deemed to qualify as a domiciliary of this
38 State under G.S. 116-143.1(a)(1) and as a State resident for community college tuition
39 purposes as defined in G.S. 116-143.1(a)(2). Also, a nonresident of the United States who
40 has resided in North Carolina for a 12-month qualifying period and has filed an
41 immigrant petition with the United States Immigration and Naturalization Service shall
42 be considered a State resident for community college tuition purposes."

1 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

2 **SUPPLEMENTAL FUNDING FOR SUMMER TERM CURRICULUM**
3 **INSTRUCTION**

4 Section 9.9.(a) Funds appropriated in this act for summer term curriculum
5 instruction are provided as a supplement to curriculum enrollment funding for the regular
6 academic year. These funds are for direct instructional costs, including faculty salaries
7 and benefits, and instructional supplies and materials ("other costs") and shall be
8 budgeted as such by the community college institutions. These funds may be carried
9 forward beyond the fiscal year in which they are appropriated, only for the purpose of
10 fulfilling a contractual obligation for summer term curriculum instructional faculty.

11 Funding for summer term curriculum instruction shall be allocated from a
12 separate line item in State aid fund code 1600 based on full-time equivalent student
13 enrollment in summer term curriculum course offerings for the prior fiscal year. Funding
14 for summer term curriculum instruction shall not be included in the continuing budget
15 concept for full-time equivalent (FTE) enrollment funding as enacted in Section 10.4(b)
16 of S.L. 1998-212.

17 It is the intent of the General Assembly to review annually the objectives, use
18 of funds, and benefits of funding for summer term curriculum instruction to determine
19 whether to provide increased funding for this purpose.

20 Nothing in this section shall be construed as the intent of the General
21 Assembly to provide additional funding for summer term curriculum enrollment
22 increases or to increase the rate of funding per FTE for summer term enrollment.

23 The State Board of Community Colleges shall adopt a calendar for curriculum
24 instruction, designating the dates on which the fall, spring, and summer terms shall begin
25 and end. The calendar shall provide for flexibility among community college institutions
26 for actual starting and ending dates within a range established by the State Board of
27 Community Colleges. The session for the summer term shall not overlap either the fall or
28 spring semesters in such a way as to allow summer term earned FTE to be counted as fall
29 or spring earned FTE for the purposes of determining enrollment funding under the
30 continuing budget concept.

31 Section 9.9.(b) The State Board of Community Colleges shall hold harmless, from
32 monetary penalties, repayment of State resources, and reimbursement of uncollected
33 tuition, any community college for which the Program Audit Services Section of the
34 Community Colleges System Office notes an audit exception for membership hours
35 reported on the Spring 1999 Curriculum Institution Class Report (ICR) for classes which
36 began after the institution's published ending date for that term. This subsection shall
37 only apply for curriculum membership hours reported for the Spring 1998 to Spring 1999
38 reporting period. This subsection applies to all final audit exceptions noted previously or
39 in the future.

40 Section 9.9.(c) The State Board of Community Colleges shall report on the
41 implementation of this section to the Joint Legislative Education Oversight Committee by
42 November 1, 2000. The report shall include the calendar adopted by the State Board, a
43 summary of anticipated summer term course offerings by institution, and an explanation

1 of the planned use of funds provided as a supplement for summer term curriculum
 2 instruction by institution.

3
 4 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

5 **FUNDS FOR REGIONAL AND COOPERATIVE INITIATIVES**

6 Section 9.11. Section 9.11(a) of S.L. 1999-237 read, as rewritten by Section 7
 7 of S.L. 1999-321, reads as rewritten:

8 "(a) There is appropriated from the Employment Security Commission Training
 9 and Employment Account created in G.S. 96-6.1 to the Community Colleges System
 10 Office the sum of eighteen million dollars (\$18,000,000) for the 1999-2000 fiscal year
 11 and the sum of forty-eight million five hundred thousand dollars (\$48,500,000) for the
 12 2000-2001 fiscal year. These funds shall be used as follows:

	1999-2000	2000-2001
1. Nonreverting Equipment, Technology, and MIS Reserve	\$10,000,000	\$38,000,000
2. Nonreverting Start-Up Fund for Regional and Cooperative Initiatives	\$ 3,000,000	\$ 3,000,000
3. New and Expanding Industry Training Program	\$ 4,000,000	\$5,500,000
4. Enhanced Focused Industrial Training Programs	\$ 1,000,000	\$ 2,000,000
TOTAL:	\$18,000,000	\$48,500,000

30 Funds allocated for the Nonreverting Start-Up Fund for Regional and Cooperative
 31 Initiatives shall be used for community college projects that foster regional cooperation
 32 among community colleges, between public schools and community colleges, and
 33 between universities and community colleges. In considering funding requests for this
 34 Fund, the Board may take into account significant job losses and other indicators of
 35 economic distress in the county or region served by the community college applicant.

36 Funds allocated for the Nonreverting Start-Up Fund for Regional and Cooperative
 37 Initiatives shall be used only for the nonrecurring costs of starting new programs,
 38 expanding existing regional and cooperative programs, or both. Nonrecurring costs
 39 include but are not limited to the costs of equipment, program development, and
 40 instructional development. Funds for regional and cooperative initiatives shall not be
 41 used for construction, renovation or other capital related costs."

42
 43 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

ENCOURAGE TRAINING PROGRAMS IN BOAT-BUILDING

Section 9.12. The General Assembly recognizes and acknowledges the important role North Carolina Community Colleges are playing in the development of the boat-building industry through such means as its New and Expanding Industry Training Program, enhanced Focused Industrial Training, and Continuing Education and Curriculum programs. Many of North Carolina's boat-builders are significantly expanding their operations and North Carolina Community Colleges are supporting this growth through customized training and by retraining through the new Manufacturing Certification Program. The General Assembly encourages the North Carolina Community Colleges System to continue to develop and provide specialized programs to support this important industry.

Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

REGULATION OF PROPRIETARY SCHOOLS/STUDY

Section 9.13. The Legislative Research Commission shall study current State programs governing the licensure and regulation of proprietary schools under Article 8 of Chapter 115D of the General Statutes. In the course of the study, the Commission shall consider:

- (1) The appropriate State agency to license and regulate proprietary schools,
- (2) The level of personnel required to to license and regulate the schools,
- (3) The level of funding required to license and regulate the schools,
- (4) The proportion of required funding that should be supported by license fees,
- (5) An appropriate fee schedule for proprietary schools; and
- (6) A plan for effective enforcement of the provisions of the current law regarding the licensing and regulation of proprietary schools.

The Commission shall report the results of this study to the 2001 General Assembly.

PART X. UNIVERSITIES

Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

REALIGN CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT PROGRAMS

Section 10.(a) Effective October 1, 2000, the Principals Executive Program and all of its statutory authority, powers, duties, and functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and purchasing, is transferred from the University of North Carolina at Chapel Hill to the Board of Governors of The University of North Carolina. The Board of Governors shall coordinate the program within the University of North Carolina Center for School Leadership Development.

Section 10.(b) Effective October 1, 2000, the University of North Carolina Mathematics and Science Education Network and all of its statutory authority, powers,

1 duties, and functions, records, personnel, property, unexpended balances of
2 appropriations, allocations or other funds, including the functions of budgeting and
3 purchasing, is transferred from the University of North Carolina at Chapel Hill to the
4 Board of Governors of The University of North Carolina. The Board of Governors shall
5 coordinate the program within the University of North Carolina Center for School
6 Leadership Development.

7
8 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

9 **UNC NEED-BASED STUDENT FINANCIAL AID PROGRAM**

10 Section 10.1. Of the funds appropriated by this act to the Board of Governors
11 of The University of North Carolina the sum of five million dollars (\$5,000,000) in
12 recurring funds shall be used to establish and begin the implementation of the new need-
13 based student financial aid program for in-State students attending constituent
14 institutions of The University of North Carolina. The program shall provide grants to
15 needy North Carolina students who are seeking undergraduate degrees or masters
16 degrees. Eligibility of a student for a program grant shall be based on a formula that
17 offsets Pell grants and federal tax credits before determining eligibility to receive one of
18 the new grants. In addition, to be eligible for a program grant, a student shall also be
19 required to contribute a combination of personal savings, borrowed funds, institutional
20 aid, and personal earnings, called self-help.

21 The new program shall be administered by the North Carolina State Education
22 Assistance Authority. The North Carolina State Education Assistance Authority shall
23 coordinate offers of institutional aid and program grants made to a student to ensure that
24 the student does not receive more in grants and scholarships than the actual cost of
25 attendance.

26 In the absence of full funding for the program, the North Carolina State
27 Education Assistance Authority may modify the formula for distribution as needed to
28 accommodate the reduced amount.

29 The program shall be established and implemented in accordance with the
30 recommendations regarding its creation adopted by the Board of Governors in November
31 1999. The goals of the program shall be to make The University of North Carolina more
32 affordable for low-income students and to reduce student indebtedness by setting a limit
33 on the funds that needy students will be asked to borrow each year. This program will
34 provide financial assistance to constituent institutions that enroll disproportionate
35 numbers of low-income students, particularly at the seven institutions targeted for major
36 enrollment growth.

37
38 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom, Dannelly, Clodfelter

39 **UNC CHARLOTTE RETAIN LAND SALE PROCEEDS**

40 Section 10.2. Notwithstanding any other provision of law, the University of
41 North Carolina at Charlotte may retain the proceeds from the sale of the existing
42 chancellor's residence. The University of North Carolina at Charlotte may use the
43 proceeds from the sale of the existing chancellor's residence, and any other

1 nonappropriated funds available, to construct a new chancellor's residence. Proceeds
2 from the sale not used for that purpose shall revert.

3
4 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

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

6 Section 10.3. Section 10 of S.L. 1999-237 reads as rewritten:

7 "Section 10.(a) Funds appropriated in this act to the Board of Governors of The
8 University of North Carolina for aid to private colleges shall be disbursed in accordance
9 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to
10 one thousand fifty dollars (\$1,050) per full-time equivalent North Carolina undergraduate
11 student enrolled at a private institution as of October 1, 1999, for the 1999-2000 fiscal
12 year and up to one thousand ~~fifty-one hundred~~ dollars ~~(\$1,050)-(\$1,100)~~ per full-time
13 equivalent North Carolina undergraduate student enrolled at a private institution as of
14 October 1, 2000, for the 2000-2001 fiscal year.

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

21 Section 10.(b) In addition to any funds appropriated pursuant to G.S. 116-19 and in
22 addition to all other financial assistance made available to private educational institutions
23 located within the State, or to students attending these institutions, there is granted to
24 each full-time North Carolina undergraduate student attending an approved institution as
25 defined in G.S. 116-22, a sum, not to exceed one thousand seven hundred fifty dollars
26 (\$1,750) for the 1999-2000 academic year and one thousand ~~seven hundred fifty-eight~~
27 ~~hundred~~ dollars ~~(\$1,750)-(\$1,800)~~ for the 2000-2001 academic year, which shall be
28 distributed to the student as hereinafter provided.

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

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

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

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

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

10 Any remaining funds shall revert to the General Fund.

11 Section 10.(c) Expenditures made pursuant to this section may be used only for
12 secular educational purposes at nonprofit institutions of higher learning. Expenditures
13 made pursuant to this section shall not be used for any student who:

14 (1) Is incarcerated in a State or federal correctional facility for committing a
15 Class A, B, B1, or B2 felony; or

16 (2) Is incarcerated in a State or federal correctional facility for committing
17 a Class C through I felony and is not eligible for parole or release within
18 10 years.

19 Section 10.(d) The State Education Assistance Authority shall document the
20 number of full-time equivalent North Carolina undergraduate students that are enrolled in
21 off-campus programs and the State funds collected by each institution pursuant to G.S.
22 116-19 for those students. The State Education Assistance Authority shall also document
23 the number of scholarships and the amount of the scholarships that are awarded under
24 G.S. 116-19 to students enrolled in off-campus programs. An 'off-campus program' is
25 any program offered for degree credit away from the institution's main permanent
26 campus.

27 The State Education Assistance Authority shall include in its annual report to the Joint
28 Legislative Education Oversight Committee the information it has compiled and its
29 findings regarding this program."
30

31 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

32 **UNC DISTANCE EDUCATION**

33 Section 10.4. This act provides funding to the Board of Governors of The
34 University of North Carolina for degree-related courses provided away from the campus
35 sites of the constituent institutions. The intent of this commitment is to provide expanded
36 opportunities for higher education to more North Carolina residents, including
37 nontraditional students, and to increase the number of North Carolina residents who earn
38 postsecondary degrees.
39

40 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

41 **HIGHER EDUCATION COMPENSATION**

42 Section 10.5. The Joint Legislative Education Oversight Committee shall study
43 the need for an "Excellent Universities and Community Colleges Act" that addresses the

1 need and ability of The University of North Carolina and the State's community college
2 system to attract and retain excellent faculty.

3 In its deliberations regarding university faculty, the Committee shall consider
4 the study conducted by The University of North Carolina on compensation for the faculty
5 at its constituent institutions, how compensation for similar faculty positions compares
6 among the constituent institutions, and how compensation for faculty positions compares
7 with that paid by other public universities for similar faculty positions.

8 In its deliberations regarding compensation for faculty in the State's
9 community college system, the Committee shall consider any relevant studies on
10 community college faculty compensation conducted by the community college system,
11 how compensation for similar faculty positions compares among the community colleges,
12 and how compensation for faculty positions compares with that paid by other public
13 community college systems for similar faculty positions.

14 If the Committee determines in its study that there are critical issues regarding
15 faculty compensation, then the Committee shall include in its recommendations and
16 report whether a major, new legislative initiative is needed to address those issues. The
17 Committee shall report its findings and recommendations to the 2001 General Assembly.
18

19 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

20 **JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE STUDY**
21 **GLOBAL EDUCATION PROGRAMS**

22 Section 10.6. The Joint Legislative Education Oversight Committee may study
23 the various international studies and global education programs offered within the State's
24 university system. In its study the Committee shall consider the number of international
25 studies or global education programs that are offered within the university system, the
26 source of funds, the curriculum for each program, and the teaching methodology used in
27 each of those programs. The Committee shall evaluate the programs and determine how
28 the programs compare with regard to quality, curriculum, teaching methodology, and
29 student enrollment and identify any duplication.

30 The Committee may report its findings and recommendations to the 2001
31 General Assembly.
32

33 Requested by: Senators Lee, Dalton, Plyler, Perdue, Odom

34 **STATE PURCHASING SYSTEM AVAILABLE TO PRIVATE UNIVERSITIES**

35 Section 10.9.(a) G.S. 143-49(6) reads as rewritten:

36 **"§ 143-49. Powers and duties of Secretary.**

37 The Secretary of Administration shall have power and authority, and it shall be his
38 duty, subject to the provisions of this Article:

39 ...

- 40 (6) To make available to nonprofit corporations operating charitable
41 hospitals, to local nonprofit community sheltered workshops or centers
42 that meet standards established by the Division of Vocational
43 Rehabilitation of the Department of Health and Human Services, to

1 private nonprofit agencies licensed or approved by the Department of
2 Health and Human Services as child placing agencies, residential child-
3 care facilities, private nonprofit rural, community, and migrant health
4 centers designated by the Office of Rural Health and Resource
5 Development, to private higher education institutions that are defined as
6 'institutions' in G.S. 116-22(1), and to counties, cities, towns,
7 governmental entities and other subdivisions of the State and public
8 agencies thereof in the expenditure of public funds, the services of the
9 Department of Administration in the purchase of materials, supplies and
10 equipment under such rules, regulations and procedures as the Secretary
11 of Administration may adopt. In adopting rules and regulations any or
12 all provisions of this Article may be made applicable to such purchases
13 and contracts made through the Department of Administration, and in
14 addition the rules and regulations shall contain a requirement that
15 payment for all such purchases be made in accordance with the terms of
16 the contract. Prior to adopting rules and regulations under this
17 subdivision, the Secretary of Administration may consult with the
18 Advisory Budget Commission.

19 ..."

20 Section 10.9.(b) The Secretary of Administration may adopt temporary rules in
21 accordance with Chapter 150B of the General Statutes to implement G.S. 143-49(6), as
22 rewritten by subsection (a) of this section.

23
24 Requested by: Senators Dalton, Lee, Plyler, Perdue, Odom

25 **TRANSFER CENTER FOR ERGONOMICS FUNDS TO NCSU**

26 Section 10.10. The Office of State Budget and Management shall transfer the
27 sum of five hundred thousand dollars (\$500,000) from the Department of Labor to the
28 Board of Governor's of The University of North Carolina. These funds shall be allocated
29 to North Carolina State University as part of the continuation budget for North Carolina
30 State University for the 2001-2003 fiscal biennium for the Center for Ergonomics.

31
32 Requested by: Senators Dalton, Lee, Plyler, Perdue, Odom

33 **ACCOUNTABILITY FOR SCHOOL LEADERSHIP DEVELOPMENT** 34 **PROGRAMS**

35 Section 10.11. The Board of Governors of The University of North Carolina
36 shall review the programs under the UNC Center for School Leadership Development. In
37 the course of this review, the Board of Governors of The University of North Carolina
38 shall study and recommend to the Joint Legislative Education Oversight Committee, by
39 March 1, 2001:

- 40 (1) A proposal for implementing specific and validated accountability and
41 performance measures that clearly demonstrate the strengths,
42 weaknesses, and costs of each program under the Center; and

- 1 (2) Any recommendations for improving program coordination and
2 efficiencies.

3
4 **PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

5
6 **SUBPART 1. ADMINISTRATION**

7
8 Requested by: Senators Martin of Guilford, Purcell, Plyler, Perdue, Odom

9 **STATE HEALTH STANDARDS**

10 Section 11. Effective October 1, 2000, Article 1 of Chapter 130A of the
11 General Statutes is amended by adding the following new section to read:

12 **"§ 130A-5.1. State health standards.**

13 (a) The Secretary shall adopt measurable standards and goals for community
14 health against which the State's actions to improve the health status of its citizens will be
15 measured. The Secretary shall report annually to the General Assembly upon its
16 convening or reconvening and to the Governor on all of the following:

17 (1) How the State compares to national health measurements and
18 established State goals for each standard. Comparisons shall be
19 reported using disaggregated data for health standards.

20 (2) Steps taken by State and non-State entities to meet established goals.

21 (3) Additional steps proposed or planned to be taken to achieve established
22 goals.

23 (b) The Secretary may coordinate and contract with other entities to assist in the
24 establishment of standards and preparation of the report. The Secretary may use
25 resources available to implement this section."

26
27 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

28 **DHHS STUDY OF NEW FACILITIES DIVISION**

29 Section 11.1. The Department of Health and Human Services shall study
30 whether a new facilities division to consolidate physical plant operations of all State
31 institutions should be established in the Department. Not later than January 1, 2001, the
32 Department shall report its findings and recommendations to the House of
33 Representatives Appropriations Subcommittee on Health and Human Services and the
34 Senate Appropriations Committee on Human Resources.

35
36 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

37 **ELIMINATION OF VACANT DHHS POSITIONS**

38 Section 11.2. The Department of Health and Human Services shall eliminate
39 29 vacant positions effective November 1, 2000. Positions eliminated shall not be those
40 that impact direct patient care, services, or safety and shall not be positions at the State
41 psychiatric hospitals, alcohol and drug abuse treatment centers, the Wright School, or
42 Whitaker School.

1 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

2 **QUALITY CRITERIA FOR LONG-TERM CARE**

3 Section 11.3. The Department of Health and Human Services in conjunction
4 with the North Carolina Institute of Medicine shall convene a special work group to
5 develop criterion-based indicators for the monitoring of quality of care in North Carolina
6 nursing homes, adult care homes, assisted living facilities, and home health care
7 programs. The Institute of Medicine and the Department of Health and Human Services
8 shall work together to implement these criteria for the monitoring of long-term care in the
9 State and pursue options for the use of these criteria in lieu of current HCFA-mandated
10 standards for surveying North Carolina nursing homes under the federal Medicaid and
11 Medicare programs.

12
13 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

14 **LONG-TERM CARE SERVICES DATA**

15 Section 11.4.(a) By January 1, 2001, the Department of Health and Human
16 Services in conjunction with the North Carolina Institute of Medicine shall:

- 17 (1) Identify screening, level of services, and care planning instruments to be
18 used for all DHHS long-term care services;
19 (2) Develop a timetable for testing and implementing these instruments; and
20 (3) Compile county level data on the number of people age 18 years or
21 older who use DHHS long-term care services and expenditures by
22 Division and type of program.

23 Section 11.4.(b) Subsection (a) of Section 11.7A of S.L. 1999-237 reads as
24 rewritten:

25 "Section 11.7A.(a) The Department of Health and Human Services shall, in
26 cooperation with other appropriate State and local agencies and representatives of
27 consumer and provider organizations, develop a system that provides a continuum of
28 long-term care for elderly and disabled individuals and their families. The Department
29 shall define the system of long-term care services to include:

- 30 (1) A structure and means for screening, assessment, and care management
31 across settings of care;
32 (2) A process to determine outcome measures for care;
33 (3) An integrated data system to track expenditures, consumer
34 characteristics, and consumer outcomes;
35 (4) Relationships between the Department and the State's universities to
36 provide policy analysis and program evaluation support for the
37 development of long-term care system reforms;
38 (5) An implementation plan that addresses testing of models, reviewing
39 existing models, evaluation of components, and steps needed to achieve
40 development of a coordinated system; and
41 (6) Provision for consumer, provider, and agency input into the system
42 design and implementation development.

1 Effective January 1, ~~2001~~, 2002, the system developed by the Department shall do the
2 following:

- 3 (1) Implement the initial phase of a comprehensive data system that tracks
4 long-term care expenditures, services, consumer profiles, and consumer
5 preferences; and
6 (2) Develop a system of statewide long-term care services coordination and
7 case management to minimize administrative costs, improve access to
8 services, and minimize obstacles to the delivery of long-term care
9 services to people in need."
10

11 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

12 CLOSING THE ACHIEVEMENT GAP

13 Section 11.4A. Of the funds appropriated in this act to the Department of
14 Health and Human Services, Division of Social Services, the sum of two hundred fifty
15 thousand dollars (\$250,000) for the 2000-2001 fiscal year shall be used to establish and
16 administer a pilot program to assist families that have children who are performing below
17 school grade level in strengthening family cohesiveness, functioning, and economic
18 progress and improving the academic performance of their children. The program shall
19 be developed and implemented no later than August 1, 2001, as follows:

- 20 (1) Each pilot program shall be family-focused and designed to improve
21 family success in addressing issues pertaining to:
22 a. Family functioning and economic progress;
23 b. Academic success for children in the family in a manner that
24 reduces the likelihood that the children will have a life of
25 poverty; and
26 c. Strengthening the communities in which the family lives.
27 (2) There shall be at least eight pilot programs initially established which
28 shall be based on components of successful models and concepts. Any
29 nonprofit, tax-exempt organization or local government agency that is
30 part of the collaborative effort to develop the pilot program may serve
31 as the lead agency in applying for and administering grant funds.
32 (3) Families eligible for participation in a pilot program shall be those
33 families:
34 a. Who have at least one child in elementary or middle school who
35 is performing academically at least one year below the child's
36 grade level;
37 b. At least one adult member of which agrees to participate in the
38 program and in a culturally appropriate assessment of family
39 functioning; and
40 c. Whose income is below two hundred percent (200%) of the
41 federal poverty level or whose income is at or above two hundred
42 percent (200%) of the federal poverty level if authorized by the
43 requirements of the funding source.

- 1 (4) The Department and other entities collaborating to develop the program
2 shall identify resources currently available to address the concerns of
3 below-grade-level academic performance and problems related to
4 family cohesiveness, functioning, and family economic progress and
5 shall strive to harness these resources in a manner that increases
6 effectiveness and reduces overall costs of the pilot program. The
7 Department shall also determine which entities can best operate which
8 components of the total pilot program and how those entities can
9 contribute to the abilities of others to be more successful in operating
10 their components.
- 11 (5) The Department may obtain the services of consultants in the planning,
12 coordination, implementation, and evaluation of the program.
- 13 (6) The Department of Health and Human Services shall establish a task
14 force to collaborate with and advise the Department on the development
15 and implementation of the program. The task force shall consist of, at a
16 minimum, representatives of:
- 17 a. The Department of Public Instruction;
- 18 b. The Cooperative Extension Services at North Carolina
19 Agricultural and Technical State University and at North
20 Carolina State University;
- 21 c. The Office of Juvenile Justice;
- 22 d. Workforce Development Boards;
- 23 e. Local education agencies;
- 24 f. Local departments or boards of social services, county
25 commissioners, and health departments;
- 26 g. Community-based organizations, specifically those that work
27 within low-income communities;
- 28 h. Religious organizations or institutions; and
- 29 i. Charter schools.
- 30 (7) Each of the pilot programs shall have comparable structures for
31 administration, advice, and technical assistance.
- 32 (8) Each pilot program shall be developed in a way that results in
33 observable and measurable outcomes and that is subject to sound
34 evaluation techniques. Evaluation measures and techniques shall be
35 designed and implemented to:
- 36 a. Identify and explain the components of the pilot program that are
37 successful and those that are not successful;
- 38 b. Recommend systemic changes through integration of positive
39 outcomes; and
- 40 c. Produce outcomes that, if successful, can be replicated.
- 41 (9) The Department shall present a progress report to the Commission on
42 Improving the Academic Achievement of Minority and At-Risk

1 Students by March 1, 2001. This report shall contain a plan to
2 implement and evaluate the program, including:

- 3 a. Pilot sites selected;
- 4 b. Identification of evaluation tools;
- 5 c. Identification of existing sources of federal and State funding that
6 can be used to implement and evaluate the program;
- 7 d. Identification of additional resources, fiscal and otherwise, that
8 are available to implement and evaluate the program; and
- 9 e. Strategies that utilize school facilities to the maximum
10 reasonable extent possible and that do not place undue burdens
11 on school personnel.

- 12 (10) The Department shall make a final report to the Commission on
13 Improving the Academic Achievement of Minority and At-Risk
14 Students by February 1, 2002. This report shall include a
15 recommendation as to whether the program should be extended
16 statewide. If so, the Department shall present a plan that includes the
17 projected cost, process, and time frame for implementation of the
18 program statewide.

19 **SUBPART 2. MEDICAL ASSISTANCE**

20 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

21 **MEDICAID PROGRAM**

22 Section 11.5. Section 11.12 of S.L. 1999-237 reads as rewritten:

23 "Section 11.12.(a) Funds appropriated in this act for services provided in
24 accordance with Title XIX of the Social Security Act (Medicaid) are for both the
25 categorically needy and the medically needy. Funds appropriated for these services shall
26 be expended in accordance with the following schedule of services and payment bases.
27 All services and payments are subject to the language at the end of this subsection.
28

29 Services and payment bases:

- 30 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
31 prescribed in the State Plan as established by the Department of Health
32 and Human Services.
- 33 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
34 prospective reimbursement plan as established by the Department of
35 Health and Human Services.
- 36 (3) Nursing Facilities - Payment for nursing facility services will be
37 prescribed in the State Plan as established by the Department of Health
38 and Human Services. Nursing facilities providing services to Medicaid
39 recipients who also qualify for Medicare, must be enrolled in the
40 Medicare program as a condition of participation in the Medicaid
41 program. State facilities are not subject to the requirement to enroll in
42 the Medicare program.
43

- 1 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
2 in the State Plan as established by the Department of Health and Human
3 Services.
- 4 (5) Drugs - Drug costs as allowed by federal regulations plus a professional
5 services fee per month excluding refills for the same drug or generic
6 equivalent during the same month. Reimbursement shall be available
7 for up to six prescriptions per recipient, per month, including refills.
8 Payments for drugs are subject to the provisions of subsection (h) of this
9 section and to the provisions at the end of subsection (a) of this section,
10 or in accordance with the State Plan adopted by the Department of
11 Health and Human Services consistent with federal reimbursement
12 regulations. Payment of the professional services fee shall be made in
13 accordance with the State Plan adopted by the Department of Health and
14 Human Services, consistent with federal reimbursement regulations.
15 The professional services fee shall be five dollars and sixty cents
16 (\$5.60) per prescription. Adjustments to the professional services fee
17 shall be established by the General Assembly.
- 18 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
19 Nurse Midwife ~~Services~~ Services, Nurse Practitioners - Fee schedules as
20 developed by the Department of Health and Human Services. Payments
21 for dental services are subject to the provisions of subsection (g) of this
22 section.
- 23 (7) Community Alternative Program, EPSDT Screens - Payment to be
24 made in accordance with rate schedule developed by the Department of
25 Health and Human Services.
- 26 (8) Home Health and Related Services, Private Duty Nursing, Clinic
27 Services, Prepaid Health Plans, Durable Medical Equipment - Payment
28 to be made according to reimbursement plans developed by the
29 Department of Health and Human Services.
- 30 (9) Medicare Buy-In - Social Security Administration premium.
- 31 (10) Ambulance Services - Uniform fee schedules as developed by the
32 Department of Health and Human Services. Public ambulance providers
33 will be reimbursed at cost.
- 34 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 35 (12) Rural Health Clinic Services - Provider-based, reasonable cost;
36 nonprovider-based, single-cost reimbursement rate per clinic visit.
- 37 (13) Family Planning - Negotiated rate for local health departments. For
38 other providers - see specific services, for instance, hospitals,
39 physicians.
- 40 (14) Independent Laboratory and X-Ray Services - Uniform fee schedules as
41 developed by the Department of Health and Human Services.
- 42 (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale
43 cost of materials.

- 1 (16) Ambulatory Surgical Centers - Payment as prescribed in the
2 reimbursement plan established by the Department of Health and
3 Human Services.
- 4 (17) Medicare Crossover Claims - An amount up to the actual coinsurance or
5 deductible or both, in accordance with the State Plan, as approved by
6 the Department of Health and Human Services.
- 7 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
8 eligible children. Payments are to be made only to qualified providers
9 at rates negotiated by the Department of Health and Human Services.
- 10 (19) Personal Care Services - Payment in accordance with the State Plan
11 approved by the Department of Health and Human Services.
- 12 (20) Case Management Services - Reimbursement in accordance with the
13 availability of funds to be transferred within the Department of Health
14 and Human Services.
- 15 (21) Hospice - Services may be provided in accordance with the State Plan
16 developed by the Department of Health and Human Services.
- 17 (22) Other Mental Health Services - Unless otherwise covered by this
18 section, coverage is limited to (i) agencies meeting the requirements of
19 the rules established by the Commission for Mental Health,
20 Developmental Disabilities, and Substance Abuse Services, and
21 reimbursement is made in accordance with a State Plan developed by
22 the Department of Health and Human Services not to exceed the upper
23 limits established in federal ~~regulations.~~ regulations, and (ii) only for
24 children eligible for EPSDT services, licensed or certified
25 psychologists, certified mental health nurse practitioners, and licensed
26 clinical social workers when Medicaid eligible children are referred by
27 the primary care physician or the area mental health program. The
28 Department of Health and Human Services may adopt temporary rules
29 in accordance with Chapter 150B of the General Statutes further
30 defining the qualifications of providers and referral procedures in order
31 to implement this provision.
- 32 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
33 Children - Reimbursement in accordance with the State Plan approved
34 by the Department of Health and Human Services.
- 35 (24) Health Insurance Premiums - Payments to be made in accordance with
36 the State Plan adopted by the Department of Health and Human
37 Services consistent with federal regulations.
- 38 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in
39 this section include related services in schools; health professional
40 services provided outside the clinic setting to meet maternal and infant
41 health goals; and services to meet federal EPSDT mandates. Services
42 addressed by this paragraph are limited to those prescribed in the State
43 Plan as established by the Department of Health and Human Services.

1 Except for related services in schools, providers of these services shall
 2 be certified as meeting program standards of the Department of Health
 3 and Human Services, Division of Women's and Children's Health.

4 (26) Pregnancy Related Services - Covered services for pregnant women
 5 shall include nutritional counseling, psychosocial counseling, and
 6 predelivery and postpartum home visits by maternity care coordinators
 7 and public health nurses.

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

10 Reimbursement is available for up to 24 visits per recipient per year to any one or
 11 combination of the following: physicians, clinics, hospital outpatient, optometrists,
 12 chiropractors, and podiatrists. Prenatal services, all EPSDT children, ~~and~~ emergency
 13 ~~rooms~~ rooms, and mental health services subject to independent utilization review are
 14 exempt from the visit limitations contained in this paragraph. Exceptions may be
 15 authorized by the Department of Health and Human Services where the life of the patient
 16 would be threatened without such additional care. Any person who is determined by the
 17 Department to be exempt from the 24-visit limitation may also be exempt from the six-
 18 prescription limitation.

19 Section 11.12.(b)Allocation of Nonfederal Cost of Medicaid. The State shall pay
 20 eighty-five percent (85%); the county shall pay fifteen percent (15%) of the nonfederal
 21 costs of all applicable services listed in this section.

22 Section 11.12.(c)Copayment for Medicaid Services. The Department of Health and
 23 Human Services may establish copayment up to the maximum permitted by federal law
 24 and regulation.

25 Section 11.12.(d)Medicaid and Work First Family Assistance, Income Eligibility
 26 Standards. The maximum net family annual income eligibility standards for Medicaid
 27 and Work First Family Assistance and the Standard of Need for Work First Family
 28 Assistance shall be as follows:

	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	<u>WFFA*</u>			
	<u>Family</u>	<u>Standard</u>	<u>Families and</u>	
	<u>Size</u>	<u>of Need</u>	<u>Children</u>	<u>Income</u>
<u>Level</u>	<u>AA, AB, AD*</u>			
35	1	\$ 4,344	\$ 2,172	\$ 2,900
36	2	5,664	2,832	3,800
37	3	6,528	3,264	4,400
38	4	7,128	3,564	4,800
39	6	8,376	4,188	5,600
40	7	8,952	4,476	6,000
41	8	9,256	4,680	6,300

42 *Work First Family Assistance (WFFA); Aid to the Aged (AA); Aid to the Blind (AB);
 43 and Aid to the Disabled (AD).

1
2 The payment level for Work First Family Assistance shall be fifty percent (50%) of the
3 standard of need.

4 These standards may be changed with the approval of the Director of the Budget with
5 the advice of the Advisory Budget Commission.

6 Section 11.12.(e) The Department of Health and Human Services, Division of
7 Medical Assistance, shall provide Medicaid coverage to all elderly, blind, and disabled
8 people who have incomes equal to or less than one hundred percent (100%) of the federal
9 poverty guidelines, as revised each April 1.

10 Section 11.12.(f) ICF and ICF/MR Work Incentive Allowances. The
11 Department of Health and Human Services may provide an incentive allowance to
12 Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged in
13 work activities as part of their developmental plan and for whom retention of additional
14 income contributes to their achievement of independence. The State funds required to
15 match the federal funds that are required by these allowances shall be provided from
16 savings within the Medicaid budget or from other unbudgeted funds available to the
17 Department. The incentive allowances may be as follows:

18
19 Monthly Net Wages Monthly Incentive Allowance

20	\$1.00 to \$100.99	Up to \$50.00
21	\$101.00 - \$200.99	\$80.00
22	\$201.00 to \$300.99	\$130.00
23	\$301.00 and greater	\$212.00.

24 Section 11.12.(g) Dental Coverage Limits. Dental services shall be provided
25 on a restricted basis in accordance with rules adopted by the Department to implement
26 this subsection.

27 Section 11.12.(h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-
28 85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the
29 Social Security Act) a prescription order for a drug designated by a trade or brand name
30 shall be considered to be an order for the drug by its established or generic name, except
31 when the prescriber personally indicates, either orally or in the prescriber's own
32 handwriting on the prescription order, 'dispense as written' or words of similar meaning.
33 Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the
34 Medical Assistance Program rather than trade or brand name drugs, subject to the
35 prescriber's 'dispense as written' order as noted above.

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

40 Section 11.12.(i) Exceptions to Service Limitations, Eligibility Requirements,
41 and Payments. Service limitations, eligibility requirements, and payments bases in this
42 section may be waived by the Department of Health and Human Services, with the
43 approval of the Director of the Budget, to allow the Department to carry out pilot

1 programs for prepaid health plans, managed care plans, or community-based services
2 programs in accordance with plans approved by the United States Department of Health
3 and Human Services, or when the Department determines that such a waiver will result in
4 a reduction in the total Medicaid costs for the recipient. The Department of Health and
5 Human Services may proceed with planning and development work on the Program of
6 All-Inclusive Care for the Elderly and will issue a progress report to the chairs of the
7 House Appropriations Subcommittee on Health and Human Services and the Senate
8 Appropriations Committee on Human Resources on or before January 30, 2001.

9 Section 11.12.(j) Volume Purchase Plans and Single Source Procurement.
10 The Department of Health and Human Services, Division of Medical Assistance, may,
11 subject to the approval of a change in the State Medicaid Plan, contract for services,
12 medical equipment, supplies, and appliances by implementation of volume purchase
13 plans, single source procurement, or other similar processes in order to improve cost
14 containment.

15 Section 11.12.(k) Cost Containment Programs. The Department of Health and
16 Human Services, Division of Medical Assistance, may undertake cost containment
17 programs including preadmissions to hospitals and prior approval for certain outpatient
18 surgeries before they may be performed in an inpatient setting.

19 Section 11.12.(l) For all Medicaid eligibility classifications for which the
20 federal poverty level is used as an income limit for eligibility determination, the income
21 limits will be updated each April 1 immediately following publication of federal poverty
22 guidelines.

23 Section 11.12.(m) The Department of Health and Human Services shall
24 provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and
25 regulations.

26 Section 11.12.(n) The Department of Health and Human Services shall
27 provide coverage to pregnant women and to children according to the following schedule:

- 28 (1) Pregnant women with incomes equal to or less than one hundred eighty-
29 five percent (185%) of the federal poverty guidelines as revised each
30 April 1 shall be covered for Medicaid benefits.
- 31 (2) Infants under the age of 1 with family incomes equal to or less than one
32 hundred eighty-five percent (185%) of the federal poverty guidelines as
33 revised each April 1 shall be covered for Medicaid benefits.
- 34 (3) Children aged 1 through 5 with family incomes equal to or less than one
35 hundred thirty-three percent (133%) of the federal poverty guidelines as
36 revised each April 1 shall be covered for Medicaid benefits.
- 37 (4) Children aged 6 through 18 with family incomes equal to or less than
38 the federal poverty guidelines as revised each April 1 shall be covered
39 for Medicaid benefits.
- 40 (5) The Department of Health and Human Services shall provide Medicaid
41 coverage for adoptive children with special or rehabilitative needs
42 regardless of the adoptive family's income.

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

7 Section 11.12.(o) Medicaid enrollment of categorically needy families with
8 children shall be continuous for one year without regard to changes in income or assets.

9 Section 11.12.(p) The Department of Health and Human Services shall submit
10 a ~~monthly~~ quarterly status report on expenditures for acute care and long-term care
11 services to the Fiscal Research Division and to the Office of State Budget and
12 Management. This report shall include an analysis of budgeted versus actual
13 expenditures for eligibles by category and for long-term care beds. In addition, the
14 Department shall revise the program's projected spending for the current fiscal year and
15 the estimated spending for the subsequent fiscal year on a quarterly basis. ~~Reports for the~~
16 ~~preceding month~~ The quarterly expenditure report and the revised forecast shall be
17 forwarded to the Fiscal Research Division and to the Office of State Budget and
18 Management no later than the third Thursday of the ~~month~~ month following the end of
19 each quarter.

20 Section 11.12.(q) The Division of Medical Assistance, Department of Health
21 and Human Services, may provide incentives to counties that successfully recover
22 fraudulently spent Medicaid funds by sharing State savings with counties responsible for
23 the recovery of the fraudulently spent funds.

24 Section 11.12.(r) If first approved by the Office of State Budget and
25 Management, the Division of Medical Assistance, Department of Health and Human
26 Services, may use funds that are identified to support the cost of development and
27 acquisition of equipment and software through contractual means to improve and
28 enhance information systems that provide management information and claims
29 processing.

30 ~~Section 11.12.(s) The Division of Medical Assistance, Department of Health~~
31 ~~and Human Services, may administer Medicaid estate recovery mandated by the~~
32 ~~Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42 U.S.C. § 1396p(b), and~~
33 ~~G.S. 108-70.5 using temporary rules pending approval of final rules promulgated~~
34 ~~pursuant to Chapter 150B of the General Statutes.~~

35 Section 11.12.(t) The Department of Health and Human Services may adopt
36 temporary rules according to the procedures established in G.S. 150B-21.1 when it finds
37 that these rules are necessary to maximize receipt of federal funds, to reduce Medicaid
38 expenditures, and to reduce fraud and abuse. Prior to the filing of these temporary rules
39 with the Office of Administrative Hearings, the Department shall consult with the Office
40 of State Budget and Management on the possible fiscal impact of the temporary rule and
41 its effect on State appropriations and local governments.

42 Section 11.12.(u) The Department shall report to the Fiscal Research Division
43 of the Legislative Services Office and to the House of Representatives Appropriations

1 Subcommittee on Health and Human Services and the Senate Appropriations Committee
2 on Human Resources or the Joint Legislative Health Care Oversight Committee on any
3 change it anticipates making in the Medicaid program that impacts the type or level of
4 service, reimbursement methods, or waivers, any of which require a change in the State
5 Plan or other approval by the Health Care Financing Administration. The reports shall be
6 provided at the same time they are submitted to HCFA for approval.

7 Section 11.12.(v) If the Department of Health and Human Services obtains a
8 Medicaid waiver to implement two long-term care pilot projects, then the Department
9 shall report the particulars of the waiver, the pilot projects, and the status of
10 implementation to members of the House of Representatives Appropriations
11 Subcommittee on Health and Human Services, the Senate Appropriations Committee on
12 Human Resources, and the Study Commission on Aging within 30 days of receiving the
13 waiver. The Department shall not expand the pilot project beyond the two initial pilots
14 without first reporting the proposed expansion to the members of the House of
15 Representatives Appropriations Subcommittee on Health and Human Services and the
16 Senate Appropriations Committee on Human Resources.

17 ~~Section 11.12.(w) The Department of Health and Human Services shall study~~
18 ~~the effect of subsection (o) of this section on both the Medicaid program and the Health~~
19 ~~Insurance Program for Children. The Department shall make an interim report on the~~
20 ~~results of this study to the members of the House of Representatives Appropriations~~
21 ~~Subcommittee on Health and Human Services and the Senate Appropriations Committee~~
22 ~~on Human Resources by October 1, 1999, and shall make a final report by January 1,~~
23 ~~2000.~~

24 Section 11.12.(x) Effective no earlier than October 1, 2000, the Department of
25 Health and Human Services shall amend the Medicaid State Plan to adopt simplified
26 methodologies for the treatment of assets in determining Medicaid eligibility for aged,
27 blind, and disabled persons. The simplified methodologies are limited to excluding the
28 value of burial plots and the cash value of life insurance when the total face value of cash
29 value bearing life insurance policies does not exceed ten thousand dollars (\$10,000).

30 Section 11.12.(y) The Division of Fiscal Research, through the Legislative
31 Services Office, with the cooperation of the Department of Health and Human Services,
32 shall issue a Request for Proposal (RFP) for an independent consultant to study and
33 review the amount, sufficiency, duration, and scope of each service provided under the
34 North Carolina Medicaid Program. The independent consultant shall make an interim
35 progress report on October 1, 2000, and January 1, 2001, to the cochairs of the House of
36 Representatives Appropriations Subcommittee on Health and Human Services and the
37 Senate Appropriations Committee on Human Resources. The final report of the
38 independent consultant shall be presented to the North Carolina General Assembly not
39 later than May 1, 2001. The Department shall transfer funding from the Medicaid
40 Program for the cost of the study.

41 Section 11.12.(z) The Department of Health and Human Services shall study
42 the feasibility of authorizing Medicaid reimbursement for children eligible for EPSDT
43 services by providers who are eligible for reimbursement for these services under the

1 Teachers' and State Employees' Comprehensive Major Medical Plan pursuant to G.S.
2 135-40.7B, and under the Health Insurance Program for Children pursuant to G.S. 108A-
3 70.21. The Department shall report its findings and recommendations to the members of
4 the House of Representatives Appropriations Subcommittee on Health and Human
5 Services, the Senate Appropriations Committee on Human Resources, and the Fiscal
6 Research Division not later than October 1, 2000.

7 Section 11.12.(aa) Upon approval of a demonstration waiver by the Health
8 Care Financing Administration, the Department of Health and Human Services may
9 provide Medicaid coverage for family planning services to men and women of child-
10 bearing age with family incomes equal to or less than 185% of the federal poverty level.
11 Coverage shall be contingent upon federal approval of the waiver and shall begin no
12 earlier than January 1, 2001."

13
14 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

15 **COUNTY MEDICAID COST-SHARE**

16 Section 11.6.(a) Section 11.39 of S.L. 1999-237 reads as rewritten:

17 "Section 11.39.(a) Of the funds appropriated in this act to the Department of
18 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
19 Substance Abuse Services for the 1999-2000 fiscal year, the Department shall transfer to
20 the Mental Health Restricted Reserve not more than the amount of actual expenditures
21 for Medicaid payments for the 1998-99 fiscal year for services provided by area mental
22 health authorities. The Department shall transfer from the Division of Medical Assistance
23 the estimated amount needed to match Medicaid payments for the former Carolina
24 Alternatives Programs. The Department shall not transfer from area program allocations
25 funds to cover Medicaid payment expenditures that exceed the amount of funds in the
26 Reserve for the 1999-2000 fiscal year.

27 ~~Section 11.39.(b) Any nonfederal increases in the cost of Medicaid services~~
28 ~~provided by area mental health authorities will be borne in equal parts by the State and~~
29 ~~county funding entity until the county share reaches fifteen percent (15%) of the~~
30 ~~nonfederal share. Effective July 1, 2000, the county share of the cost of Medicaid~~
31 ~~services currently and previously provided by area mental health authorities shall be~~
32 ~~increased incrementally each fiscal year until the county share reaches fifteen percent~~
33 ~~(15%) of the nonfederal share by State fiscal year 2009-2010."~~

34 Section 11.6.(b) Section 11.22(g) is repealed.

35 Section 11.6.(c) Section 11.22(h) of S.L. 1999-237 reads as rewritten:

36 ~~"Section 11.22.(h) Effective January 1, 2000, the State shall pay fifty percent~~
37 ~~(50%) and the county shall pay fifty percent (50%) of the nonfederal share of new levels~~
38 ~~of Medicaid Personal Care Services paid to adult care homes. Effective July 1, 2001, the~~
39 ~~State shall pay fifty seven percent (57%) and each county shall pay forty three percent~~
40 ~~(43%) of the nonfederal share of new levels of Medicaid Personal Care Services paid to~~
41 ~~adult care homes. Each year thereafter, the State share of the nonfederal cost will~~
42 ~~increase by seven percent (7%) until the county share equals fifteen percent (15%) of the~~
43 ~~nonfederal share of new levels of Medicaid Personal Care Services. Effective July 1,~~

1 2000, the county share of the cost of Medicaid Personal Care Services paid to adult care
2 homes shall be decreased incrementally each fiscal year until the county share reaches
3 fifteen percent (15%) of the nonfederal share by State fiscal year 2009-2010."
4

5 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

6 **MEDICAID RESERVE FUND TRANSFER**

7 Section 11.7. Section 11.10(a) of S.L. 1999-237 reads as rewritten:

8 "Section 11.10.(a) Of the funds transferred to the Department of Health and
9 Human Services for Medicaid programs pursuant to G.S. 143-23.2, the sum of eighty-
10 four million dollars (\$84,000,000) for the 1999-2000 fiscal year and the sum of ~~twenty-~~
11 ~~nine-ninety-nine~~ million dollars ~~(\$29,000,000) (\$99,000,000)~~ for the 2000-2001 fiscal
12 year shall be allocated as prescribed by G.S. 143-23.2(b) for Medicaid programs.
13 Notwithstanding the prescription in G.S. 143-23.2(b) that these funds not reduce State
14 general revenue funding, these funds shall replace the reduction in general revenue
15 funding effected in this act."
16

17 Requested by: Senators Martin of Guilford, Rand, Plyler, Perdue, Odom, Cooper

18 **WAIVE NC HEALTH CHOICE WAITING PERIOD FOR SPECIAL NEEDS** 19 **CHILDREN**

20 Section 11.8.(a) G.S. 108A-70.18(8) reads as rewritten:

21 **"§ 108A-70.18. Definitions.**

22 ~~Unless~~ As used in this Part, unless the context clearly requires otherwise, the term:
23

24 ...
25 (8) 'Uninsured' means the applicant for Program benefits ~~was not covered~~
26 ~~under any private or employer-sponsored comprehensive health~~
27 ~~insurance plan for the six-month period immediately preceding the date~~
28 ~~of application for Program benefits. Effective April 1, 1999, 'uninsured'~~
29 ~~means the applicant is and was not covered under any private or~~
30 ~~employer-sponsored comprehensive health insurance plan for 60 days~~
31 ~~immediately preceding the date of application. The waiting periods~~
32 ~~required under this subdivision shall be waived ~~if~~ if:~~

33 a. ~~the~~ The child has been enrolled in Medicaid and has lost
34 Medicaid ~~eligibility, eligibility;~~

35 b. The child has lost health care benefits due to cessation of a
36 nonprofit organization program that provides health care benefits
37 to low-income ~~children, or children;~~

38 c. The child has lost employer-sponsored comprehensive health
39 care coverage due to termination of employment, cessation by
40 the employer of employer-sponsored health coverage, or
41 cessation of the employer's ~~business, business; or~~

42 d. Health insurance benefits available to the family of a special
43 needs child have been terminated due to a long-term disability or
a substantial reduction in or limitation of lifetime medical

1 benefits or benefit category. As used in this paragraph, 'special
2 needs child' has the definition applied in G.S. 108A-70.23(a)."

3 Section 11.8.(b) The total amount of State funds expended for the Health
4 Insurance Program for Children (NC Health Choice) in the 2000-2001 fiscal year shall
5 not exceed the amount of State funds appropriated to match federal funds for the Program
6 for the 2000-2001 fiscal year.

7 8 **SUBPART 3. FACILITY SERVICES**

9
10 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

11 **EXTEND ADULT CARE HOME MORATORIUM/STUDY**

12 Section 11.9.(a) Section 11.69(b) of S.L. 1997-443, as amended by Section
13 12.16C(a) of S.L. 1998-212, and as further amended by Section 1 of S.L. 1999-135, reads
14 as rewritten:

15 "(b) Effective until ~~September 30, 2000~~, September 30, 2001, the Department of
16 Health and Human Services shall not approve the addition of any adult care home beds
17 for any type home or facility in the State, except as follows:

- 18 (1) Plans submitted for approval prior to May 18, 1997, may continue to be
19 processed for approval;
- 20 (2) Plans submitted for approval subsequent to May 18, 1997, may be
21 processed for approval if the individual or organization submitting the
22 plan demonstrates to the Department that on or before August 25, 1997,
23 the individual or organization purchased real property, entered into a
24 contract to purchase or obtain an option to purchase real property,
25 entered into a binding real property lease arrangement, or has otherwise
26 made a binding financial commitment for the purpose of establishing or
27 expanding an adult care home facility. An owner of real property who
28 entered into a contract prior to August 25, 1997, for the sale of an
29 existing building together with land zoned for the development of not
30 more than 50 adult care home beds with a proposed purchaser who
31 failed to consummate the transaction may, after August 25, 1997, sell
32 the property to another purchaser and the Department may process and
33 approve plans submitted by the purchaser for the development of not
34 more than 50 adult care home beds. It shall be the responsibility of the
35 applicant to establish, to the satisfaction of the Department, that any of
36 these conditions have been met;
- 37 (3) Adult care home beds in facilities for the developmentally disabled with
38 six beds or less which are or would be licensed under G.S. 131D or G.S.
39 122C may continue to be approved;
- 40 (4) If the Department determines that the vacancy rate of available adult
41 care home beds in a county is fifteen percent (15%) or less of the total
42 number of available beds in the county as of August 26, 1997, and no
43 new beds have been approved or licensed in the county or plans

1 submitted for approval in accordance with subdivision (1) or (2) of this
2 section which would raise the vacancy rate above fifteen percent (15%)
3 in the county, then the Department may accept and approve the addition
4 of beds in that county; or

- 5 (5) If a county board of commissioners determines that a substantial need
6 exists for the addition of adult care home beds in that county, the board
7 of commissioners may request that a specified number of additional
8 beds be licensed for development in their county. In making their
9 determination, the board of commissioners shall give consideration to
10 meeting the needs of Special Assistance clients. The Department may
11 approve licensure of the additional beds from the first facility that files
12 for licensure and subsequently meets the licensure requirements."

13 Section 11.9.(b) The Department of Health and Human Services shall study the
14 various types of adult care homes covered by the moratorium enacted under Section
15 11.69(b) of S.L. 1997-443 and amended by Section 12.16C(a) of S.L. 1998-212 and S.L.
16 1999-135. The study shall identify adult care homes by predominant types of residents
17 currently being served and shall recommend licensure categories appropriate to the
18 population served. As part of this study, the Department shall identify current public
19 funding available to residents of the identified adult care homes as well as additional
20 funding sources appropriate to the population being served. Not later than March 1,
21 2001, the Department shall report the results of its study to the House of Representatives
22 Appropriations Subcommittee on Health and Human Services and the Senate
23 Appropriations Committee on Human Resources.

24
25 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

26 **USE OF FIRE PROTECTION FUND FOR EMERGENCY GENERATORS**

27 Section 11.10. G.S. 122A-5.13 reads as rewritten:

28 **"§ 122A-5.13. Adult Care Home, Group Home, and Nursing Home Fire Protection** 29 **Fund authorized; authority.**

30 (a) The North Carolina Housing Finance Agency shall establish an Adult Care
31 Home, Group Home, and Nursing Home Fire Protection Fund (hereinafter 'Fire
32 Protection Fund') to assist owners of adult care homes, group homes for developmentally
33 disabled adults, and nursing homes with the purchase and installation of fire protection
34 systems and emergency generators in existing and new adult care homes, group homes
35 for developmentally disabled adults, and nursing homes. The Fire Protection Fund shall
36 be a revolving fund.

37 (b) The Agency, in consultation with the Department of Health and Human
38 Services, shall adopt rules for the management and use of the Fire Protection Fund. These
39 rules at a minimum shall provide for the following:

- 40 (1) Financial incentives for owners of facilities who utilize Fire Protection
41 Fund monies to install sprinkler systems instead of smoke detection
42 equipment.

- 1 (2) Maximum loan amounts of one dollar and seventy-five cents (\$1.75) per
2 square foot for advanced smoke detectors and digital communication
3 equipment, three dollars and seventy-five cents (\$3.75) per square foot
4 for residential sprinkler systems, and six dollars (\$6.00) per square foot
5 for institutional sprinkler systems.
- 6 (3) Interest rates from three percent (3%) to six percent (6%) for a period
7 not to exceed 20 years for sprinkler systems and 10 years for smoke
8 detection systems.
- 9 (4) Documentary verification that owners of facilities obtain fire protection
10 systems and emergency generators at a reasonable cost.
- 11 (5) Acceleration of a loan when statutory fire protection requirements are
12 not met by the facility for which the loan was made.
- 13 (6) Loan approval priority criteria that considers the frailty level of
14 residents at a facility.
- 15 (7) Loan origination and servicing fees.
- 16 (c) Proceeds from the Fire Protection Fund, not to exceed ten thousand dollars
17 (\$10,000) annually, may be used to provide staff support to the North Carolina Housing
18 Finance Agency for loan processing under this section and to the Department of Health
19 and Human Services for review and approval of fire protection plans and inspection of
20 fire protection systems."

21
22 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

23 **STUDY MULTIUNIT ASSISTED HOUSING WITH SERVICES FACILITIES**

24 Section 11.11. The North Carolina Study Commission on Aging shall study
25 Multiunit Assisted Housing with Services (MAHS) facilities. The study shall include the
26 following:

- 27 (1) What strategies may be employed at the State and local level to ensure
28 registration of MAHS facilities with the Department of Health and
29 Human Services, as required under G.S. 131D-2(a)(7a).
- 30 (2) Whether persons requesting access to MAHS facilities should be
31 included in the assessment process that is part of the uniform portal of
32 entry system.
- 33 (3) Whether an advocacy and oversight system for MAHS facilities should
34 be developed that is comparable to the advocacy and oversight system
35 in place for adult care homes.

36 Not later than February 1, 2001, the Commission shall report its findings and
37 recommendations to the 2001 General Assembly and to the cochairs of the House of
38 Representatives Appropriations Subcommittee on Health and Human Services and the
39 Senate Appropriations Committee on Human Resources.

40
41 Requested by: Senators Martin of Guilford, Purcell, Plyler, Perdue, Odom

42 **FUNDS FOR TRAINING PROGRAMS FOR RECRUITMENT OF CERTIFIED**
43 **NURSING ASSISTANTS IN NURSING FACILITIES**

1 Section 11.11A.(a) Of the funds appropriated in this act to the Department of
2 Health and Human Services, the sum of five hundred thousand dollars (\$500,000) for the
3 2000-2001 fiscal year shall be used for the development and implementation of on-site
4 Internet training or other innovative training programs designed to improve recruitment
5 and reduce turnover of certified nursing assistants in nursing facilities.

6 Section 11.11A.(b) The Community Colleges System Office shall work with
7 nursing home providers to develop and implement the training program. The program
8 shall be tested in at least five nursing facilities in the State.

9 Section 11.11A.(c) The Community Colleges System Office shall ensure that
10 the program is evaluated by a committee composed of individuals representing the
11 community colleges, the North Carolina Health Care Facilities Association, and the
12 Division of Facility Services in the Department of Health and Human Services. Not later
13 than June 30, 2001, the Community Colleges System Office shall report to the North
14 Carolina Study Commission on Aging on the use of these funds and implementation of
15 the program.

16 17 **SUBPART 4. SOCIAL SERVICES**

18
19 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

20 **ADULT CARE HOMES REIMBURSEMENT RATE INCREASE/STATE** 21 **AUDITOR STUDY**

22 Section 11.12.(a) Section 11.22(e) of S.L. 1999-237 reads as rewritten:

23 "Section 11.22.(e) Effective October 1, 2000, the maximum monthly rate for
24 residents in adult care home facilities shall be one thousand ~~sixteen~~sixty-two dollars
25 ~~(\$1,016)~~(\$1,062) per month per resident."

26 Section 11.12.(b) The Office of the State Auditor shall study the cost
27 reimbursement system used to reimburse adult care homes for residents in those homes
28 who receive public assistance. The study shall include an analysis of the financial
29 information collected on the adult care homes by the Department of Health and Human
30 Services controller's office. The study shall also analyze the impact of occupancy rates on
31 the cost reimbursement system. The Office of the State Auditor shall report the results of
32 the study to the members of the House Appropriations Subcommittee on Health and
33 Human Services and the Senate Appropriations Committee on Human Resources not
34 later than March 1, 2001.

35
36 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

37 **EXTEND SPECIAL ASSISTANCE DEMONSTRATION PROJECT**

38 Section 11.13. Section 11.21 of S.L. 1999-237 reads as rewritten:

39 "Section 11.21. The Department of Health and Human Services may use funds from
40 the existing State/County Special Assistance for Adults budget to provide Special
41 Assistance payments to eligible individuals in in-home living arrangements. These
42 payments may be made for up to 400 individuals. These payments may be made for up
43 to a two-year period beginning July 1, ~~1999, 2000,~~ and ending June 30, ~~2001, 2002.~~ To

1 the maximum extent possible, the Department shall consider geographic balance in the
2 dispersion of payments to individuals across the State. The Department shall make an
3 interim report to the cochairs of the House of Representatives Appropriations Committee,
4 the cochairs of the House of Representatives Appropriations Subcommittee on Health
5 and Human Services and the cochairs of the Senate Appropriations Committee, the Chair
6 of the Senate Appropriations Committee on Human Resources by June 30, ~~2000, 2001,~~
7 and a final report by October 1, ~~2001, 2002.~~ This report shall include the following
8 information:

- 9 (1) A description of cost savings that could occur by allowing individuals
10 eligible for State/County Special Assistance the option of remaining in
11 the home.
- 12 (2) Which activities of daily living or other need criteria are reliable
13 indicators for identifying individuals with the greatest need for income
14 supplements for in-home living arrangements.
- 15 (3) How much case management is needed and which types of individuals
16 are most in need of case management.
- 17 (4) The geographic location of individuals receiving payments under this
18 section.
- 19 (5) A description of the services purchased with these payments.
- 20 (6) A description of the income levels of individuals who receive payments
21 under this section and the impact on the Medicaid program.
- 22 (7) Findings and recommendations as to the feasibility of continuing or
23 expanding the demonstration program."
24

25 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

26 CHILD WELFARE SYSTEM IMPROVEMENTS

27 Section 11.14. (a) Subsection (a) of Section 11.28 of S.L. 1999-237 reads as
28 rewritten:

29 "Section 11.28.(a) The Division of Social Services, Department of Health and
30 Human Services, shall report ~~semiannually~~ to the members of the Senate Appropriations
31 Committee on Human Resources, the House of Representatives Appropriations
32 Subcommittee on Health and Human Services, and the Fiscal Research Division on the
33 activities of the State Child Fatality Review Team ~~and shall provide a final report to the~~
34 ~~Senate Appropriations Committee on Human Resources and the House of~~
35 ~~Representatives Appropriations Subcommittee on Health and Human Services no later~~
36 ~~than April 1, 2000,~~ including recommendations for changes in the statewide child
37 protection ~~system.~~ system no later than October 1 of each year."

38 Section 11.14.(b)Subsection (d) of Section 11.57 of S.L. 1997-443, as amended by
39 Section 12.22 of S.L. 1998-212 and as amended by Section 11.28 of S.L. 1999-237, is
40 repealed.

41 Section 11.14.(c)G.S. 131D-10.6A reads as rewritten:

42 "**§ 131D-10.6A. Training by the Division of Social Services required.**

1 (a) The Division of Social Services, Department of Health and Human Services,
2 shall ~~continue the in-house training component that provides a mandated~~ require a
3 minimum of 30 hours of preservice training for foster care parents either prior to
4 licensure or within six months from the date a provisional license is issued pursuant to
5 G.S. ~~131D-10.3, and 84 hours for foster care workers and adoption social workers~~ 131D-
6 10.3 and a mandated minimum of 10 hours of continuing education for all foster care
7 parents ~~and 18 hours for foster care workers and adoption social workers.~~ annually after
8 the year in which a license is obtained.

9 (b) The Division of Social Services shall establish minimum training requirements
10 for child welfare services staff. The minimum training requirements established by the
11 Division are as follows:

12 (1) Child welfare services workers shall complete a minimum of 72 hours
13 of preservice training before assuming direct client contact
14 responsibilities.

15 (2) Child protective services workers shall complete a minimum of 18
16 hours of additional training that the Division of Social Services
17 determines is necessary to adequately meet training needs.

18 (3) Foster care and adoption workers shall complete a minimum of 39 hours
19 of additional training that the Division of Social Services determines is
20 necessary to adequately meet training needs.

21 (4) Child welfare services supervisors shall complete a minimum of 72
22 hours of preservice training before assuming supervisory responsibilities
23 and a minimum of 54 hours of additional training that the Division of
24 Social Services determines is necessary to adequately meet training
25 needs.

26 (5) Child welfare services staff shall complete 24 hours of continuing
27 education annually.

28 The Division of Social Services may grant an exception in whole or in part to the
29 requirement under subdivision (1) of this subsection to child welfare workers who
30 satisfactorily complete or are enrolled in a masters or bachelors program after July 1,
31 1999, from a North Carolina social work program accredited pursuant to the Council on
32 Social Work Education. The program's curricula must cover the specific preservice
33 training requirements as established by the Division of Social Services.

34 The Division of Social Services shall ensure that training opportunities are available
35 for county departments of social services and consolidated human service agencies to
36 meet the training requirements of this subsection."

37 Section 11.14.(d)G.S. 131D-10.6A(b), as enacted by subsection (b) of this section,
38 applies to child welfare services staff initially hired on or after January 1, 1998.

39
40 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

41 **SPECIAL CHILDREN ADOPTION FUND**

42 Section 11.15.(a)Of the funds appropriated to the Department of Health and Human
43 Services in this act, the sum of one million one hundred thousand dollars (\$1,100,000)

1 shall be used to support the Special Children Adoption Fund for the 2000-2001 fiscal
2 year. The Division of Social Services, in consultation with the North Carolina
3 Association of County Directors of Social Services and representatives of licensed
4 private adoption agencies, shall develop guidelines for the awarding of funds to licensed
5 public and private adoption agencies upon the adoption of children described in G.S.
6 108A-50 and in foster care. Payments received from the Special Children Adoption Fund
7 by participating agencies shall be used exclusively to enhance the adoption services. No
8 local match shall be required as a condition for receipt of these funds. In accordance with
9 State rules for allowable costs, the Special Children Adoption Fund may be used for post-
10 adoption services for families whose incomes exceed two hundred percent (200%) of the
11 federal poverty level.

12 Section 11.15.(b)Of the total funds appropriated for the Special Children Adoption
13 Fund, four hundred thousand dollars (\$400,000) shall be reserved for payment to
14 participating private adoption agencies.

15
16 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

17 **SPECIAL NEEDS ADOPTIONS INCENTIVE FUND**

18 Section 11.16. There is created a Special Needs Adoptions Incentive Fund to
19 provide financial assistance to facilitate the adoption of certain children residing in
20 licensed foster care homes, effective May 1, 2001. These funds shall be used to remove
21 financial barriers to the adoption of these children and shall be available to foster care
22 families who adopt children with special needs as defined by the Social Services
23 Commission. These funds shall be matched by county funds.

24 This program shall not constitute an entitlement and is subject to the
25 availability of funds.

26 The Social Services Commission shall adopt rules to implement the provisions
27 of this section.

28
29 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

30 **CHILD WELFARE SERVICES DATA COLLECTION**

31 Section 11.16A. The Department of Health and Human Services, Division of
32 Social Services, shall report to the House of Representative Appropriations
33 Subcommittee on Health and Human Services, the Senate Appropriations Committee on
34 Human Resources, and the Fiscal Research Division no later than April 1, 2001, on the
35 following information for this State and for comparable states:

- 36 (1) Demographics on the population under the age of 18, including
37 significant trends over a 5-year period.
- 38 (2) The number of child welfare cases, including significant trends over a 5-
39 year period. Information regarding cases shall include separate data on
40 reports, investigations, and substantiated cases. This report shall
41 contain information on the definition of these terms.
- 42 (3) The total number of Child Welfare Services workers, including
43 significant trends over a 5-year period.

(4) The total budget, from all available sources, for Child Welfare Services, including significant trends over a 5-year period.

The Department shall establish a mechanism for reporting this information on an annual basis and shall develop an estimate of the cost of complying with this Section.

The purpose of this reporting requirement is for the General Assembly to utilize this information as part of a rational decision-making process of identifying and meeting the needs of the Child Welfare Services system.

SUBPART 5. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

NONMEDICAID REIMBURSEMENT CHANGES

Section 11.17. Section 11.7 of S.L. 1999-237 reads as rewritten:

"Section 11.7. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. Hospitals that provide psychiatric inpatient care for multiply diagnosed adults who were identified as members of the Thomas S. class at the time of dissolution of the class, and other multiply diagnosed adults may be paid an additional incentive payment not to exceed fifteen percent (15%) of their regular daily per diem reimbursement.

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

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

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

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</u>
1	\$ 4,860	\$ 8,364	\$ 4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400

1	4	7,284	16,092	7,500
2	5	7,821	18,648	7,900
3	6	8,220	21,228	8,300
4	7	8,772	21,708	8,800
5	8	9,312	22,220	9,300

6
 7 The eligibility level for children in the Medical Eye Care Program in the Division of
 8 Services for the Blind shall be one hundred percent (100%) of the federal poverty
 9 guidelines, as revised annually by the United States Department of Health and Human
 10 Services and in effect on July 1 of each fiscal year. The eligibility level for adults in the
 11 Atypical Antipsychotic Medication Program in the Division of Mental Health,
 12 Developmental Disabilities, and Substance Abuse Services shall be one hundred ~~twenty-~~
 13 ~~five-fifty~~ percent ~~(125%)-(150%)~~ of the federal poverty guidelines, as revised annually by
 14 the United States Department of Health and Human Services and in effect on July 1 of
 15 each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic
 16 Medication Program who become gainfully employed may continue to be eligible to
 17 receive State support, in decreasing amounts, for the purchase of atypical antipsychotic
 18 medication and related services up to three hundred percent (300%) of the poverty level.

19 State financial participation in the Atypical Antipsychotic Medication Program for
 20 those enrollees who become gainfully employed is as follows:

21	<u>Income</u>	<u>State Participation</u>	<u>Client Participation</u>
22	(% of poverty)		
23	0-125%	100%	0%
24	126-140%		90%
25	141-160%	80%	20%
26	161-180%	70%	30%
27	181-200%	60%	40%
28	201-220%	50%	50%
29	221-240%	40%	60%
30	241-260%	30%	70%
31	261-280%	20%	80%
32	281-300%	10%	90%
33	301%-over		0%
34			100%
35			
36	<u>0-150%</u>	<u>100%</u>	<u>0%</u>
37	<u>151-200%</u>	<u>75%</u>	<u>25%</u>
38	<u>201-250%</u>	<u>50%</u>	<u>50%</u>
39	<u>251-300%</u>	<u>25%</u>	<u>75%</u>
40	<u>301% and over</u>		<u>0%</u>
41			<u>100%."</u>

1 The Department of Health and Human Services shall contract at, or as close as
2 possible to, Medicaid rates for medical services provided to residents of State facilities of
3 the Department."
4

5 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

6 **AREA BOARD MEMBER PER DIEM**

7 Section 11.18. G.S. 122C-120 reads as rewritten:

8 **"§ 122C-120. Compensation of area board members.**

9 (a) Area board members may receive as compensation for their services per diem
10 and a subsistence allowance for each day during which they are engaged in the official
11 business of the area board. The amount of the per diem and subsistence allowances shall
12 be established by the area board ~~and the amounts shall not exceed those authorized by~~
13 ~~G.S. 138-5 for State boards.~~ board. The amount of per diem allowance shall not exceed
14 fifty dollars (\$50.00). Reimbursement of subsistence expenses shall be at the rates
15 allowed to State officers and employees under G.S. 138-6(a)(3).

16 (b) Area board members may be reimbursed for all necessary travel expenses and
17 registration fees in amounts fixed by the board."
18

19 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

20 **CHILD RESIDENTIAL TREATMENT SERVICES PROGRAM**

21 Section 11.19.(a) The Department of Health and Human Services shall
22 establish the Child Residential Treatment Services Program. The Program shall be
23 implemented by the Department in consultation with the Office of Juvenile Justice and
24 other affected State agencies. The purpose of the Program is to provide appropriate and
25 medically necessary residential treatment alternatives for children at risk of
26 institutionalization or other out-of-home placement. Program funds shall be targeted for
27 non-Medicaid eligible children and may also be used for Medicaid-eligible children.
28 Program funds may also be used to expand the Child Mental Health Systems of Care
29 Project. The Program shall include the following:

- 30 (1) Behavioral health screenings for all children at risk of
31 institutionalization or other out-of-home placement.
- 32 (2) Appropriate and medically necessary residential treatment placements,
33 including placements for youths needing substance abuse treatment
34 services and for specialized populations such as deaf children, children
35 with serious emotional disturbances, and sexually aggressive youth.
- 36 (3) Multidisciplinary case management services, as needed.
- 37 (4) A system of utilization review specific to the nature and design of the
38 Program.
- 39 (5) Mechanisms to ensure that children are not placed in department of
40 social services custody for the purpose of obtaining mental health
41 residential treatment services.
- 42 (6) Mechanisms to maximize current State and local funds and to expand
43 use of Medicaid funds to accomplish the intent of this Program.

1 (7) Other appropriate components to accomplish the Program's purpose.

2 Section 11.19.(b) The Department shall not allocate funds appropriated for
3 Program services until a Memorandum of Agreement has been executed between the
4 Department and other affected State agencies. The Memorandum of Agreement shall
5 address specifically the roles and responsibilities of the various departmental divisions
6 and affected State agencies involved in the administration, financing, care, and placement
7 of children at risk of institutionalization or other out-of-home placement. The
8 Department shall not allocate funds appropriated in this act for the Program until
9 Memoranda of Agreement between local departments of social services and area mental
10 health programs, and the Administrative Office of the Courts, and the Office of Juvenile
11 Justice, as appropriate, are executed to effectuate the purpose of the Program. The
12 Memoranda of Agreement shall address issues pertinent to local implementation of the
13 Program.

14 Section 11.19.(c) Notwithstanding any other provision of law to the contrary,
15 services under the Child Residential Treatment Services Program are not an entitlement
16 for non-Medicaid eligible children served by the Program.

17 Section 11.19.(d) The Department of Health and Human Services, in
18 conjunction with the Office of Juvenile Justice and other affected agencies, shall report
19 on the following:

- 20 (1) The number and other demographic information of children served.
- 21 (2) The amount and source of funds expended to implement the Program.
- 22 (3) Information regarding the number of children screened, specific
23 placement of children, and treatment needs of children served.
- 24 (4) The average length of stay in residential treatment, transition, and return
25 to home.
- 26 (5) The number of children diverted from institutions or other out-of-home
27 placements such as training schools and State psychiatric hospitals.
- 28 (6) Recommendations on other areas of the Program that need to be
29 improved.
- 30 (7) Other information relevant to successful implementation of the
31 Program.

32 The Department shall submit a progress report on implementation of the
33 Program not later than February 1, 2001, and a final report not later than May 1, 2002, to
34 the House of Representatives Appropriations Subcommittee on Health and Human
35 Services, the Senate Appropriations Committee on Human Resources, and the Fiscal
36 Research Division.

37
38 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom, Lucas, Gulley
39 **FUNDS FOR CHILD AND ADOLESCENT RESIDENTIAL UNIT AT MURDOCH**
40 **CENTER**

41 Section 11.20.(a) Of the funds appropriated in this act to the Department of
42 Health and Human Services, Division of Mental Health, Developmental Disabilities, and

1 Substance Abuse Services, the sum of one million two hundred thousand dollars
2 (\$1,200,000) for the 2000-2001 fiscal year shall be used as follows:

- 3 (1) To develop and operate a six-bed short-term residential unit to meet the
4 needs of autistic children statewide whose behaviors place them at
5 serious risk of institutionalization. The unit shall be developed within
6 the Murdoch Mental Retardation Center and supported by specialized
7 staff within the Murdoch Mental Retardation Center; and
8 (2) To develop and operate a four-bed residential program for autistic
9 children statewide whose behaviors place them at serious risk of
10 institutionalization. The program may offer short-term
11 diagnostic/prescriptive services or comprehensive interventions in order
12 to transition children back to their homes and communities. The
13 program shall be developed and supported by staff from the Murdoch
14 Mental Retardation Center.

15 Section 11.20.(b) The Department shall submit progress reports on December
16 1, 2000, and on April 1, 2001, on its compliance with this section. The Department shall
17 submit a final report on January 1, 2002. The reports shall be submitted to the House of
18 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
19 Appropriations Committee on Human Resources, and the Fiscal Research Division.
20

21 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

22 **SERVICES TO CHILDREN AT RISK FOR INSTITUTIONALIZATION OR**
23 **OTHER OUT-OF-HOME PLACEMENT**

24 Section 11.21.(a) In order to ensure that children at risk for institutionalization
25 or other out-of-home placement are appropriately served by the mental health,
26 developmental disabilities, and substance abuse services system, the Department of
27 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
28 Substance Abuse Services, shall do the following with respect to services provided to
29 these children:

- 30 (1) Provide only those treatment services that are medically necessary.
31 (2) Implement utilization review of services provided.
32 (3) Effective immediately:
33 a. Eliminate formerly court-mandated Willie M. or Eligible Violent
34 and Assaultive Children Program administration, infrastructure,
35 categorical funding designation, and eligibility determination
36 process at the State and local level;
37 b. Identify savings realized from elimination of Program
38 administration and infrastructure at the State and local level;
39 c. Adopt the following guiding principles for the provision of
40 services:
41 1. Service delivery system must be outcome-oriented and
42 evaluation-based.

- 1 2. Services should be delivered as close as possible to the
- 2 consumer's home.
- 3 3. Services selected should be those that are most efficient in
- 4 terms of cost and effectiveness.
- 5 4. Services should not be provided solely for the
- 6 convenience of the provider or the client.
- 7 5. Families and consumers should be involved in decision
- 8 making throughout treatment planning and delivery.
- 9 d. Implement all of the following cost reduction strategies:
- 10 1. Preauthorization for all services except emergency
- 11 services.
- 12 2. Levels of care to assist in the development of treatment
- 13 plans.
- 14 3. Clinically appropriate services.
- 15 4. State review of individualized service plans for all
- 16 children served to ensure that service plans focus on
- 17 delivery of appropriate services rather than optimal
- 18 treatment and habilitation plans.
- 19 (4) Collaborate with other affected State agencies such as the Office of
- 20 Juvenile Justice and the Administrative Office of the Courts, and with
- 21 local departments of social services and area mental health programs to
- 22 eliminate cost-shifting and facilitate cost-sharing among these
- 23 governmental agencies with respect to the treatment and placement
- 24 services.

25 Section 11.21.(b) The Department shall submit a progress report on

26 implementation of this section not later than February 1, 2001, and a final report not later

27 than May 1, 2002, to the House of Representatives Appropriations Subcommittee on

28 Health and Human Services, the Senate Appropriations Committee on Human Resources,

29 and the Fiscal Research Division.

30 Section 11.21.(c) G.S. 122C-3(13a) is repealed.

31 Section 11.21.(d) G.S. 122C-112(14) is repealed.

32 Section 11.21.(e) Part 7 of Article 4 of Chapter 122C of the General Statutes is

33 repealed. This subsection applies to petitions for contested case review filed on and after

34 the effective date of this act.

35

36 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

37 **SERVICES TO MULTIPLY-DIAGNOSED ADULTS**

38 Section 11.22.(a) In order to ensure that multiply-diagnosed adults are

39 appropriately served by the mental health, developmental disabilities, and substance

40 abuse services system, the Department of Health and Human Services, Division of

41 Mental Health, Developmental Disabilities, and Substance Abuse Services, shall do the

42 following with respect to services provided to these adults:

- 43 (1) Provide only those treatment services that are medically necessary.

- 1 (2) Implement utilization review of services provided.
- 2 (3) Effective immediately:
- 3 a. Eliminate formerly court-mandated Thomas S. Program
- 4 administration, infrastructure, and categorical funding
- 5 designation at the local level, while continuing to provide
- 6 services to former Thomas S. clients and other multiply-
- 7 diagnosed adults;
- 8 b. Identify savings realized from elimination of Program
- 9 administration and infrastructure;
- 10 c. Adopt the following guiding principles for the provision of
- 11 services:
- 12 1. Service delivery system must be outcome oriented and
- 13 evaluation based.
- 14 2. Services should be delivered as close as possible to the
- 15 consumer's home.
- 16 3. Services selected should be those that are most efficient in
- 17 terms of cost and effectiveness.
- 18 4. Services should not be provided solely for the
- 19 convenience of the provider or the client.
- 20 5. Families and consumers should be involved in decision-
- 21 making throughout treatment planning and delivery; and
- 22 d. Implement all of the following cost reduction strategies:
- 23 1. Preauthorization for all services except emergency
- 24 services.
- 25 2. Criteria for determining medical necessity.
- 26 3. Clinically appropriate services.
- 27 4. State review of (i) individualized service plans for all
- 28 adults served to ensure that service plans focus on delivery
- 29 of appropriate services rather than optimal treatment and
- 30 habilitation plans, and (ii) staffing patterns of residential
- 31 services.

32 Section 11.22.(b) No State funds shall be used for the purchase of single-

33 family or other residential dwellings to house multiply-diagnosed adults.

34 Section 11.22.(c) The Department shall submit a progress report on

35 implementation of this section not later than February 1, 2001, and a final report not later

36 than May 1, 2002, to the House of Representatives Appropriations Subcommittee on

37 Health and Human Services, the Senate Appropriations Committee on Human Resources,

38 and the Fiscal Research Division.

39

40 Requested by: Senators Martin of Guilford, Phillips, Plyler, Perdue, Odom

41 **FUNDS FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**

42 **SUBSTANCE ABUSE SERVICES OVERSIGHT COMMITTEE**

1 Section 11.23.(a) Of the funds appropriated in this act to the Department of
2 Health and Human Services, the Department shall transfer the sum of three hundred fifty
3 thousand dollars (\$350,000) to the General Assembly, Legislative Services Office, for the
4 2000-2001 fiscal year. These funds shall be used to carry out the provisions of this
5 section. The funds shall be used specifically for a comprehensive study of developmental
6 disabilities services and administration and to hire professional staff to assist the Joint
7 Legislative Oversight Committee on Mental Health, Developmental Disabilities, and
8 Substance Abuse Services.

9 Section 11.23.(b) The Department shall study whether a new division of
10 developmental disabilities should be established in the Department. Not later than
11 January 1, 2001, the Department shall report its findings and recommendations to the
12 House of Representatives Appropriations Subcommittee on Health and Human Services
13 and the Senate Appropriations Committee on Human Resources.

14 Section 11.23.(c) Findings. – The General Assembly finds that:

- 15 (1) The State and local government entities are not using effectively and
16 efficiently available resources to administer and provide mental health,
17 developmental disabilities, and substance abuse services uniformly
18 across the State.
- 19 (2) Effective implementation of State policy to assist individuals with
20 mental illness, developmental disabilities, and substance abuse problems
21 requires that a standard system of services, designed to identify, assess,
22 and meet client needs within available resources, be available in all
23 regions of the State.
- 24 (3) The findings of recent comprehensive independent studies, and recent
25 federal court decisions, compel the State to consider significant changes
26 in the operation and utilization of State psychiatric hospital services.
- 27 (4) State and local government funds for mental health, developmental
28 disabilities, and substance abuse services must be committed on a
29 continuing, stabilized basis and will need to be increased over time to
30 ensure that the purposes of mental health system reform are achieved.
- 31 (5) Reform of the State mental health, developmental disabilities, and
32 substance abuse services system is necessary and should begin
33 immediately. Reform efforts should focus on correcting system
34 inefficiencies, inequities in service availability, and deficiencies in
35 funding and accountability, and on improving and enhancing services to
36 North Carolina's citizens.

37 Section 11.23.(d) Oversight Committee Established. – Chapter 120 of the
38 General Statutes is amended by adding the following new Article to read:

39 **"ARTICLE 27.**

40 **"THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE**
41 **ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES,**
42 **AND SUBSTANCE ABUSE SERVICES.**

1 **"§ 120-240. Creation and membership of Joint Legislative Oversight Committee on**
2 **Mental Health, Developmental Disabilities, and Substance Abuse Services.**

3 (a) Establishment. – There is established the Joint Legislative Oversight
4 Committee on Mental Health, Developmental Disabilities, and Substance Abuse
5 Services.

6 (b) Membership. – The Committee shall consist of 16 members, as follows:

7 (1) Eight members of the Senate appointed by the President Pro Tempore of
8 the Senate, as follows:

9 a. At least two members of the Senate Committee on
10 Appropriations.

11 b. The chair of the Senate Appropriations Committee on Human
12 Resources.

13 c. At least two members of the minority party.

14 (2) Eight members of the House of Representatives appointed by the
15 Speaker of the House of Representatives, as follows:

16 a. At least two members of the House of Representatives
17 Committee on Appropriations.

18 b. The cochairs of the House of Representatives Appropriations
19 Subcommittee on Health and Human Services.

20 c. At least two members of the minority party.

21 (c) Terms. – Terms on the Committee are for two years and begin on the
22 convening of the General Assembly in each odd-numbered year, except the terms of the
23 initial members, which begin on appointment and end on the day of the convening of the
24 2001 General Assembly. Members may complete a term of service on the Committee
25 even if they do not seek reelection or are not reelected to the General Assembly, but
26 resignation or removal from service in the General Assembly constitutes resignation or
27 removal from service on the Committee.

28 A member continues to serve until the member's successor is appointed. A vacancy
29 shall be filled within 30 days by the officer who made the original appointment.

30 **"§ 120-241. Purpose of Committee.**

31 The Joint Legislative Oversight Committee on Mental Health, Developmental
32 Disabilities, and Substance Abuse Services shall examine, on a continuing basis,
33 systemwide issues affecting the development, financing, administration, and delivery of
34 mental health, developmental disabilities, and substance abuse services, including issues
35 relating to the governance, accountability, and quality of services delivered. The
36 Committee shall make ongoing recommendations to the General Assembly on ways to
37 improve the quality and delivery of services and to maintain a high level of effectiveness
38 and efficiency in system administration at the State and local levels. In conducting its
39 examination, the Committee shall study the budget, programs, administrative
40 organization, and policies of the Department of Health and Human Services to determine
41 ways in which the General Assembly may encourage improvement in mental health,
42 developmental disabilities, and substance abuse services provided to North Carolinians.

43 **"§ 120-242. Organization of Committee.**

1 (a) The President Pro Tempore of the Senate and the Speaker of the House of
2 Representatives shall each designate a cochair of the Joint Legislative Oversight
3 Committee on Mental Health, Developmental Disabilities, and Substance Abuse
4 Services. The Committee shall meet at least once a quarter and may meet at other times
5 upon the joint call of the cochairs.

6 (b) A quorum of the Committee is eight members. No action may be taken except
7 by a majority vote at a meeting at which a quorum is present. While in the discharge of
8 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
9 and G.S. 120-19.1 through G.S. 120-19.4.

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

17 Section 11.23.(e) Plan for Mental Health System Reform. – Terms Defined. –
18 As used in this section, unless the context clearly provides otherwise:

- 19 (1) "Committee" means the Joint Legislative Oversight Committee on
20 Mental Health, Developmental Disabilities, and Substance Abuse
21 Services.
22 (2) "Mental Health System Reform" includes the system of services for
23 mental health, developmental disabilities, and substance abuse.
24 (3) "Plan" means the Plan for Mental Health System Reform developed and
25 recommended by the Joint Legislative Oversight Committee on Mental
26 Health, Developmental Disabilities, and Substance Abuse Services.
27 (4) "State Auditor/PCG, Inc., Study" means the "Study of State Psychiatric
28 Hospitals and Area Mental Health Programs, April 1, 2000", conducted
29 by the Public Consulting Group, Inc., under coordination by and
30 contract with the State Auditor.

31 Section 11.23.(f) Development of Plan for Mental Health System Reform. –
32 The Joint Legislative Oversight Committee on Mental Health, Developmental
33 Disabilities, and Substance Abuse Services established under Article 27 of Chapter 120
34 of the General Statutes shall develop a Plan for Mental Health System Reform. It is the
35 intent of the General Assembly that the Plan shall be fully implemented not later than
36 July 1, 2005.

37 Section 11.23.(g) Purpose and Content of the Plan. – The Plan shall provide
38 for systematic, phased-in implementation of changes to the State's mental health system.
39 In developing the Plan, the Committee shall do the following:

- 40 (1) Review and consider the findings and recommendations of the State
41 Auditor/PCG, Inc., Study.
42 (2) Report to the 2001 General Assembly upon its convening the changes
43 that should be made to the governance, structure, and financing of the

- 1 State's mental health system at the State and local levels. The report
2 shall include:
- 3 a. An explanation of how and the extent to which the proposed
4 changes are in accord with or differ from the recommendations
5 of the State Auditor/PCG, Inc., Study.
 - 6 b. Proposed time frames for implementing mental health system
7 reform on a phased-in basis, and the recommended effective date
8 for full implementation of all recommended changes.
 - 9 c. An estimate of the amount of State and federal funds necessary to
10 implement the changes. The estimate should indicate costs of
11 each phase of implementation and the total cost of full
12 implementation.
 - 13 d. An estimate of the amount of savings in State funds expected to
14 be realized from the changes. The estimate should show savings
15 expected in each phase of implementation, and the total amount
16 of savings expected to be realized from full implementation.
 - 17 e. The potential financial, economic, and social impact of changes
18 to the current governance, structure, and financing of the mental
19 health system on providers, clients, communities, and institutions
20 at the State and local levels.
 - 21 f. Proposed legislation making the necessary amendments to the
22 General Statutes to enact the recommended changes to the
23 system of governance, structure, and financing.
- 24 (3) Study the administration, financing, and delivery of developmental
25 disabilities services. The study shall be in greater depth and detail than
26 addressed in the State Auditor/PCG, Inc., Study. The Committee shall
27 make a progress report on its study of developmental disabilities
28 services to the 2001 General Assembly upon its convening.
- 29 (4) Study the feasibility and impact of and best methods for downsizing of
30 the State's four psychiatric hospitals. In conducting this study, the
31 Committee shall:
- 32 a. Take into account the need to enhance and improve community
33 services to meet increased demand resulting from downsizing,
34 and
 - 35 b. Consider the findings and recommendations of the MGT of
36 America Report of 1998, as well as the State Auditor/PCG, Inc.,
37 Study.
- 38 (5) Consider the impact of mental health system reform on quality of
39 services and patient care and ensure that the Plan provides for ongoing
40 review and improvements to quality of services and patient care.
- 41 (6) Ensure that the Plan provides for the active involvement of consumers
42 and families in mental health system reform and ongoing
43 implementation.

- 1 (7) Address the need to enhance and improve substance abuse services,
2 including services for the prevention of substance abuse.
- 3 (8) Recommend a mental health, developmental disabilities, and substance
4 abuse services benefits package that will provide for basic benefits for
5 these services as well as specific benefits for targeted populations.
- 6 (9) Take into account the State's responsibility to enable institutionalized
7 persons and persons at risk for institutionalization to receive services
8 outside of the institution in community-based settings in accordance
9 with the United States Supreme Court decision in Olmstead vs. L.C.,
10 (1999).
- 11 (10) Identify and address issues pertaining to the administration and
12 provision of mental health services to children.
- 13 (11) Address issues, problems, strengths, and weaknesses in the current
14 mental health system that are not addressed in the State Auditor/PCG,
15 Inc., Study but that warrant consideration in the development of a
16 reformed mental health system.
- 17 (12) Consider whether the State shall implement a contested case hearings
18 procedure for applicants and recipients of mental health, developmental
19 disabilities, and substance abuse services.

20 Section 11.23.(h) Subcommittees. – The Committee shall establish one or
21 more subcommittees to consider and develop specific focus areas of the Plan. Each
22 subcommittee shall be the working group for the focus area assigned by the Committee
23 cochairs. The Committee cochairs shall appoint the cochairs and members of each
24 subcommittee from the Committee membership. The Committee cochairs shall invite
25 representatives from the following to participate as nonvoting members of each
26 subcommittee:

- 27 (1) Providers of mental health, developmental disabilities, and substance
28 abuse services.
- 29 (2) Consumers of mental health, developmental disabilities, and substance
30 abuse services and family members of consumers of these services.
- 31 (3) State and local government, including area mental health programs.
- 32 (4) Business and industry.
- 33 (5) Organizations that advocate for individuals in need of mental health,
34 developmental disabilities, and substance abuse services.

35 Subcommittees shall meet at the call of the subcommittee cochairs.

36 The Committee cochairs shall assign the focus area for each subcommittee.
37 Each subcommittee shall carry out its assignment as directed by the Committee cochairs
38 and shall provide its findings and recommendations to the Committee cochairs for final
39 decision by the Committee.

40 Section 11.23.(i) Reports. – In addition to the report required under subsection
41 (g) of this section, the Committee shall submit the following reports:

- 42 (1) To the 2001 General Assembly, upon its convening:

- 1 a. A progress report on the development of the Plan required by this
- 2 section; and
- 3 b. An outline of an implementation process for downsizing the four
- 4 State psychiatric hospitals.
- 5 (2) To the Legislative Study Commission on Mental Health, Developmental
- 6 Disabilities, and Substance Abuse Services and to the Joint
- 7 Appropriations Committees on Health and Human Services, by October
- 8 1, 2001, and March 1, 2002, progress reports on the development and
- 9 implementation of the Plan.
- 10 (3) Interim reports on the development and implementation of the Plan to:
- 11 a. The 2001 General Assembly, by May 1, 2002. The report shall
- 12 include legislative action necessary to continue the
- 13 implementation of changes to the governance, structure, and
- 14 financing of the State mental health system as recommended by
- 15 the Committee in its January 2001 report to the General
- 16 Assembly.
- 17 b. The 2003 General Assembly, upon its convening.
- 18 c. The 2003 General Assembly, by May 1, 2004. The report shall
- 19 include legislative action necessary to continue phased-in
- 20 implementation of the Plan.
- 21 (4) To the 2005 General Assembly, upon its convening, a final report on the
- 22 Plan for Mental Health System Reform.

23 Section 11.23.(j) Oversight Committee Appointments. – The Speaker of the
24 House of Representatives and the President Pro Tempore of the Senate shall make
25 appointments to the Joint Legislative Oversight Committee on Mental Health,
26 Developmental Disabilities, and Substance Abuse Services established under this act not
27 later than 30 days from the date of adjournment sine die of the 1999 General Assembly.
28 The Committee shall convene its first meeting not later than 15 days after all members
29 have been appointed.

30 Section 11.23.(k) Department of Health and Human Services Reports. – On or
31 before October 1, 2000, and on or before March 1, 2001, the Department of Health and
32 Human Services shall report to the Legislative Study Commission on Mental Health,
33 Developmental Disabilities, and Substance Abuse Services and to the Joint Legislative
34 Oversight Committee on Mental Health, Developmental Disabilities, and Substance
35 Abuse Services, the status of the Department's reorganization efforts pertaining to the
36 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
37 The report shall also include efforts underway by the Department to better coordinate
38 policy and administration of the Division of Medical Assistance with policy and
39 administration of the Division of Mental Health, Developmental Disabilities, and
40 Substance Abuse Services.

41
42 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

1 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE**
2 **ABUSE SERVICES RESERVE FOR SYSTEM REFORM AND OLMSTEAD**
3 **DECISION**

4 Section 11.24.(a) There is created in the Office of State Budget and
5 Management the Mental Health, Developmental Disabilities, and Substance Abuse
6 Services Reserve for System Reform and Olmstead. The purposes of the Reserve are to:

- 7 (1) Provide start-up funds for programs and services that provide
8 community alternatives for individuals currently residing in the State's
9 mental health, developmental disabilities, and substance abuse services
10 institutions.
11 (2) Facilitate the State's compliance with the United States Supreme Court
12 decision in Olmstead v. L.C. and E.W.
13 (3) Facilitate reform of the mental health, developmental disabilities, and
14 substance abuse services system.

15 Section 11.24.(b) Funds appropriated to the Reserve created in subsection (a)
16 of this section shall be used to:

- 17 (1) Pay onetime expenditures that will not impose additional financial
18 obligations on the State, and
19 (2) Establish or expand community-based services if sufficient recurring
20 funds can be identified within the Department from funds currently
21 budgeted for mental health, developmental disabilities, and substance
22 abuse services, area mental health programs, or local government.

23 Section 11.24.(c) Before allocating funds from the Reserve, the Director of the
24 Budget shall certify that the planned uses of the funds are in compliance with this section
25 and do not constitute or will not create an ongoing financial obligation to the State.

26 Section 11.24.(d) Funds in the Mental Health, Developmental Disabilities, and
27 Substance Abuse Services Reserve for System Reform and Olmstead shall not revert to
28 the General Fund but shall remain in the Reserve to be used as authorized in this section.

29 Section 11.24.(e) The Department of Health and Human Services shall report
30 periodically to the Legislative Study Commission on Mental Health, Developmental
31 Disabilities, and Substance Abuse Services and to the Joint Legislative Commission on
32 Governmental Operations on any actions taken under this section.

33
34 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

35 **EARLY INTERVENTION SERVICES**

36 Section 11.25. Section 11.42 of S.L. 1999-237 reads as rewritten:

37 "Section 11.42.(a) Of the funds appropriated in this act to the Department of
38 Health and Human Services, the sum of two hundred three thousand dollars (\$203,000)
39 for the 1999-2000 fiscal year and the sum of ~~six hundred ten eight hundred sixty~~
40 ~~thousand dollars (\$610,000)~~ (\$860,000) for the 2000-2001 fiscal year shall be used to
41 implement two recommendations from the Interagency Coordinating Council's "Study on
42 Early Intervention Services for Children Ages Birth to Five Years," dated March 1999.
43 The Department of Health and Human Services, the Department of Public Instruction,

1 and The University of North Carolina's Division TEACCH (Treatment and Education of
2 Autistic and other Communications Handicapped Children and Adults), shall participate
3 jointly, in collaboration with the Interagency Coordinating Council, in the planning,
4 design, and implementation of the following provisions:

5 (1) Of the funds allocated by this subsection, the sum of seventy-eight
6 thousand dollars (\$78,000) in the 1999-2000 fiscal year and the sum of
7 ~~one hundred ten three hundred~~ thousand dollars (~~\$110,000~~)-(~~\$300,000~~)
8 in the 2000-2001 fiscal year shall be used to plan, design, and
9 implement an integrated, interagency database for children with or at
10 risk for disabilities who receive early intervention services. The
11 purpose of the database is to:

- 12 a. Assist in identifying gaps in services;
- 13 b. Project and plan for future service needs;
- 14 c. Improve the quality and accessibility of services; and
- 15 d. Document outcomes of early intervention services.

16 This database shall be compatible with the State Board of Education's
17 new Student Information Management System. These agencies shall
18 initiate use of the database in a pilot program in at least one community
19 by July 1, 2000, and shall evaluate this pilot for statewide
20 implementation by July 1, 2001. Any local education agency
21 participating in the pilot program shall provide the same data for
22 children in the preschool program for children with disabilities as is
23 provided by the Department of Health and Human Services for children
24 served in the infant-toddler program. The agencies shall submit a
25 progress report by April 1, 2000, to the Senate Appropriations
26 Committee on Human Resources, the House of Representatives
27 Appropriations Subcommittee on Health and Human Services, and the
28 Fiscal Research Division.

29 (2) Of the funds allocated by this subsection, the sum of one hundred
30 twenty-five thousand dollars (\$125,000) in fiscal year 1999-2000 and
31 the sum of five hundred sixty thousand dollars (~~\$500,000~~)-(~~\$560,000~~) in
32 fiscal year 2000-2001 shall be used to plan for and implement regional
33 transdisciplinary teams to provide training, technical assistance, and
34 other support services to existing early intervention agencies and
35 providers. The teams will maintain expertise on low incidence
36 populations, such as children with visual and hearing impairments,
37 autism, and child mental health needs. These agencies shall implement
38 a pilot program establishing a regional transdisciplinary team no later
39 than March 2000. These agencies shall submit an interim report by
40 March 15, 2000, and a final plan for statewide implementation of the
41 transdisciplinary teams by March 15, 2001, to the Senate
42 Appropriations Committee on Human Resources, the House of

1 Representatives Appropriations Subcommittee on Health and Human
2 Services, and the Fiscal Research Division.

3 Section 11.42.(b)The North Carolina Schools for the Deaf and other agencies
4 providing early intervention services to children from birth through five years of age shall
5 implement procedures to ensure that:

- 6 (1) Parents of children newly identified with hearing loss and determined to
7 be eligible for services are informed of the services available to them
8 through Beginnings for Parents of ~~Hearing Impaired Children, Inc.;~~
9 Children Who Are Deaf or Hard of Hearing, Inc.; and
10 (2) Beginnings for Parents of ~~Hearing Impaired Children, Inc.;~~ Children
11 Who Are Deaf or Hard of Hearing, Inc., with the consent of parents, is
12 notified of these children in a timely and appropriate manner."
13

14 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

15 **LICENSURE EXCEPTION FOR CERTAIN NONPROFIT SUBSTANCE ABUSE**
16 **FACILITIES**

17 Section 11.25A. G.S. 122C-22(a) reads as rewritten:

18 "(a) The following are excluded from the provisions of this Article and are not
19 required to obtain licensure under this Article:

- 20 (1) Physicians and psychologists engaged in private office practice;
21 (2) General hospitals licensed under Article 5 of Chapter 131E of the
22 General Statutes, that operate special units for the mentally ill,
23 developmentally disabled, or substance abusers;
24 (3) State and federally operated facilities;
25 (4) Adult care homes licensed under Chapter 131D of the General Statutes;
26 (5) Developmental child care centers licensed under Article 7 of Chapter
27 110 of the General Statutes;
28 (6) Persons subject to licensure under rules of the Social Services
29 Commission;
30 (7) Persons subject to rules and regulations of the Division of Vocational
31 Rehabilitation Services; and
32 (8) Facilities that provide occasional respite care for not more than two
33 individuals at a time; provided that the primary purpose of the facility is
34 other than as defined in G.S. 122C-3(14).
35 (9) Twenty-four-hour nonprofit facilities established for the purposes of
36 shelter care and recovery from alcohol or other drug addiction through a
37 12-step, self-help, peer role modeling, and self-governance approach."
38

39 **SUBPART 6. CHILD DEVELOPMENT**

40

41 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

42 **TRANSFER FUNDS FOR CLIENT SERVICES**

1 Section 11.26. The sum of three million dollars (\$3,000,000) appropriated to
2 the Division of Child Development in this act shall be transferred to the Division of
3 Social Services to fund client services provided by the county departments of social
4 services.

5
6 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

7 CHILD CARE SUBSIDY RATES

8 Section 11.27.(a)Section 11.47 of S.L. 1999-237 reads as rewritten:

9 "Section 11.47.(a) The maximum gross annual income for initial eligibility,
10 adjusted biennially, for subsidized child care services shall be seventy-five percent (75%)
11 of the State median income, adjusted for family size.

12 Section 11.47.(b)Fees for families who are required to share in the cost of care shall
13 be established based on a percent of gross family income and adjusted for family size.
14 Fees shall be determined as follows:

15 FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
16 1-3	9%
17 4-5	8%
18 6 or more	7%

19 Section 11.47.(c) Payments for the purchase of child care services for low-
20 income children shall be in accordance with the following requirements:

- 21 (1) Effective October 1, 1999, religious-sponsored child care facilities
22 operating pursuant to G.S. 110-106 and licensed child care centers and
23 homes that meet the minimum licensing standards that are participating
24 in the subsidized child care program shall be paid the ~~county market~~
25 subsidy rate or the rate they charge privately paying parents, whichever
26 is lower.
- 27 (2) Effective October 1, 1999, religious-sponsored child care facilities
28 operating pursuant to G.S. 110-106 and licensed child care centers and
29 homes that are receiving a higher rate than the ~~market subsidy~~ rates that
30 will be implemented with this provision shall continue to receive that
31 higher rate for a period of three years from the effective date of this
32 section.
- 33 (3) Effective October 1, 1999, licensed child care centers with two or more
34 stars may receive a higher payment rate per child per month as follows:
35 two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and five stars
36 - \$23.00. Effective January 1, 2000, licensed child care homes with two
37 or more stars may receive a higher payment rate per child per month as
38 follows: two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and
39 five stars - \$23.00. This subdivision expires September 1, 2000.
- 40 (3a) Effective September 1, 2000, licensed child care centers and homes with
41 two or more stars shall receive the subsidy rate for that rated quality
42 level for that age group or the rate they charge privately paying parents,
43 whichever is lower.

1 (4) Nonlicensed homes shall receive fifty percent (50%) of the ~~county~~
2 ~~market subsidy~~ rate or the rate they charge privately paying parents,
3 whichever is lower.

4 (5) Maximum payment rates shall also be calculated periodically by the
5 Division of Child Development for transportation to and from child care
6 provided by the child care provider, individual transporter, or
7 transportation agency, and for fees charged by providers to parents.
8 These payment rates shall be based upon information collected by
9 market rate surveys.

10 ~~Section 11.47.(d) Provision of payment rates for child care providers in counties who~~
11 ~~do not have at least 75 children in each age group for center-based and home-based care~~
12 ~~are as follows:~~

13 (1) ~~Payment rates shall be set at the statewide market rate for licensed child~~
14 ~~care centers and homes.~~

15 (2) ~~If it can be demonstrated that the application of the statewide market~~
16 ~~rate to a county with fewer than 75 children in each age group is lower~~
17 ~~than the county market rate and would inhibit the ability of the county to~~
18 ~~purchase child care for low income children, then the county market~~
19 ~~rate may be applied.~~

20 Section 11.47.(e) A market rate shall be calculated for child care centers and
21 homes ~~that meet minimum licensing standards at each rated quality level~~ for each county
22 and for each age group or age category of enrollees and shall be representative of fees
23 charged to unsubsidized privately paying parents for each age group of enrollees within
24 the county. The Division of Child Development shall also calculate a statewide market
25 rate at each rated quality level for each age category. The Division of Child
26 Development may also calculate regional market rates at each rated quality level for each
27 age group and age category.

28 Section 11.47.(f) Facilities licensed pursuant to Article 7 of Chapter 110 of the
29 General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the
30 program that provides for the purchase of care in child care facilities for minor children
31 of needy families. No separate licensing requirements shall be used to select facilities to
32 participate. In addition, child care facilities shall be required to meet any additional
33 applicable requirements of federal law or regulations. Child care arrangements exempt
34 from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall
35 meet the requirements established by other State law and by the Social Services
36 Commission.

37 County departments of social services or other local contracting agencies shall not use
38 a provider's failure to comply with requirements in addition to those specified in this
39 subsection as a condition for reducing the provider's subsidized child care rate.

40 Section 11.47.(g) Payment for subsidized child care services provided with
41 Work First Block Grant funds shall comply with all regulations and policies issued by the
42 Division of Child Development for the subsidized child care program."

1 Section 11.27.(b)Article 7 of Chapter 110 of the General Statutes is amended by
2 adding a new section to read:

3 "**§ 110-109. Child care subsidy rates.**

4 (a) The Department shall conduct a statewide market rate study of child care
5 facilities at least once every two years. The study shall include a survey of all licensed
6 facilities. Based on the results of this study, the Department shall establish a market rate
7 for child care centers and homes at each rated quality level for each county and for each
8 age group. The Department shall also calculate a statewide market rate at each rated
9 quality level for each age group. The market rate shall be set at the seventy-fifth
10 percentile of fees charged to unsubsidized, privately paying parents at each rated quality
11 level for each age group.

12 (b) Within six months of completing a statewide market rate study, the Department
13 shall publish the results of that study and implement market rates based on the results of
14 that study.

15 (c) When a county has at least 75 children in an age group at a particular rated
16 quality level, the subsidy rate is the county market rate for that age group at that rated
17 quality level. When a county has fewer than 75 children in an age group at a particular
18 rated quality level, the subsidy rate is the statewide market rate for that age group at that
19 rated quality level.

20 (d) Notwithstanding the provisions of subsection (c) of this section, when it can be
21 demonstrated that the statewide market rate is lower than the county market rate and that
22 setting the subsidy rate at the statewide market rate would inhibit the ability of a county
23 to purchase child care for low-income children, the subsidy rate shall be the county
24 market rate."

25 Section 11.27.(c)The first market rate study required by G.S. 110-109, as enacted by
26 subsection (b) of this section, shall be completed no later than April 1, 2001.

27 Section 11.27.(d)The Department of Health and Human Services shall conduct a one-
28 time interim market rate study that shall be completed no later than April 1, 2002. This
29 interim market rate study shall incorporate the results of the April 2001 study and shall
30 contain a survey of rates charged at child care facilities that have changed their rate
31 quality level since the survey conducted for the April 2001 study. The Department shall
32 implement the results of this study within six months of its completion.

33 Section 11.27.(e) Noncitizen families who reside in this State legally shall be
34 eligible for child care subsidies if all other conditions of eligibility are met. If all other
35 conditions of eligibility are met, noncitizen families who reside in this State illegally shall
36 be eligible for child care subsidies only if at least one of the following conditions is met:

- 37 (1) The child for whom a child care subsidy is sought is receiving child
38 protective services or foster care services.
 - 39 (2) The child for whom a child care subsidy is sought is developmentally
40 delayed or at risk of being developmentally delayed.
 - 41 (3) The child for whom a child care subsidy is sought is a citizen of the
42 United States.
- 43

1 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom, Cooper

2 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

3 Section 11.28.(a)G.S. 143B-168.12(a) reads as rewritten:

4 "(a) In order to receive State funds, the following conditions shall be met:

5 (1) The North Carolina Partnership shall have a Board of Directors
6 consisting of the following 25 members:

7 a. The Secretary of Health and Human Services, ex officio, or the
8 Secretary's designee;

9 b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

10 c. The Superintendent of Public Instruction, ex officio, or the
11 Superintendent's designee;

12 d. The President of the Community Colleges System, ex officio, or
13 the President's designee;

14 e. Three members of the public, including one child care provider,
15 one other who is a parent, and one other who is a board chair of a
16 local partnership serving on the North Carolina Partnership local
17 partnership advisory committee, appointed by the General
18 Assembly upon recommendation of the President Pro Tempore
19 of the Senate;

20 f. Three members of the public, including one who is a parent, one
21 other who is a representative of the faith community, and one
22 other who is a board chair of a local partnership serving on the
23 North Carolina Partnership local partnership advisory committee,
24 appointed by the General Assembly upon recommendation of the
25 Speaker of the House of Representatives;

26 g. Twelve members, appointed by the Governor. Three of these 12
27 members shall be members of the party other than the Governor's
28 party, appointed by the Governor. Seven of these 12 members
29 shall be appointed as follows: one who is a child care provider,
30 one other who is a pediatrician, one other who is a health care
31 provider, one other who is a parent, one other who is a member
32 of the business community, one other who is a member
33 representing a philanthropic agency, and one other who is an
34 early childhood educator;

35 h. Repealed by Session Laws 1998-212, s. 12.37B(a).

36 h1. The Chair of the North Carolina Partnership Board shall be
37 appointed by the Governor;

38 i. Repealed by Session Laws 1998-212, s. 12.37B(a).

39 j. One member of the public appointed by the General Assembly
40 upon recommendation of the Majority Leader of the Senate;

41 k. One member of the public appointed by the General Assembly
42 upon recommendation of the Majority Leader of the House of
43 Representatives;

- 1 l. One member of the public appointed by the General Assembly
2 upon recommendation of the Minority Leader of the Senate; and
3 m. One member of the public appointed by the General Assembly
4 upon recommendation of the Minority Leader of the House of
5 Representatives.

6 All members appointed to succeed the initial members and members
7 appointed thereafter shall be appointed for three-year terms. Members
8 may succeed themselves.

9 All appointed board members shall avoid conflicts of interests and
10 the appearance of impropriety. Should instances arise when a conflict
11 may be perceived, any individual who may benefit directly or indirectly
12 from the North Carolina Partnership's disbursement of funds shall
13 abstain from participating in any decision or deliberations by the North
14 Carolina Partnership regarding the disbursement of funds.

15 All ex officio members are voting members. Each ex officio member
16 may be represented by a designee. These designees shall be voting
17 members. No members of the General Assembly shall serve as
18 members.

19 The North Carolina Partnership may establish a nominating
20 committee and, in making their recommendations of members to be
21 appointed by the General Assembly or by the Governor, the President
22 Pro Tempore of the Senate, the Speaker of the House of
23 Representatives, the Majority Leader of the Senate, the Majority Leader
24 of the House of Representatives, the Minority Leader of the Senate, the
25 Minority Leader of the House of Representatives, and the Governor
26 shall consult with and consider the recommendations of this nominating
27 committee.

28 The North Carolina Partnership may establish a policy on members'
29 attendance, which policy shall include provisions for reporting absences
30 of at least three meetings immediately to the appropriate appointing
31 authority.

32 Members who miss more than three consecutive meetings without
33 excuse or members who vacate their membership shall be replaced by
34 the appropriate appointing authority, and the replacing member shall
35 serve either until the General Assembly and the Governor can appoint a
36 successor or until the replaced member's term expires, whichever is
37 earlier.

38 The North Carolina Partnership shall establish a policy on
39 membership of the local board, which policy shall include the
40 requirement that all local board members, other than any member
41 appointed because of a position held by that individual, be residents of
42 the county or the partnership region they are representing. No member
43 of the General Assembly shall serve as a member of a local board.

1 Within these requirements for local board membership, the North
2 Carolina Partnership shall allow local partnerships that are regional to
3 have flexibility in the composition of their boards so that all counties in
4 the region have adequate representation.

5 All appointed local board members shall avoid conflicts of interests
6 and the appearance of impropriety. Should instances arise when a
7 conflict may be perceived, any individual who may benefit directly or
8 indirectly from the partnership's disbursement of funds shall abstain
9 from participating in any decision or deliberations by the partnership
10 regarding the disbursement of funds.

11 (2) The North Carolina Partnership and the local partnerships shall agree to
12 adopt procedures for its operations that are comparable to those of
13 Article 33C of Chapter 143 of the General Statutes, the Open Meetings
14 Law, and Chapter 132 of the General Statutes, the Public Records Law,
15 and provide for enforcement by the Department.

16 (3) The North Carolina Partnership shall oversee the development and
17 implementation of the local demonstration projects as they are selected
18 and shall approve the ongoing plans, programs, and services developed
19 and implemented by the local partnerships and hold the local
20 partnerships accountable for the financial and programmatic integrity of
21 the programs and services. The North Carolina Partnership may
22 contract at the State level to obtain services or resources when the
23 North Carolina Partnership determines it would be more efficient to do
24 so.

25 In the event that the North Carolina Partnership determines that a
26 local partnership is not fulfilling its mandate to provide programs and
27 services designed to meet the developmental needs of children in order
28 to prepare them to begin school healthy and ready to succeed and is not
29 being accountable for the programmatic and fiscal integrity of its
30 programs and services, the North Carolina Partnership may suspend all
31 funds to the partnership until the partnership demonstrates that these
32 defects are corrected. Further, at its discretion, the North Carolina
33 Partnership may assume the managerial responsibilities for the
34 partnership's programs and services until the North Carolina Partnership
35 determines that it is appropriate to return the programs and services to
36 the local partnership.

37 (4) The North Carolina Partnership shall develop and implement a
38 comprehensive standard fiscal accountability plan to ensure the fiscal
39 integrity and accountability of State funds appropriated to it and to the
40 local partnerships. The standard fiscal accountability plan shall, at a
41 minimum, include a uniform, standardized system of accounting,
42 internal controls, payroll, fidelity bonding, chart of accounts, and
43 contract management and monitoring. The North Carolina Partnership

1 may contract with outside firms to develop and implement the standard
2 fiscal accountability plan. All local partnerships shall be required to
3 participate in the standard fiscal accountability plan developed and
4 adopted by the North Carolina Partnership pursuant to this subdivision.

- 5 (5) The North Carolina Partnership shall develop a ~~centralized~~ regional
6 accounting and contract management system which incorporates
7 features of the required standard fiscal accountability plan described in
8 subdivision (4) of subsection (a) of this section. All local partnerships
9 shall participate in the regional accounting and contract management
10 system. ~~The following local partnerships shall be required to participate~~
11 ~~in the centralized accountability system developed by the North~~
12 ~~Carolina Partnership pursuant to this subdivision:~~

13 a. ~~Local partnerships which have significant deficiencies in their~~
14 ~~accounting systems, internal controls, and contract management~~
15 ~~systems, as determined by the North Carolina Partnership based~~
16 ~~on the annual financial audits of the local partnerships conducted~~
17 ~~by the Office of the State Auditor; and~~

18 b. ~~Local partnerships which are in the first two years of operation~~
19 ~~following their selection. At the end of this two-year period, local~~
20 ~~partnerships shall continue to participate in the centralized~~
21 ~~accounting and contract management system. With the approval~~
22 ~~of the North Carolina Partnership, local partnerships may~~
23 ~~perform accounting and contract management functions at the~~
24 ~~local level using the standardized and uniform accounting~~
25 ~~system, internal controls, and contract management systems~~
26 ~~developed by the North Carolina Partnership.~~

27 ~~Local partnerships which otherwise would not be required to participate~~
28 ~~in the centralized accounting and contract management system pursuant~~
29 ~~to this subdivision may voluntarily choose to participate in the system.~~
30 ~~Participation or nonparticipation shall be for a minimum of two years,~~
31 ~~unless, in the event of nonparticipation, the North Carolina Partnership~~
32 ~~determines that any partnership's annual financial audit reveals serious~~
33 ~~deficiencies in accounting or contract management.~~

- 34 (6) The North Carolina Partnership shall develop a formula for allocating
35 direct services funds appropriated for this purpose to local partnerships.

- 36 (7) The North Carolina Partnership may adjust its allocations by up to ten
37 percent (10%) on the basis of local partnerships' performance
38 assessments. In determining whether to adjust its allocations to local
39 partnerships, the North Carolina Partnership shall consider whether the
40 local partnerships are meeting the outcome goals and objectives of the
41 North Carolina Partnership and the goals and objectives set forth by the
42 local partnerships in their approved annual program plans.

1 The North Carolina Partnership may use additional factors to
2 determine whether to adjust the local partnerships' allocations. These
3 additional factors shall be developed with input from the local
4 partnerships and shall be communicated to the local partnerships when
5 the additional factors are selected. These additional factors may include
6 board involvement, family and community outreach, collaboration
7 among public and private service agencies, and family involvement.

8 On the basis of performance assessments, local partnerships annually
9 shall be rated "superior", "satisfactory", or "needs improvement". ~~Local~~
10 ~~partnerships rated "superior" shall receive, to the extent that funds are~~
11 ~~available, a ten percent (10%) increase in their annual funding~~
12 ~~allocation. Local partnerships rated "satisfactory" shall receive their~~
13 ~~annual funding allocation. Local partnerships rated "needs~~
14 ~~improvement" shall receive up to ninety percent (90%) of their annual~~
15 ~~funding allocation.~~

16 The North Carolina Partnership may contract with outside firms to
17 conduct the performance assessments of local partnerships.

- 18 (8) The North Carolina Partnership shall establish a local partnership
19 advisory committee comprised of 15 members. Eight of the members
20 shall be chairs of local partnerships' board of directors, and seven shall
21 be staff of local partnerships. Members shall be chosen by the Chair of
22 the North Carolina Partnership from a pool of candidates nominated by
23 their respective boards of directors. The local partnership advisory
24 committee shall serve in an advisory capacity to the North Carolina
25 Partnership and shall establish a schedule of regular meetings. Members
26 shall be chosen from local partnerships on a rotating basis. The advisory
27 committee shall annually elect a chair from among its members.
- 28 (9) The North Carolina Partnership shall report (i) quarterly to the Joint
29 Legislative Commission on Governmental Operations and (ii) to the
30 General Assembly and the Governor on the ongoing progress of all the
31 local partnerships' work, including all details of the use to which the
32 allocations were put, and on the continuing plans of the North Carolina
33 Partnership and of the Department, together with legislative proposals,
34 including proposals to implement the program statewide."

35 Section 11.28.(b)G.S. 143B-168.13(6) reads as rewritten:

- 36 "(6) Annually update its funding ~~formula~~ formula, in collaboration with the
37 North Carolina Partnership for Children, Inc., using the most recent data
38 available. These amounts shall serve as the basis for determining "full
39 funding" amounts for each local partnership."

40 Section 11.28.(c)G.S. 143B-168.15(b) reads as rewritten:

41 "(b) Depending on local, regional, or statewide needs, funds may be used to support
42 activities and services that shall be made available and accessible to providers, children,
43 and families on a voluntary basis. Of the funds allocated to local partnerships ~~that are~~

1 designated by the Secretary for direct services, ~~seventy-five-seventy percent (75%)-(70%)~~
2 ~~of the funds spent in each year shall be used for any one or more of the following~~
3 ~~activities and services:~~

4 ~~(1) Child care services, including:~~

- 5 ~~a. Child care subsidies to reduce waiting lists;~~
- 6 ~~b. Raising the county child care subsidy rate to the State market~~
7 ~~rate, if applicable, in return for improvements in the quality of~~
8 ~~child care services;~~
- 9 ~~c. Raising the income eligibility for child care subsidies to seventy-~~
10 ~~five percent (75%) of the State median family income;~~
- 11 ~~d. Start-up funding for child care providers;~~
- 12 ~~e. Assistance to enable child care providers to conform to licensing~~
13 ~~and building code requirements;~~
- 14 ~~f. Child care resources and referral services;~~
- 15 ~~g. Enhancement of the quality of child care provided;~~
- 16 ~~h. Technical assistance for child care providers;~~
- 17 ~~i. Quality grants for child care centers or family child care homes;~~
- 18 ~~j. Expanded services or enhanced rates for children with special~~
19 ~~needs;~~
- 20 ~~k. Head Start services;~~
- 21 ~~l. Development of comprehensive child care services that include~~
22 ~~child health and family support;~~
- 23 ~~m. Activities to reduce staff turnover;~~
- 24 ~~n. Activities to serve children with special needs;~~
- 25 ~~o. Transportation services related to providing child care services;~~
- 26 ~~p. Evaluation of plan implementation of child care services; and~~
- 27 ~~q. Needs and resources assessments for child care services.~~

28 ~~(2) Family and child centered services, including early childhood~~
29 ~~education and child development services, including:~~

- 30 ~~a. Enhancement of the quality of family and child centered~~
31 ~~services provided;~~
- 32 ~~b. Technical assistance for family and child centered services;~~
- 33 ~~c. Needs and resource assessments for family and child centered~~
34 ~~services;~~
- 35 ~~d. Home centered services; and~~
- 36 ~~e. Evaluation of plan implementation of family and child centered~~
37 ~~services.~~

38 ~~(3) Other appropriate activities and services for child care providers and for~~
39 ~~family and child centered services, including:~~

- 40 ~~a. Staff and organizational development, leadership and~~
41 ~~administrative development, technology assisted education, and~~
42 ~~long range planning; and~~

1 b. ~~Procedures to ensure that infants and young children receive~~
2 ~~needed health, immunization, and related services.~~
3 in child care related activities and early childhood education programs that improve
4 access to child care and early childhood education services, develop new child care and
5 early childhood education services, and improve the quality of child care and early
6 childhood education services in all settings."

7 Section 11.28.(d)Effective September 1, 2000, G.S. 143B-168.15(g) reads as
8 rewritten:

9 "(g) Not less than thirty percent (30%) of the funds spent in each year of each local
10 partnership's direct services allocation shall be used to expand child care subsidies. To
11 the extent practicable, these funds shall be used to enhance the affordability, availability,
12 and quality of child care services as described in this section. The local partnerships shall
13 ~~give priority for the use of these funds to augmenting the State's supplemental subsidy~~
14 ~~payment rate per child per month for licensed child care centers and homes earning a~~
15 ~~rated license that exceeds the minimum licensing standards.—~~The North Carolina
16 Partnership may increase this percentage requirement up to a maximum of fifty percent
17 (50%) when, based upon a significant local waiting list for subsidized child care, the
18 North Carolina Partnership determines a higher percentage is justified."

19 Section 11.28.(e) Subsection (c) of Section 11.48 of S.L. 1999-237 is repealed.

20 Section 11.28.(f) Subsection (h) of Section 11.48 of S.L. 1999-237 is repealed.

21 Section 11.28.(g) Subsection (i) of Section 11.48 of S.L. 1999-237 reads as
22 rewritten:

23 "Section 11.48.(i) The North Carolina Partnership for Children, Inc., and all
24 local partnerships shall, in the aggregate, be required to match no less than fifty percent
25 (50%) of the total amount budgeted for the Program in each fiscal year of the biennium as
26 follows: contributions of cash equal to at least ten percent (10%) and in-kind donated
27 resources equal to no more than ten percent (10%) for a total match requirement of
28 twenty percent (20%) for each fiscal year. ~~Any program funding expended for child care~~
29 ~~subsidies during the previous 12 months is excluded from the match requirement of this~~
30 ~~subsection.—~~Federal funds, other than TANF Block Grant funds, Social Services Block
31 Grant funds or Child Care and Development Fund Block Grant funds, may be used to
32 meet the match requirement of this subsection notwithstanding the provisions of G.S.
33 143-6.1. In all other respects, G.S. 143-6.1 still applies. Only in-kind contributions that
34 ~~are quantifiable, as determined in the Smart Start Performance Audit, quantifiable shall~~
35 ~~be applied to the in-kind match requirement. Volunteer services may be treated as an in-~~
36 ~~kind contribution for the purpose of the match requirement of this subsection. Volunteer~~
37 ~~services shall be valued at the higher of the minimum wage rate for hours of service~~
38 ~~performed or the fair market value of professional services performed by a volunteer.~~
39 Expenses, including both those paid by cash and in-kind contributions, incurred by other
40 participating non-State entities contracting with the North Carolina Partnership for
41 Children, Inc., or the local partnerships, also may be considered resources available to
42 meet the required private match. In order to qualify to meet the required private match,
43 the expenses shall:

- 1 (1) Be verifiable from the contractor's records;
- 2 (2) If in-kind, other than volunteer services, be quantifiable in accordance
- 3 with generally accepted accounting principles for nonprofit
- 4 organizations;
- 5 (3) Not include expenses funded by State funds;
- 6 (4) Be supplemental to and not supplant preexisting resources for related
- 7 program activities;
- 8 (5) Be incurred as a direct result of the Early Childhood Initiatives Program
- 9 and be necessary and reasonable for the proper and efficient
- 10 accomplishment of the Program's objectives;
- 11 (6) Be otherwise allowable under federal or State law;
- 12 (7) Be required and described in the contractual agreements approved by
- 13 the North Carolina Partnership for Children, Inc., or the local
- 14 partnership; and
- 15 (8) Be reported to the North Carolina Partnership for Children, Inc., or the
- 16 local partnership by the contractor in the same manner as reimbursable
- 17 expenses.

18 The North Carolina Partnership for Children, Inc., shall establish uniform
19 guidelines and reporting format for local partnerships to document the qualifying
20 expenses occurring at the contractor level. Local partnerships shall monitor qualifying
21 expenses to ensure they have occurred and meet the requirements prescribed in this
22 subsection.

23 Failure to obtain a twenty percent (20%) match by ~~May 1~~ June 30 of each
24 fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program
25 for ~~the next~~ a subsequent fiscal year. The North Carolina Partnership for Children, Inc.,
26 shall be responsible for compiling information on the private cash and in-kind
27 contributions into a report that is submitted to the Joint Legislative Commission on
28 Governmental Operations in a format that allows verification by the Department of
29 Revenue. The same match requirements shall apply to any expansion funds appropriated
30 by the General Assembly."

31 Section 11.28.(h) Subsection (m) of Section 11.48 of S.L. 1999-237 reads as
32 rewritten:

33 "Section 11.48.(m) There is allocated from the funds appropriated to the
34 Department of Health and Human Services, Division of Child Development, in this act,
35 the sum of fifty-nine million five hundred thousand dollars (\$59,500,000) for the 1999-
36 2000 fiscal year and the sum of ~~seventy-eight million nine hundred twenty-eight thousand~~
37 ~~eight hundred twenty-six dollars (\$78,928,826)~~ one hundred twenty-two million eight
38 hundred seventy-eight thousand seventy-six dollars (\$122,878,076) for the 2000-2001
39 fiscal year to be used as follows:

- 40 (1) The sum of fifty-eight million dollars (\$58,000,000) in the 1999-2000
- 41 fiscal year and the sum of ~~seventy-eight million nine hundred twenty-~~
- 42 ~~eight thousand eight hundred twenty-six dollars (\$78,928,826)~~ one
- 43 hundred twenty-one million four hundred thirteen thousand seven

1 hundred twenty-five dollars (\$121,413,725) in the 2000-2001 fiscal year
2 shall be used to administer and deliver services in all 100 counties.
3 These funds may be used as financial incentives to encourage
4 regionalization at the local level and to complete development of
5 contracting and accounting systems at the local level. Any funds used
6 to encourage regionalization or to complete development of contracting
7 and accounting systems at the local level shall not be included in
8 computations affecting the administrative cost limitations under
9 subsection (e) of this section.

10 (2) The North Carolina Partnership for Children, Inc., may use the sum of
11 one million five hundred thousand dollars (\$1,500,000) in the 1999-
12 2000 fiscal year and the sum of five hundred thousand dollars
13 (\$500,000) in the 2000-2001 fiscal year to assist local partnerships in
14 their efforts to develop local collaboration. It is the intent of the
15 General Assembly that these funds be nonrecurring.

16 (3) The North Carolina Partnership for Children, Inc., shall receive the sum
17 of nine hundred sixty-four thousand three hundred fifty-one dollars
18 (\$964,351) in the 2000-2001 fiscal year for State-level administration of
19 the Program.

20 The General Assembly requests that the Governor fully fund the Program in the
21 continuation budget for the 2001-2003 fiscal biennium at the level recommended by the
22 Governor in the 1999-2001 fiscal biennium."

23 Section 11.28.(i) Subsection (n) of Section 11.48 of S.L. 1999-237 reads as
24 rewritten:

25 "Section 11.48.(n) Of the funds appropriated to the Department of Health and
26 Human Services for the Program for the 1999-2001 biennium, the Frank Porter Graham
27 Child Development Center shall receive the sum of one million fifteen thousand dollars
28 (\$1,015,000) in the 1999-2000 fiscal year and the sum of one million ~~fifteen thousand~~
29 ~~dollars (\$1,015,000)~~ sixty-five thousand seven hundred fifty dollars (\$1,065,750) in the
30 2000-2001 fiscal year."

31

32 **SUBPART 7. DEAF AND HARD OF HEARING SERVICES**

33

34 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

35 **FAMILY SUPPORT/DIVISION OF SERVICES FOR THE DEAF AND THE**

36 **HARD OF HEARING SERVICES CONTRACT**

37 Section 11.29. Section 11.50 of S.L. 1999-237 reads as rewritten:

38 "Section 11.50. Of the funds appropriated in this act to the Division of Services for
39 the Deaf and the Hard of Hearing, Department of Health and Human Services, for family
40 support services, the sum of five hundred three thousand two hundred thirty-eight dollars
41 (\$503,238) for the 1999-2000 fiscal year and the sum of ~~five hundred three seven~~
42 hundred twenty-three thousand two hundred thirty-eight dollars (\$503,238) ~~(\$723,238)~~
43 for the 2000-2001 fiscal year shall be used to contract with a private, nonprofit

1 corporation licensed to do business in North Carolina to perform those services, including
2 family support and advocacy services as well as technical assistance to professionals who
3 work with families of hearing-impaired children aged birth to 21 years."
4

5 **SUBPART 8. PUBLIC HEALTH**

6
7 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

8 **MAINTAIN FUNDING FOR DEVELOPMENTAL EVALUATION CENTERS**

9 Section 11.30. The Department of Health and Human Services shall replace
10 any reductions in appropriations for the Developmental Evaluation Centers with
11 Medicaid receipts. The total amount of the Developmental Evaluation Centers program
12 budget shall not be reduced below the amount certified in the 1999-2000 fiscal year
13 program budget.
14

15 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

16 **USE OF NEWBORN SCREENING FEES**

17 Section 11.31.(a)G.S. 130A-125 reads as rewritten:

18 **"§ 130A-125. Screening of newborns for metabolic and other hereditary and**
19 **congenital disorders.**

20 (a) The Department shall establish and administer a Newborn Screening Program.
21 The program shall include, but shall not be limited to:

- 22 (1) Development and distribution of educational materials regarding the
23 availability and benefits of newborn screening.
- 24 (2) Provision of laboratory testing.
- 25 (3) Development of follow-up protocols to assure early treatment for
26 identified children, and the provision of genetic counseling and support
27 services for the families of identified children.
- 28 (4) Provision of necessary dietary treatment products or medications for
29 identified children as medically indicated and when not otherwise
30 available.
- 31 (5) For each newborn, provision of physiological screening in each ear for
32 the presence of permanent hearing loss.

33 (b) The Commission shall adopt rules necessary to implement the Newborn
34 Screening Program. The rules shall include, but shall not be limited to, the conditions for
35 which screening shall be required, provided that screening shall not be required when the
36 parents or the guardian of the infant object to such screening. If the parents or guardian
37 object to the screening, the objection shall be presented in writing to the physician or
38 other person responsible for administering the test, who shall place the written objection
39 in the infant's medical record.

40 (b1) The Commission for Health Services shall adopt temporary and permanent
41 rules to include newborn hearing screening in the Newborn Screening Program
42 established under this section.

1 (c) The Department may impose a fee for a laboratory test performed pursuant to
2 this section by the State Public Health Laboratory. A fee for a test must be based on the
3 actual cost of performing the test. Fees collected shall remain in the Department to be
4 used to offset the cost of the Newborn Screening Program. The fees for laboratory tests
5 shall be used to supplement and not supplant funds appropriated for the Newborn
6 Screening Program.

7 ~~The Newborn Screening Fee Account is established as a nonreverting account within~~
8 ~~the Department. Fees collected pursuant to this section shall be credited to this Account~~
9 ~~and shall be applied to the Newborn Screening Program."~~

10 Section 11.31.(b) Not later than March 1, 2001, the Department of Health and
11 Human Services shall submit a progress report on the implementation of the newborn
12 hearing screening program to the House of Representatives Appropriations
13 Subcommittee on Health and Human Services and the Senate Appropriations Committee
14 on Human Resources, and to the Fiscal Research Division. The report shall include
15 findings and recommendations relating to:

- 16 (1) Availability and adequacy of screening and diagnostic equipment;
- 17 (2) Staff training;
- 18 (3) Data on the number of infants screened, the number who failed the
19 hearing screening, and the number fitted for amplification;
- 20 (4) The follow-up process for audiological management;
- 21 (5) Referral procedures for child service coordination and other early
22 intervention services; and
- 23 (6) Outreach efforts to increase public awareness.

24
25 Requested by: Senators Martin of Guilford, Warren, Plyler, Perdue, Odom

26 **HEART DISEASE AND STROKE PREVENTION TASK FORCE REPORT**

27 Section 11.32. Subsection (l) of Section 26.9 of Chapter 507 of the 1995
28 Session Laws, as amended by Section 15.25 of S.L. 1997-443, and as further amended by
29 Section 11.57 of S.L. 1999-237, reads as rewritten:

30 "(l) The Task Force shall submit to the Governor and to the General Assembly a
31 preliminary report by January 1, 1996; an interim report within the first week of the
32 convening of the 1997 General Assembly; a second interim report within the first week of
33 the convening of the 1997 General Assembly, Regular Session 1998; a third interim
34 report within the first week of the convening of the 1999 General Assembly, a fourth
35 interim report within the first week of the convening of the 2000 General Assembly; a
36 fifth interim report within the first week of the convening of the 2001 General Assembly,
37 and a final report by June 30, 2001. The reports shall address the Plan, actions and
38 resources needed to fully implement the Plan, and progress in achieving implementation
39 of the Plan to reduce the occurrence of and burden from heart disease and stroke in North
40 Carolina. The reports shall include an accounting of funds expended and anticipated
41 funding needs for full implementation of recommended plans and programs. Not later
42 than October 1, 2000, the Task Force shall submit an additional report on its actual
43 budget and activities for the 1999-2000 fiscal year. The report shall also describe the

1 impact and effectiveness of Task Force activities in the State. The report shall be
2 submitted to the House of Representatives Appropriations Subcommittee on Health and
3 Human Services, the Senate Appropriations Committee on Human Resources, and the
4 Fiscal Research Division."

5
6 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

7 **EXTEND OSTEOPOROSIS TASK FORCE**

8 Section 11.33.(a) Subsection (b) of Section 11.58 of S.L. 1999-237 reads as
9 rewritten:

10 "Section 11.58.(b) The Task Force shall submit a progress report to members of
11 the House of Representatives Appropriations Subcommittee on Health and Human
12 Services and the Senate Appropriations Committee on Human Resources, the Governor,
13 and the Fiscal Research Division not later than April 1, 2000. The progress report shall
14 address:

- 15 (1) Progress being made in fulfilling the duties of the Task Force and in
16 developing the Osteoporosis Prevention Plan,
- 17 (2) The anticipated time frame for completion of the Prevention Plan, and
- 18 (3) Recommended strategies or actions to reduce the occurrence of and
19 burdens suffered from osteoporosis by citizens of this State.

20 The Task Force shall submit its final report to the ~~1999-2001~~ General Assembly, the
21 Governor, and the Fiscal Research Division not later than October 1, ~~2000-2001~~."

22 Section 11.33.(b) Subsection (m) of Section 1532 of S.L. 1997-443, as
23 amended by subsection (c) of Section 11.58 of S.L. 1999-237, reads as rewritten:

24 "(m) Upon submission of its final report to the Governor and the ~~1999-2001~~ General
25 Assembly, ~~Regular Session 2000,~~ the Task Force shall expire."

26
27 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

28 **LIMITATIONS ON EXPANSION OF INTENSIVE HOME VISITATION** 29 **PROGRAM**

30 Section 11.34.(a) The Department of Health and Human Services shall not amend the
31 State Medicaid Plan to provide Medicaid reimbursement for intensive home visiting
32 services.

33 Section 11.34.(b) The Department of Health and Human Services shall arrange
34 for an independent evaluation of Intensive Home Visitation Program first-year pilot
35 programs that began operation in February, 1998. The evaluation shall review outcomes
36 of the three models that were used in the pilot programs, compare the outcome for
37 Intensive Home Visitation projects operating in North Carolina to those that have been
38 the subject of national research, and identify elements that contribute to successful
39 projects.

40
41 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

42 **AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

1 Section 11.35.(a)Subsections (d) and (e) of Section 11.55 of S.L. 1999-237 read as
2 rewritten:

3 "Section 11.55.(d) The Department shall also develop a comprehensive
4 information management system on AIDS/HIV clients receiving services from the State.
5 The Department may use up to fifty thousand dollars (\$50,000) of the funds appropriated
6 under this act to implement this information management system. This information
7 management system shall be patterned after the information management system used by
8 the Elderly Drug Assistance Program, shall provide instantaneous internal access to
9 information, and ~~This system~~ shall include information on the following:

- 10 (1) ~~program~~Program usage patterns of ADAP participants, including, but
11 not limited to, frequency of prescription purchases, ~~and~~ types of
12 medications ~~prescribed.~~prescribed, and the cost of prescribed
13 medications on a monthly basis.
- 14 (2) Demographics of participants in the program, including the age, gender,
15 race, ethnicity, and county of residence of participants.

16 The Department shall also develop a plan for promoting patient adherence to
17 physician treatment recommendations. In developing the plan, the Department shall
18 identify ways of obtaining information without interfering with physician-patient
19 confidentiality. The Department shall report on this plan to the members of the House of
20 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
21 Appropriations Committee on Human Resources, and the Fiscal Research Division not
22 later than May 15, 2000.

23 Section 11.55.(e) For the 1999-2000 fiscal ~~year,~~year and for the 2000-2001
24 fiscal year, HIV-positive individuals with incomes at or below one hundred twenty-five
25 percent (125%) of the federal poverty level are eligible for participation in ADAP.
26 Notwithstanding any other provision of law, eligibility for participation in ADAP during
27 the 1999-2000 fiscal year shall not be extended to individuals with incomes above one
28 hundred twenty-five percent (125%) of the federal poverty level. Eligibility for
29 participation in ADAP during the 2000-2001 fiscal year may be extended to individuals
30 with incomes up to one hundred fifty percent (150%) of the federal poverty level only
31 after the Office of State Budget and Management certifies in writing that the Department
32 has developed an information management system pursuant to subsection (d) of this
33 section. Until the Office of State Budget and Management makes this certification,
34 eligibility for participation in ADAP during the 2000-2001 fiscal year shall not be
35 extended to individuals with incomes above one hundred twenty-five percent (125%) of
36 the federal poverty level. All individuals who are eligible for participation in ADAP
37 shall be served by the Department of Health and Human Services. If sufficient funds are
38 not available from funds allocated to ADAP, the Department of Health and Human
39 Services shall transfer available funds from other programs within the Department to
40 meet the funding needs of ADAP."

41 Section 11.35.(b)The Department of Health and Human Services shall make an
42 interim report by October 1, 2000, and a final report by April 1, 2001, to the Senate
43 Appropriations Committee on Human Resources, the House of Representatives

1 Appropriations Subcommittee on Health and Human Services, and the Fiscal Research
2 Division on ADAP. The reports shall include the following:

- 3 (1) Monthly data on total cumulative AIDS/HIV cases reported in North
4 Carolina.
- 5 (2) Monthly data on the estimated number of individuals eligible to
6 participate in ADAP and the actual number of participants in ADAP.
- 7 (3) Monthly data on the number of individuals who have applied to
8 participate in ADAP that have been determined to be ineligible.
- 9 (4) Monthly data on the income level of participants in ADAP and of
10 individuals who have applied to participate in ADAP that have been
11 determined to be ineligible.
- 12 (5) Monthly data on fiscal-year-to-date expenditures of ADAP. The interim
13 report shall contain monthly data on the calendar-year-to-date
14 expenditures of ADAP.
- 15 (6) Monthly data on the actual line-item budget of ADAP.
- 16 (7) Monthly data on funding sources of ADAP expenditures.
- 17 (8) Monthly data on ADAP funds that are applied to a Medicaid spend-
18 down.
- 19 (9) An update on the status of the information management system.
- 20 (10) Monthly data on ADAP usage patterns and demographics of participants
21 in ADAP.
- 22 (11) Estimated participation rates and costs if eligibility for participation in
23 ADAP were raised to one hundred seventy-five percent (175%) of the
24 federal poverty level or to two hundred percent (200%) of the federal
25 poverty level.

26
27 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

28 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES/REPORT**

29 Section 11.36. Not later than October 1, 2000, the Department of Health and
30 Human Services shall report the impact of combining and allocating funds appropriated
31 for the 1999-2000 fiscal year for Aid to Counties in the Acute Communicable Disease
32 Control Fund, the Tuberculosis Control Fund, and the Sexually Transmitted Disease
33 Control Fund into one Acute Communicable Disease Control Aid to Counties Grant. The
34 report shall include the impact of expenditures by county on the individual communicable
35 disease groups. The Department shall submit the report to the House of Representatives
36 Appropriations Subcommittee on Health and Human Services, the Senate Appropriations
37 Committee on Human Resources, and the Fiscal Research Division of the Legislative
38 Services Office.

39
40 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

41 **PUBLIC HEALTH PREVENTION ACTIVITIES REPORT**

1 Section 11.37.(a) By October 1, 2000, and more frequently as requested, the
2 Department of Health and Human Services, Division of Public Health, shall report on the
3 activities of each of the following:

- 4 (1) Kenneth C. Royall, Jr. Children's Vision Screening Improvement
5 Program;
- 6 (2) North Carolina Healthy Start Foundation; and
- 7 (3) Adolescent Pregnancy Prevention Coalition of North Carolina.

8 Section 11.37.(b) The report shall include the following for the 1999-2000 fiscal year:

- 9 a. A description of all program activities of the organization;
- 10 b. Provide a list of activities that were funded by contracts through the
11 State and the amounts, including a program narrative, for fiscal year
12 1999-2000;
- 13 c. Output data demonstrating the effects of the organization's activities;
14 and
- 15 d. Planned budget, objectives, and activities for the 2000-2001 fiscal year.

16 The Department shall submit the report to the House of Representatives
17 Appropriations Subcommittee on Health and Human Services, the Senate Appropriations
18 Committee on Human Resources, and the Fiscal Research Division of the Legislative
19 Services Office.

20
21 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

22 **PREVENTIVE HEALTH PROGRAM PLAN**

23 Section 11.38. The Department of Health and Human Services shall work with
24 the Fiscal Research Division of the Legislative Services Office to do the following:

- 25 (1) Conduct a full inventory on all prevention activities including task
26 forces and committees that receive administrative funding;
- 27 (2) Identify linkages among program activities, such as activities involving
28 education and awareness, and those involving services;
- 29 (3) Identify all administrative costs and funding sources and number of
30 positions associated with various prevention activities;
- 31 (4) Develop an alternative organizational structure that could more
32 effectively and efficiently administer preventive health activities.

33 Not later than February 1, 2001, the Department shall submit the report
34 required under this section to the House of Representatives Appropriations Subcommittee
35 on Health and Human Services, the Senate Appropriations Committee on Human
36 Resources, and the Fiscal Research Division.

37
38 Requested by: Senators Martin of Guilford, Purcell, Plyler, Perdue, Odom

39 **PRESCRIPTION DRUG ASSISTANCE PROGRAM**

40 Section 11.39. Section 11.1.(a) of S.L. 1999-237 reads as rewritten:

41 "Section 11.1.(a) Of the funds appropriated in this act to the Department of Health and
42 Human Services, the sum of five hundred thousand dollars (\$500,000) for the 1999-2000
43 fiscal year and the sum of ~~five hundred thousand~~ one million dollars (~~\$500,000~~)

1 (\$1,000,000) for the 2000-2001 fiscal year shall be used to pay the cost of outpatient
2 prescription drugs for persons:

- 3 (1) Over the age of 65 years and not eligible for full Medicaid benefits;
- 4 (2) Whose income is not more than one hundred fifty percent (150%) of the
5 federal poverty level; and
- 6 (3) Who have been diagnosed with cardiovascular disease or diabetes.

7 These funds shall be used to pay the cost of outpatient prescription drugs for the
8 treatment of cardiovascular disease or diabetes. Payment shall be not more than the
9 Medicaid cost including rebates. The Department shall develop criteria to maximize the
10 efficient and effective distribution of these drugs."

11
12 Requested by: Senators Martin of Guilford, Purcell, Plyler, Perdue, Odom

13 **LEGISLATIVE STUDY ON PRESCRIPTION DRUG ASSISTANCE FOR**
14 **ELDERLY AND DISABLED PERSONS**

15 Section 11.39A.(a) There is established the Legislative Study Commission on
16 Prescription Drug Assistance for Elderly and Disabled Persons. The Commission shall
17 have 12 members, four members of the Senate appointed by the President Pro Tempore
18 of the Senate, four members of the House of Representatives appointed by the Speaker of
19 the House of Representatives, and four members appointed by the Governor.

20 Section 11.39A.(b) The purpose of the study is to determine the feasibility of
21 assisting all elderly and disabled residents of North Carolina who need assistance with
22 the purchase of prescription drugs because of lack of government-sponsored or private
23 health insurance coverage for prescription drugs. The study shall include the following:

- 24 (1) A review of the Department of Health and Human Services "Report on
25 Proposal for a Prescription Drug Assistance Program for Low-Income
26 Elderly and Disabled." Because of the high cost of prescription drugs
27 and the critical need for these drugs to maintain or improve health
28 status, it is also important to assist elderly and disabled persons of a
29 higher income bracket who have no health insurance coverage for
30 prescription drugs.
- 31 (2) Feasibility of tax credits for the purchase of prescription drugs or for the
32 purchase of health insurance coverage for prescription drugs.
- 33 (3) Feasibility of catastrophic or stop-loss insurance coverage for
34 prescription drugs.
- 35 (4) Review of other State proposals to address this problem such as The
36 Heinz Plan of Massachusetts.
- 37 (5) Review of the use of drug rebates or other types of discounts.
- 38 (6) Consider possible interaction between various state proposals and
39 federal actions and proposals.
- 40 (7) Other activities as determined by the Commission.

41 Section 11.39A.(c) The Commission may contract for actuarial services to
42 develop cost estimates for various proposals considered by the Commission. The
43 Commission may receive funds from other sources to carry out its study.

1 Section 11.39A.(d) Members of the Committee receive subsistence and travel
2 expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or
3 hire employees in accordance with G.S. 120-32.02. The Legislative Services
4 Commission, through the Legislative Services Officer, shall assign professional staff to
5 assist the Committee in its work. Upon the direction of the Legislative Services
6 Commission, the Supervisors of Clerks of the Senate and of the House of Representatives
7 shall assign clerical staff to the Committee. The expenses for clerical employees shall be
8 borne by the Committee."

9 Section 11.39A.(e) A quorum of the Committee is six members. No action
10 may be taken except by a majority vote at a meeting at which a quorum is present. While
11 in the discharge of its official duties, the Committee has the powers of a joint committee
12 under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

13 Section 11.39A.(f) Terms on the Committee are for two years and begin on the
14 convening of the General Assembly in each odd-numbered year, except the terms of the
15 initial members, which begin on appointment and end on the day of the convening of the
16 2001 General Assembly. Members may complete a term of service on the Committee
17 even if they do not seek reelection or are not reelected to the General Assembly, but
18 resignation or removal from service in the General Assembly constitutes resignation or
19 removal from service on the Committee.

20 A member continues to serve until the member's successor is appointed. A vacancy
21 shall be filled within 30 days by the officer who made the original appointment.

22 Section 11.39A.(g) The Committee shall make an interim report to the 2001
23 General Assembly on January 1, 2001 and May 1, 2002, and shall make its final report to
24 the 2003 General Assembly upon its convening. Upon making its final report, the
25 Committee shall expire.

26
27 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

28 **ADOLESCENT PREGNANCY PREVENTION PROGRAM CHANGES**

29 Section 11.40. G.S. 130A-131.15 reads as rewritten:

30 **"§ 130A-131.15. Department to establish program.**

31 (a) The Department shall establish and administer a program to distribute funds
32 appropriated for adolescent pregnancy prevention projects.

33 ~~(b) The Commission shall adopt rules necessary to implement the program.~~

34 ~~(c) The Department shall evaluate all of the adolescent pregnancy prevention~~
35 ~~projects funded as a result of this program at least yearly and shall report its findings to~~
36 ~~the Commission for Health Services, the Joint Legislative Commission on Governmental~~
37 ~~Operations, and the Chairmen of the House Appropriations Subcommittee on Health and~~
38 ~~Human Services, and the Senate Appropriations Committee on Health and Human~~
39 ~~Services by April 1 of each year. The evaluation shall be conducted by a firm or~~
40 ~~individual external to the Department. Any evaluation of these projects shall include a~~
41 ~~study of the effectiveness of the project in reducing the pregnancy rate within the target~~
42 ~~population.~~

1 ~~(d) The Commission shall be responsible for monitoring the Department's~~
2 ~~administration of the Adolescent Pregnancy Prevention Program. The Department shall~~
3 ~~manage and fund the Adolescent Pregnancy Prevention Program projects as follows:~~

4 ~~(1) Applications. Any local agency or organization or combination of~~
5 ~~agencies and organizations may apply to the Department for an~~
6 ~~allocation of money to operate a project aimed at preventing adolescent~~
7 ~~pregnancy. The application shall contain an analysis of the adolescent~~
8 ~~pregnancy and related problems in the locality the project would serve,~~
9 ~~and a description of how the project would attempt, over a period of at~~
10 ~~least five years, to prevent the problems. The application shall state how~~
11 ~~much money is needed to operate the project and how the money shall~~
12 ~~be spent. The Department shall conduct annually a proposal writing~~
13 ~~session that shall be attended by a representative of any project that~~
14 ~~wishes to apply for funding; that session shall define the criteria for~~
15 ~~accountability and evaluation that the Department requires of projects.~~
16 ~~That session shall also provide information about additional funding~~
17 ~~sources to which projects might turn to satisfy the matching~~
18 ~~requirements of subdivision (5) of this subsection.~~

19 ~~(2) Proposal Requirements. The Department shall apply the following~~
20 ~~minimum standards to projects applying for first year funding:~~

21 ~~a. Each project shall have a plan of action that extends for at least~~
22 ~~five years for prevention of adolescent pregnancy.~~

23 ~~b. Each project shall have realistic, specific, and measurable goals~~
24 ~~and objectives for the prevention of adolescent pregnancy.~~

25 ~~c. Each project, before submitting its proposal, shall send a~~
26 ~~representative to the proposal writing session held by the~~
27 ~~Department.~~

28 ~~(3) Operating Standards. The Department shall apply the following~~
29 ~~minimum operating standards:~~

30 ~~a. Each project shall have a Board of Advisors composed of~~
31 ~~members from outside the sponsoring agency of the project. The~~
32 ~~Board of Advisors shall include representatives from at least four~~
33 ~~of the following: media, government, charitable organizations,~~
34 ~~private business, and medical institutions. The Boards of~~
35 ~~Advisors shall meet at least quarterly and advise project staff on~~
36 ~~project policies and operations.~~

37 ~~b. Each project shall comply with reporting, contracting, and~~
38 ~~evaluation requirements of the Department.~~

39 ~~c. Each project shall define and maintain cooperative ties with other~~
40 ~~community institutions.~~

41 ~~d. Each project shall demonstrate its ability to attract financial~~
42 ~~support from sources other than the State, including sources in~~
43 ~~the local community.~~

- 1 (4) ~~Criteria for Project Selection. For first year funding, the Department~~
2 ~~shall choose from among the applicants that meet the minimum~~
3 ~~standards in subdivision (2) of this subsection the best selection of~~
4 ~~projects according to the following criteria:~~
5 a. ~~Adequacy of proposed staff to meet project objectives;~~
6 b. ~~Appropriateness of project strategies to reduce adolescent~~
7 ~~pregnancy;~~
8 c. ~~Level of community support, including endorsement from the~~
9 ~~appropriate local government entity and documentation from the~~
10 ~~appropriate local government entity and from community~~
11 ~~organizations that opportunity has been given for citizen input~~
12 ~~into the proposed program, and that there is community support~~
13 ~~for the proposal. Documentation may include letters or~~
14 ~~statements of support from citizens or community organizations,~~
15 ~~or statements that community support was expressed at public~~
16 ~~hearings. A public hearing is not required by this paragraph;~~
17 d. ~~Degree of need of the locality, including that the county has a~~
18 ~~significant adolescent pregnancy problem as evidenced by its~~
19 ~~attributable risk score developed by the State Center for Health~~
20 ~~and Environmental Statistics; and~~
21 e. ~~Other appropriate criteria.~~
22 ~~The Department shall make its recommendations for funding to the~~
23 ~~Commission. The Commission shall make the final determination of~~
24 ~~which projects are to be funded. The Commission shall consider the~~
25 ~~recommendations of the Department but shall not be bound by them.~~
26 ~~The Commission shall notify the projects that are to be funded by June~~
27 ~~1 of each year.~~
28 (5) ~~Schedule of Funding. If the Commission, upon consultation with the~~
29 ~~Department, finds that a project it has chosen for first year funding~~
30 ~~continues to meet the operating standards of subdivisions (2) and (3) of~~
31 ~~this subsection, funding for that project shall continue, to the extent of~~
32 ~~available money, for an additional four years. The level of funding~~
33 ~~provided by the Department to approved projects shall be set according~~
34 ~~to the following schedule:~~
35 a. ~~First year, eighty percent (80%) of the project's annual budget~~
36 ~~not to exceed the maximum award established by the~~
37 ~~Commission for Health Services;~~
38 b. ~~Second year, ninety percent (90%) of the State appropriations or~~
39 ~~federal block grant funds awarded in the first year;~~
40 c. ~~Third year, seventy five percent (75%) of the State~~
41 ~~appropriations or federal block grant funds awarded in the first~~
42 ~~year;~~

- 1 d. Fourth year, sixty five percent (65%) of the State appropriations
2 or federal block grant funds awarded in the first year; and
3 e. Fifth year, fifty percent (50%) of the State appropriations or
4 federal block grant funds awarded in the first year.

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

- 8 (6) Five-Year Limit on Funding. No project shall receive State funding if it
9 has previously received State funding for five full years. Any project
10 that has received State funding before July 1, 1990, will be eligible for
11 consideration for an additional five years' State support, according to the
12 schedule. The Commission may fund any such project that meets the
13 minimum standards if it determines, after considering the experience
14 and impact of the project and measuring its application against those of
15 other applicants, that it should be funded.

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

- 19 (8) As adolescent pregnancy prevention project grant funds decrease, a
20 project shall maintain its original budget level, less the amount
21 expended for start up costs. The Department shall develop guidelines
22 for determining start up costs, which guidelines shall be uniform for all
23 projects. Local match percentage may come from any in-kind source or
24 newly generated funds, public or private, available to the project."

25 (b) The Department of Health and Human Services, Division of Public Health, in
26 collaboration with local program administrators, shall adopt guidelines for the
27 administration of funds for teen pregnancy prevention and for parenting programs. The
28 guidelines shall include the following programmatic requirements:

- 29 (1) Council development at the local level is encouraged but not required
30 for program funding. Councils that received first-year funding for the
31 1999-2000 fiscal year for administrative expenses for coalition building
32 and partnership development shall receive funds committed for the
33 second year of organizational development. The Division shall
34 encourage programs that receive funding under this section to involve
35 other health service organizations, nonprofit organizations, and task
36 forces in program efforts.

- 37 (2) In awarding grants, the Department shall target counties with the highest
38 teen pregnancy rates, increasingly higher teen pregnancy rates, or high
39 rates within demographic subgroups, and greatest need for parenting
40 programs. Grants may be renewed annually based on program
41 efficiency and effectiveness, teen pregnancy rates, and the level of need
42 for parenting programs. Grants shall be funded at a particular level and
43 shall not be funded on a multiyear cycle with annually decreasing grant

1 funding. All organizations receiving funding prior to June 30, 2000,
2 shall continue to receive their five-year commitment of funding as
3 contracted with the Department.

4 (3) The Division shall encourage all programs to implement best practice
5 models. While best practice models are encouraged, the Department
6 may fund innovative and promising projects that have not yet been
7 recognized as best practice. All existing programs not using best
8 practice models shall be encouraged to transition to the use of best
9 practice models.

10 (4) Programs are not required to provide a cash match for these funds,
11 however, the Department may require an in-kind match.

12 Funds for State-level administrative expenses of the Program shall not exceed ten
13 percent (10%) of the total budget for teen pregnancy prevention and parenting programs.
14 Administrative expenses include staffing and contracted services for evaluation and
15 coalition-building activities.

16 The Department shall contract with an independent private consulting firm to
17 evaluate the programs. The evaluation shall include standard data collection utilizing the
18 mechanism that has been developed by the University of North Carolina at Chapel Hill,
19 School of Social Work, and shall be conducted in a manner that objectively measures the
20 effectiveness of each program evaluated.

21 The Department shall report annually on March 1, to the House of
22 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
23 Appropriations Committee on Human Resources, and the Fiscal Research Division. The
24 report shall include information on all of the following for each teen pregnancy
25 prevention and parenting program:

26 (1) The program budget delineating all administrative expenses, contracts
27 for services, and technical assistance.

28 (2) A narrative describing each project funded and the amount of funds
29 received by the project.

30 (3) Effectiveness of the program in reducing teen pregnancy or developing
31 responsible parenting skills in young adults, as applicable.

32 (4) Status of the evaluation."

33
34 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

35 **DEPARTMENTAL STUDY OF DENTAL PUBLIC HEALTH SERVICES**

36 Section 11.41. The Department of Health and Human Services shall study the
37 feasibility of providing dental public health services to Medicaid recipients. The study
38 shall include:

39 (1) Identification of other states that are currently providing dental public
40 services and a narrative of the service structure and costs;

41 (2) Start-up costs associated with setting up dental public health offices in
42 North Carolina;

43 (3) Operational costs to Medicaid;

- 1 (4) Feasibility of incorporating private-pay services with Medicaid services;
2 (5) Projected number of individuals who would receive services through the
3 dental public health plan; and
4 (6) Long-term impact of dental public health services.

5 Not later than January 1, 2001, the Department shall report its findings and
6 recommendations to the Senate Appropriations Committee on Human Resources, the
7 House of Representatives Appropriations Subcommittee on Health and Human Services,
8 and the Fiscal Research Division.

9
10 Requested by: Senators Martin of Guilford, Purcell, Plyler, Perdue, Odom

11 **FUNDS FOR PREVENTION OF BIRTH DEFECTS AND REDUCTION IN**
12 **INFANT MORTALITY**

13 Section 11.42. Of the funds appropriated in this act to the Department of
14 Health and Human Services, Division of Public Health, the sum of one hundred fifty
15 thousand dollars (\$150,000) for the 2000-2001 fiscal year shall be used for public
16 awareness activities on the prevention of birth defects and infant mortality reduction.
17 This initiative will include informing women about the importance of folate consumption
18 as an effective means of preventing neural tube birth defects. The campaign shall be
19 targeted at women of child-bearing age and may include a media campaign, creation of
20 literature for dissemination at public health departments and physicians' offices, and
21 workshops.

22
23 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

24 **FUNDS FOR MEDICAID COVERAGE OF FAMILY PLANNING SERVICES**

25 Section 11.42A. Of the funds appropriated in this act to the Department of
26 Health and Human Services, the sum of four hundred sixty-nine thousand dollars
27 (\$469,000) for the 2000-2001 fiscal year shall be used to provide the State match for a
28 Medicaid waiver to provide Medicaid coverage for family planning services to men and
29 women of child-bearing age whose family income is equal to or less than one hundred
30 eighty-five percent (85%) of the federal poverty level. Funding may include funding for
31 two staff positions and their related support. The expenditure of funds under this section
32 is contingent upon approval of the waiver by the Health Care Financing Administration.
33 Funds shall not be expended earlier than January 1, 2001.

34
35 **PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

36
37 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom, Jordan

38 **EXPAND THE PERMISSIBLE USES OF A GRANT RECEIVED FOR THE 1999-**
39 **2000 FISCAL YEAR FOR THE DEVELOPMENT OF A LOCAL FARMERS'**
40 **MARKET IN NEW HANOVER COUNTY**

41 Section 12.(a) The sum of one hundred thousand dollars (\$100,000) was
42 appropriated to the Department of Agriculture and Consumer Services for the 1999-2000
43 fiscal year to provide grants for local farmers' markets. The sum of forty thousand

1 dollars (\$40,000) that the Department allocated as a grant for the 1999-2000 fiscal year
2 for the development of a farmers' market in New Hanover County shall not revert and
3 may be used to produce written materials to educate the public and promote the
4 development of a local farmers' market in New Hanover County or to solicit donations
5 for the purchase of property or facilities for a local farmers' market in New Hanover
6 County.

7 Section 12.(b) The uses of funds authorized by this section are in addition to other
8 permissible uses of these funds under the guidelines adopted under Section 13.7 of S.L.
9 1998-212 and any other applicable rule or law.

10 Section 12.(c) This section becomes effective June 30, 2000.

11
12 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom, Phillips

13 **FARMLAND PRESERVATION**

14 Section 12.1. Notwithstanding the provisions of G.S. 106-744(b), funds
15 appropriated in this act to the Department of Agriculture and Consumer Services for the
16 Farmland Preservation Trust Fund for the 2000-2001 fiscal year shall be used for the
17 purchase of agricultural conservation easements that are perpetual in duration and which
18 shall not be reconveyed under any circumstances.

19
20 Requested by: Senator Plyler

21 **TURFGRASS RESEARCH**

22 Section 12.2. Notwithstanding the provisions of the Senate Appropriations
23 Committee Report on the Continuation, Expansion, and Capital Budgets, the Department
24 of Labor shall budget an additional one hundred thousand dollars (\$100,000) in over-
25 realized indirect cost receipts for the 2000-2001 fiscal year.

26 To offset this authorization to expend additional over-realized receipts, the
27 Director of the Budget shall transfer the sum of one hundred thousand dollars (\$100,000)
28 for the 2000-2001 fiscal year from the Department of Labor to the Department of
29 Agriculture and Consumer Services. The Department of Agriculture and Consumer
30 Services shall transfer these funds to the Board of Governors of The University of North
31 Carolina for allocation to the North Carolina Agricultural Research Service at North
32 Carolina State University to conduct turfgrass research projects.

33 34 **PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL** 35 **RESOURCES**

36
37 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

38 **GRASSROOTS SCIENCE PROGRAM FUNDS**

39 Section 13. The schedule of allocations of appropriations to the Department of
40 Environment and Natural Resources for the Grassroots Science Program under Section
41 15.2 of S.L. 1999-237 shall be the same in the 2000-2001 fiscal year as it was for the
42 1999-2000 fiscal year.

1 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

2 **ENVIRONMENTAL EDUCATION GRANTS**

3 Section 13.1.(a) Of the two hundred thousand dollars (\$200,000) appropriated in this
4 act to the Department of Environment and Natural Resources for the 2000-2001 fiscal
5 year for environmental education grants, up to fifteen percent (15%) may be used by the
6 Department for the 2000-2001 fiscal year for the costs of administering the
7 environmental education grants. The remainder of these funds shall be used to provide
8 grants to promote environmental education throughout the State. Grants under this
9 section may be awarded to:

- 10 (1) Schools, community organizations, and environmental education centers
11 for the development of environmental education library collections; or
12 (2) School groups for field trips to environmental education centers across
13 the State, provided the activities of the field trip are correlated with the
14 Department of Public Instruction's curriculum objectives.

15 Section 13.1.(b) The Department of Environment and Natural Resources shall report
16 to the Joint Legislative Commission on Governmental Operations, the Environmental
17 Review Commission, and the Fiscal Research Division by January 1, 2001, and again by
18 July 1, 2001, on the grant program under this section. The report shall include a list of
19 amounts awarded and project descriptions for each grant recipient.

20

21 Requested by: Senator Horton

22 **NER INTERIM STUDY OF DENR ORGANIZATION**

23 Section 13.2. During the interim between the 2000 Regular Session of the
24 1999 General Assembly and the Session of the 2001 General Assembly, the
25 Appropriations Subcommittees on Natural and Economic Resources in both the Senate
26 and the House of Representatives shall study the current organization of the Department
27 of Environment and Natural Resources to determine its effectiveness and efficiency and
28 shall report any recommendations, including any legislative proposals, to the 2001
29 General Assembly no later than January 15, 2001. The Appropriations Subcommittees
30 on Natural and Economic Resources in both the House of Representatives and the Senate
31 may obtain assistance from any resources outside the General Assembly that the
32 Subcommittees determine are needed to adequately perform their study.

33

34 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

35 **DENR STUDY/RELOCATE DIVISION OF COASTAL MANAGEMENT OFFICE**

36 Section 13.3. The Department of Environment and Natural Resources shall
37 study the feasibility of relocating the main office of the Division of Coastal Management
38 to one or more of the 20 coastal counties within the jurisdiction of the Coastal Area
39 Management Act. In its study, the Department shall consider the cost of relocation, the
40 impact on program efficiency, the availability of office space, and other factors affecting
41 program functions. If the Department determines that relocation of the main office is
42 feasible, then the Department shall include in its report a draft plan for the relocation.

1 The Department shall report its findings and recommendations to both the
2 House of Representatives and the Senate Appropriations Subcommittees on Natural and
3 Economic Resources and to the Fiscal Research Division no later than January 15, 2001.

4
5 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

6 **ERC STUDY RECODIFICATION OF ENVIRONMENTAL STATUTES**

7 Section 13.4. The Environmental Review Commission shall study the
8 recodification of the General Statutes relating to the environment and environmental
9 agencies. This recodification shall make no substantive changes to the current statutes
10 relating to the environment and environmental agencies.

11
12 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

13 **REALLOCATE TOWN FORK CREEK FUNDS**

14 Section 13.5. Section 15.11(a) of S.L. 1997-443, as amended by Section 15.3
15 of S.L. 1999-237, reads as rewritten:

16 "(a) The funds placed in a reserve account in the Department of Environment,
17 Health, and Natural Resources pursuant to Section 26.3(c) of Chapter 507 of the 1995
18 Session Laws shall not revert until June 30, 2001. Those funds are reallocated as
19 follows:

- 20 (1) Five hundred four thousand five hundred sixty dollars (\$504,560) to the
21 Stokes County Water and Sewer Authority, Inc., for the Germanton
22 Water Project.
- 23 (2) Nine hundred thirty thousand six hundred eighty dollars (\$930,680) to
24 the Stokes County Water and Sewer Authority, Inc., for the ~~Madison~~
25 ~~Connection Project~~ Walnut Cove/Industrial Site Connection Project.
- 26 (3) Eighty thousand dollars (\$80,000) to the Stokes County Water and
27 Sewer Authority, Inc., for the Dan River Project.
- 28 (4) Thirty thousand dollars (\$30,000) to the Department of Environment,
29 Health, and Natural Resources for the Limestone Creek small watershed
30 project in Duplin County.
- 31 (5) Three hundred forty thousand six hundred forty dollars (\$340,640) to
32 the Department of Environment, Health, and Natural Resources for the
33 Deep Creek small watershed project in Yadkin County."

34
35 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom, Albertson

36 **AGRICULTURE COST SHARE/TECHNICAL ASSISTANCE FUNDS**

37 Section 13.6. Of the funds appropriated to the Department of Environment and
38 Natural Resources for the Agriculture Cost Share Program for Nonpoint Source Pollution
39 Control for financial assistance funding, the sum of two hundred forty thousand dollars
40 (\$240,000) for the 2000-2001 fiscal year shall be used to support cost-share technical
41 assistance in soil and water conservation districts participating in the Agriculture Cost
42 Share Program for Nonpoint Source Pollution Control.

1 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

2 **ONE STOP PERMIT ASSISTANCE PILOT PROJECTS**

3 Section 13.7.(a) The Department of Environment and Natural Resources shall
4 establish a one-stop environmental permit application assistance and tracking system
5 pilot project for one year in at least two regional offices. It is the intent of the General
6 Assembly that the Department expand this pilot program to more than two regional
7 offices during the 2000-2001 fiscal year if the resources are available to do so and to
8 expand it to a statewide program as soon as possible after the 2000-2001 fiscal year. As
9 part of the pilot project, the Department shall provide to each person who submits an
10 application for an environmental permit to one of the regional offices participating in the
11 pilot project, a time frame within which that applicant may expect a final decision
12 regarding the issuance or denial of the permit. The procedure regulating the time frame
13 estimates and sanction for failing to honor the time frame shall be as set out in
14 subsections (b) and (c) of this section.

15 Section 13.7.(b) Upon receipt of a complete application for an environmental
16 permit, the Department of Environment and Natural Resources shall provide to the
17 applicant a good faith estimate of the date by which the Department expects to make the
18 final decision of whether to issue or deny the permit.

19 Section 13.7.(c) Unless otherwise provided by law, when an applicant has provided
20 to the Department of Environment and Natural Resources the information and
21 documentation required and requested by the Department and the Department fails to
22 issue or deny the permit within 60 days of the date projected by the Department for the
23 final decision of whether to issue or deny the permit, the permit shall be automatically
24 granted to the applicant. This subsection does not apply when an applicant submits a
25 substantial amendment to its application after the Department has provided the applicant
26 the projected time frame as required by this section. This subsection does not apply when
27 an applicant agrees to receive a final decision from the Department more than 60 days
28 from the date projected by the Department under subsection (b) of this section.

29 Section 13.7.(d) The Department of Environment and Natural Resources shall
30 track the time required to process each complete environmental permit application
31 received on or after July 1, 2000, as part of the pilot project under this section. The
32 Department shall compare the time in which the permit was issued or denied with the
33 projected time frame provided to the applicant by the Department as required by this
34 section. The Department shall identify each permit that was issued or denied more than
35 90 days after receipt of a complete application by the Department and shall document the
36 reasons for the delayed action.

37 Section 13.7.(e) The Department of Environment and Natural Resources shall
38 report to the Cochairs of both the House of Representatives and the Senate
39 Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research
40 Division, and the Environmental Review Commission the number of environmental
41 permits in the pilot project that took more than 90 days to issue or deny, the types of
42 permits those were, the reasons for the extended processing time of those permits, and
43 how the time within which the permit was actually issued or denied compared with the

1 projected time frame provided to the applicant by the Department as required by this
2 section. Based on the data gathered in the pilot project, the Department shall include in
3 its report recommendations regarding permit time frames for all major permits issued by
4 the Department. The Department shall report to both the House of Representatives and
5 the Senate Appropriations Subcommittees on Natural and Economic Resources, the
6 Fiscal Research Division, and the Environmental Review Commission regarding the
7 results of the pilot project by April 1, 2001.

8 Section 13.7.(f) The Department may adopt temporary rules to implement this
9 section.

10
11 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

12 **BEACH MANAGEMENT PLAN/FEDERAL FUNDS**

13 Section 13.9.(a) The General Assembly makes the following findings:

- 14 (1) North Carolina has 320 miles of ocean beach, including some of the
15 most pristine and attractive beaches in the country.
- 16 (2) The balance between economic development and quality of life in North
17 Carolina has made our coast one of the most desirable along the Atlantic
18 Seaboard.
- 19 (3) North Carolina's beaches are vital to the State's tourism industry.
- 20 (4) North Carolina's beaches belong to all the State's citizens and provide
21 recreational and economic benefits to our residents statewide.
- 22 (5) Beach erosion can threaten the economic viability of coastal
23 communities and can significantly affect State tax revenues.
- 24 (6) The Atlantic Seaboard is vulnerable to hurricanes and other storms, and
25 it is prudent to take precautions such as beach nourishment that protect
26 and conserve the State's beaches and reduce property damage and
27 flooding.
- 28 (7) Beach renourishment as an erosion control method provides hurricane
29 flood protection, enhances the attractiveness of beaches to tourists,
30 restores habitat for turtles, shorebirds, and plants, and provides
31 additional public access to beaches.
- 32 (8) Federal policy previously favored and assisted voluntary movement of
33 structures threatened by erosion, but this assistance is no longer
34 available.
- 35 (9) Relocation of structures threatened by erosion is sometimes the best
36 available remedy for the property owner and is in the public interest.
- 37 (10) Public parking and public access areas are needed for use by the general
38 public to enable their enjoyment of North Carolina's beaches.
- 39 (11) Acquisition of high erosion hazard property by local or State agencies
40 can reduce risk to citizens and property, reduce costs to insurance
41 policyholders, improve public access to beaches and waterways, and
42 protect the environment.

- 1 (12) Beach nourishment projects such as those at Wrightsville Beach and
2 Carolina Beach have been very successful and greatly reduced property
3 damage during Hurricane Fran.
- 4 (13) Because local beach communities derive the primary benefits from the
5 presence of adequate beaches, a program of beach management and
6 restoration should not be accomplished without a commitment of local
7 funds to combat the problem of beach erosion.
- 8 (14) The State of North Carolina prohibits seawalls and hardening the
9 shoreline to prevent destroying the public's beaches.
- 10 (15) Beach nourishment is encouraged by both the Coastal Resources
11 Commission and the U.S. Army Corps of Engineers as a method to
12 control beach erosion.
- 13 (16) The Department of Environment and Natural Resources has statutory
14 authority to assist local governments in financing beach nourishment
15 projects and is the sponsor of several federal navigation projects that
16 result in dredging beach-quality sand.
- 17 (17) It is declared to be a necessary governmental responsibility to properly
18 manage and protect North Carolina's beaches from erosion and that
19 good planning is needed to assure a cost-effective and equitable
20 approach to beach management and restoration, and that as part of a
21 comprehensive response to beach erosion, sound policies are needed to
22 facilitate the ability of landowners to move threatened structures and to
23 allow public acquisition of appropriate parcels of land for public beach
24 access.

25 Section 13.9.(b) The Department of Environment and Natural Resources shall
26 compile and evaluate information on the current conditions and erosion rates of beaches,
27 on coastal geology, and on storm and erosion hazards for use in developing a State plan
28 and strategy for beach management and restoration. The Department of Environment and
29 Natural Resources shall make this information available to local governments for use in
30 land-use planning.

31 Section 13.9.(c) The Department of Environment and Natural Resources shall
32 develop a multiyear beach management and restoration strategy and plan that does all of
33 the following:

- 34 (1) Utilizes the data and expertise available in the Divisions of Water
35 Resources, Coastal Management, and Land Resources.
- 36 (2) Identifies the erosion rate at each beach community and estimates the
37 degree of vulnerability to storm and hurricane damage.
- 38 (3) Uses the best available geological and geographical information to
39 determine the need for and probable effectiveness of beach
40 nourishment.
- 41 (4) Provides for coordination with the U.S. Army Corps of Engineers, the
42 North Carolina Department of Transportation, the North Carolina

1 Division of Emergency Management, and other State and federal
2 agencies concerned with beach management issues.

3 (5) Provides a status report on all U.S. Army Corps of Engineers' beach
4 protection projects in the planning, construction, or operational stages.

5 (6) Makes maximum feasible use of suitable sand dredged from navigation
6 channels for beach nourishment to avoid the loss of this resource and to
7 reduce equipment mobilization costs.

8 (7) Promotes inlet sand bypassing where needed to replicate the natural
9 flow of sand interrupted by inlets.

10 (8) Provides for geological and environmental assessments to locate
11 suitable materials for beach nourishment.

12 (9) Considers the regional context of beach communities to determine the
13 most cost-effective approach to beach nourishment.

14 (10) Provides for and requires adequate public beach access, including
15 handicapped access.

16 (11) Recommends priorities for State funding for beach nourishment
17 projects, based on the amount of erosion occurring, the potential
18 damage to property and to the economy, the benefits for recreation and
19 tourism, the adequacy of public access, the availability of local
20 government matching funds, the status of project planning, the adequacy
21 of project engineering, the cost-effectiveness of the project, and the
22 environmental impacts.

23 (12) Includes recommendations on obtaining the maximum available federal
24 financial assistance for beach nourishment.

25 (13) Is subject to a public hearing to receive citizen input.

26 Section 13.9.(d) Each plan shall be as complete as resources and available
27 information allow. The Department of Environment and Natural Resources shall revise
28 the plan every two years and shall submit the revised plan to the General Assembly no
29 later than 1 March of each odd-numbered year. The Department may issue a supplement
30 to the plan in even-numbered years if significant new information becomes available.

31 Section 13.9.(e) The Department of Environment and Natural Resources shall
32 submit the first plan required by this act, no later than May 1, 2001. With the first plan,
33 the Department shall:

34 (1) Provide to the General Assembly a report on alternative State and local
35 government sources of funding for beach nourishment.

36 (2) Review State, federal, and local policies on enabling and assisting
37 property owners to move structures that are threatened by imminent
38 erosion damage and shall recommend policies, legislative changes, and
39 actions to make moving structures more feasible for landowners.

40 (3) Review existing programs for the acquisition and management of public
41 land for beach access areas and open space, including identifying high-
42 hazard, erosion-prone, or unbuildable parcels of land that may be used
43 for this purpose, and shall recommend any policy and legislative

1 changes needed to improve public beach access. The Department shall
2 recommend priorities for land acquisition for public beach access, open
3 space, and hazard-reduction purposes.

4 Section 13.9.(f) In the event that federal funds become available for planning
5 and developing shore protection projects, the State shall match those funds in accordance
6 with the funding guidelines set out in G.S. 143-215.71.

7
8 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

9 **STUDY WATER CAPACITY USE AREA ISSUES**

10 Section 13.10. The Natural and Economic Resources Appropriations
11 Subcommittees in both the House of Representatives and the Senate shall study the
12 proposed rules that provide for the delineation of a water capacity use area encompassed
13 by the following 15 North Carolina counties and adjoining creeks, streams, and rivers:
14 Beaufort, Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Martin, Onslow,
15 Pamlico, Pitt, Washington, Wayne, and Wilson. The Appropriations Subcommittees
16 shall consider the economic impact that the proposed rules would have on the fifteen
17 county area and shall also consider what alternate water sources may be available to the
18 fifteen county area.

19 The Appropriations Subcommittees on Natural and Economic Resources in both the
20 House of Representatives and the Senate may obtain assistance from any resources
21 outside the General Assembly that the Subcommittees determine are needed to
22 adequately perform their study. The Subcommittees shall report their findings and
23 recommendations, including any legislative proposals, to the 2001 General Assembly.

24
25 **PART XIV. DEPARTMENT OF COMMERCE**

26
27 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

28 **AUTHORIZATION TO REALLOCATE PREVIOUSLY APPROPRIATED**
29 **PETROLEUM OVERCHARGE FUNDS**

30 Section 14. Section 16.9A of S.L. 1999-237 reads as rewritten:

31 "Section 16.9A. Funds previously appropriated to the Department of Commerce from
32 the case of United States v. Exxon and from the United States Department of Energy's
33 Stripper Well Litigation for projects under the State Energy Conservation Plan, the
34 Energy Extension Service Program, or the Institutional Conservation Program may be
35 reallocated by the Department of Commerce to be used for projects under the State
36 Energy Efficiency ~~Programs~~. Programs and Residential Energy Conservation Assistance
37 Program (RECAP)."

38
39 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

40 **ENERGY CONSERVATION PROJECTS IN STATE-OWNED BUILDINGS**

41 Section 14.1. Of the funds previously appropriated to the Department of
42 Commerce from the case of United States v. Exxon and from the United States
43 Department of Energy's Stripper Well Litigation, the Energy Division shall use up to one

1 million dollars (\$1,000,000) to implement energy conservation projects in State-owned
2 buildings. The Division shall identify those buildings whose energy costs per square foot
3 are the highest and shall implement energy conservation projects that substantially reduce
4 energy use and provide an opportunity for savings by reducing energy costs.

5
6 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

7 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

8 Section 14.2.(a) There is appropriated from funds and interest thereon received from
9 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
10 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
11 sum of two million six hundred thousand dollars (\$2,600,000) for the 2000-2001 fiscal
12 year to be allocated for the Residential Energy Conservation Assistance Program
13 (RECAP).

14 Section 14.2.(b) There is appropriated from funds and interest thereon received from
15 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
16 in the Special Reserve for Oil Overcharge Funds to the North Carolina Housing Finance
17 Agency the sum of two million dollars (\$2,000,000) for the 2000-2001 fiscal year to be
18 allocated for the Housing Trust Fund. Funds may only be used for residential energy-
19 related uses as permitted under the Stripper Well Litigation.

20 Section 14.2.(c) There is appropriated from funds and interest thereon received from
21 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
22 in the Special Reserve for Oil Overcharge Funds to the North Carolina Community
23 Development Initiative, Inc., the sum of one million dollars (\$1,000,000) for the 2000-
24 2001 fiscal year. Funds may only be used for residential energy-related uses as permitted
25 under the Stripper Well Litigation.

26 Section 14.2.(d) Any funds remaining in the Special Reserve for Oil Overcharge
27 Funds after the allocations made pursuant to subsections (a) through (c) of this section
28 may be expended only as authorized by the General Assembly. All interest or income
29 accruing from all deposits or investments of cash balances shall be credited to the Special
30 Reserve for Oil Overcharge Funds.

31 Section 14.2.(e) The funds and interest thereon received from the Diamond
32 Shamrock Settlement that remain in a reserve in the Office of State Budget and
33 Management for the Department of Commerce to administer the petroleum overcharge
34 funds pursuant to Section 112 of Chapter 830 of the 1987 Session Laws shall continue to
35 be available to the Department of Commerce on an as-needed basis.

36
37 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

38 **AUTHORIZATION TO EXPEND REED ACT FUNDS**

39 Section 14.3. Of the funds credited to and held in this State's account in the
40 Unemployment Trust Fund by the Secretary of the Treasury of the United States pursuant
41 to and in accordance with section 903 of the Social Security Act, the Employment
42 Security Commission of North Carolina may expend the sum of two million seventy-

1 eight thousand forty-nine dollars (\$2,078,049) for the 2000-2001 fiscal year for
2 automation purposes.

3
4 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

5 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

6 Section 14.4. Section 16.14 of S.L. 1999-237 reads as rewritten:

7 "Section 16.14.(a) There is appropriated from the Worker Training Trust Fund to
8 the Employment Security Commission of North Carolina the sum of six million two
9 hundred ninety-six thousand seven hundred forty dollars (\$6,296,740) for the 1999-2000
10 fiscal year for the operation of local offices and the sum of six million two hundred
11 ninety-six thousand seven hundred forty dollars (\$6,296,740) for the 2000-2001 fiscal
12 year for the operation of local offices.

13 Section 16.14.(b) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated
14 from the Worker Training Trust Fund to the following agencies the following sums for
15 the 1999-2000 and the 2000-2001 fiscal years for the following purposes:

- 16 (1) \$2,400,000 for the 1999-2000 fiscal year and ~~\$2,400,000~~ \$2,300,000 for
17 the 2000-2001 fiscal year to the Department of Commerce, Division of
18 Employment and Training, for the Employment and Training Grant
19 Program;
- 20 (2) \$1,000,000 for the 1999-2000 fiscal year and \$1,000,000 for the 2000-
21 2001 fiscal year to the Department of Labor for customized training of
22 the unemployed and the working poor for specific jobs needed by
23 employers through the Department's Bureau for Training Initiatives;
- 24 (3) \$2,046,000 for the 1999-2000 fiscal year and \$1,746,000 for the 2000-
25 2001 fiscal year to the ~~Department of Community Colleges~~ Community
26 Colleges System Office to continue the Focused Industrial Training
27 Program;
- 28 (4) \$225,000 for the 1999-2000 fiscal year and \$225,000 for the 2000-2001
29 fiscal year to the Employment Security Commission for the State
30 Occupational Information Coordinating Committee to develop and
31 operate an interagency system to track former participants in State
32 education and training programs;
- 33 (5) \$400,000 for the 1999-2000 fiscal year and \$400,000 for the 2000-2001
34 fiscal year to the ~~Department of Community Colleges~~ Community
35 Colleges System Office for a training program in entrepreneurial skills
36 to be operated by North Carolina REAL Enterprises;
- 37 (6) \$60,000 for the 1999-2000 fiscal year and \$60,000 for the 2000-2001
38 fiscal year to the Office of State Budget and Management to maintain
39 compliance with Chapter 96 of the General Statutes, which directs the
40 Office of State Budget and Management to employ the Common
41 Follow-Up Management Information System to evaluate the
42 effectiveness of the State's job training, education, and placement
43 programs; and

- 1 (7) \$1,000,000 for the 1999-2000 fiscal year and \$1,000,000 for the 2000-
2 2001 fiscal year to the Department of Labor to expand the
3 Apprenticeship Program. It is intended that the appropriation of funds in
4 this subdivision will result in the Department of Labor serving a
5 benchmark performance level of 10,000 adult and youth apprentices by
6 the year 2000 and maintained or improved ~~thereafter.~~ thereafter;
- 7 (8) \$100,000 for the 2000-2001 fiscal year to the Community Colleges
8 System Office for the Hosiery Technology Center; and
- 9 (9) \$100,000 for the 2000-2001 fiscal year to the Community Colleges
10 System Office for the Composites Testing and Training Center.

11 Section 16.14.(c)The State Treasurer's Office shall deposit the June 2000 interest
12 earnings from the Employment Security Commission Reserve Fund to the Worker
13 Training Trust Fund for the 2000-2001 fiscal year."

14
15 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

16 **OREGON INLET FUNDS/NONREVERT**

17 Section 14.5.(a) Funds appropriated to the Department of Commerce for the
18 1999-2000 fiscal year for the Oregon Inlet Project that are unexpended and
19 unencumbered as of June 30, 2000, shall not revert to the General Fund on June 30, 2000,
20 but shall remain available to the Department for legal costs associated with the Project.

21 Section 14.5.(b) This section becomes effective June 30, 2000.

22
23 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

24 **RURAL REDEVELOPMENT AUTHORITY**

25 Section 14.7. Of the funds appropriated in this act to the Department of
26 Commerce for the 2000-2001 fiscal year for the North Carolina Rural Redevelopment
27 Authority, the sum of two hundred fifty thousand dollars (\$250,000) shall be placed in a
28 reserve. The funds shall be released if House Bill 1819 or Senate Bill 1516, 1999
29 General Assembly, or a substantially similar bill creating the North Carolina Rural
30 Redevelopment Authority becomes law.

31
32 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

33 **REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS**

34 Section 14.8.(a) Section 16.3 of S.L. 1999-237 reads as rewritten:

35 "Section 16.3.(a) Funds appropriated in this act to the Department of Commerce for
36 regional economic development commissions shall be allocated to the following
37 commissions in accordance with subsection (b) of this section: Western North Carolina
38 Regional Economic Development Commission, Research Triangle Regional
39 Commission, Southeastern North Carolina Regional Economic Development
40 Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional
41 Economic Development Commission, Global TransPark Development Commission, and
42 Carolinas Partnership, Inc.

1 Section 16.3.(b) Funds appropriated pursuant to subsection (a) of this section shall be
2 allocated to each regional economic development commission as follows:

- 3 (1) First, the Department shall establish each commission's allocation by
4 determining the sum of allocations to each county that is a member of
5 that commission. Each county's allocation shall be determined by
6 dividing the county's enterprise factor by the sum of the enterprise
7 factors for eligible counties and multiplying the resulting percentage by
8 the amount of the appropriation. As used in this subdivision, the term
9 "enterprise factor" means a county's enterprise factor as calculated under
10 G.S. 105-129.3;
- 11 (2) Next, the Department shall subtract from funds allocated to the Global
12 TransPark Development Zone the sum of two hundred forty thousand
13 three hundred fifty dollars (\$240,350) in ~~each fiscal year, the 1999-2000~~
14 fiscal year and the sum of two hundred six thousand eighty-eight dollars
15 (\$206,088) in the 2000-2001 fiscal year, which sum represents the
16 interest earnings in each fiscal year on the estimated balance of seven
17 million five hundred thousand dollars (\$7,500,000) appropriated to the
18 Global TransPark Development Zone in Section 6 of Chapter 561 of the
19 1993 Session Laws; and
- 20 (3) Next, the Department shall redistribute the sum of two hundred forty
21 thousand three hundred fifty dollars (\$240,350) in ~~each the 1999-2000~~
22 fiscal year and the sum of two hundred six thousand eighty-eight dollars
23 (\$206,088) in the 2000-2001 fiscal year to the seven regional economic
24 development commissions named in subsection (a) of this section. Each
25 commission's share of this redistribution shall be determined according
26 to the enterprise factor formula set out in subdivision (1) of this
27 subsection. This redistribution shall be in addition to each commission's
28 allocation determined under subdivision (1) of this subsection."

29 Section 14.8.(b) Of the funds appropriated in this act to the Department of Commerce
30 for allocation to regional economic development commissions, the sum of three hundred
31 fifty thousand dollars (\$350,000) for the 2000-2001 fiscal year shall be allocated in
32 accordance with Section 16.3 of S.L. 1999-237, as amended by this section.

33 Section 14.8.(c) Of the funds appropriated in this act to the Department of Commerce
34 for allocation to regional economic development commissions, the sum of three hundred
35 fifty thousand dollars (\$350,000) for the 2000-2001 fiscal year shall be allocated equally
36 to the commissions.

37
38 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom
39 **ECONOMIC DEVELOPMENT COMMISSION FUNDS SECURED**

40 Section 14.9. Article 2 of Chapter 158 of the General Statutes is amended by
41 adding a new section to read:

42 "**§ 158-12.1. Commission funds secured.**

1 The Western North Carolina Regional Economic Development Commission,
2 Research Triangle Regional Commission, Southeastern North Carolina Regional
3 Economic Development Commission, Piedmont Triad Partnership, Northeastern North
4 Carolina Regional Economic Development Commission, Global TransPark Development
5 Commission, and Carolinas Partnership, Inc., may deposit money at interest in any bank,
6 savings and loan association, or trust company in this State in the form of savings
7 accounts, certificates of deposit, or such other forms of time deposits as may be approved
8 for county governments. Investment deposits and money deposited in an official
9 depository or deposited at interest shall be secured in the manner prescribed in G.S. 159-
10 31(b). When deposits are secured in accordance with this section, no public officer or
11 employee may be held liable for any losses sustained by an institution because of the
12 default or insolvency of the depository. This section applies to the regional economic
13 development commissions listed in this section only for as long as the commissions are
14 receiving State funds."

15
16 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom, Hoyle
17 **EXTEND FUNDING OF THE STUDY COMMISSION ON THE FUTURE OF**
18 **ELECTRIC SERVICE IN NORTH CAROLINA**

19 Section 14.10. Section 10.1 of S.L. 1997-483, as amended by Section 6.1 of
20 S.L. 1999-395, reads as rewritten:

21 "Section 10.1. Notwithstanding G.S. 62-302(d), ~~for all expenses during the 1997-98,~~
22 ~~1998-99, and 1999-2000 fiscal years of the Study Commission on the Future of Electric~~
23 ~~Service in North Carolina, established in S.L. 1997-40, as amended by S.L. 1999-122, all~~
24 expenses incurred through June 30, 2006, shall be reimbursed from funds in the Utilities
25 Commission and Public Staff Fund. There is allocated initially one hundred thousand
26 dollars (\$100,000) from the Utilities Commission and Public Staff Fund to the General
27 Assembly for the purpose of enabling the Study Commission on the Future of Electric
28 Service in North Carolina to organize and begin its work. Upon the certification of the
29 need for additional funds by the cochairs of the Study Commission on the Future of
30 Electric Service in North Carolina for the work of the Commission, the Utilities
31 Commission shall transfer the additional funds from the Utilities Commission and Public
32 Staff Fund to the General Assembly for that purpose."

33
34 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom
35 **NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY, INC.**

36 Section 14.11. The Technological Development Authority, Inc., shall do the
37 following:

- 38 (1) By January 15, 2001, and more frequently as requested, report to the
39 Joint Legislative Commission on Governmental Operations and the
40 Fiscal Research Division the following information:
- 41 a. State fiscal year 1999-2000 program activities, objectives, and
42 accomplishments;

- 1 b. State fiscal year 1999-2000 itemized expenditures and fund
2 sources;
- 3 c. State fiscal year 2000-2001 planned activities, objectives, and
4 accomplishments including actual results through December 31,
5 2000;
- 6 d. State fiscal year 2000-2001 estimated itemized expenditures and
7 fund sources including actual expenditures and fund sources
8 through December 31, 2000; and
- 9 (2) Provide to the Fiscal Research Division a copy of the organization's
10 annual audited financial statement within 30 days of issuance of the
11 statement.

12
13 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

14 **WORLD TRADE CENTER NORTH CAROLINA REPORT**

15 Section 14.12. World Trade Center North Carolina shall do the following:

- 16 (1) By January 15, 2001, and more frequently as requested, report to the
17 Joint Legislative Commission on Governmental Operations and the
18 Fiscal Research Division the following information:
- 19 a. State fiscal year 1999-2000 program activities, objectives, and
20 accomplishments;
- 21 b. State fiscal year 1999-2000 itemized expenditures and fund
22 sources;
- 23 c. State fiscal year 2000-2001 planned activities, objectives, and
24 accomplishments including actual results through December 31,
25 2000; and
- 26 d. State fiscal year 2000-2001 estimated itemized expenditures and
27 fund sources including actual expenditures and fund sources
28 through December 31, 2000; and
- 29 (2) Provide to the Fiscal Research Division a copy of the organization's
30 annual audited financial statement within 30 days of issuance of the
31 statement.

32
33 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom, Albertson

34 **RURAL ECONOMIC DEVELOPMENT CENTER FUNDS**

35 Section 14.13. Section 16.35.(e) of S.L. 1999-237 reads as rewritten:

36 "Section 16.35.(e) Of the funds appropriated in this act to the Rural Economic
37 Development Center, Inc., the sum of five million four hundred thousand dollars
38 (\$5,400,000) for the 1999-2000 fiscal year and the sum of ~~two million four hundred~~
39 ~~thousand dollars (\$2,400,000)~~ three million four hundred fifty thousand dollars
40 (\$3,450,000) for the 2000-2001 fiscal year shall be allocated as follows:

- 41 (1) \$1,200,000 in each fiscal year for community development grants to
42 support development projects and activities within the State's minority
43 communities. Any community development corporation as defined in

1 this section is eligible to apply for funds. The Rural Economic
2 Development Center, Inc., shall establish performance-based criteria for
3 determining which community development corporation will receive a
4 grant and the grant amount. The Rural Economic Development Center,
5 Inc., shall allocate these funds as follows:

6 a. \$900,000 in each fiscal year for direct grants to the local
7 community development corporations that have previously
8 received State funds for this purpose to support operations and
9 project activities;

10 b. \$250,000 in each fiscal year for direct grants to local community
11 development corporations that have not previously received State
12 funds; and

13 c. \$50,000 in each fiscal year to the Rural Economic Development
14 Center, Inc., to be used to cover expenses in administering this
15 section.

16 (2) \$250,000 in each fiscal year to the Microenterprise Loan Program to
17 support the loan fund and operations of the Program; and

18 (3) \$2,450,000 for the 1999-2000 fiscal year and ~~\$950,000~~ \$1,350,000 for
19 the 2000-2001 fiscal year shall be used for a program to provide
20 supplemental funding for matching requirements for projects and
21 activities authorized under this subdivision. The Center shall use these
22 funds to make grants to local governments and nonprofit corporations to
23 provide funds necessary to match federal grants or other grants for:

24 a. Necessary economic development projects and activities in
25 economically distressed areas;

26 b. Necessary water and sewer projects and activities in
27 economically distressed communities to address health or
28 environmental quality problems except that funds shall not be
29 expended for the repair or replacement of low pressure pipe
30 wastewater systems. If a grant is awarded under this sub-
31 subdivision, then the grant shall be matched on a dollar- for-
32 dollar basis in the amount of the grant awarded; or

33 c. Projects that demonstrate alternative water and waste
34 management processes for local governments. Special
35 consideration should be given to cost-effectiveness, efficacy,
36 management efficiency, and the ability of the demonstration
37 project to be replicated.

38 (4) \$1,500,000 for the 1999-2000 fiscal year and \$400,000 for the 2000-
39 2001 fiscal year to the Capacity Building Assistance Program. Funds
40 shall be used to pay all or a portion of the costs for providing technical
41 and financial assistance to rural, low-wealth local government units and
42 nonprofit corporations initiating needed water and sewer projects that
43 support the growth and development of rural areas.

1 (5) \$250,000 for the 2000-2001 fiscal year for the Agricultural
2 Advancement Consortium to be placed in a reserve for expenses
3 associated with the Consortium. The Consortium will facilitate
4 discussions among interested parties and develop recommendations to
5 improve the State's economic development through farming and
6 agricultural interests.

7 The grant recipients in this section shall be selected on the basis of need."
8

9 Requested by: Senators Kerr, Albertson, Martin of Pitt, Weinstein, Plyler, Perdue, Odom
10 **RURAL ECONOMIC DEVELOPMENT CENTER FUNDS TO RESEARCH AND**
11 **DEMONSTRATION GRANTS PROGRAM**

12 Section 14.13A. Of the funds appropriated in this act to the Rural Economic
13 Development Center, the sum of three hundred thousand dollars (\$300,000) for the 2000-
14 2001 fiscal year shall be allocated to the Research and Demonstration Grants Program to
15 be used for value-added alternative crop research, and the sum of three hundred thousand
16 dollars (\$300,000) for the 2000-2001 fiscal year shall be allocated to the Research and
17 Demonstration Grants Program to be used for oyster research.
18

19 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom
20 **ENERGY DIVISION STUDY OF RESIDENTIAL ENERGY CONSERVATION**
21 **ASSISTANCE PROGRAM**

22 Section 14.14.(a)The Energy Division of the Department of Commerce shall for the
23 1998-1999 fiscal year and the 1999-2000 fiscal year determine by county the number of
24 owner-occupied houses that were allocated funds from the Residential Energy
25 Conservation Assistance Program (RECAP) and the amount of funds that were allocated
26 by county.

27 Section 14.14.(b) The Energy Division of the Department of Commerce shall
28 for the 1998-1999 fiscal year and the 1999-2000 fiscal year determine by county the
29 number of rental houses that were allocated funds from the Residential Energy
30 Conservation Assistance Program (RECAP) and the amount of funds that were allocated
31 by county.

32 Section 14.14.(c)The Division shall report its findings to the House of
33 Representatives and the Senate Appropriations Subcommittees on Natural and Economic
34 Resources and the Fiscal Research Division by January 15, 2001.
35

36 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom
37 **CAP ON RESIDENTIAL ENERGY CONSERVATION ASSISTANCE PROGRAM**
38 **SPENDING**

39 Section 14.15. The amount spent by the Energy Division of the Department of
40 Commerce for weatherization activities in the Residential Energy Conservation
41 Assistance Program (RECAP) in the 2000-2001 fiscal year shall not exceed eight million
42 nine hundred seventy-seven thousand sixty-nine dollars (\$8,977,069). This amount
43 equals that spent by the Energy Division on RECAP in the 1998-1999 fiscal year.

1
2 Requested by: Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom,

3 **RURAL TOURISM DEVELOPMENT FUNDS**

4 Section 14.16. Of the funds appropriated in this act to the Department of
5 Commerce for the 2000-2001 fiscal year, the sum of three hundred thousand dollars
6 (\$300,000) shall be used for the Rural Tourism Development Grant Program. The
7 Department shall establish and implement this Program to provide grants to local
8 governments and nonprofit organizations to encourage the development of new tourism
9 projects and activities in rural areas of the State. The Department shall develop
10 procedures for the administration and distribution of funds allocated to the Rural Tourism
11 Development Program under the following guidelines:

- 12 (1) Eligible organizations shall make application under procedures
13 established by the Department;
14 (2) Eligible organizations shall be nonprofit tourism-related organizations
15 located in the State's rural regions;
16 (3) Priority shall be given to eligible organizations that have significant
17 involvement of travel and tourism-related businesses;
18 (4) Priority shall be given to eligible organizations serving economically
19 distressed rural counties;
20 (5) Priority shall be given to eligible organizations that match funds; and
21 (6) Funds shall not be used for renting or purchasing land or buildings, or
22 for financing debt.

23 No recipient or new tourism project shall receive a total of more than fifty
24 thousand dollars (\$50,000) of these grant funds for the 2000-2001 fiscal year.

25
26 Requested by: Senators Perdue, Martin of Pitt, Plyler, Odom,

27 **EMPLOYMENT SECURITY COMMISSION STUDY OF OLDER AND SECOND**
28 **CAREER WORKERS**

29 Section 14.17. (a) The Employment Security Commission shall study the
30 ability of older and second career workers to secure employment in North Carolina. The
31 Commission shall: (i) determine what efforts have been made by both public and private
32 agencies to educate employers on the benefits of hiring, retraining, and retaining mature
33 workers; (ii) determine the ways in which technology is being used to enhance the
34 placement of second career workers in the work force; (iii) consider ways to assist older
35 workers in making the transition to second careers; and (iv) consider ways to assist
36 community efforts to recognize, promote, and employ older and second career workers.
37 In conducting the study, the Commission shall consult private, nonprofit organizations
38 that represent older and second career workers, statewide economic development
39 agencies, retired State employee organizations, the community college system, the United
40 States military, the Division of Aging, and local and state Job Service Employer
41 Committees.

42 Section 14.17. (b) The Employment Security Commission shall report its
43 findings, with recommendations and cost analysis, to the Chairs of the House Economic

1 Growth and Community Development Committee, the Senate Pensions & Retirement and
2 Aging Committee, the Legislative Research Commission on Employment Security, and
3 the Aging Study Commission by April 1, 2001.

4
5 Requested by: Martin of Pitt, Weinstein, Plyler, Odom, Perdue

6 **TRANSFER ENERGY DIVISION FROM DEPARTMENT OF COMMERCE TO**
7 **DEPARTMENT OF HEALTH AND HUMAN SERVICES AND DEPARTMENT**
8 **OF ADMINISTRATION**

9 Section 14.18. (a) The State Energy Conservation Plan is renamed State
10 Energy Efficiency Program.

11 Section 14.18. (b) The statutory authority, powers, duties and functions,
12 records, personnel, property, unexpended balances of appropriations, allocations, or other
13 funds, including the functions of budgeting and purchasing, of the Residential Energy
14 Conservation Assistance Program (RECAP) in the Energy Division of the Department of
15 Commerce are transferred from the Department of Commerce to the Department of
16 Health and Human Services.

17 Section 14.18. (c) The statutory authority, powers, duties and functions,
18 records, personnel, property, and unexpended balances of appropriations, allocations, or
19 other funds, including the functions of budgeting and purchasing, of the Energy Policy
20 Council and State Energy Efficiency Program in the Energy Division of the Department
21 of Commerce are transferred from the Department of Commerce to the Department of
22 Administration.

23 Section 14.18. (d) The transfers in subsections (b) and (c) of this section shall
24 have all of the elements of a Type I transfer as defined by G.S. 143A-6.

25 Section 14.18. (e) The Department of Commerce shall begin the transfers
26 described in subsections (b), (c), and (d) of this section on July 1, 2000, and the transfers
27 shall be completed by September 30, 2000. Effective July 1, 2000, all vacant positions in
28 the Energy Division of the Department of Commerce shall be abolished.

29
30
31 **PART XV. JUDICIAL DEPARTMENT**

32
33 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

34 **REPORT ON COMMUNITY MEDIATION CENTERS**

35 Section 15.(a) Section 17.3 of S.L. 1999-237 reads as rewritten:

36 "Section 17.3.(a) All community mediation centers currently receiving State funds
37 shall report annually to the ~~Judicial Department~~ Mediation Network of North Carolina on
38 the program's funding and activities, including:

- 39 (1) Types of dispute settlement services provided;
40 (2) Clients receiving each type of dispute settlement service;
41 (3) Number and type of referrals received, cases actually mediated, cases
42 resolved in mediation, and total clients served in the cases mediated;
43 (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 appropriated to the center;
- 4 (7) Level of volunteer activity; and
- 5 (8) Identification of future service demands and budget requirements.

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

11 Section 17.3.(b) A community mediation center requesting State funds for the first
12 time shall provide the General Assembly with the information enumerated in subsection
13 (a) of this section, or projections where historical data are not available, as well as a
14 detailed statement justifying the need for State funding.

15 Section 17.3.(c) Each community mediation center receiving State funds for the first
16 time shall document in the information provided pursuant to ~~G.S. 7A-346.1~~ this section
17 that, after the second year of receiving State funds, at least ten percent (10%) of total
18 funding comes from non-State sources.

19 Section 17.3.(d) Each community mediation center receiving State funds for the
20 third, fourth, or fifth year shall document that at least twenty percent (20%) of total
21 funding comes from non-State sources.

22 Section 17.3.(e) Each community mediation center receiving State funds for
23 six or more years shall document that at least fifty percent (50%) of total funding comes
24 from non-State sources.

25 Section 17.3.(f) Each community mediation center currently receiving State
26 funds that has achieved a funding level from non-State sources greater than that provided
27 for that center by subsection (c), (d), or (e) of this section shall make a good faith effort to
28 maintain that level of funding.

29 Section 17.3.(g) The percentage that State funds comprise of the total funding
30 of each community mediation center shall be determined at the conclusion of each fiscal
31 year with the information provided pursuant to ~~G.S. 7A-346.1~~ this section and is intended
32 as a funding ratio and not a matching funds requirement. Community mediation centers
33 may include the market value of donated office space, utilities, and professional legal
34 and accounting services in determining total funding.

35 Section 17.3.(h) A community mediation center having difficulty meeting the
36 funding ratio provided for that center by subsection (c), (d), or (e) of this section may
37 request a waiver or special consideration through the ~~Administrative Office of the Courts~~
38 Mediation Network of North Carolina for consideration by the Senate and House
39 Appropriations Subcommittees on Justice and Public Safety.

40 Section 17.3.(i) The provisions of G.S. 143-31.4 do not apply to community
41 mediation centers receiving State funds."

42 Section 15.(b) G.S. 7A-346.1 is repealed. Section 15.(c) Of the funds appropriated
43 to the Judicial Department for transfer to the community mediation centers for the 2000-

1 2001 fiscal year, funds allocated to the Dispute Settlement Center of Durham County,
 2 Inc., and Mediation Services of Wake County, Inc., shall be allocated to Carolina
 3 Correctional Services, Inc.

4
 5 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

6 **REPORT ON COURT INFORMATION TECHNOLOGY FUND**

7 Section 15.1. G.S. 7A-343.2 reads as rewritten:

8 **"§ 7A-343.2. Court Information Technology Fund.**

9 The Court Information Technology Fund is established within the Judicial
 10 Department as a nonreverting, interest-bearing special revenue account. Accordingly,
 11 revenue in the Fund at the end of a fiscal year does not revert and interest and other
 12 investment income earned by the Fund shall be credited to it. All moneys collected by the
 13 Director pursuant to G.S. 7A-109(d) shall be remitted to the State Treasurer and held
 14 in this Fund. Moneys in the Fund shall be used to supplement funds otherwise available
 15 to the Judicial Department for court information technology and office automation needs.
 16 The Director shall report by ~~March 1~~ August 1 and February 1 of each year to the Joint
 17 Legislative Commission on Governmental Operations, the Chairs of the Senate and
 18 House Appropriations Committees, and the Chairs of the Senate and House
 19 Appropriations Subcommittees on Justice and Public Safety on all moneys collected and
 20 deposited in the Fund and on the proposed expenditure of those funds collected during
 21 the preceding ~~calendar year~~ six months."

22
 23 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Soles, Lee, Kinnaird,
 24 Hagan, Martin of Guilford, Robinson

25 **AUTHORIZE ADDITIONAL MAGISTRATES**

26 Section 15.2. G.S. 7A-133(c) reads as rewritten:

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

				Additional
	County	Min.-Max.	Magistrates Court	Seats of
34	Camden	1 3		
35	Chowan	2 3		
36	Currituck	1 4		
37	Dare	3 8		
38	Gates	2 3		
39	Pasquotank	3 5		
40	Perquimans	2 3 <u>4</u>		
41	Martin ⁵	8		
42	Beaufort	4 8		
43	Tyrrell	1 3		

1	Hyde	2	4		
2	Washington		3	4	
3	Pitt	10	12	Farmville	
4					Ayden
5	Craven	7	10	Havelock	
6	Pamlico	2	4		
7	Carteret	5	8		
8	Sampson	6	8		
9	Duplin	9	11		
10	Jones	2	3		
11	Onslow	8	14		
12	New Hanover	6	11		
13	Pender	4	6		
14	Halifax	9	14	Roanoke	
15					Rapids,
16					Scotland Neck
17	Northampton		5	7	
18	Bertie	4	6		
19	Hertford	5	6 <u>7</u>		
20	Nash	7	10	Rocky Mount	
21	Edgecombe	4	7	Rocky Mount	
22	Wilson	4	7		
23	Wayne	5	12	Mount Olive	
24	Greene	2	4		
25	Lenoir	4	10	La Grange	
26	Granville	3	7		
27	Vance	3	6		
28	Warren	3	4 <u>5</u>		
29	Franklin	3	7		
30	Person	3	4		
31	Caswell	2	5		
32	Wake	12	20	Apex,	
33					Wendell,
34					Fuquay-
35					Varina,
36					Wake Forest
37	Harnett	7	11	Dunn	
38	Johnston	10	12	Benson,	
39					Clayton,
40					Selma
41	Lee	4	6		
42	Cumberland		10	19	
43	Bladen	4	6		

1	Brunswick	4	8 <u>9</u>		
2	Columbus	6	9	Tabor City	
3	Durham	8	13		
4	Alamance	7	10 <u>11</u>	Burlington	
5	Orange	4	11	Chapel Hill	
6	Chatham	3	8 <u>9</u>	Siler City	
7	Scotland	3	5		
8	Hoke	4	5		
9	Robeson	8	16	Fairmont,	
10					Maxton,
11					Pembroke,
12					Red Springs,
13					Rowland,
14					St. Pauls
15	Rockingham	4	9	Reidsville,	
16					Eden,
17					Madison
18	Stokes	2	5		
19	Surry	5	9	Mt. Airy	
20	Guilford	20	26 <u>27</u>	High Point	
21	Cabarrus	5	9	Kannapolis	
22	Montgomery		2	4	
23	Randolph	5	10	Liberty	
24	Rowan	5	10		
25	Stanly	5	6		
26	Union	4	7		
27	Anson	4	5 <u>6</u>		
28	Richmond		5	6	Hamlet
29	Moore	5	8	Southern	
30					Pines
31	Forsyth	3	15	Kernersville	
32	Alexander		2	3 <u>4</u>	
33	Davidson	7	10	Thomasville	
34	Davie	2	3		
35	Iredell	4	9	Mooresville	
36	Alleghany		1	2	
37	Ashe	3	4		
38	Wilkes	4	6		
39	Yadkin	3	5		
40	Avery	3	5		
41	Madison	4	5		
42	Mitchell	3	4		
43	Watauga	4	6		

1	Yancey	2	4	
2	Burke	4	7	
3	Caldwell	4	7	
4	Catawba	6	10	Hickory
5	Mecklenburg	15	27 <u>28</u>	
6	Gaston	11	22	
7	Cleveland	5	8	
8	Lincoln	4	7	
9	Buncombe	6	15	
10	Henderson	4	7	
11	McDowell	3	5 <u>6</u>	
12	Polk	3	4	
13	Rutherford	6	8	
14	Transylvania	2	4	
15	Cherokee	3	4	
16	Clay	1	2	
17	Graham	2	3	
18	Haywood	5	7	Canton
19	Jackson	3	4 <u>5</u>	
20	Macon	3	4	
21	Swain	2	3."	

22
 23 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Albertson, Reeves,
 24 Miller, Phillips, Metcalf, Carter, Wellons

25 **ADDITIONAL DISTRICT COURT JUDGES**

26 Section 15.3.(a) G.S. 7A-133(a) reads as rewritten:

27 "(a) Each district court district shall have the numbers of judges as set forth in the
 28 following table:

29			
30			
31	District	Judges	County
32			
33	1	<u>4</u> <u>5</u>	Camden
34			Chowan
35			Currituck
36			Dare
37			Gates
38			Pasquotank
39			Perquimans
40	2	4	Martin
41			Beaufort
42			Tyrrell
43			Hyde

1			Washington
2	3A	5	Pitt
3	3B	5	Craven
4			Pamlico
5			Carteret
6	4	7 8	Sampson
7			Duplin
8			Jones
9			Onslow
10	5	7	New Hanover
11			Pender
12	6A	2	Halifax
13	6B	3	Northampton
14			Bertie
15			Hertford
16	7	7	Nash
17			Edgecombe
18			Wilson
19	8	6	Wayne
20			Greene
21			Lenoir
22	9	4	Granville
23			(part of Vance
24			see subsection (b))
25			Franklin
26	9A	2	Person
27			Caswell
28	9B	12	Warren
29			(part of Vance
30			see subsection (b))
31	10	13 14	Wake
32	11	7 8	Harnett
33			Johnston
34			Lee
35	12	9	Cumberland
36	13	6	Bladen
37			Brunswick
38			Columbus
39	14	6	Durham
40	15A	4	Alamance
41	15B	4	Orange
42			Chatham
43	16A	3	Scotland

1			Hoke
2	16B	5	Robeson
3	17A	23	Rockingham
4	17B	3	Stokes
5			Surry
6	18	12	Guilford
7	19A	4	Cabarrus
8	19B	6	Montgomery
9			Moore
10			Randolph
11	19C	4	Rowan
12	20	7	Stanly
13			Union
14			Anson
15			Richmond
16	21	8	Forsyth
17	22	89	Alexander
18			Davidson
19			Davie
20			Iredell
21	23	4	Alleghany
22			Ashe
23			Wilkes
24			Yadkin
25	24	4	Avery
26			Madison
27			Mitchell
28			Watauga
29			Yancey
30	25	8	Burke
31			Caldwell
32			Catawba
33	26	16 <u>17</u>	Mecklenburg
34	27A	6	Gaston
35	27B	4	Cleveland
36			Lincoln
37	28	56	Buncombe
38	29	6	Henderson
39			McDowell
40			Polk
41			Rutherford
42			Transylvania
43	30	5	Cherokee

1 Clay
2 Graham
3 Haywood
4 Jackson
5 Macon
6 Swain."

7 Section 15.3.(b) Notwithstanding the provisions of G.S. 7A-142, the Governor shall
8 appoint additional district court judges for District Court Districts 1, 4, 9B, 10, 11, 17A,
9 22, 26, and 28, as authorized by subsection (a) of this section. Those judges' successors
10 shall be elected in the 2004 election for four-year terms commencing on the first Monday
11 in December 2004.

12 Section 15.3.(c) Subsection (a) of this section becomes effective December 15,
13 2000, as to any district in which no county is subject to section 5 of the Voting Rights
14 Act of 1965. As to any district in which any county is subject to section 5 of the Voting
15 Rights Act of 1965, subsection (a) becomes effective December 15, 2000, or 15 days
16 after the date upon which that subsection is approved under section 5 of the Voting
17 Rights Act of 1965, whichever is later.

18
19 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Rand, Cooper, Wellons,
20 Martin of Pitt, Albertson

21 **WORTHLESS CHECK PROGRAM**

22 Section 15.3A.(a) Subsection (d) of Section 18.22 of S.L. 1997-443, as amended
23 by Section 16.3 of S.L. 1998-212 and Section 17.7 of S.L. 1999-237, reads as rewritten:

24 "(d) This act applies only to Brunswick, Bladen, Columbus, Cumberland, Durham,
25 Edgecombe, Nash, New Hanover, Onslow, Pender, Rockingham, ~~and Wake~~ Wake, and
26 Wilson Counties."

27 Section 15.3A.(b) Section 17.7(c) of S.L. 1999-237 reads as rewritten:

28 "Section 17.7.(c) The Administrative Office of the Courts shall report by April 1 of
29 each year to the Chairs of the Senate and House Appropriations Committees and the
30 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
31 Safety on the implementation of the ~~bad~~ worthless check collection programs in
32 Columbus, Durham, Rockingham, and Wake Counties and the establishment of such
33 programs in Bladen, Brunswick, Cumberland, Edgecombe, Nash, New Hanover, Onslow,
34 ~~and Pender~~ Pender, and Wilson Counties, including their effectiveness in assisting the
35 recipients of worthless checks in obtaining restitution and the amount of time saved in
36 prosecuting worthless check cases."

37
38 Requested by: Senators Jordan, Ballance, Clodfelter, Plyler, Perdue, Odom
39 **AUTHORIZE COURT OFFICIALS TO APPLY TO THE DIRECTOR OF THE**
40 **ADMINISTRATIVE OFFICE OF THE COURTS TO ENTER INTO**
41 **CONTRACTS WITH LOCAL GOVERNMENTS FOR THE PROVISION OF**
42 **JUDICIAL SECRETARIES, TEMPORARY ASSISTANT PUBLIC DEFENDERS,**
43 **ASSISTANT CLERKS, DEPUTY CLERKS, AND OTHER EMPLOYEES IN THE**

1 **OFFICE OF THE CLERK OF COURT WHEN THE PUBLIC INTEREST**
2 **WARRANTS THE USE OF ADDITIONAL COURT RESOURCES**

3 Section 15.4.(a) G.S. 7A-44.1 reads as rewritten:

4 **"§ 7A-44.1. Secretarial and clerical help.**

5 (a) Each senior resident superior court judge may appoint a judicial secretary to
6 serve at his pleasure and under his direction the secretarial and clerical needs of the
7 superior court judges of the district or set of districts as defined by G.S. 7A-41.1(a) for
8 which he is the senior resident superior court judge. The appointment may be full- or
9 part-time and the compensation and allowances of such secretary shall be fixed by the
10 senior regular resident superior court judge, within limits determined by the
11 Administrative Office of the Courts, and paid by the State.

12 (b) Each senior resident superior court judge may apply to the Director of the
13 Administrative Office of the Courts to enter into contracts with local governments for the
14 provision by the State of services of judicial secretaries pursuant to G.S. 153A-212.1 or
15 G.S. 160A-289.1.

16 (c) The Director of the Administrative Office of the Courts may provide assistance
17 requested pursuant to subsection (b) of this section only upon a showing by the senior
18 resident superior court judge, supported by facts, that the overwhelming public interest
19 warrants the use of additional resources for the speedy disposition of cases involving
20 drug offenses, domestic violence, or other offenses involving a threat to public safety.

21 (d) The terms of any contract entered into with local governments pursuant to
22 subsection (b) of this section shall be fixed by the Director of the Administrative Office
23 of the Courts in each case. Nothing in this section shall be construed to obligate the
24 General Assembly to make any appropriation to implement the provisions of this section
25 or to obligate the Administrative Office of the Courts to provide the administrative costs
26 of establishing or maintaining the positions or services provided for under this section.
27 Further, nothing in this section shall be construed to obligate the Administrative Office of
28 the Courts to maintain positions or services initially provided for under this section."

29 Section 15.4.(b) G.S. 7A-102 is amended by adding three new subsections to read:

30 "(e) A clerk of superior court may apply to the Director of the Administrative
31 Office of the Courts to enter into contracts with local governments for the provision by
32 the State of services of assistant clerks, deputy clerks, and other employees in the office
33 of each clerk of superior court pursuant to G.S. 153A-212.1 or G.S. 160A-289.1.

34 (f) The Director of the Administrative Office of the Courts may provide assistance
35 requested pursuant to subsection (e) of this section only upon a showing by the senior
36 resident superior court judge, supported by facts, that the overwhelming public interest
37 warrants the use of additional resources for the speedy disposition of cases involving
38 drug offenses, domestic violence, or other offenses involving a threat to public safety.

39 (g) The terms of any contract entered into with local governments pursuant to
40 subsection (e) of this section shall be fixed by the Director of the Administrative Office
41 of the Courts in each case. Nothing in this section shall be construed to obligate the
42 General Assembly to make any appropriation to implement the provisions of this section
43 or to obligate the Administrative Office of the Courts to provide the administrative costs

1 of establishing or maintaining the positions or services provided for under this section.
2 Further, nothing in this section shall be construed to obligate the Administrative Office of
3 the Courts to maintain positions or services initially provided for under this section."

4 Section 15.4.(c) G.S. 7A-300 reads as rewritten:

5 **"§ 7A-300. Expenses paid from State funds.**

6 (a) The operating expenses of the Judicial Department shall be paid from State
7 funds, out of appropriations for this purpose made by the General ~~Assembly~~-Assembly,
8 or from funds provided by local governments pursuant to G.S. 153A-212.1 and G.S.
9 160A-289.1. The Administrative Office of the Courts shall prepare budget estimates to
10 cover these expenses, including therein the following items and such other items as are
11 deemed necessary for the proper functioning of the Judicial Department:

- 12 (1) Salaries, departmental expense, printing and other costs of the
13 appellate division;
- 14 (2) Salaries and expenses of superior court judges, district attorneys,
15 assistant district attorneys, public defenders, and assistant public
16 defenders, and fees and expenses of counsel assigned to represent
17 indigents under the provisions of Subchapter IX of this Chapter;
- 18 (3) Salaries, travel expenses, departmental expense, printing and other
19 costs of the Administrative Office of the Courts;
- 20 (4) Salaries and travel expenses of district judges, magistrates, and family
21 court counselors;
- 22 (5) Salaries and travel expenses of clerks of superior court, their
23 assistants, deputies, and other employees, and the expenses of their
24 offices, including supplies and materials, postage, telephone and
25 telegraph, bonds and insurance, equipment, and other necessary items;
- 26 (6) Fees and travel expenses of jurors, and of witnesses required to be
27 paid by the State;
- 28 (7) Compensation and allowances of court reporters;
- 29 (8) Briefs for counsel and transcripts and other records for adequate
30 appellate review when an appeal is taken by an indigent person;
- 31 (9) Transcripts of preliminary hearings in indigency cases and, in cases in
32 which the defendant pays for a transcript of the preliminary hearing, a
33 copy for the district attorney;
- 34 (10) Transcript of the evidence and trial court charge furnished the district
35 attorney when a criminal action is appealed to the appellate division;
- 36 (11) All other expenses arising out of the operations of the Judicial
37 Department which by law are made the responsibility of the State; and
- 38 (12) Operating expenses of the Judicial Council and the Judicial Standards
39 Commission.

40 (b) Repealed by Session Laws 1971, c. 377, e-~~32~~-s. 32."

41 Section 15.4.(d) G.S. 7A-467 is amended by adding three new subsections to read:

42 "(e) A public defender may apply to the Director of the Administrative Office of
43 the Courts to enter into contracts with local governments for the provision by the State of

1 services of temporary assistant public defenders pursuant to G.S. 153A-212.1 or G.S.
2 160A-289.1.

3 (f) The Director of the Administrative Office of the Courts may provide assistance
4 requested pursuant to subsection (e) of this section only upon a showing by the requesting
5 public defender, supported by facts, that the overwhelming public interest warrants the
6 use of additional resources for the speedy disposition of cases involving drug offenses,
7 domestic violence, or other offenses involving a threat to public safety.

8 (g) The terms of any contract entered into with local governments pursuant to
9 subsection (e) of this section shall be fixed by the Director of the Administrative Office
10 of the Courts in each case. Nothing in this section shall be construed to obligate the
11 General Assembly to make any appropriation to implement the provisions of this section
12 or to obligate the Administrative Office of the Courts to provide the administrative costs
13 of establishing or maintaining the positions or services provided for under this section.
14 Further, nothing in this section shall be construed to obligate the Administrative Office of
15 the Courts to maintain positions or services initially provided for under this section."

16 Section 15.4.(e) G.S. 153A-212.1 reads as rewritten:

17 "**§ 153A-212.1. Resources to protect the public.**

18 Subject to the requirements of G.S. 7A-41, 7A-44.1, 7A-64, 7A-102, 7A-133, and 7A-
19 467, a county may appropriate funds under contract with the State for the provision of
20 services for the speedy disposition of cases involving drug offenses, domestic violence,
21 or other offenses involving threats to public safety. Nothing in this section shall be
22 construed to obligate the General Assembly to make any appropriation to implement the
23 provisions of this section. Further, nothing in this section shall be construed to obligate
24 the Administrative Office of the Courts to maintain positions or services initially
25 provided for under this section."

26 Section 15.4.(f) G.S. 160A-289.1 reads as rewritten:

27 "**§ 160A-289.1. Resources to protect the public.**

28 Subject to the requirements of G.S. 7A-41, 7A-44.1, 7A-64, 7A-102, 7A-133, and 7A-
29 467, a city may appropriate funds under contract with the State for the provision of
30 services for the speedy disposition of cases involving drug offenses, domestic violence,
31 or other offenses involving threats to public safety. Nothing in this section shall be
32 construed to obligate the General Assembly to make any appropriation to implement the
33 provisions of this section. Further, nothing in this section shall be construed to obligate
34 the Administrative Office of the Courts to maintain positions or services initially
35 provided for under this section."

36 Section 15.4.(g) G.S. 7A-64(c) reads as rewritten:

37 "(c) The length of service and compensation of any temporary appointee or the
38 terms of any contract entered into with local governments shall be fixed by Director of
39 the Administrative Office of the Courts in each case. Nothing in this section shall be
40 construed to obligate the General Assembly to make any appropriation to implement the
41 provisions of this ~~section~~-section or to obligate the Administrative Office of the Courts to
42 provide the administrative costs of establishing or maintaining the positions or services
43 provided for under this section. Further, nothing in this section shall be construed to

1 obligate the Administrative Office of the Courts to maintain positions or services initially
 2 provided for under this section."

3 Section 15.4.(h) The Administrative Office of the Courts shall report by
 4 March 1 of each year to the Chairs of the House of Representatives and Senate
 5 Appropriations Committees, to the Chairs of the House of Representatives Subcommittee
 6 on Justice and Public Safety, and to the Chairs of the Senate Appropriations Committee
 7 on Justice and Public Safety on contracts entered into with local governments for the
 8 provision of the services of assistant district attorneys, assistant public defenders, judicial
 9 secretaries, and employees in the office of the Clerk of Superior Court. The report shall
 10 include the number of applications made to the Administrative Office of the Courts for
 11 these contracts, the number of contracts entered for provision of these positions, and the
 12 dollar amounts of each contract.

13
 14 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Albertson

15 **ADDITIONAL SUPERIOR COURT JUDGES**

16 Section 15.6.(a) G.S. 7A-41(a) reads as rewritten:

17 "(a) The counties of the State are organized into judicial divisions and superior
 18 court districts, and each superior court district has the counties, and the number of regular
 19 resident superior court judges set forth in the following table, and for districts of less than
 20 a whole county, as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
First	2	Beaufort, Hyde, Martin, Tyrrell, Washington	1
First	3A	Pitt	2
Second	3B	Carteret, Craven, Pamlico	2
Second	4A	Duplin, Jones, Sampson	1
Second	4B	Onslow	1 2
Second	5	New Hanover, Pender	3
First	6A	Halifax	1
First	6B	Bertie, Hertford, Northampton	1

1	First	7A	Nash	1
2	First	7B	(part of Wilson,	1
3			part of Edgecombe,	
4			see subsection (b))	
5	First	7C	(part of Wilson,	1
6			part of Edgecombe,	
7			see subsection (b))	
8	Second	8A	Lenoir and Greene	1
9	Second	8B	Wayne	1
10	Third	9	Franklin, Granville,	2
11			Vance, Warren	
12	Third	9A	Person, Caswell	1
13	Third	10A	(part of Wake,	2
14			see subsection (b))	
15	Third	10B	(part of Wake,	2
16			see subsection (b))	
17	Third	10C	(part of Wake,	1
18			see subsection (b))	
19	Third	10D	(part of Wake,	1
20			see subsection (b))	
21	Fourth	11A	Harnett,	1
22			Lee	
23	Fourth	11B	Johnston	1
24	Fourth	12A	(part of Cumberland,	1
25			see subsection (b))	
26	Fourth	12B	(part of Cumberland,	1
27			see subsection (b))	
28	Fourth	12C	(part of Cumberland,	2
29			see subsection (b))	
30	Fourth	13	Bladen, Brunswick,	2
31			Columbus	
32	Third	14A	(part of Durham,	1
33			see subsection (b))	
34	Third	14B	(part of Durham,	3
35			see subsection (b))	
36	Third	15A	Alamance	2
37	Third	15B	Orange, Chatham	1
38	Fourth	16A	Scotland, Hoke	1
39	Fourth	16B	Robeson	2
40	Fifth	17A	Rockingham	2
41	Fifth	17B	Stokes, Surry	2
42	Fifth	18A	(part of Guilford,	1
43			see subsection (b))	

1	Fifth	18B	(part of Guilford,	1
2			see subsection (b))	
3	Fifth	18C	(part of Guilford,	1
4			see subsection (b))	
5	Fifth	18D	(part of Guilford,	1
6			see subsection (b))	
7	Fifth	18E	(part of Guilford,	1
8			see subsection (b))	
9	Sixth	19A	Cabarrus	1
10	Fifth	19B	Montgomery, Moore,	2
11			Randolph	
12	Sixth	19C	Rowan	1
13	Sixth	20A	Anson,	1
14			Richmond	
15	Sixth	20B	Stanly, Union	2
16	Fifth	21A	(part of Forsyth,	1
17			see subsection (b))	
18	Fifth	21B	(part of Forsyth,	1
19			see subsection (b))	
20	Fifth	21C	(part of Forsyth,	1
21			see subsection (b))	
22	Fifth	21D	(part of Forsyth,	1
23			see subsection (b))	
24	Sixth	22	Alexander, Davidson,	3
25			Davie, Iredell	
26	Fifth	23	Alleghany, Ashe,	1
27			Wilkes, Yadkin	
28	Eighth	24	Avery, Madison,	1
29			Mitchell,	
30			Watauga, Yancey	
31	Seventh	25A	Burke, Caldwell	2
32	Seventh	25B	Catawba	2
33	Seventh	26A	(part of Mecklenburg,	2
34			see subsection (b))	
35	Seventh	26B	(part of Mecklenburg,	2 <u>3</u>
36			see subsection (b))	
37	Seventh	26C	(part of Mecklenburg,	2
38			see subsection (b))	
39	Seventh	27A	Gaston	2
40	Seventh	27B	Cleveland, Lincoln	2
41	Eighth	28	Buncombe	2
42	Eighth	29	Henderson,	2
43			McDowell, Polk,	

1		Rutherford,	
2		Transylvania	
3	Eighth	30A	Cherokee, Clay, 1
4			Graham, Macon,
5			Swain
6	Eighth	30B	Haywood, Jackson 1."

7 Section 15.6.(b) The Governor shall appoint a superior court judge for the
8 additional judgeship in Superior Court District 26B as authorized by subsection (a) of this
9 section. The successor to that judge shall be elected in the 2002 general election to serve
10 a term expiring December 31, 2010.

11 The Governor shall appoint a superior court judge for the additional
12 judgeship in Superior Court District 4B as authorized by subsection (a) of this section.
13 The successor to that judge shall be elected in the 2002 general election to serve the
14 remainder of the unexpired term expiring December 31, 2006, in order to provide for
15 unstaggered terms for multiple judgeships in the same district.

16 Section 15.6.(c) Subsection (a) of this section becomes effective October 1, 2000, as
17 to any district in which no county is subject to section 5 of the Voting Rights Act of
18 1965. As to any district in which any county is subject to section 5 of the Voting Rights
19 Act of 1965, subsection (a) of this section becomes effective October 1, 2000, or 15 days
20 after the date upon which that subsection is approved under section 5 of the Voting
21 Rights Act of 1965, whichever is later.

22
23 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

24 JUDICIAL DEPARTMENT EQUIPMENT REPLACEMENT COSTS

25 Section 15.7. G.S. 143-11(b) reads as rewritten:

26 "(b) The Director shall accompany the budget with:

- 27 (1) A budget message supporting his recommendations and outlining a
28 financial policy and program for the ensuing biennium. The message
29 will include an explanation of increase or decrease over past
30 expenditures, a discussion of proposed changes in existing revenue
31 laws and proposed bond issues, their purpose, the amount, rate of
32 interest, term, the requirements to be attached to their issuance and the
33 effect such issues will have upon the redemption and annual interest
34 charges of the State debt.
- 35 (2) State Controller reports including:
 - 36 a. An itemized and complete financial statement for the State at the
37 close of the last preceding fiscal year ending June 30.
 - 38 b. A statement of special funds.
- 39 (2a) A statement showing the itemized estimates of the condition of the
40 State treasury as of the beginning and end of each of the next two
41 fiscal years.
- 42 (3) A report on the fees charged by each State department, bureau,
43 division, board, commission, institution, and agency during the

1 previous fiscal year, the statutory or regulatory authority for each fee,
2 the amount of the fee, when the amount of the fee was last changed,
3 the number of times the fee was collected during the prior fiscal year,
4 and the total receipts from the fee during the prior fiscal year.

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

8 (5) A proposal for expenditure of the funds in the Repairs and
9 Renovations Reserve Account, which is established in G.S. 143-
10 15.3A. The Director shall consider the data from the Facilities
11 Condition and Assessment Program in the Office of State
12 Construction when establishing priorities for the proposed expenditure
13 of these funds.

14 (6) Statements of the objections of members of the Council of State
15 received pursuant to G.S. 143-10.3(b) to the performance measures,
16 departmental operations plans, and indicators of program impact
17 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.

18 (7) A list of the budget requests of members of the Council of State that
19 are not included in the proposed budget.

20 (8) An estimate of the equipment replacement costs within the Judicial
21 Department for the period covered by that budget.

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

28 The function of the Advisory Budget Commission under this section applies only if
29 the Director of the Budget consults with the Commission in preparation of the budget."
30

31 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

32 **REDUCE SPECIAL SUPERIOR COURT JUDGESHIPS/EXTEND TERM OF**
33 **SPECIAL SUPERIOR COURT JUDGE**

34 Section 15.8.(a) G.S. 7A-45.1(a) reads as rewritten:

35 "(a) Effective November 1, 1993, the Governor may appoint two special superior
36 court judges to serve terms expiring September 30, 2000. Effective October 1, 2000, one
37 of those positions is abolished. Successors to the special superior court judges—judge
38 appointed pursuant to this subsection shall be appointed to a five-year terms—term. A
39 special judge takes the same oath of office and is subject to the same requirements and
40 disabilities as are or may be prescribed by law for regular judges of the superior court,
41 save the requirement of residence in a particular district."

42 Section 15.8.(b) Section 24.7 of Chapter 769 of the 1993 Session Laws, as amended
43 by Chapter 18 of the Session Laws of the 1996 Second Extra Session, reads as rewritten:

1 "Sec. 24.7. Notwithstanding G.S. 7A-45, G.S. 7A-45.1, Section 7 of Chapter 509 of
2 the 1987 Session Laws, or any other provision of law, if any special superior court judge
3 who is holding office on the effective date of this act first took office as an appointed or
4 elected regular or special superior court judge in the calendar year 1986, the term of that
5 judge is extended through ~~September 30, 2000.~~ December 31, 2000."
6

7 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

8 **SENTENCING SERVICES PROGRAM**

9 Section 15.9.(a) The title to Subchapter XIII of Chapter 7A of the General Statutes
10 reads as rewritten:

11 "~~SUBCHAPTER XIII. COMMUNITY PENALTIES~~ SENTENCING SERVICES
12 PROGRAM."

13 Section 15.9.(b) G.S. 7A-773.1(d) reads as rewritten:

14 "(d) To the extent allowed by law, the sentencing services program shall develop
15 procedures to ensure that the program staff may work with offenders before a plea is
16 entered. To that end, ~~no~~ information obtained in the course of preparing a sentencing plan
17 may not be used by the State for ~~the any purpose of establishing guilt.~~ at trial and is
18 subject to the provisions of G.S. 15A-1333."

19 Section 15.9.(c) G.S. 15A-1333 reads as rewritten:

20 **"§ 15A-1333. Availability of presentence report.**

21 (a) Presentence Reports and Sentencing Services Information Not Public Records.
22 ~~– A written presentence report and report, the record of an oral presentence report-report,~~
23 and information obtained in the preparation of a sentencing plan by a sentencing services
24 program under Article 61 of Chapter 7A are not public records and may not be made
25 available to any person except as provided in this section.

26 (b) Access to Reports. – The defendant, his counsel, the prosecutor, or the court
27 may have access at any reasonable time to a written presentence report or to any record of
28 an oral presentence report. Access to a sentencing plan and information obtained in the
29 preparation of a sentencing plan shall be in accordance with the comprehensive
30 sentencing services program plan developed pursuant to G.S. 7A-774.

31 (c) Expunging Reports. – On motion of the defendant, the court in its discretion
32 may order a written presentence ~~report or report,~~ the record of an oral presentence ~~report~~
33 report, or a sentencing plan expunged from the court record."
34

35 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

36 **REVISE SUPERIOR COURT 26A/B/C BOUNDARIES**

37 Section 15.10.(a)G.S. 7A-41(b)(21) reads as rewritten:

38 "(21) Superior Court District 26A consists of ~~Charlotte Precinets 11, 12,~~
39 ~~13, 14, 15, 16, 22, 23, 24, 25, 26, 27, 31, 33, 39, 41, 42, 46, 52, 54,~~
40 ~~55, 56, 58, 60, 77, 78, and 82, and Long Creek Precinet #2 of~~
41 ~~Mecklenburg County.~~ Mecklenburg County: Charlotte Pct. 3,
42 Charlotte Pct. 5 *, Charlotte Pct. 11 *, Charlotte Pct. 12 *, Charlotte
43 Pct. 14 *, Charlotte Pct. 16 *, Charlotte Pct. 17 *, Charlotte Pct. 22

1 * , Charlotte Pct. 23 * , Charlotte Pct. 24 * , Charlotte Pct. 25 * ,
2 Charlotte Pct. 26 * , Charlotte Pct. 27 * , Charlotte Pct. 28 * ,
3 Charlotte Pct. 29 * , Charlotte Pct. 30 * , Charlotte Pct. 31 * ,
4 Charlotte Pct. 39 * , Charlotte Pct. 40 * , Charlotte Pct. 41 * ,
5 Charlotte Pct. 42 * , Charlotte Pct. 43 * , Charlotte Pct. 44 * ,
6 Charlotte Pct. 45 * , Charlotte Pct. 46 * , Charlotte Pct. 52 * ,
7 Charlotte Pct. 53 * , Charlotte Pct. 54 * , Charlotte Pct. 55 * ,
8 Charlotte Pct. 56 * , Charlotte Pct. 60 , Charlotte Pct. 61 * , Charlotte
9 Pct. 78 * , Charlotte Pct. 81 * , Charlotte Pct. 82 * , Charlotte Pct. 98
10 * , LC2, MC2, Charlotte Pct. 16 Part, Charlotte Pct. 104. It has two
11 judges."

12 Section 15.10.(b)G.S. 7A-41(b)(22) reads as rewritten:

13 "(22) Superior Court District 26B consists of ~~Charlotte Precincts 1, 2, 3, 4,~~
14 ~~5, 6, 7, 8, 9, 10, 17, 18, 20, 21, 28, 29, 30, 32, 34, 35, 36, 37, 38, 43,~~
15 ~~44, 45, 47, 51, 61, 62, 63, 65, 66, 67, 68, 69, 71, 74, 83, 84, and 86,~~
16 ~~Crab Orchard Precincts 1 and 2, and Mallard Creek Precinct 1.~~
17 Mecklenburg County: Charlotte Pct. 1 * , Charlotte Pct. 2 * ,
18 Charlotte Pct. 4, Charlotte Pct. 6 * , Charlotte Pct. 7 * , Charlotte Pct.
19 8 * , Charlotte Pct. 15 * , Charlotte Pct. 18 * , Charlotte Pct. 32 * ,
20 Charlotte Pct. 33 * , Charlotte Pct. 34 * , Charlotte Pct. 35 * ,
21 Charlotte Pct. 36 * , Charlotte Pct. 47 * , Charlotte Pct. 62 * ,
22 Charlotte Pct. 63 * , Charlotte Pct. 64 * , Charlotte Pct. 65 * ,
23 Charlotte Pct. 66 * , Charlotte Pct. 67 * , Charlotte Pct. 68 * ,
24 Charlotte Pct. 69 * , Charlotte Pct. 83 * , Charlotte Pct. 84 * ,
25 Charlotte Pct. 85 * , Charlotte Pct. 88 * , Charlotte Pct. 90 * ,
26 Charlotte Pct. 91, Charlotte Pct. 94 * , Charlotte Pct. 95 * , Charlotte
27 Pct. 96 * , CCK * , CO1 * , MA1 * , MA2 * , MA3 * , MA4 * , Charlotte
28 Pct. 102, MH1 * , MH2 * , MH3 * , PR1, PR2, PR3, Charlotte Pct.
29 100 * . It has two judges."

30 Section 15.10.(c)G.S. 7A-41(b)(23) reads as rewritten:

31 "(23) Superior Court District 26C consists of ~~the remainder of~~
32 ~~Mecklenburg County not in Superior Court Districts 26A or 26B.~~
33 Mecklenburg County: Charlotte Pct. 9 * , Charlotte Pct. 10 * ,
34 Charlotte Pct. 13 * , Charlotte Pct. 19 * , Charlotte Pct. 20 * ,
35 Charlotte Pct. 21 * , Charlotte Pct. 37 * , Charlotte Pct. 38 * ,
36 Charlotte Pct. 48 * , Charlotte Pct. 49 * , Charlotte Pct. 50 * ,
37 Charlotte Pct. 51 * , Charlotte Pct. 57 * , Charlotte Pct. 58 * ,
38 Charlotte Pct. 59 * , Charlotte Pct. 70 * , Charlotte Pct. 71 * ,
39 Charlotte Pct. 72 * , Charlotte Pct. 73 * , Charlotte Pct. 74 * ,
40 Charlotte Pct. 75 * , Charlotte Pct. 76 * , Charlotte Pct. 77 * ,
41 Charlotte Pct. 79 * , Charlotte Pct. 80 * , Charlotte Pct. 86 * ,
42 Charlotte Pct. 87 * , Charlotte Pct. 89 * , Charlotte Pct. 92 * ,
43 Charlotte Pct. 93 * , Charlotte Pct. 97 * , BER * , COR * , CO2 * ,

1 DAV *, HUN *, LEM *, LC1 - North, LC1 - South, MC1, MC1
2 part, XMC2 Noncontiguous, OAK, PC1 *, PC2 *, PVL *, Charlotte
3 Pct. 93 Part, SC1, SC2, Charlotte Pct. 105. It has two judges.

4 Section 15.10.(d)G.S. 7A-41(c)(3) reads as rewritten:

5 "(3) for ~~Mecklenburg, Wake, Wake~~ and Durham Counties, precinct
6 boundaries are as shown on the current maps in use by the
7 appropriate county board of elections as of January 31, 1984, in
8 accordance with G.S. 163-128(b);"

9 Section 15.10.(e) G.S. 7A-41(c) is amended by adding a new subsection to
10 read:

11 "(9) In Mecklenburg County, the names and boundaries of precincts
12 (voting tabulation districts), specified in this section are as they were
13 legally defined and recognized in the 1990 U.S. Census, as shown on
14 the IVTD Version of the United States Bureau of the Census 1990
15 TIGER Files, with such modifications as made by the Legislative
16 Services Office and shown on its computer database as of May 1,
17 1991, to reflect census blocks divided by prior district boundaries,
18 and as altered by the Mecklenburg County Board of Elections as
19 reported to the Legislative Services Office and shown on the
20 Legislative Services Office computer database as of May 1, 1991. In
21 Mecklenburg County, Precinct XMC2 Noncontiguous is Tract
22 55.01, Block 303C, and is districted with Precinct MC1
23 notwithstanding any description above; Mecklenburg County Tract
24 0044 Block 906F is shown on the computer database as part of OAK
25 when it is in fact correctly shown on the Board of Elections map as
26 part of Charlotte Pct. 16."

27

28 **PART XVI. DEPARTMENT OF CORRECTION**

29

30 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

31 MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA STATE- 32 COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT

33 Section 16. Section 18 of S.L. 1999-237 reads as rewritten:

34 "Section 18.(a) Notwithstanding the funding formula set forth in G.S. 143B-273.15,
35 appropriations made to the Department of Correction through the North Carolina State-
36 County Criminal Justice Partnership Act for the 1999-2000 fiscal year and the 2000-2001
37 fiscal year shall be distributed to the counties as specified in G.S. 143B-273.15(2) only,
38 and not as discretionary funds. The Department may also use funds from the State-
39 County Criminal Justice Partnership Account in order to maintain the counties'
40 allocations of nine million six hundred thousand dollars (\$9,600,000) as provided in
41 previous fiscal years.

42 Section 18.(b) Appropriations not claimed or expended by the counties during
43 the 1999-2000 fiscal year and the 2000-2001 fiscal year shall be distributed as specified

1 in G.S. 143B-273.15(1). A single county may apply for discretionary funds under G.S.
2 143B-273.15(1) for a residential program that serves offenders from other counties; in
3 order for those other counties to assign offenders to such a program, those counties shall
4 include a residential component in an approved partnership plan.

5 Section 18.(c) The Department of Correction may not deny funds to a county to
6 support both a residential program and a day reporting center if the Department of
7 Correction determines that the county has a demonstrated need and a fully-developed
8 plan for each type of sanction.

9 Section 18.(d) The Department of Correction shall report by ~~February 1, 2000,~~
10 February 1 of each year to the Chairs of the Senate and House Appropriations
11 Committees, the Senate and House Appropriations Subcommittees on Justice and Public
12 Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee on
13 the status of the Criminal Justice Partnership Program. The report shall include the
14 following information:

- 15 (1) The amount of funds carried over from the ~~1998-99 fiscal year to the~~
16 ~~1999-2000 fiscal year;~~ prior fiscal year;
- 17 (2) The dollar amount and purpose of grants awarded to counties as
18 discretionary grants for ~~1999-2000;~~ the current fiscal year;
- 19 (3) Any counties the Department anticipates will submit requests for new
20 implementation grants;
- 21 (4) The number of counties submitting offender participation data via the
22 electronic reporting system;
- 23 (5) An analysis of offender participation data ~~received during 1999-2000;~~
24 received; and
- 25 (6) An update on efforts to ensure that all counties make use of the
26 electronic reporting system."
27

28 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

29 **POST-RELEASE SUPERVISION AND PAROLE COMMISSION/REPORT ON**
30 **STAFFING REORGANIZATION AND REDUCTION**

31 Section 16.1. Section 18.1 of S.L. 1999-237 reads as rewritten:

32 "Section 18.1. The Post-Release Supervision and Parole Commission shall report by
33 ~~March 1, 2000,~~ March 1 of each year to the Chairs of the Senate and House
34 Appropriations Subcommittees on Justice and Public Safety on an updated transition plan
35 for implementing staff reductions through the 2002-2003 fiscal year, including a
36 minimum ten percent (10%) reduction in staff positions in the 2000-2001 fiscal year over
37 the 1999-2000 fiscal year."
38

39 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

40 **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL**
41 **COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES**
42 **AWAITING TRANSFER TO STATE PRISON SYSTEM**

1 Section 16.2. Subsection (a) of Section 18.10 of S.L. 1999-237 reads as
2 rewritten:

3 "Section 18.10.(a) The Department of Correction may use funds appropriated to
4 the Department for the 1999-2000 fiscal year and the 2000-2001 fiscal year to pay the
5 sum of forty dollars (\$40.00) per day as reimbursement to counties for the cost of housing
6 convicted inmates and parolees and post-release supervisees awaiting transfer to the State
7 prison system, as provided in G.S. 148-29. The Department shall report quarterly to the
8 Joint Legislative Commission on Governmental Operations, the Joint Legislative
9 Corrections and Crime Control Oversight Committee, the Chairs of the Senate and House
10 Appropriations Committees, and the Chairs of the Senate and House Appropriations
11 Subcommittees on Justice and Public Safety on the expenditure of funds to reimburse
12 counties for prisoners awaiting transfer and on its progress in reducing the jail backlog."
13

14 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

15 **BAN PRIVATE PRISONS HOUSING OUT-OF-STATE INMATES**

16 Section 16.3.(a) Article 3 of Chapter 148 of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 148-37.1 Prohibition on private prisons housing out-of-state inmates.**

19 (a) Except as otherwise provided in this section or authorized by North Carolina
20 law, no municipality, county, or private entity may authorize, construct, own, or operate
21 any type of correctional facility for the confinement of inmates serving sentences for
22 violation of the laws of a jurisdiction other than North Carolina.

23 (b) The provisions of this section shall not apply to facilities owned or operated by
24 the federal government and used exclusively for the confinement of inmates serving
25 sentences for violation of federal law, but only to the extent that such facilities are not
26 subject to restriction by the states under the provisions of the United States Constitution."

27 Section 16.3.(b) Subsection (c) of Section 19.17 of S.L. 1997-443, as amended by
28 subsection (c) of Section 17.23 of S.L. 1998-212 and subsection (b) of Section 18.19 of
29 S.L. 1999-237, is repealed.

30 Section 16.3.(c) This section is effective when it becomes law and applies
31 retroactively to July 1, 1998.
32

33 **PART XVII. DEPARTMENT OF JUSTICE**

34
35 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

36 **CRIMINAL JUSTICE INFORMATION NETWORK REPORT**

37 Section 17. Section 19.2 of S.L. 1999-237 reads as rewritten:

38 "Section 19.2. The Criminal Justice Information Network Governing Board created
39 pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996 Second Extra
40 Session shall report by ~~March 1, 2000, March 1, 2001,~~ to the Chairs of the Senate and
41 House Appropriations Committees, the Chairs of the Senate and House Appropriations
42 Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the
43 General Assembly on:

- 1 (1) The operations of the Board, including the Board's progress in
2 developing data-sharing standards in cooperation with State and local
3 agencies and the estimated time of completion of the standards;
- 4 (2) The operating budget of the Board, the expenditures of the Board as
5 of the date of the report, and the amount of funds in reserve for the
6 operation of the Board; and
- 7 (3) A long-term strategic plan and cost analysis for statewide
8 implementation of the Criminal Justice Information Network. For
9 each component of the Network, the initial cost estimate of the
10 component, the amount of funds spent to date on the component, the
11 source of funds for expenditures to date, and a timetable for
12 completion of that component, including additional resources needed
13 at each point."
14

15 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

16 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
17 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

18 Section 17.1. Section 19.3 of S.L. 1999-237 reads as rewritten:

19 "Section 19.3.(a) Assets transferred to the Department of Justice during the 1999-2001
20 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department
21 and shall result in an increase of law enforcement resources for the Department. Assets
22 transferred to the Department of Crime Control and Public Safety during the 1999-2001
23 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department
24 and shall result in an increase of law enforcement resources for the Department. The
25 Departments of Justice and Crime Control and Public Safety shall report to the Joint
26 Legislative Commission on Governmental Operations upon receipt of the assets and,
27 before using the assets, shall report on the intended use of the assets and the departmental
28 priorities on which the assets may be expended, except during the ~~1999-2000 fiscal year,~~
29 1999-2001 fiscal biennium, the Department of Justice may:

- 30 (1) Use an amount not to exceed the sum of twenty-five thousand dollars
31 (\$25,000) of the funds to extend the lease of space in the Town of
32 Salemburg for training for the State Bureau of Investigation; and
- 33 (2) Use an amount not to exceed the sum of fifty thousand dollars
34 (\$50,000) of the funds to lease space for its technical operations unit,
35 storage of its equipment and vehicles, and command post vehicle.

36 Section 19.3.(b) The General Assembly finds that the use of assets transferred
37 pursuant to 19 U.S.C. § 1616a for new personnel positions, new projects, the acquisition
38 of real property, repair of buildings where the repair includes structural change, and
39 construction of or additions to buildings may result in additional expenses for the State in
40 future fiscal periods. Therefore, the Department of Justice and the Department of Crime
41 Control and Public Safety are prohibited from using these assets for such purposes
42 without the prior approval of the General Assembly.

1 Section 19.3.(c) Nothing in this section prohibits North Carolina law enforcement
2 agencies from receiving funds from the United States Department of Justice pursuant to
3 19 U.S.C. § 1616a."
4

5 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

6 **TRAFFIC LAW ENFORCEMENT STATISTICS**

7 Section 17.2.(a) G.S. 114-10(2a) reads as rewritten:

8 "(2a) To collect, correlate, and maintain the following information
9 regarding traffic law enforcement by State law enforcement officers:

- 10 a. The number of drivers stopped for routine traffic enforcement by
11 State law enforcement ~~officers~~ officers, the officer making each
12 stop, the date each stop was made, the agency of the officer
13 making each stop, and whether or not a citation or warning was
14 issued;
- 15 b. Identifying characteristics of the drivers stopped, including the
16 race or ethnicity, approximate age, and gender;
- 17 c. The alleged traffic violation that led to the stop;
- 18 d. Whether a search was instituted as a result of the stop;
- 19 e. Whether the vehicle, personal effects, driver, or passenger or
20 passengers were searched, and the race or ethnicity, approximate
21 age, and gender of each person searched;
- 22 f. Whether the search was conducted pursuant to consent, probable
23 cause, or reasonable suspicion to suspect a crime, including the
24 basis for the request for consent, or the circumstances
25 establishing probable cause or reasonable suspicion;
- 26 g. Whether any contraband was found and the type and amount of
27 any such contraband;
- 28 h. Whether any written citation or any oral or written warning was
29 issued as a result of the stop;
- 30 i. Whether an arrest was made as a result of either the stop or the
31 search;
- 32 j. Whether any property was seized, with a description of that
33 property;
- 34 k. Whether the officers making the stop encountered any physical
35 resistance from the driver or passenger or passengers;
- 36 l. Whether the officers making the stop engaged in the use of force
37 against the driver, passenger, or passengers for any reason;
- 38 m. Whether any injuries resulted from the stop; ~~and~~
- 39 n. Whether the circumstances surrounding the stop were the subject
40 of any investigation, and the results of that ~~investigation.~~
41 investigation; and
- 42 o. The geographic location of the stop; if the officer making the
43 stop is a member of the State Highway Patrol, the location shall

1 be the Highway Patrol District in which the stop was made; for
2 all other law enforcement officers, the location shall be the city
3 or county in which the stop was made.

4 The information required by this subdivision need not be collected in
5 connection with impaired driving checks under G.S. 20-16.3A or other
6 types of roadblocks, vehicle checks, or checkpoints that are consistent
7 with the laws of this State and with the State and federal constitutions,
8 except when those stops result in a warning, search, seizure, arrest, or
9 any of the other activity described in sub-subdivisions d. through n. of
10 this subdivision.

11 The identity of the law enforcement officer making the stop required
12 by sub-subdivision a. of this subdivision may be accomplished by
13 assigning anonymous identification numbers to each officer in an
14 agency. The correlation between the identification numbers and the
15 names of the officers shall not be a public record as defined in G.S. 132-
16 1."

17 Section 17.2.(b) This section is effective when it becomes law.

18
19 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

20 **CERTIFICATION OF DEPARTMENT OF CORRECTION EMPLOYEES**

21 Section 17.3.(a) G.S. 17C-2 reads as rewritten:

22 **"§ 17C-2. Definitions.**

23 Unless the context clearly otherwise requires, the following definitions apply in this
24 Chapter:

- 25 (1) Commission. – The North Carolina Criminal Justice Education and
26 Training Standards Commission.
- 27 (2) Criminal justice agencies. – The State and local law-enforcement
28 agencies, ~~the State correctional agencies,~~ other correctional agencies
29 maintained by local governments, and the juvenile justice agencies,
30 but shall not include deputy sheriffs, special deputy sheriffs, sheriffs
31 "jailers, or other sheriffs" department personnel governed by the
32 provisions of Chapter 17E of these General Statutes.
- 33 (3) Criminal justice officers. – The administrative and subordinate
34 personnel of all the departments, agencies, units or entities comprising
35 the criminal justice agencies who are sworn law-enforcement officers,
36 both State and local, with the power of arrest; revenue law
37 enforcement officers; ~~State correctional officers; State~~
38 ~~probation/parole officers; officers,~~ supervisory and administrative
39 personnel of local confinement facilities; ~~State youth services officers;~~
40 ~~State probation/parole intake officers; State probation/parole officers-~~
41 ~~surveillance; State probation/parole intensive officers; and State~~
42 ~~parole case analysts. and State youth services officers.~~

- 1 (4) Entry level. – The initial appointment or employment of any person
2 by a criminal justice agency, or any appointment or employment of a
3 person previously employed by a criminal justice agency who has not
4 been employed by a criminal justice agency for the 12-month period
5 preceding this appointment or employment, or any appointment or
6 employment of a previously certified criminal justice officer to a
7 position which requires a different type of certification."

8 Section 17.3.(b) G.S. 17C-3 reads as rewritten:

9 **"§ 17C-3. North Carolina Criminal Justice Education and Training Standards**
10 **Commission established; members; terms; vacancies.**

11 (a) There is established the North Carolina Criminal Justice Education and
12 Training Standards Commission, hereinafter called "the Commission," in the Department
13 of Justice. The Commission shall be composed of ~~26~~25 members as follows:

- 14 (1) Police Chiefs. – Three police chiefs selected by the North Carolina
15 Association of Chiefs of Police and one police chief appointed by the
16 Governor.
- 17 (2) Police Officers. – Three police officials appointed by the North
18 Carolina Police Executives Association and two criminal justice
19 officers certified by the Commission as selected by the North Carolina
20 Law-Enforcement Officers' Association.
- 21 (3) Departments. – The Attorney General of the State of North Carolina;
22 the Secretary of the Department of Crime Control and Public Safety;
23 ~~the Secretary of the Department of Correction;~~ the President of the
24 Department of Community Colleges.
- 25 (3a) A representative of the Office of Juvenile Justice.
- 26 (4) At-large Groups. – One individual representing and appointed by each
27 of the following organizations: one mayor selected by the League of
28 Municipalities; one law-enforcement training officer selected by the
29 North Carolina Law-Enforcement Training Officers' Association; one
30 criminal justice professional selected by the North Carolina Criminal
31 Justice Association; one sworn law-enforcement officer selected by
32 the North State Law-Enforcement Officers' Association; one member
33 selected by the North Carolina Law-Enforcement Women's
34 Association; and one District Attorney selected by the North Carolina
35 Association of District Attorneys.
- 36 (5) Citizens and Others. – The President of The University of North
37 Carolina; the Director of the Institute of Government; and two
38 citizens, one of whom shall be selected by the Governor and one of
39 whom shall be selected by the Attorney General. The General
40 Assembly shall appoint two persons, one upon the recommendation of
41 the Speaker of the House of Representatives and one upon the
42 recommendation of the President Pro Tempore of the Senate.
43 Appointments by the General Assembly shall be made in accordance

1 with G.S. 120-122. Appointments by the General Assembly shall
2 serve two-year terms to conclude on June 30th in odd-numbered
3 years.

4 (b) The members shall be appointed for staggered terms. The initial appointments
5 shall be made prior to September 1, 1983, and the appointees shall hold office until July 1
6 of the year in which their respective terms expire and until their successors are appointed
7 and qualified as provided hereafter:

8 For the terms of one year: one member from subdivision (1) of subsection (a),
9 serving as a police chief; three members from subdivision (2) of subsection (a), one
10 serving as a police official, and two criminal justice officers; one member from
11 subdivision (4) of subsection (a), appointed by the North Carolina Law-Enforcement
12 Training Officers' Association; and two members from subdivision (5) of subsection (a),
13 one appointed by the Governor and one appointed by the Attorney General.

14 For the terms of two years: one member from subdivision (1) of subsection (a),
15 serving as a police chief; one member from subdivision (2) of subsection (a), serving as a
16 police official; and two members from subdivision (4) of subsection (a), one appointed by
17 the League of Municipalities and one appointed by the North Carolina Association of
18 District Attorneys.

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

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

29 The Attorney General, the Secretary of the Department of Crime Control and Public
30 Safety, ~~the Secretary of the Department of Correction~~, the President of The University of
31 North Carolina, the Director of the Institute of Government, and the President of the
32 Department of Community Colleges shall be continuing members of the Commission
33 during their tenure. These members of the Commission shall serve ex officio and shall
34 perform their duties on the Commission in addition to the other duties of their offices.
35 The ex officio members may elect to serve personally at any or all meetings of the
36 Commission or may designate, in writing, one member of their respective office,
37 department, university or agency to represent and vote for them on the Commission at all
38 meetings the ex officio members are unable to attend.

39 Vacancies in the Commission occurring for any reason shall be filled, for the
40 unexpired term, by the authority making the original appointment of the person causing
41 the vacancy. A vacancy may be created by removal of a Commission member by
42 majority vote of the Commission for misconduct, incompetence, or neglect of duty. A

1 Commission member may be removed only pursuant to a hearing, after notice, at which
2 the member subject to removal has an opportunity to be heard."

3 Section 17.3.(c) This section becomes effective June 30, 2001, unless the Criminal
4 Justice Education and Training Standards Commission has established and implemented
5 by the convening of the 2001 General Assembly a new certification system for
6 employees in the Department of Correction, as originally requested of the Commission in
7 Section 18.14 of S.L. 1999-237 for implementation no later than July 1, 2000. The
8 Commission shall report on the new system to the Chairs of the Senate and House
9 Appropriations Subcommittees on Justice and Public Safety by the convening of the 2001
10 General Assembly. If the system has not been established and implemented by the
11 convening of the 2001 General Assembly, it is the intent of the General Assembly to
12 develop a new system for the certification of employees of the Department of Correction
13 and to enact that system to coincide with the repeal of the Commission's authority over
14 the certification of correctional employees effective June 30, 2001.

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

17
18 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

19 **INCREASE THE EDUCATIONAL ASSISTANCE GRANTS FOR MEMBERS OF** 20 **THE NORTH CAROLINA NATIONAL GUARD**

21 Section 18. G.S. 127A-193 reads as rewritten:

22 **"§ 127A-193. Benefit.**

23 The benefit provided under this Article shall consist of a monetary educational
24 assistance grant not to exceed ~~one two~~ thousand dollars ~~(\$1,000)-(\$2,000)~~ per academic
25 year to qualifying members of the North Carolina national guard. Benefits shall be
26 payable for a period of one academic year at a time, renewable at the option of the
27 Secretary for a maximum of ~~four eight~~ thousand dollars ~~(\$4,000)-(\$8,000)~~."

28
29 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

30 **PARTIAL CASH BALANCE REVERSION**

31 Section 18.1. Notwithstanding the provisions of G.S. 15B-23, the sum of one
32 million twenty-five thousand dollars (\$1,025,000) from the cash balance of the Crime
33 Victims Compensation Fund shall revert to the General Fund on July 1, 2000, to be used
34 for domestic violence programs, the rape victim assistance program, and other victims'
35 assistance programs.

36 37 **PART XIX. OFFICE OF JUVENILE JUSTICE**

38
39 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

40 **TRANSFER CENTER FOR PREVENTION OF SCHOOL VIOLENCE TO THE** 41 **OFFICE OF JUVENILE JUSTICE**

42 Section 19. The Center for Prevention of School Violence currently operating
43 under The University of North Carolina, and all functions, powers, duties, and obligations

1 vested in The University of North Carolina for the Center, are hereby transferred to the
2 Office of Juvenile Justice. This transfer has all the components of a Type I transfer as
3 that term is defined in G.S. 143A-6(a).

4 The Center as a component of the Office of Juvenile Justice shall continue to
5 consult with The University of North Carolina and the Department of Public Instruction
6 to enhance research opportunities and specialized study areas such as teacher preparation,
7 school resource officer development, suicide prevention, and best practices.

8
9 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

10 **TRANSFER OF POSITIONS AND SUPPORT COSTS FOR THE JUVENILE**
11 **INFORMATION NETWORK FROM THE DEPARTMENT OF JUSTICE TO**
12 **THE OFFICE OF JUVENILE JUSTICE**

13 Section 19.1. The Department of Justice shall transfer to the Office of Juvenile
14 Justice the three positions and the sum of two hundred twenty-five thousand dollars
15 (\$225,000) appropriated in this act for support of the Juvenile Information System
16 Network.

17
18 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

19 **REVISE REPORTING REQUIREMENTS OF STAFFING AT TRAINING**
20 **SCHOOLS AND DETENTION CENTERS STUDY**

21 Section 19.2. Section 21.4 of S.L. 1999-237 reads as rewritten:

22 "Section 21.4. Of the funds appropriated in this act to the Office of Juvenile Justice
23 for the 1999-2000 fiscal year, the Office may use up to seventy-five thousand dollars
24 (\$75,000) to contract with consultants for a study of staffing in training schools and
25 detention centers. The study shall consider the appropriate staffing patterns for the
26 juvenile population of training schools and detention centers as a result of the goals and
27 objectives for those facilities set forth in S.L. 1998-202, the Juvenile Justice Act. The
28 study shall consider whether:

- 29 (1) Training schools and detention centers are staffed with the appropriate
30 number of custodial staff and staff that administers treatment, education,
31 and counseling to juveniles housed in the facilities;
- 32 (2) Staff of the training schools and detention centers has the appropriate
33 classification, training, and experience to provide juveniles housed in
34 the facilities with the required treatment and guidance; and
- 35 (3) Salary levels for current or proposed position classifications are
36 appropriate.

37 The study shall include a review of the appropriate staffing patterns on each shift, the
38 impact of previous or potential lawsuits or liability issues on staffing levels and types, an
39 analysis of the current guidelines on staffing ratios, the accuracy of the staffing relief
40 formula, and the effectiveness of the current systems for scheduling staff workdays and
41 days off. The consultant shall consult with the Office of State Personnel, the Office of
42 Juvenile Justice, and the Fiscal Research Division of the General Assembly in developing
43 the study objectives and a work plan.

1 The final product shall include a report that addresses the issues stated in this section
2 and a staffing plan by shift for each training school and detention center.

3 The Office of Juvenile Justice shall report the results and recommendations of the
4 study to the Chairs of the House and Senate Appropriations ~~Committees and Committees,~~
5 the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
6 ~~Safety Safety,~~ and the Joint Legislative Commission on Governmental Operations on or
7 before ~~April 1, 2000.~~ September 1, 2000."

8
9 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

10 **REPORTS OF FUNDS FOR LOCAL ORGANIZATIONS OF THE BOYS AND** 11 **GIRLS CLUB**

12 Section 19.3.(a) Section 21.10.(c) of S.L. 1999-237 reads as rewritten:

13 "Section 21.10.(c) The Office of Juvenile Justice shall report by ~~April 1, 2000,~~
14 April 1, 2001, to the Joint Legislative Commission on Governmental Operations, the
15 Chairs of the House and Senate Appropriations Committees, and the Chairs of the House
16 and Senate Appropriations Subcommittees on Justice and Public Safety on the
17 expenditure of State appropriations and on the operations and the effectiveness of the
18 program, including information on the number of juveniles served."

19 Section 19.3.(b) Before expending any funds appropriated for the Boys and
20 Girls Club to establish any new local organization of the Boys and Girls Club, the Office
21 of Juvenile Justice shall reconsider counties that were eligible for the establishment of
22 local organizations, but not funded in the 1999-2000 fiscal year. The Office shall expend
23 funds for fully accredited organizations of the Boys and Girls Club only. The Office
24 shall report to the Chairs of the House and Senate Appropriations Committees on the
25 proposed new local organization, including the location of the organization and the
26 amount of funds the Office proposes to expend on the organization.

27
28 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

29 **STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS**

30 Section 19.4.(a) Section 21.11 of S.L. 1999-237 reads as rewritten:

31 "Section 21.11. Funds appropriated in this act to the Office of Juvenile Justice for the
32 ~~1999-2000 fiscal year~~ 1999-2001 biennium may be used as matching funds for the
33 Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile
34 Accountability Incentive Block Grants, or a notice of funds to be awarded, the Office of
35 State Budget and Management and the Governor's Crime Commission of the Department
36 of Crime Control and Public Safety shall consult with the Office of Juvenile Justice
37 regarding the criteria for awarding federal funds. The Office of State Budget and
38 ~~Management and Management,~~ the Governor's Crime ~~Commission~~ Commission, and the
39 Office of Juvenile Justice shall report to the Appropriations Committees of the Senate
40 and House of Representatives and the Joint Legislative Commission on Governmental
41 Operations prior to allocation of the federal funds. The report shall identify the amount
42 of funds to be received for the ~~1999-2000~~ 2000-2001 fiscal year, the amount of funds

1 anticipated for the ~~2000-2001~~2001-2002 fiscal year, and the allocation of funds by
2 program and purpose."

3 Section 19.4.(b) If the Governor transfers the authority for administration of the
4 Juvenile Accountability Incentive Block Grants to the Office of Juvenile Justice prior to
5 the end of the 2000-2001 fiscal year, the Office of Juvenile Justice shall consult with the
6 Office of State Budget and Management and the Governor's Crime Commission of the
7 Department of Crime Control and Public Safety regarding the criteria for awarding
8 federal funds. The Office shall make the report required by subsection (a) of this section
9 pursuant to the requirements set forth in the subsection.

10
11 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

12 **REVISE REQUIREMENTS OF MULTIFUNCTIONAL JUVENILE FACILITY**

13 Section 19.5.(a) Section 21.13(i) of S.L. 1999-237 reads as rewritten:

14 "Section 21.13.(i) State Authority Over Offenders. – The Office of Juvenile
15 Justice may, in the discretion of the Director, provide services to and house juveniles who
16 are involved in the North Carolina juvenile justice system in a facility constructed and
17 operated by a private entity. The Office of Juvenile Justice shall house only juveniles
18 who are in the North Carolina juvenile justice system in the facility. Juvenile offenders
19 housed in private facilities shall be governed by the State laws applicable to juvenile
20 offenders housed in State facilities, including educational requirements mandated by
21 State and federal law."

22 Section 19.5.(b) Section 21.13(j) of S.L. 1999-237 reads as rewritten:

23 "Section 21.13.(j) Report. – The Office of Juvenile Justice shall make a written
24 report no later than ~~March 1, 2000, March 1, 2001,~~ on the status of the pilot program and
25 shall evaluate the program annually and report on the findings of the evaluations by
26 ~~March 1, 2001, May 1, 2002, and January 1, 2002. May 1, 2003.~~ The reports shall be
27 submitted to the Chairs of the Appropriations Committees of the Senate and House of
28 Representatives and the Joint Legislative Commission on Governmental Operations."

29
30 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Dannelly, Clodfelter

31 **MECKLENBURG COUNTY MULTIPURPOSE GROUP HOMES**

32 Section 19.6. The funds appropriated in S.L. 1998-212 and reallocated in S.L.
33 1999-237 to the Office of Juvenile Justice to construct an eight-bed secure group home
34 for female offenders in Mecklenburg County and to upgrade the Gatling Detention Center
35 to meet fire marshal standards may be used to construct two eight-bed multipurpose
36 group homes to house juvenile offenders. A maximum of two beds per home may be
37 designated for secure detention. The homes may be used to house male juvenile
38 offenders until the population of female juvenile offenders in the area served by the
39 facilities increases such that both homes are needed to house female offenders. The
40 Office of Juvenile Justice may contract with Mecklenburg County to implement this
41 section and to assure that the multipurpose group homes authorized pursuant to this
42 section are consistent with similar facilities in this State.

1 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

2 **TRANSFER OF GUARD RESPONSE ALTERNATIVE SENTENCING**
3 **PROGRAM TO THE OFFICE OF JUVENILE JUSTICE**

4 Section 19.7. The Guard Response Alternative Sentencing Program developed
5 pursuant to S.L. 1998-202, and all functions, powers, duties, and obligations vested in the
6 Department of Crime Control and Public Safety for the Guard Response Alternative
7 Sentencing Program, are hereby transferred to the Office of Juvenile Justice. This
8 transfer has all the components of a Type I transfer as that term is defined in G.S. 143A-
9 6(a). The Program shall continue to function as an additional probation option for certain
10 first-time juveniles who have been adjudicated delinquent and who are subject to Level 2
11 disposition.

12
13 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

14 **TRANSFER FUNDS TO DEPARTMENT OF JUVENILE JUSTICE AND**
15 **DELINQUENCY PREVENTION**

16 Section 19.8. If either House Bill 1804 or Senate Bill 1462 of the 1999
17 General Assembly becomes law, all funds appropriated in this act to the Office of
18 Juvenile Justice shall be transferred to the Department of Juvenile Justice and
19 Delinquency Prevention.

20
21 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom, Garrou

22 **FORSYTH DETENTION CENTER**

23 Section 19.9. The sum of one million seven hundred fifty thousand dollars
24 (\$1,750,000) appropriated in the 1999-2000 fiscal year to the Office of Juvenile Justice
25 for a grant-in-aid for construction of the Forsyth Detention Center may be carried
26 forward to the 2000-2001 fiscal year to allow adequate time for completion of a needs
27 assessment by Forsyth County and for review and evaluation by the Office of Forsyth
28 County's plan for the Center.

29
30 Requested by: Senators Ballance, Jordan, Plyler, Perdue, Odom

31 **S.O.S. ADMINISTRATIVE COST LIMITS**

32 Section 19.10. Section 21.3 of S.L. 1999-237 reads as rewritten:

33 "Section 21.3. Of the funds appropriated to the Office of Juvenile Justice in this act,
34 not more than four hundred fifty thousand dollars (\$450,000) for the 1999-2000 fiscal
35 year and not more than ~~four hundred fifty thousand dollars (\$450,000)~~ five hundred fifty
36 thousand dollars (\$550,000) for the 2000-2001 fiscal year may be used to administer the
37 S.O.S. Program, to provide technical assistance to applicants and to local S.O.S.
38 programs, and to evaluate the local S.O.S. programs. The Office may contract with
39 appropriate public or nonprofit agencies to provide the technical assistance, including
40 training and related services."

41
42 Requested by: Senators Jordan, Ballance, Plyler, Perdue, Odom

43 **MANAGEMENT INFORMATION SYSTEM COSTS**

1 Section 19.11. The Office of Juvenile Justice may use up to the sum of three
2 hundred thousand dollars (\$300,000) in funds available to the Office for the 2000-2001
3 fiscal year to support recurring communications costs in its management information
4 systems.

6 PART XX. GENERAL ASSEMBLY

8 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

9 **EXTEND TECHNOLOGICAL INFRASTRUCTURE STUDY REPORTING** 10 **DATE**

11 Section 20. Section 22.2 of S.L. 1999-237 reads as rewritten:

12 "Section 22.2. The Joint Select Committee on Information Technology, established
13 pursuant to Section 22 of this act, shall study, evaluate, and recommend changes in the
14 current technological infrastructure of the Department of the Secretary of State and the
15 Department of the State Treasurer. The Committee shall:

- 16 (1) Consider the feasibility and advisability of moving the Secretary of
17 State's applications from the ITS mainframe to in-house servers and
18 allowing the Secretary of State to develop and support its own computer
19 applications;
- 20 (2) Consider the need to replace, update, or modify the information
21 technology infrastructure within the Department of the State Treasurer
22 and existing banking system which supports the State Treasurer's
23 Investment and Banking Operations Division; and
- 24 (3) Study, evaluate, and recommend the level of audit staff needed in the
25 Office of the State Auditor to provide for adequate audit coverage of the
26 computer applications and installation in State government.

27 The Committee shall report by ~~April 1, 2000,~~ December 1, 2000, to the
28 Appropriations Committees of the Senate and House of Representatives."

30 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom, Reeves, Miller

31 **ILLUMINATE THE NIGHTTIME DISPLAY OF THE UNITED STATES AND** 32 **NORTH CAROLINA FLAGS AT THE LEGISLATIVE BUILDING**

33 Section 20.1. The citizens of this State are proud of the federal and State flags,
34 but neither flag is flown during darkness at the Legislative Building, the center of North
35 Carolina's State government.

36 Of funds appropriated to the General Assembly, the sum of four thousand eight
37 hundred dollars (\$4,800) for the 2000-2001 fiscal year shall be used to allow for the
38 illumination of both the federal and State flags at the Legislative Building during
39 darkness.

41 **PART XXI. DEPARTMENT OF ADMINISTRATION**

1 Requested by: Senators Warren, Lucas, Rand, Albertson, Robinson, Plyler, Perdue,
2 Odom, Rand, Robinson, Kerr, Albertson

3 **NATIONAL WORLD WAR II MEMORIAL FUNDS**

4 Section 21. Of the funds appropriated in this act to the Department of
5 Administration for the 2000-2001 fiscal year, the sum of three hundred ninety-two
6 thousand dollars (\$392,000) shall be used by the Division of Veterans Affairs to fund the
7 voluntary contribution of the State toward the construction of the National World War II
8 Memorial in Washington, D.C.

9

10 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

11 **COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES**
12 **INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS**

13 Section 21.1. Section 24.1 of S.L. 1999-237 reads as rewritten:

14 "Section 24.1. The State Property Office and the State Construction Office, in
15 consultation with the Office of State Budget and Management, shall conduct a cost
16 benefit analysis of constructing new State-owned facilities instead of leasing property for
17 State government operations. The analysis shall consider:

18 (1) Factors relating to the cost of State-owned facilities including (i) the
19 cost and availability of land, (ii) design, planning, and construction
20 costs in Raleigh and throughout the State, (iii) projected ongoing
21 operation and maintenance costs, and (iv) projected repairs and
22 renovation costs; and

23 (2) Factors relating to the cost of leased space including (i) lease rates
24 within Raleigh and throughout the State, (ii) availability of property for
25 lease within Raleigh and throughout the State, taking into account the
26 various types of space needed by State agencies including office,
27 laboratory, warehouse, storage, conference and meeting space, and other
28 types of property, (iii) renewal options and costs, (iv) utility, janitorial,
29 and other operating expenses, and (v) relocation expenses, including
30 moving and upfit expenses.

31 The State Property Office and the State Construction Office shall report on the results
32 of the cost-benefit analysis to the Joint Legislative Commission on Governmental
33 Operations prior to ~~March 30, 2000~~ January 1, 2001."

34

35 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

36 **REPEAL HEALTH CARE PURCHASING ALLIANCE ACT**

37 Section 21.2.(a) Article 66 of Chapter 143 of the General Statutes is repealed.

38 Section 21.2.(b) This section becomes effective December 31, 2000.

39

40 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

41 **PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS**

42 Section 21.3. Section 20.3(a) of S.L. 1998-212, as rewritten by Section 24 of
43 S.L. 1999-237, reads as rewritten:

1 (a) Except as provided by this section, no State agency, community college,
2 constituent institution of The University of North Carolina, or local school administrative
3 unit may use procurement cards for the purchase of equipment or supplies before ~~August~~
4 ~~1, 2000.~~ August 1, 2001."

5
6 Requested by: Senators Perdue, Warren, Lucas, Plyler, Odom

7 **NORTH CAROLINA COUNCIL FOR WOMEN/ABUSER TREATMENT**
8 **PROGRAMS**

9 Section 21.5. Notwithstanding the provisions of G.S. 150B-21.1(a), the
10 Department of Administration may adopt temporary rules to approve abuser treatment
11 programs that apply to the North Carolina Council for Women.

12
13 **PART XXII. OFFICE OF THE STATE CONTROLLER**

14
15 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

16 **OVERPAYMENTS PROJECT**

17 Section 22.(a) During the 2000-2001 fiscal year, receipts generated by the
18 collection of inadvertent overpayments by State agencies to vendors as a result of pricing
19 errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds,
20 erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to
21 be deposited in the Special Reserve Account 24172.

22 Section 22.(b) For the 2000-2001 fiscal year, five hundred fifty thousand
23 dollars (\$550,000) of the funds transferred from the Special Reserve Account 24172 shall
24 be used by the Office of the State Controller for data processing, debt collection, or e-
25 commerce costs.

26 Section 22.(c) All funds available in the Special Reserve Account 24172 on
27 July 1, 2000, are transferred to the General Fund on that date.

28 Section 22.(d) Any unobligated funds in the Special Reserve Account 24172
29 that are realized above the allowance in subsection (b) of this section are subject to
30 appropriation by the General Assembly in the 2001 Session.

31 Section 22.(e) The State Controller shall report monthly to the Joint Legislative
32 Commission on Governmental Operations and the Fiscal Research Division on the
33 revenue deposited into the Special Reserve Account, and the disbursement of that
34 revenue.

35
36 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

37 **PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY**
38 **STATE AGENCIES EXTENDED**

39 Section 22.1.(a) The General Assembly, having been presented additional
40 information related to a limited 90-day Bad Debt Clearinghouse Proof of Concept
41 Prototype for the collection of previously determined "uncollectible" accounts, now
42 requests that additional State agencies with a material amount of accounts receivable bad

1 debts be included in a one-year pilot to further determine the feasibility of implementing
2 a centralized Bad Debt Collection Clearinghouse Program.

3 Section 22.1.(b) The Office of State Controller shall establish a procedure by
4 which State agencies/institutions with a material amount of accounts receivable shall
5 report on collection of bad debts. This pilot program is intended to concentrate on
6 agencies that have a large amount of bad debts in order to determine the extent to which
7 those debts may be better collected both in those agencies and in the whole of State
8 government. The Office of State Controller may solicit information from collection
9 agencies concerning the possibility of these agencies maintaining a central debt collection
10 database limited to those State agencies without restrictive data security or confidentiality
11 issues. Procedures for direct access to qualified collection agencies may be established
12 for agencies with restrictive data security or confidentiality issues when legal and
13 contractual authority permits this action.

14 Section 22.1.(c) The Office of State Controller shall administer a one-year Bad
15 Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more
16 private collection agencies and may make provision to allow local government units to
17 participate in this pilot program. The pilot shall further address whether the potential Bad
18 Debt Collection Clearinghouse Program should be administered jointly by the
19 Department of Revenue and the Office of the State Controller.

20 Section 22.1.(d) The Office of State Controller shall report the results of the
21 Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15,
22 2001, along with recommendations on changes in law or procedure to better collect the
23 bad debts including the feasibility of implementing a centralized Bad Debt Collection
24 Clearinghouse.

25 26 **PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT**

27
28 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

29 **CONSOLIDATION OF THE OFFICE OF STATE BUDGET AND** 30 **MANAGEMENT AND THE OFFICE OF STATE PLANNING**

31 Section 23.(a) Effective July 1, 2000, the Office of State Budget and
32 Management and the Office of State Planning are consolidated into the Office of State
33 Budget, Planning, and Management under the Office of the Governor. General Fund
34 budget codes 13005 and 13006 shall be consolidated in the certified budget for the 2000-
35 2001 fiscal year to reflect the consolidation of the offices.

36 Section 23.(b) The Department of Environment and Natural Resources shall
37 transfer from the Division of Land Resources to the Office of State Budget, Planning, and
38 Management:

39 (1) The responsibility for development of topographic mapping through a
40 cooperative agreement with the U.S. Geological Survey, and

41 (2) Funds in the amount of one hundred seventy-seven thousand dollars
42 (\$177,000) to match the federal funding under the cooperative
43 agreement.

1
2 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

3 **NORTH CAROLINA YOUTH LEGISLATIVE ASSEMBLY FUND**

4 Section 23.1. Part 7 of Article 9 of Chapter 143B of the General Statutes is
5 amended by adding a new section to read:

6 **"§ 143B-387.1. North Carolina Youth Legislative Assembly Fund.**

7 The North Carolina Youth Legislative Assembly Fund is created as a special and
8 nonreverting fund. North Carolina Youth Legislative Assembly registration fees, gifts,
9 donations, or contributions shall be credited to the North Carolina Youth Legislative
10 Assembly Fund.

11 The fund shall be used solely to support planning and execution of the North Carolina
12 Youth Legislative Assembly."

13
14 **PART XXIII. DEPARTMENT OF INSURANCE**

15
16 Requested by: Senator Reeves

17 **INSURANCE INFORMATION TECHNOLOGY FUNDS**

18 Section 23A. Of the funds appropriated by this act from the Department of
19 Insurance Fund established in G.S. 58-6-25 to the Department of Insurance for the 2000-
20 2001 fiscal year the sum of three hundred thousand dollars (\$300,000) shall be used for
21 two applications analyst programmer specialists, contractual services, equipment,
22 supplies, and office accommodations for the Department. The Department shall use these
23 positions, equipment, and contractual services to automate various core insurance
24 functions so that the Department may offer public access to its databases via the Internet,
25 including the ability to:

- 26 (1) Submit consumer complaints electronically and track those complaints
27 throughout the Department process;
- 28 (2) Access Department rules and policy forms of the Department's
29 Divisions of Life and Health and Property and Casualty; and
- 30 (3) Access insurance company financial information in order to help
31 consumers make an informed choice when selecting an insurance
32 company.

33 The Department of Insurance shall also use the funds appropriated in this act to provide
34 insurance companies a means by which to submit insurance rates electronically.

35
36 Requested by: Senators Warren, Plyler, Perdue, Odom

37 **ESTABLISH PUBLIC PROTECTION CLASSIFICATIONS FOR FIRE**
38 **INSURANCE RATING PURPOSES**

39 Section 23A.1.(a) Of the funds appropriated by this act from the Department of
40 Insurance Fund established in G.S. 58-6-25 to the Department of Insurance for the 2000-
41 2001 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) for the 2000-
42 2001 fiscal year shall be used for the expenses of establishing and modifying the
43 insurance public protection classifications of fire districts as provided in G.S. 58-36-10(3)

1 and G.S. 58-40-25(4), as rewritten by the Regular 2000 Session of the 1999 General
2 Assembly.

3 Section 23A.1.(b) This section becomes effective only if House Bill 1696 of the
4 1999 General Assembly becomes law.

6 **PART XXIIIB. OFFICE OF ADMINISTRATIVE HEARINGS**

7
8 Requested by: Senators Miller, Reeves

9 **OFFICE OF ADMINISTRATIVE HEARINGS POSITIONS**

10 Section 23B. The sum of two hundred nineteen thousand three hundred
11 seventy-seven dollars (\$219,377) appropriated to the Department of Revenue in the 2000-
12 2001 fiscal year for new interstate audit positions shall be transferred to the Office of
13 Administrative Hearings to hire and train an agency legal specialist and a computer
14 specialist for the Office and to upgrade salaries of existing personnel in the Office.

16 **PART XXIV. RULES REVIEW COMMISSION**

17
18 Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

19 **RESERVE FOR ATTORNEYS' FEES OF RULES REVIEW COMMISSION**

20 Section 24.(a) A reserve is established in the Office of State Budget and
21 Management. This reserve shall consist of appropriations from the General Assembly
22 and funds received from any State agency in accordance with this section.

23 Section 24.(b) When a State agency files a petition for judicial review of a final
24 decision of the Rules Review Commission under Article 4 of Chapter 150B of the
25 General Statutes and the Rules Review Commission prevails in that action, that State
26 agency shall deposit to the reserve under subsection (a) of this section a sum equal to the
27 Commission's actual attorneys' fees.

29 **PART XXIVB. SECRETARY OF STATE**

30
31 Requested by: Senator Hartsell

32 **SECRETARY OF STATE MAY RETAIN REVENUES GENERATED FROM** 33 **UCC FILINGS**

34 Section 24B. If Senate Bill 1305 of the 1999 General Assembly, AN ACT TO
35 ENACT REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE,
36 CONFORMING AMENDMENTS TO OTHER ARTICLES OF THE UNIFORM
37 COMMERCIAL CODE, AND CONFORMING AMENDMENTS TO OTHER
38 SECTIONS OF THE GENERAL STATUTES AND TO INCREASE CERTAIN FEES
39 UNDER CURRENT ARTICLE 9, AS RECOMMENDED BY THE GENERAL
40 STATUTES COMMISSION, becomes law, the Secretary of State may use revenues
41 generated from administering the act to implement the provisions of that act.

43 **PART XXV. DEPARTMENT OF TRANSPORTATION**

1
2 Requested by: Senators Gulley, Plyler, Perdue, Odom

3 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
4 **APPROPRIATIONS**

5 Section 25.(a) The General Assembly authorizes and certifies anticipated revenues
6 of the Highway Fund as follows:

7 FY 2001-2002 \$1,281.1 million

8 FY 2002-2003 \$1,303.7 million

9 FY 2003-2004 \$1,331.0 million

10 FY 2004-2005 \$1,336.2 million.

11 The General Assembly authorizes and certifies anticipated revenues of the
12 Highway Trust Fund as follows:

13 FY 2001-2002 \$1,042.1 million

14 FY 2002-2003 \$1,083.6 million

15 FY 2003-2004 \$1,127.6 million

16 FY 2004-2005 \$1,176.5 million.

17 Section 25.(b) Section 27 of S.L. 1999-237 is repealed.

18
19 Requested by: Senators Gulley, Plyler, Perdue, Odom

20 **DEPARTMENT OF TRANSPORTATION TO STUDY CONTRACT GOALS FOR**
21 **DISADVANTAGED BUSINESS PARTICIPATION IN HIGHWAY CONTRACTS**

22 Section 25.1. The Department of Transportation shall conduct a study to
23 determine all of the following:

24 (1) The need for continuing or modifying the current contract goals for the
25 participation of disadvantaged businesses in highway contracts set forth
26 in G.S. 136-28.4.

27 (2) The need for new or modified goals for identified classes of
28 disadvantaged businesses mandated by changes in federal law or
29 regulations.

30 (3) The need for setting new goals for other identified classes of businesses.

31 The Department shall report to the 2001 Session of the General Assembly, no
32 later than February 1, 2001, on the results of the study including any legislative
33 recommendations developed as the result of this study.

34
35 Requested by: Senators Gulley, Plyler, Perdue, Odom

36 **STATE HIGHWAY PATROL TO STUDY REIMBURSEMENTS FOR COSTS OF**
37 **ADDED SPECIAL SERVICES AT SCHEDULED EVENTS**

38 Section 25.2. The State Highway Patrol shall study the implementation of a
39 program for the reimbursement to the State of North Carolina of costs for added services
40 provided by the Patrol at various categories of scheduled events.

41 Any program shall provide for a determination of normal law enforcement
42 costs and the added costs, including additional supervision, added shifts, and overtime.

1 The State Highway Patrol shall report the results of this study, along with any
2 recommendations containing legislative proposals to the Joint Legislative Transportation
3 Oversight Committee by November 1, 2000.

4
5 Requested by: Senators Kerr, Warren, Plyler, Perdue, Odom,

6 **GLOBAL TRANSPARK CONSTRUCTION BONDS**

7 Section 25.3. G.S. 63A-4(a)(22) reads as rewritten:

8 "(a) The Authority shall have all of the powers necessary to execute the provisions
9 of this Chapter, which shall include at least the following powers:

10 ...

11 (22) To issue obligations, without Local Government Commission approval,
12 to finance the purchase or acquisition of land or options on ~~land—land, or~~
13 the construction of buildings or facilities. An obligation may be secured
14 by the land purchased or acquired, or by the buildings or facilities
15 constructed, may be unsecured, or may be made payable from revenues,
16 the proceeds of notes, bonds, or the sale of any lands, the proceeds of
17 any bonds of the State or moneys appropriated by the State, or any other
18 available moneys of the Authority. An obligation to finance the
19 purchase or acquisition of land or options on ~~land—land, or the~~
20 construction of buildings or facilities, may be sold only to the Escheat
21 Fund as an investment of the Fund pursuant to G.S. 147-69.2(b)(11)."
22

23 Requested by: Senators Gulley, Plyler, Perdue, Odom

24 **UNPAVED ROAD IMPROVEMENT PILOT PROGRAM**

25 Section 25.4.(a) Funds appropriated from the Highway Fund for the unpaved road
26 improvement pilot program for the 2000-2001 fiscal year shall be used by the
27 Department of Transportation in the following manner:

28 (1) The Department shall establish eligibility guidelines for the unpaved
29 roads to be improved under the pilot program. These guidelines may
30 include the requirement that the eligible unpaved roads appear on a map
31 or plat filed with the register of deeds and that any roads selected allow
32 for public access. These guidelines may include neighborhood public
33 roads as defined in G.S. 136-67. These guidelines shall be based on the
34 number of permanently occupied houses per mile served by the road,
35 the need for road improvement based on condition, and any other
36 factors deemed relevant by the Department.

37 (2) The Department shall select at least one eligible county in each of the
38 seven Distribution Regions as defined in G.S. 136-17.2A to be included
39 in the pilot program by applying the guidelines developed pursuant to
40 subdivision (1) of this section.

41 (3) The Department shall report to the Joint Legislative Transportation
42 Oversight Committee on the developed eligibility guidelines and the

1 nature of the proposed improvements before any of the funds for the
2 pilot program are expended.

3 (4) The pilot program shall provide for the minimal improvements of the
4 selected unpaved roads. The pilot program may include grading and
5 spreading gravel to allow emergency vehicles and other public vehicles
6 access to the houses on those unpaved roads. The pilot program is not
7 intended to address major drainage problems or to provide for the
8 paving, reconstruction, or widening of the unpaved roads to bring them
9 up to standards necessary for acceptance onto the State highway system.

10 (5) The Department of Transportation may contract with private vendors to
11 perform the actual minimal improvements to the selected roads.

12 (6) Based on the pilot program, the Department shall report to the Joint
13 Legislative Transportation Oversight Committee, by December 31,
14 2000, on all of the following:

15 a. The implementation of the program including the nature of the
16 improvements performed on the selected unpaved roads.

17 b. The costs of expanding the pilot program statewide, including the
18 number, location, and length of eligible unpaved roads that
19 require minimal improvement to provide access to public
20 vehicles and costs to provide those improvements.

21 c. The total number of eligible unpaved roads and the cost to bring
22 those roads up to standards necessary for acceptance onto the
23 State highway system and the projected additional cost of
24 maintaining those roads once they are on the State highway
25 system.

26 Section 25.4.(b) Improvements of an unpaved road under this pilot program do not
27 obligate the State to further improve or maintain the unpaved road in the future.

28 Section 25.4.(c) The State shall not be liable for any direct or indirect damages
29 alleged to have been caused by the improvement of the unpaved road.

30
31 Requested by: Senators Hoyle, Gulley, Plyler, Perdue, Odom

32 **STUDY OF COMMISSION CONTRACTS FOR ISSUANCE OF MOTOR**
33 **VEHICLE REGISTRATION PLATES AND CERTIFICATES**

34 Section 25.5.(a) The Commission to Study Commission Contracts for the
35 Issuance of Motor Vehicle Registration Plates and Certificates is created. The
36 Commission shall consist of 11 members:

37 (1) Four Senators appointed by the President Pro Tempore of the Senate
38 and four Representatives appointed by the Speaker of the House of
39 Representatives.

40 (2) The President Pro Tempore of the Senate and the Speaker of the House
41 of Representatives shall each appoint one person currently contracted
42 with the Division of Motor Vehicles to issue registration plates and
43 certificates.

- 1 (3) The Commissioner of Motor Vehicles or the Commissioner's designee
2 shall serve as a voting member of the Commission.

3 Section 25.5.(b) The President Pro Tempore of the Senate shall designate one Senator
4 as cochair and the Speaker of the House of Representatives shall designate one
5 Representative as cochair.

6 Section 25.5.(c) The Commission shall:

- 7 (1) Review the history and policies that led to the enactment of G.S. 20-
8 63(h) providing for contracts for the issuance of registration plates and
9 certificates.
10 (2) Study the current implementation and consequences of the provisions of
11 G.S. 20-63(h).
12 (3) Study how registration plates and certificates are issued in other states.
13 (4) Study the implications and potential effects on the contract agents of the
14 authority of the Division of Motor Vehicles to use electronic
15 applications and collections authorized in G.S. 20-63(i).
16 (5) Study any other factors it deems relevant related to the use of contract
17 agents for the issuance of registration plates and certificates.
18 (6) Make findings and recommendations on improving the services related
19 to the issuance of registration plates and certificates to the citizens of
20 North Carolina while reducing the costs to the State.

21 Section 25.5.(d) The Commission shall submit a final report of its findings and
22 recommendations to the General Assembly on or before the first day of the 2001 Session
23 of the General Assembly by filing the report with the President Pro Tempore of the
24 Senate and the Speaker of the House of Representatives. Upon filing its final report, the
25 Commission shall terminate.

26 Section 25.5.(e) The Commission, while in the discharge of official duties,
27 may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S.
28 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint
29 call of the cochairs. The Commission may meet in the State Legislative Building or the
30 Legislative Office Building.

31 Section 25.5.(f) Legislative members of the Commission shall receive
32 subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative
33 members shall receive subsistence and travel expenses at the rates set forth in G.S. 138-5.

34 Section 25.5.(g) The Commission may contract for professional, clerical, or
35 consultant services as provided by G.S. 120-32.02. The Legislative Services
36 Commission, through the Legislative Administrative Officer, shall assign professional
37 staff to assist in the work of the Commission. The House of Representatives' and the
38 Senate's Supervisors of Clerks shall assign clerical staff to the commission or committee,
39 upon the direction of the Legislative Services Commission. The expenses relating to
40 clerical employees shall be borne by the Commission.

41 Section 25.5.(h) When a vacancy occurs in the membership of the
42 Commission, the vacancy shall be filled by the same appointing officer who made the
43 initial appointment.

1 Section 25.5.(i) All State departments and agencies and local governments and
2 their subdivisions shall furnish the Commission with any information in their possession
3 or available to them.

4 Section 25.5.(j) There is appropriated from the Highway Fund to the General
5 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2000-2001 fiscal
6 year for the expenses of the Commission.

7 Section 25.5.(k) This act becomes effective July 1, 2000.
8

9 Requested by: Senators Gulley, Plyler, Perdue, Odom

10 **CLARIFY DEVELOPMENT AUTHORITY OF REGIONAL PUBLIC**
11 **TRANSPORTATION AUTHORITIES**

12 Section 25.6. G.S. 160A-610 reads as rewritten:

13 **"§ 160A-610. General powers of the Authority.**

14 The general powers of the Authority shall include any or all of the following:

15 ...

16 (7a) To enhance mobility within the region and promote sound growth
17 patterns through joint transit development projects as generally
18 described by Federal Transit Administration (FTA) policy at 62 Fed.
19 Reg. 12266 (1997) and implementing guidelines in FTA Circular
20 9300.1A, Appendix B, as the policy and guidance may be amended;
21 and, with respect to the planning, construction, and operation of joint
22 transit development projects, upon the governing board's adoption of
23 policies and procedures to ensure fair and open competition, to select
24 developers or development teams in substantially the same manner as
25 permitted by G.S. 143-129(h); and to enter into development
26 agreements with public, private, or nonprofit entities to undertake the
27 planning, construction, and operation of joint transit development
28 projects."

29
30 Requested by: Senators Gulley, Plyler, Perdue, Odom

31 **STATE FULL FUNDING GRANT AGREEMENTS WITH TRANSPORTATION**
32 **AUTHORITIES AND MUNICIPALITIES**

33 Section 25.7. G.S. 136-44.20 is amended by adding a new subsection to read:

34 "(b1) The Secretary may, subject to the appropriations made by the General
35 Assembly for any fiscal year, enter into State Full Funding Grant Agreements with a
36 Regional Public Transportation Authority (RPTA) duly created and existing pursuant to
37 Article 26 of Chapter 160A, a Regional Transportation Authority (RTA) duly created and
38 existing pursuant to Article 27 of Chapter 160A, or a city organized under the laws of this
39 State as defined in G.S. 160A-1(2), to provide State matching funds for 'new start' fixed
40 guideway projects in development by any entity pursuant to 49 U.S.C. § 5309. These
41 grant agreements shall be executable only upon an Authority's or city's completion of and
42 the Federal Transit Administration (FTA) approval of Preliminary Engineering and

1 Environmental Impact Studies in anticipation of federal funding pursuant to 49 U.S.C. §
2 5309.

3 Prior to executing State Full Funding Grant Agreements, the Secretary shall submit
4 proposed grant agreements or amendments to the Joint Legislative Transportation
5 Oversight Committee for review. The agreements, consistent with federal guidance, shall
6 define the limits of the 'new starts' projects within the State, commit maximum levels of
7 State financial participation, and establish terms and conditions of State financial
8 participation.

9 State Full Funding Grant Agreements may provide for contribution of State funds in
10 multiyear allotments. The multiyear allotments shall be based upon the Department's
11 estimates, made in conjunction with an Authority or city, of the grant amount required for
12 'new start' project work to be performed in the appropriation fiscal year."

13
14 Requested by: Senators Albertson, Gulley, Plyler, Perdue, Odom

15 **EXEMPT FARM TRUCKS FROM THE STATE REQUIREMENTS THAT**
16 **CERTAIN BUSINESS VEHICLES BE MARKED**

17 Section 25.8. G.S. 20-101 reads as rewritten:

18 **"§ 20-101. Certain business vehicles to be marked.**

19 A motor vehicle that is subject to 49 U.S.C. C.F.R. Part 390, the federal motor carrier
20 safety regulations, ~~must~~shall be marked as required by that Part.

21 A motor vehicle that is not subject to those regulations, has a gross vehicle weight
22 rating of more than 10,000 pounds, ~~and~~is used in intrastate eommerce-commerce, and is
23 not a farm vehicle, as further described in G.S. 20-118 (c)(4), (c)(5), or (c)(12), ~~must~~
24 shall have the name of the owner printed on the side of the vehicle in letters not less than
25 three inches in height.

26 A motor vehicle that is subject to regulation by the North Carolina Utilities
27 Commission ~~must~~shall be marked as required by that Commission and as otherwise
28 required by this section."
29

30 Requested by: Senators Gulley, Dalton, Plyler, Perdue, Odom

31 **NORTH CAROLINA RAILROAD DIVIDENDS**

32 Section 25.10. Chapter 124 of the General Statutes is amended by adding a
33 new section to read:

34 **"§ 124-5.1. State use of North Carolina Railroad dividends.**

35 (a) Notwithstanding the provisions of G.S. 136-16.6, in order to increase the
36 capital of the North Carolina Railroad Company, any dividends of the North Carolina
37 Railroad Company received by the State shall be applied to reduce the obligations
38 described in subsection (c) of Section 32.30 of S.L. 1997-443, as amended by subsection
39 (d) of Section 27.11 of S.L. 1999-237. Any dividends of the North Carolina Railroad
40 Company received by the State shall be used by the Department of Transportation for the
41 improvement of the property of the North Carolina Railroad Company as recommended
42 and approved by the Board of Directors of the North Carolina Railroad Company.

1 (b) Effective January 1, 2000, interest shall not be accrued or otherwise charged on
2 the remaining balance of the obligations described in subsection (c) of Section 32.30 of
3 S.L. 1997-443, as amended by subsection (d) of Section 27.11 of S.L. 1999-237. Interest
4 accrued on those obligations relating to periods prior to January 1, 2000, shall be deemed
5 paid and contributed by the State to the capital of the North Carolina Railroad
6 Company."

7
8 Requested by: Senators Gulley, Plyler, Perdue, Odom

9 **DETENTION OF COMMERCIAL VEHICLES UNTIL FINES AND PENALTIES**
10 **ARE PAID**

11 Section 25.11. G.S. 20-96 reads as rewritten:

12 "**§ 20-96. Detaining property-hauling vehicles or vehicles regulated by the Motor**
13 **Carrier Safety Regulation Unit until fines or penalties and taxes are**
14 **collected.**

15 (a) Authority to Detain Vehicles. – A law enforcement officer may seize and
16 detain the following property-hauling vehicles operating on the highways of the State:

17 (1) A property-hauling vehicle with an overload in violation of G.S. 20-
18 88(k) and G.S. 20-118.

19 (2) A property-hauling vehicle that does not have a proper registration plate
20 as required under G.S. 20-118.3.

21 (3) A property-hauling vehicle that is owned by a person liable for any
22 overload penalties or assessments due and unpaid for more than 30
23 days.

24 (4) A property-hauling vehicle that is owned by a person liable for any
25 taxes or penalties under Article 36B of Chapter 105 of the General
26 Statutes.

27 (5) Any commercial vehicle operating under the authority of a motor carrier
28 when the motor carrier has been assessed a fine pursuant to G.S. 20-17.7
29 and that fine has not been paid.

30 The officer may detain the vehicle until the delinquent fines or penalties and taxes are
31 paid and, in the case of a vehicle that does not have the proper registration plate, until the
32 proper registration plate is secured.

33 (b) Storage; Liability. – When necessary, an officer who detains a vehicle under
34 this section may have the vehicle stored. The motor carrier under whose authority the
35 vehicle is being operated or the owner of a vehicle that is detained or stored under this
36 section is responsible for the care of any property being hauled by the vehicle and for any
37 storage charges. The State shall not be liable for damage to the vehicle or loss of the
38 property being hauled."
39

40 Requested by: Senators Garrou, Horton, Plyler, Perdue, Odom

41 **DOT TO LEASE RIGHT-OF-WAY OF HIGHWAY 421/BUSINESS 40 TO WAKE**
42 **FOREST UNIVERSITY FOR MEDICAL SCHOOL PARKING**

1 Section 25.12. The Department of Transportation may lease to Wake Forest
2 University on behalf of its School of Medicine the portion of the right-of-way of
3 Highway 421/Business 40 below and adjacent to the elevated roadway and lying between
4 Cloverdale Avenue on the west and Hawthorne Road on the east, exclusive of any street
5 right-of-way, for parking purposes in conjunction with private nonprofit hospital or other
6 health programs or facility purposes as those terms are now used in G.S. 160A-
7 209(c)(17).

8 No parking facility shall be established that, in the opinion of the Department of
9 Transportation, does any of the following:

- 10 (1) Unreasonably interferes or impairs any property rights or easements of
11 abutting owners.
- 12 (2) Unreasonably interferes or obstructs the public use of Highway
13 421/Business 40.
- 14 (3) Unreasonably interferes with or obstructs the maintenance of the
15 highway structure located on the right-of-way.

16
17 Requested by: Senators Carter, Metcalf, Robinson, Gulley, Plyler, Perdue, Odom
18 **WESTERN NORTH CAROLINA PASSENGER RAIL INFRASTRUCTURE**
19 **FUNDS PLACED IN RESERVE**

20 Section 25.13. The funds appropriated for the 1998-1999 fiscal year for
21 infrastructure improvements in connection with the implementation of passenger rail
22 service in Western North Carolina remaining unencumbered and unexpended shall be
23 placed in a reserve and shall remain unencumbered and unexpended until further action
24 by the General Assembly.

25
26 Requested by: Senators Gulley, Plyler, Perdue, Odom
27 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
28 **STUDY HIGHWAY FUND AND HIGHWAY TRUST FUND CASH BALANCES**
29 **AND USE OF CASH-FLOW FINANCING**

30 Section 25.14. The Joint Legislative Transportation Oversight Committee
31 (JLTOC) shall contract with a consultant to study the issue of cash balances in the State
32 transportation funds and cash-flow financing of transportation programs. The provisions
33 of G.S. 120-32.02 shall apply to any contract with a consultant.

34 The study shall include recommendations on all of the following:

- 35 (1) The appropriate level of cash balances in the Highway Fund and the
36 Highway Trust Fund needed to operate and fund transportation
37 programs efficiently.
- 38 (2) Amounts or proportions of future revenues, including federal funds, that
39 could be used to accelerate highway construction.
- 40 (3) Appropriate safeguards to ensure that the Department of Transportation
41 does not enter into contract obligations greater than can be covered from
42 a combination of cash balances, anticipated future revenues, and other
43 funding sources.

1 (4) Any organizational or work process changes in the Department of
2 Transportation necessary to effectively use cash-flow financing. In
3 determining these changes, the consultant should consider the
4 preconstruction process, environmental permitting, right-of-way
5 acquisition, planning and programming, budgeting, contract letting, and
6 financial management.

7 (5) Any changes in the current cash-flow statutes or any other statutes
8 required to allow the Department of Transportation to effectively use
9 cash-flow financing.

10 (6) Any other matters that, by agreement between the consultant and the
11 Chairs of JLTOC, are deemed necessary for inclusion in the study.

12 The JLTOC may consult with the Legislative Research Commission
13 Transportation Finance Committee in designing this study.

14 The JLTOC may solicit input from the Department of Transportation in
15 designing this study.

16 The study shall be completed before March 31, 2001, and a final report shall be
17 submitted by the consultant to the chairs of the Senate Appropriations Subcommittee on
18 Transportation, to the chairs of the House Appropriations Subcommittee on
19 Transportation, and to the Fiscal Research Division.

20 The study shall be funded from funds available to the Joint Legislative Transportation
21 Oversight Committee.

22
23 Requested by: Senators Carter, Metcalf, Robinson, Gulley, Plyler, Perdue, Odom

24 **DEPARTMENT OF TRANSPORTATION TO STUDY PROVIDING**
25 **PASSENGER RAIL SERVICE TO WESTERN NORTH CAROLINA**

26 Section 25.15. Of the funds appropriated for the 2000-2001 fiscal year for
27 operating funds for passenger rail service for western North Carolina, the Department of
28 Transportation shall use necessary funds to conduct a study of the feasibility of providing
29 passenger rail service to western North Carolina.

30 The study shall update the Western North Carolina Rail Passenger Study reported in
31 1997.

32 The study shall include all of the following:

- 33 (1) A phased project timetable for the implementation of passenger service
34 to western North Carolina.
35 (2) The cost of implementing each phase.
36 (3) Specific interim goals and performance measures to be used to
37 determine the success in implementing this plan.

38 The report shall be submitted on or before March 1, 2001 to the chairs of the Senate
39 Appropriations Subcommittee on Transportation, to the chairs of the House
40 Appropriations Subcommittee on Transportation, and to the Fiscal Research Division.

41
42 Requested by: Senators Gulley, Plyler, Perdue, Odom

43 **SMALL URBAN CONSTRUCTION FUNDS**

1 Section 25.16. Of the funds appropriated for the 2000-2001 fiscal year for
 2 small urban construction, Fund Code 5130, no more than fifty percent (50%) shall be
 3 obligated prior to December 31, 2000.
 4

5 **PART XXVI. SALARIES AND BENEFITS**

6
 7 Requested by: Senators Plyler, Perdue, Odom

8 **GOVERNOR AND COUNCIL OF STATE**

9 Section 26.(a) Effective July 1, 2000, G.S. 147-11(a) reads as rewritten:

10 "(a) The salary of the Governor shall be ~~one hundred thirteen thousand six hundred~~
 11 ~~fifty-six dollars (\$113,656)~~ one hundred seventeen thousand sixty-six dollars (\$117,066)
 12 annually, payable monthly."

13 Section 26.(b) Section 28(b) of S.L. 1999-237 reads as rewritten:

14 "Section 28.(b) The annual salaries for the members of the Council of State, payable
 15 monthly, for the ~~1999-2000~~ 2000-2001 fiscal year beginning July 1, ~~1999, 2000,~~ are:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$100,310 <u>\$103,319</u>
Attorney General	100,310 <u>103,319</u>
Secretary of State	100,310 <u>103,319</u>
State Treasurer	100,310 <u>103,319</u>
State Auditor	100,310 <u>103,319</u>
Superintendent of Public Instruction	100,310 <u>103,319</u>
Commissioner of Agriculture and Consumer Services	100,310 <u>103,319</u>
Insurance Commissioner	100,310 <u>103,319</u>
Labor Commissioner	100,310 <u>103,319.</u> "

28 Requested by: Senators Plyler, Perdue, Odom

29 **NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

30 Section 26.1. Section 28.1 of S.L. 1999-237 reads as rewritten:

31 "Section 28.1. In accordance with G.S. 143B-9, the maximum annual salaries,
 32 payable monthly, for the nonelected heads of the principal State departments for the
 33 ~~1999-2000 and~~ 2000-2001 fiscal ~~years~~ year are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>	
Secretary of Administration	\$98,003	<u>\$100,943</u>
Secretary of Correction	98,003	<u>100,943</u>
Secretary of Crime Control and Public Safety	98,003	<u>100,943</u>
Secretary of Cultural Resources	98,003	<u>100,943</u>
Secretary of Commerce	98,003	<u>100,943</u>
Secretary of Environment and		

1	Natural Resources	98,003	<u>100,943</u>
2	Secretary of Health and Human		
3	Services	98,003	<u>100,943</u>
4	Secretary of Revenue	98,003	<u>100,943</u> Secretary of
5	Transportation	98,003	<u>100,943</u> ."

6 Requested by: Senators Plyler, Perdue, Odom

7 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

8 Section 26.2. Section 28.2 of S.L. 1999-237 reads as rewritten:

9 "Section 28.2. The annual salaries, payable monthly, for the ~~1999-2000 and 2000-~~
 10 2001 fiscal ~~years-year~~ for the following executive branch officials are:

11	<u>Executive Branch Officials</u>	<u>Annual Salary</u>	
12			
13			
14	Chairman, Alcoholic Beverage		
15	Control Commission	\$ 89,200	<u>\$ 91,876</u>
16	State Controller	124,835	<u>128,580</u>
17	Commissioner of Motor Vehicles	89,200	<u>91,876</u>
18	Commissioner of Banks	100,310	<u>103,319</u>
19	Chairman, Employment Security		
20	Commission	124,677	<u>128,417</u>
21	State Personnel Director	98,003	<u>100,943</u>
22	Chairman, Parole Commission	81,450	<u>83,894</u>
23	Members of the Parole Commission	75,198	<u>77,454</u>
24	Chairman, Utilities Commission	111,713	<u>115,064</u>
25	Members of the Utilities		
26	Commission	100,310	<u>103,319</u>
27	Executive Director, Agency for		
28	Public Telecommunications	75,198	<u>77,454</u>
29	General Manager, Ports Railway		
30	Commission	67,903	<u>69,940</u>
31	Director, Museum of Art	91,401	<u>94,143</u>
32	Executive Director, North Carolina		
33	Housing Finance Agency	110,394	<u>113,706</u>
34	Executive Director, North Carolina Agricultural Finance Authority	86,823	<u>89,428</u> ."

36 Requested by: Senators Plyler, Perdue, Odom

37 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASES**

38 Section 26.3. Section 28.3 of S.L. 1999-237 reads as rewritten:

39 "Section 28.3.(a) The annual salaries, payable monthly, for specified judicial branch
 40 officials for the ~~1999-2000 and 2000-2001~~ fiscal ~~years-year~~ are:

41	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
42		
43		

1	Chief Justice, Supreme Court	\$113,656
2	<u>\$117,066</u>	
3	Associate Justice, Supreme Court	110,687
4	<u>114,008</u>	
5	Chief Judge, Court of Appeals	107,919
6	<u>111,157</u>	
7	Judge, Court of Appeals	106,075
8	<u>109,257</u>	
9	Judge, Senior Regular Resident	
10	Superior Court	103,193
11		<u>106,289</u>
12	Judge, Superior Court	100,310
13	<u>103,319</u>	
14	Chief Judge, District Court	91,086
15	<u>93,819</u>	
16	Judge, District Court	88,204
17	<u>90,850</u>	
18	District Attorney	92,931
19	Administrative Officer of	
20	the Courts	103,193
21		<u>106,289</u>
22	Assistant Administrative Officer	
23	of the Courts	94,257

24 97,085 ~~Public~~ Defender

25 ~~92,931~~ Section 28.3.(a1) The salary increase for the Assistant Administrative Officer of
 26 the Courts shall be funded from funds appropriated to the Judicial Department.

27 Section 28.3.(b) The district attorney or public defender of a judicial district, with the
 28 approval of the Administrative Officer of the Courts, shall set the salaries of assistant
 29 district attorneys or assistant public defenders, respectively, in that district such that the
 30 average salaries of assistant district attorneys or assistant public defenders in that district
 31 do not exceed ~~fifty seven thousand one hundred sixty five dollars (\$57,165),~~ fifty-eight
 32 thousand eight hundred eighty dollars (\$58,880), and the minimum salary of any assistant
 33 district attorney or assistant public defender is at least ~~twenty nine thousand one hundred~~
 34 ~~eighty four dollars (\$29,184)~~ thirty thousand sixty dollars (\$30,060), effective July 1,
 35 1999-2000.

36 Section 28.3.(c) The salaries in effect for fiscal year ~~1999-2000-2000-2001~~ for
 37 permanent, full-time employees of the Judicial Department, except for those whose
 38 salaries are itemized in this Part, shall be increased by three percent (3%), commencing
 39 July 1, ~~1999-2000.~~

40 Section 28.3.(d) The salaries in effect for fiscal year ~~1999-2000-2000-2001~~ for all
 41 permanent, part-time employees of the Judicial Department shall be increased on and
 42 after July 1, ~~1999, 2000,~~ by pro rata amounts of the three percent (3%)."
 43

1 Requested by: Senators Plyler, Perdue, Odom, Cooper

2 **DISTRICT ATTORNEY AND PUBLIC DEFENDER SALARIES SET AT**
 3 **MIDPOINT AMOUNT BETWEEN SALARIES OF A SENIOR REGULAR**
 4 **SUPERIOR COURT JUDGE AND A CHIEF DISTRICT COURT JUDGE**

5 Section 26.3A.(a) Effective July 1, 2000, G.S. 7A-65(a) reads as rewritten:

6 "(a) The annual salary of district attorneys ~~and full-time assistant district attorneys~~
 7 shall be the midpoint amount between the salary of a senior resident superior court judge
 8 and the salary of a chief district court judge, as provided by law. The annual salary of a
 9 full-time assistant district attorney shall be as provided in the Current Operations
 10 Appropriations Act. When traveling on official business, each district attorney and
 11 assistant district attorney is entitled to reimbursement for his subsistence and travel
 12 expenses to the same extent as State employees generally."

13 Section 26.3A.(b) G.S. 7A-465(b) reads as rewritten:

14 "(b) The public defender shall be an attorney licensed to practice law in North
 15 Carolina, and shall devote ~~his~~ full time to the duties of ~~his~~ the office.

16 The annual salary of public defenders shall be the midpoint amount between the
 17 salary of a senior regular resident superior court judge and the salary of a chief district
 18 court judge, as provided by law. The annual salary of a full-time assistant public
 19 defender shall be as provided in the Current Operations Appropriations Act.

20 In lieu of merit and other increment raises paid to regular State employees, a public
 21 defender shall receive as longevity pay an amount equal to four and eight-tenths percent
 22 (4.8%) of the annual salary set forth in the Current Operations Appropriations Act
 23 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
 24 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
 25 nineteen and two-tenths percent (19.2%) after 20 years of service. 'Service' means service
 26 as a public defender, assistant public defender, justice or judge of the General Court of
 27 Justice, or clerk of superior court."

28
 29 Requested by: Senators Plyler, Perdue, Odom

30 **CLERK OF SUPERIOR COURT/SALARY INCREASES**

31 Section 26.4. Effective July 1, 2000, G.S. 7A-101(a) reads as rewritten:

32 "(a) The clerk of superior court is a full-time employee of the State and shall
 33 receive an annual salary, payable in equal monthly installments, based on the population
 34 of the county as determined in subsection (a1) of this section, according to the following
 35 schedule:

36 Population	Annual Salary
37 \$66,493 -\$68,488	Less than 100,000
38 100,000 to 149,999	74,690 - <u>76,931</u>
39 150,000 to 249,999	82,888 - <u>85,375</u>
40 250,000 and above	91,086 - <u>93,819</u> .

41
 42 The salary schedule in this subsection is intended to represent the following
 43 percentage of the salary of a chief district court judge:

1		
2	Population	Annual Salary
3	Less than 100,000	73%
4	100,000 to 149,999	82%
5	150,000 to 249,999	91%
6	250,000 and above	100%.

7
 8 When a county changes from one population group to another, the salary of the clerk
 9 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 10 salary appropriate for the new population group, except that the salary of an incumbent
 11 clerk shall not be decreased by any change in population group during his continuance in
 12 office."

13
 14 Requested by: Senators Plyler, Perdue, Odom
 15 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY**
 16 **INCREASES/ELIMINATE DEPUTY CLERK HIRING RATE**

17 Section 26.5. Effective July 1, 2000, G.S. 7A-102(c1) reads as rewritten:
 18 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
 19 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 20 subject to the following minimum and maximum rates:

21	Assistant Clerks and Head Bookkeeper	Annual	SalaryMinimum
22		\$24,846	<u>\$25,591</u>
23	Maximum	43,991	<u>45,311</u>
24	Deputy Clerks	Annual	SalaryMinimum
25		\$19,865	<u>\$21,688</u>
26	Maximum	33,886	<u>34,903.</u>

27
 28 Requested by: Senators Plyler, Perdue, Odom
 29 **MAGISTRATES SALARY INCREASES**

30 Section 26.6. Effective July 1, 2000, G.S. 7A-171.1 reads as rewritten:
 31 **"§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

32 (a) The Administrative Officer of the Courts, after consultation with the chief
 33 district judge and pursuant to the following provisions, shall set an annual salary for each
 34 magistrate.

- 35 (1) A full-time magistrate shall be paid the annual salary indicated in the
 36 table set out in this subdivision. A full-time magistrate is a magistrate
 37 who is assigned to work an average of not less than 40 hours a week
 38 during the term of office. The Administrative Officer of the Courts shall
 39 designate whether a magistrate is full-time. Initial appointment shall be
 40 at the entry rate. A magistrate's salary shall increase to the next step
 41 every two years on the anniversary of the date the magistrate was
 42 originally appointed for increases to Steps 1 through 3, and every four

1 years on the anniversary of the date the magistrate was originally
 2 appointed for increases to Steps 4 through 6.

3 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

Step Level	Annual Salary
Entry Rate	\$25,205 \$25,961
Step 1	27,735 28,567
Step 2	30,488 31,403
Step 3	33,491 34,496
Step 4	36,782 37,885
Step 5	40,399 41,611
Step 6	44,375 45,706

4
 5
 6
 7
 8
 9
 10
 11
 12
 13 (2) A part-time magistrate is a magistrate who is assigned to work an
 14 average of less than 40 hours of work a week during the term, except
 15 that no magistrate shall be assigned an average of less than 10 hours of
 16 work a week during the term. A part-time magistrate is included, in
 17 accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10)
 18 and G.S. 135-40.2(a). The Administrative Officer of the Courts
 19 designates whether a magistrate is a part-time magistrate. A part-time
 20 magistrate shall receive an annual salary based on the following
 21 formula: The average number of hours a week that a part-time
 22 magistrate is assigned work during the term shall be multiplied by the
 23 annual salary payable to a full-time magistrate who has the same
 24 number of years of service prior to the beginning of that term as does
 25 the part-time magistrate and the product of that multiplication shall be
 26 divided by the number 40. The quotient shall be the annual salary
 27 payable to that part-time magistrate.

28 (3) Notwithstanding any other provision of this subsection, an individual
 29 who, when initially appointed as a full-time magistrate, is licensed to
 30 practice law in North Carolina, shall receive the annual salary provided
 31 in the Table in subdivision (1) of this subsection for Step 4. This
 32 magistrate's salary shall increase to the next step every four years on the
 33 anniversary of the date the magistrate was originally appointed. An
 34 individual who, when initially appointed as a part-time magistrate, is
 35 licensed to practice law in North Carolina, shall be paid an annual salary
 36 based on that for Step 4 and determined according to the formula in
 37 subdivision (2) of this subsection. This magistrate's salary shall increase
 38 to the next step every four years on the anniversary of the date the
 39 magistrate was originally appointed. The salary of a full-time magistrate
 40 who acquires a license to practice law in North Carolina while holding
 41 the office of magistrate and who at the time of acquiring the license is
 42 receiving a salary at a level lower than Step 4 shall be adjusted to Step 4
 43 and, thereafter, shall advance in accordance with the Table's schedule.

The salary of a part-time magistrate who acquires a license to practice law in North Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving an annual salary as determined by subdivision (2) of this subsection based on a salary level lower than Step 4 shall be adjusted to a salary based on Step 4 in the Table and, thereafter, shall advance in accordance with the provision in subdivision (2) of this subsection.

(a1) Notwithstanding subsection (a) of this section, the following salary provisions apply to individuals who were serving as magistrates on June 30, 1994:

(1) The salaries of magistrates who on June 30, 1994, were paid at a salary level of less than five years of service under the table in effect that date shall be as follows:

Less than 1 year of service	\$19,866 <u>\$20,462</u>
1 or more but less than 3 years of service	20,887 <u>21,514</u>
3 or more but less than 5 years of service	22,941 <u>23,629</u>

Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a).

(2) The salaries of magistrates who on June 30, 1994, were paid at a salary level of five or more years of service shall be based on the rates set out in subsection (a) as follows:

Salary	Level
Salary Level	
on June 30, 1994	on
5 or more but less than 7 years of	service
Entry Rate	
7 or more but less than 9 years of service Step 1	
9 or more but less than 11 years of service Step 2	
11 or more years of service Step 3.	

Thereafter, their salaries shall be set in accordance with the provisions in subsection (a).

(3) The salaries of magistrates who are licensed to practice law in North Carolina shall be adjusted to the annual salary provided in the table in subsection (a) as Step 4, and, thereafter, their salaries shall be set in accordance with the provisions in subsection (a).

1 (4) The salaries of "part-time magistrates" shall be set under the formula set
2 out in subdivision (2) of subsection (a) but according to the rates set out
3 in this subsection.

4 (a2) The Administrative Officer of the Courts shall provide magistrates with
5 longevity pay at the same rates as are provided by the State to its employees subject to
6 the State Personnel Act.

7 (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State
8 for travel expenses incurred on official business within the county in which the
9 magistrate resides."
10

11 Requested by: Senators Plyler, Perdue, Odom

12 **GENERAL ASSEMBLY PRINCIPAL CLERKS**

13 Section 26.7. Effective July 1, 2000, G.S. 120-37(c) reads as rewritten:

14 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
15 entitled to other benefits available to permanent legislative employees and shall be paid
16 an annual salary of ~~eighty four thousand one hundred forty seven dollars (\$84,147)~~
17 eighty-six thousand six hundred seventy-one dollars (\$86,671) payable monthly. The
18 Legislative Services Commission shall review the salary of the principal clerks prior to
19 submission of the proposed operating budget of the General Assembly to the Governor
20 and Advisory Budget Commission and shall make appropriate recommendations for
21 changes in those salaries. Any changes enacted by the General Assembly shall be by
22 amendment to this paragraph."
23

24 Requested by: Senators Plyler, Perdue, Odom

25 **SERGEANT-AT-ARMS AND READING CLERKS**

26 Section 26.8. Effective July 1, 2000, G.S. 120-37(b) reads as rewritten:

27 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
28 of ~~two hundred seventy four dollars (\$274.00)~~ two hundred eighty-two dollars (\$282.00)
29 per week plus subsistence at the same daily rate provided for members of the General
30 Assembly, plus mileage at the rate provided for members of the General Assembly for
31 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
32 serve during sessions of the General Assembly and at such time prior to the convening of,
33 and subsequent to adjournment or recess of, sessions as may be authorized by the
34 Legislative Services Commission. The reading clerks shall serve during sessions only."
35

36 Requested by: Senators Plyler, Perdue, Odom

37 **LEGISLATIVE EMPLOYEES**

38 Section 26.9. The Legislative Administrative Officer shall increase the salaries
39 of nonelected employees of the General Assembly in effect for fiscal year 1999-2000 by
40 three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32.
41

42 Requested by: Senators Plyler, Perdue, Odom

43 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

1 Section 26.10. The Director of the Budget shall transfer from the Reserve for
2 Compensation Increase, created in this act for fiscal year 2000-2001, funds to the
3 Community Colleges System Office necessary to provide an average annual salary
4 increase of three percent (3%), including funds for the employer's retirement and social
5 security contributions, commencing July 1, 2000, for all permanent full-time community
6 college institutional personnel supported by State funds. The State Board of Community
7 Colleges shall establish guidelines for providing their salary increases to community
8 college institutional personnel. Salary funds shall be used to provide an average annual
9 salary increase of three percent (3%) to all full-time employees and part-time employees
10 on a pro rata basis.

11
12 Requested by: Senators Plyler, Perdue, Odom

13 UNIVERSITY OF NORTH CAROLINA SYSTEM/EPA SALARY INCREASES

14 Section 26.11.(a)The Director of the Budget shall transfer to the Board of Governors
15 of The University of North Carolina sufficient funds from the Reserve for Compensation
16 Increase, created in this act for fiscal year 2000-2001, to provide an annual average salary
17 increase of three percent (3%), including funds for the employer's retirement and social
18 security contributions, commencing July 1, 2000, for all employees of The University of
19 North Carolina, as well as employees other than teachers of the North Carolina School of
20 Science and Mathematics, supported by State funds and whose salaries are exempt from
21 the State Personnel Act (EPA). These funds shall be allocated to individuals according to
22 the rules adopted by the Board of Governors or the Board of Trustees of the North
23 Carolina School of Science and Mathematics, as appropriate, and may not be used for any
24 purpose other than for salary increases and necessary employer contributions provided by
25 this section.

26 Section 26.11.(b)Section 28.12(b) of S.L.1999-237 reads as rewritten:

27 "Section 28.12.(b) The Director of the Budget shall transfer to the Board of
28 Governors of The University of North Carolina sufficient funds from the Reserve for
29 Compensation Increase, created in this act for fiscal biennium 1999-2001, to provide an
30 annual average salary increase of ~~seven and one-half percent (7.5%) in 1999-2000, six~~
31 and one-half percent (6.5%) in 2000-2001, including funds for the employer's retirement
32 and social security contributions, commencing ~~July 1, 1999, and~~ July 1, 2000, for all
33 teaching employees of the North Carolina School of Science and Mathematics supported
34 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
35 funds shall be allocated to individuals according to the rules adopted by the Board of
36 Trustees of the North Carolina School of Science and Mathematics and may not be used
37 for any purpose other than for salary increases and necessary employer contributions
38 provided by this section."

39
40 Requested by: Senators Plyler, Perdue, Odom

41 MOST STATE EMPLOYEES

42 Section 26.12.(a)The salaries in effect June 30, 2000, of all permanent full-time State
43 employees whose salaries are set in accordance with the State Personnel Act, and who are

1 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
2 2000, unless otherwise provided by this act, by three percent (3%). No person may
3 receive a salary increase under G.S. 126-7 during the 2000-2001 fiscal year.

4 Section 26.12.(b) Except as otherwise provided in this act, salaries in effect June 30,
5 2000, for permanent full-time State officials and persons in exempt positions that are
6 recommended by the Governor or the Governor and the Advisory Budget Commission
7 and set by the General Assembly shall be increased by three percent (3%) commencing
8 July 1, 2000.

9 Section 26.12.(c) The salaries in effect June 30, 2000, for all permanent part-time
10 State employees shall be increased on and after July 1, 2000, by pro rata amounts of the
11 salary increases provided for permanent full-time employees covered under subsection
12 (a) of this section.

13 Section 26.12.(d) The Director of the Budget may allocate out of special operating
14 funds or from other sources of the employing agency, except tax revenues, sufficient
15 funds to allow a salary increase on and after July 1, 2000, in accordance with subsection
16 (a), (b), or (c) of this section, including funds for the employer's retirement and social
17 security contributions, of the permanent full-time and part-time employees of the agency.

18 Section 26.12.(e) Within regular Executive Budget Act procedures as limited
19 by this act, all State agencies and departments may increase on an equitable basis the rate
20 of pay of temporary and permanent hourly State employees, subject to availability of
21 funds in the particular agency or department, by pro rata amounts of the three percent
22 (3%) salary increase provided for permanent full-time employees covered by the
23 provisions of subsection (a) of this section, commencing July 1, 2000.

24
25 Requested by: Senators Plyler, Perdue, Odom

26 **ALL STATE-SUPPORTED PERSONNEL**

27 Section 26.13.(a) Salaries and related benefits for positions that are funded partially
28 from the General Fund or Highway Fund and partially from sources other than the
29 General Fund or Highway Fund shall be increased from the General Fund or Highway
30 Fund appropriation only to the extent of the proportionate part of the salaries paid from
31 the General Fund or Highway Fund.

32 Section 26.13.(b) The granting of the salary increases under this act does not
33 affect the status of eligibility for salary increments for which employees may be eligible
34 unless otherwise required by this act.

35 Section 26.13.(c) The salary increases provided in this act are to be effective July 1,
36 2000, do not apply to persons separated from State service due to resignation, dismissal,
37 reduction in force, death, or retirement, or whose last workday is prior to July 1, 2000.

38 Payroll checks issued to employees after July 1, 2000, which represent
39 payment of services provided prior to July 1, 2000, shall not be eligible for salary
40 increases provided for in this act. This subsection shall apply to all employees, subject to
41 or exempt from the State Personnel Act, paid from State funds, including public schools,
42 community colleges, and The University of North Carolina.

1 Section 26.13.(d)The Director of the Budget shall transfer from the Reserve for
2 Compensation Increase in this act for fiscal year 2000-2001 all funds necessary for the
3 salary increases provided by this act, including funds for the employer's retirement and
4 social security contributions.

5 Section 26.13.(e) Nothing in this act authorizes the transfer of funds between
6 the General Fund and the Highway Fund for salary increases.

7
8 Requested by: Senators Plyler, Perdue, Odom,

9 **SALARY ADJUSTMENT FUND/STUDY**

10 Section 26.14.(a)Any remaining appropriations for legislative salary increases not
11 required for that purpose may be used to supplement the Salary Adjustment Fund. These
12 funds shall first be used to provide reclassifications of those positions already approved
13 by the Office of State Personnel. The Office of State Budget and Management shall
14 report to the Joint Legislative Commission on Governmental Operations prior to the
15 allocation of salary adjustment funds for any State agency.

16 Section 26.14.(b)The Office of State Personnel shall report to the Legislative
17 Research Commission and the Joint Legislative Commission on Governmental
18 Operations by December 1, 2000, on the adequacy of the Salary Adjustment Fund to fund
19 position reallocations, salary range revisions, and in-range salary adjustments. The
20 Office of State Personnel shall include in its report the following:

- 21 (1) A comprehensive listing of State agency requests for specific salary
22 adjustment requests authorized by the Office of State Personnel as of
23 November 1, 2000;
- 24 (2) A complete funding and expenditure history of the Salary Adjustment
25 Fund;
- 26 (3) A year-by-year comparison of funded and unfunded salary adjustment
27 requests; and
- 28 (4) Specific recommendations as to a systematic method for identifying and
29 funding salary adjustment issues in State agencies.

30
31 Requested by: Senators Plyler, Perdue, Odom,

32 **DIVISION OF WATER QUALITY SALARY FUNDS**

33 Section 26.14A. The Office of State Budget and Management shall transfer
34 from the Reserve for Compensation Increase to the Department of Environment and
35 Natural Resources an amount not to exceed four hundred forty-five thousand seven
36 hundred sixty-nine dollars (\$445,769) for salary range revisions and special entry rate
37 adjustments for Engineer and Allied Classes and Office Support Services Occupational
38 Group Classes in the Division of Water Quality. Salary adjustments under this section
39 shall be subject to the review and approval of the Office of State Personnel.

40
41 Requested by: Senators Plyler, Perdue, Odom

42 **AGENCY TEACHER/PRINCIPAL SUPPLEMENT**

1 Section 26.15. The Director of the Budget shall transfer from the Reserve for
2 Compensation Increase in this act for fiscal year 2000-2001 funds necessary to provide
3 statewide teacher supplements for State agency teachers who are paid on the teacher
4 salary schedule as set out in Section 8.10 of this act based on five percent (5%) of their
5 salaries.

6 The Director of the Budget shall transfer from the Reserve for Compensation
7 Increase in this act for fiscal year 2000-2001 funds necessary to provide statewide
8 supplements for State agency principals and assistant principals who possess the title of
9 principal or assistant principal who perform the requisite duties of a principal or assistant
10 principal, based on five percent (5%) of their salaries. The employing agency or
11 department and the Office of State Budget and Management shall jointly determine the
12 personnel covered by this paragraph.

13
14 Requested by: Senators Plyler, Perdue, Odom

15 **DEPUTY INDUSTRIAL COMMISSIONER PAY EQUITY**

16 Section 26.16. The Office of State Personnel shall conduct a salary equity
17 study of the Deputy Industrial Commissioner class in the North Carolina Industrial
18 Commission under the Department of Commerce. The study's methodology shall
19 incorporate the necessary criteria and standards for evaluating possible salary inequities
20 among the authorized positions under the Deputy Industrial Commissioner classification.
21 Based upon the findings of the salary equity study, the Office of State Budget and
22 Management may transfer to the North Carolina Industrial Commission an amount up to
23 thirty-five thousand dollars (\$35,000) from the Reserve for Compensation Increase to
24 address possible salary inequities in the Deputy Industrial Commissioner classification if
25 inequities are found to exist by the Office of State Personnel study.

26
27 Requested by: Senators Plyler, Perdue, Odom, Warren, Kerr

28 **ALLOW ADDITIONAL RETROACTIVE MEMBERSHIP IN THE NORTH** 29 **CAROLINA FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND**

30 Section 26.17.(a)G.S. 58-86-45(a) reads as rewritten:

31 "(a) Any fireman or rescue squad worker who is now eligible and is a member of a
32 fire department or rescue squad chartered by the State of North Carolina and who has not
33 previously elected to become a member may make application through the board of
34 trustees for membership in the fund on or before March 31, ~~1987-2001~~. The person shall
35 make a lump sum payment of ~~five dollars (\$5.00)~~ ten dollars (\$10.00) per month
36 retroactively to the time he first became eligible to become a member, plus interest at an
37 annual rate of eight percent (8%), for each year of his retroactive payments. Upon making
38 the lump sum payment, the person shall be given credit for all prior service in the same
39 manner as if he had made application for membership at the time he first became eligible.
40 Any member who made application for membership subsequent to the time he was first
41 eligible and did not receive credit for prior service may receive credit for this prior
42 service upon lump sum payment of ~~five dollars (\$5.00)~~ ten dollars (\$10.00) per month
43 retroactively to the time he first became eligible, plus interest at an annual rate of eight

1 percent (8%), for each year of his retroactive payments. Upon making this lump sum
2 payment, the date of membership shall be the same as if he had made application for
3 membership at the time he was first eligible. Any fireman or rescue squad worker who
4 has applied for prior service under this subsection shall have until ~~October 1, 1989, June~~
5 30, 2001, to pay for this prior service and, if this payment is not made by ~~October 1,~~
6 1989, June 30, 2001, he shall not receive credit for this service, except as provided in
7 subsection (a1) of this section."

8 Section 26.17.(b) This section becomes effective October 1, 2000.

9
10 Requested by: Senators Plyler, Perdue, Odom, Warren, Kerr

11 **INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S**
12 **AND RESCUE SQUAD WORKERS' PENSION FUND**

13 Section 26.18. G.S. 58-86-55 reads as rewritten:

14 **"§ 58-86-55. Monthly pensions upon retirement.**

15 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue squad
16 worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
17 and who has attained the age of 55 years is entitled to be paid a monthly pension from
18 this fund. The monthly pension shall be in the amount of ~~one hundred forty six dollars~~
19 (\$146.00) one hundred fifty-one dollars (\$151.00) per month. Any retired fireman
20 receiving a pension shall, effective July 1, ~~1998, 2000~~, receive a pension of ~~one hundred~~
21 forty six dollars (\$146.00) one hundred fifty-one dollars (\$151.00) per month.

22 Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and
23 G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue squad member'
24 shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension
25 hereunder until the member's official duties as a fireman or rescue squad worker for
26 which the member is paid compensation shall have been terminated and the member shall
27 have retired as such according to standards or rules fixed by the board of trustees.

28 A member who is totally and permanently disabled while in the discharge of the
29 member's official duties as a result of bodily injuries sustained or as a result of extreme
30 exercise or extreme activity experienced in the course and scope of those official duties
31 and who leaves the fire or rescue squad service because of this disability shall be entitled
32 to be paid from the fund a monthly benefit in an amount of ~~one hundred forty six dollars~~
33 (\$146.00) one hundred fifty-one dollars (\$151.00) per month beginning the first month
34 after the member's fifty-fifth birthday. All applications for disability are subject to the
35 approval of the board who may appoint physicians to examine and evaluate the disabled
36 member prior to approval of the application, and annually thereafter. Any disabled
37 member shall not be required to make the monthly payment of ten dollars (\$10.00) as
38 required by G.S. 58-86-35 and G.S. 58-86-40.

39 A member who is totally and permanently disabled for any cause, other than line of
40 duty, who leaves the fire or rescue squad service because of this disability and who has at
41 least 10 years of service with the pension fund, may be permitted to continue making a
42 monthly contribution of ten dollars (\$10.00) to the fund until the member has made
43 contributions for a total of 240 months. The member shall upon attaining the age of 55

1 years be entitled to receive a pension as provided by this section. All applications for
2 disability are subject to the approval of the board who may appoint physicians to examine
3 and evaluate the disabled member prior to approval of the application and annually
4 thereafter.

5 A member who, because his residence is annexed by a city under Part 2 or Part 3 of
6 Article 4 of Chapter 160A of the General Statutes, or whose department is closed because
7 of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the
8 General Statutes, and because of such annexation is unable to perform as a fireman of any
9 status, and if the member has at least 10 years of service with the pension fund, may be
10 permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund
11 until the member has made contributions for a total of 240 months. The member upon
12 attaining the age of 55 years and completion of such contributions shall be entitled to
13 receive a pension as provided by this section. Any application to make monthly
14 contributions under this section shall be subject to a finding of eligibility by the Board of
15 Trustees upon application of the member.

16 The pensions provided shall be in addition to all other pensions or benefits under any
17 other statutes of the State of North Carolina or the United States, notwithstanding any
18 exclusionary provisions of other pensions or retirement systems provided by law."

19
20 Requested by: Senators Perdue, Plyler, Odom

21 **STATE EMPLOYEES' RESERVE**

22 Section 26.18A.(a) The General Assembly finds that the Teachers' and State
23 Employees' Comprehensive Major Medical Plan is a significant employment benefit for
24 teachers and State employees. The General Assembly further finds that recent studies
25 show anticipated substantial deficits in the Plan in future years if benefit levels remain the
26 same. The General Assembly further finds that maintaining the fiscal integrity and
27 benefit level of the Plan are a high priority. The fiscally sound approach to addressing
28 anticipated future deficits is to maintain a reserve so as to reduce the likelihood of
29 significant benefit cuts or premium charges in later years.

30 Section 26.18A.(b) There is established in the Office of the State Treasurer the
31 State Employees' Reserve, to be used to be appropriated to maintain the fiscal integrity of
32 the Teachers' and State Employees' Comprehensive Major Medical Plan and to provide
33 benefits enhancements to State employees and retirees. There is appropriated to the
34 State Employees' Reserve in the Office of the State Treasurer for fiscal year 2000-2001
35 the sum of two hundred eighteen million, six hundred thirty-eight thousand dollars
36 (\$218,638,000) from the General Fund and the sum of seventeen million thirty-three
37 thousand eight hundred dollars (\$17,033,800) from the Highway Fund.

38 Section 26.18A.(c) Funds in the State Employees' Reserve shall first be
39 appropriated to offset deficits in the Teachers' and State Employees' Comprehensive
40 Major Medical Plan. Any remaining funds shall be appropriated for compensation
41 increases and enhancements in State employee salaries and retirees' benefits.

42
43 Requested by: Senators Perdue, Plyler, Odom

SET CONTRIBUTION RATES

Section 26.19(a)Section 28.22(c) of S.L. 1999-237 reads as rewritten:

"Section 28.22.(c) Effective July 1, 2000, the State's employer contribution rates budgeted for retirement and ~~related-specified~~ benefits as a percentage of covered salaries for the 2000-2001 fiscal year are (i) ~~ten and eighty-three hundredths percent (10.83%)~~ eight and forty-one hundredths percent (8.41%) - Teachers and State Employees; (ii) ~~fifteen and eighty-three hundredths percent (15.83%)~~ twelve and forty-one hundredths percent (12.41%) - State Law Enforcement Officers; (iii) ~~nine and thirty-six sixty-four hundredths percent (9.36%)~~ (9.64%) - University Employees' Optional Retirement Program; (iv) ~~twenty and fifty-eight hundredths percent (20.58%)~~ nineteen and eighty-six hundredths percent (19.86%) - Consolidated Judicial Retirement System; and (v) ~~twenty-four and seventy hundredths percent (24.70%)~~ twenty-three and ninety-eight hundredths percent (23.98%) - Legislative Retirement System. Each of the foregoing contribution rates includes ~~two percent (2%)~~ one and twenty-eight hundredths percent (1.28%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees, State Law Enforcement Officers, and for the University Employees' Optional Retirement Program include fifty-two hundredths percent (0.52%) for the Disability Income Plan."

Section 26.19(a1). Notwithstanding any other provision of law, the Board of Trustees of the Teachers' and State Employees' Retirement System shall adopt such assumptions as necessary to put into effect the employer contribution rates as enacted by this section, but not exceeding an increase in the recognition of the value of assets from the current to seventy-seven percent (77%) of market value.

Section 26.19(b). The General Assembly directs the Board of Trustees of the North Carolina Firemen's and Rescue Squad Workers' Pension Fund to adopt a fixed amortization period of nine years for the purposes of the unfunded accrued liability for the Pension Fund beginning with the valuation for June 30, 1999.

Section 26.19(c). This section becomes effective July 1, 2000.

Requested by: Senators Plyler, Perdue, Odom

DEFERRED COMPENSATION STUDY

Section 26.19A. The Legislative Research Commission shall study enhancements to deferred compensation plans for teachers and State employees including but not limited to Section 401(a) Deferred Compensation Plans, Section 403(a) Plans under the Internal Revenue Code, and Supplemental Retirement Income Plans under Article 5 of Chapter 135 of the General Statutes. In the course of the study, the Commission shall consider (i) the benefits to the employees under various plans, (ii) ways to ensure equity to all employees under the plans, (iii) the costs to the State and the employees of administering the plan, (iv) whether the plans should be administered by a third party administrator or the State Retirement System, and (iv) other issues related to deferred compensation plans.

1 The Commission shall report the results of this study to the 2001 General
2 Assembly.

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **ENHANCE THE BENEFITS PAYABLE FROM THE TEACHERS' AND STATE**
6 **EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL**
7 **RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND**
8 **THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

9 Section 26.20.(a)G.S. 135-5(b17) reads as rewritten:

10 "(b17) Service Retirement Allowance of Members Retiring on or After July 1,
11 ~~1997-1997~~, but Before July 1, 2000. – Upon retirement from service in accordance with
12 subsection (a) or (a1) above, on or after July 1, 1997, but before July 1, 2000, a member
13 shall receive the following service retirement allowance.

14 (1) A member who is a law enforcement officer or an eligible former law
15 enforcement officer shall receive a service retirement allowance
16 computed as follows:

17 a. If the member's service retirement date occurs on or after his
18 55th birthday, and completion of five years of creditable service
19 as a law enforcement officer, or after the completion of 30 years
20 of creditable service, the allowance shall be equal to one and
21 eighty hundredths percent (1.80%) of his average final
22 compensation, multiplied by the number of years of his
23 creditable service.

24 b. If the member's service retirement date occurs on or after his
25 50th birthday and before his 55th birthday with 15 or more years
26 of creditable service as a law enforcement officer and prior to the
27 completion of 30 years of creditable service, his retirement
28 allowance shall be equal to the greater of:

29 1. The service retirement allowance payable under G.S. 135-
30 5(b17)(1)a, reduced by one-third of one percent (1/3 of
31 1%) thereof for each month by which his retirement date
32 precedes the first day of the month coincident with or next
33 following the month the member would have attained his
34 55th birthday; or

35 2. The service retirement allowance as computed under G.S.
36 135-5(b17)(1)a. reduced by five percent (5%) times the
37 difference between 30 years and his creditable service at
38 retirement.

39 (2) A member who is not a law enforcement officer or an eligible former
40 law enforcement officer shall receive a service retirement allowance
41 computed as follows:

42 a. If the member's service retirement date occurs on or after his
43 65th birthday upon the completion of five years of membership

1 service or after the completion of 30 years of creditable service
2 or on or after his 60th birthday upon the completion of 25 years
3 of creditable service, the allowance shall be equal to one and
4 eighty hundredths percent (1.80%) of his average final
5 compensation, multiplied by the number of years of creditable
6 service.

7 b. If the member's service retirement date occurs after this 60th
8 birthday and before his 65th birthday and prior to his completion
9 of 25 years or more of creditable service, his retirement
10 allowance shall be computed as in G.S. 135-5(b17)(2)a. but shall
11 be reduced by one-quarter of one percent (1/4 of 1%) thereof for
12 each month by which his retirement date precedes the first day of
13 the month coincident with or next following his 65th birthday.

14 c. If the member's early service retirement date occurs on or after
15 his 50th birthday and before his 60th birthday and after
16 completion of 20 years of creditable service but prior to the
17 completion of 30 years of creditable service, his early service
18 retirement allowance shall be equal to the greater of:

- 19 1. The service retirement allowance as computed under G.S.
20 135-5(b17)(2)a. but reduced by the sum of five-twelfths of
21 one percent (5/12 of 1%) thereof for each month by which
22 his retirement date precedes the first day of the month
23 coincident with or next following the month the member
24 would have attained his 60th birthday, plus one-quarter of
25 one percent (1/4 of 1%) thereof for each month by which
26 his 60th birthday precedes the first day of the month
27 coincident with or next following his 65th birthday; or
- 28 2. The service retirement allowance as computed under G.S.
29 135-5(b17)(2)a. reduced by five percent (5%) times the
30 difference between 30 years and his creditable service at
31 retirement; or
- 32 3. If the member's creditable service commenced prior to
33 July 1, 1994, the service retirement allowance equal to the
34 actuarial equivalent of the allowance payable at the age of
35 60 years as computed in G.S. 135-5(b17)(2)b.

36 d. Notwithstanding the foregoing provisions, any member whose
37 creditable service commenced prior to July 1, 1963, shall not
38 receive less than the benefit provided by G.S. 135-5(b)."

39 Section 26.20.(b)G.S. 135-5 is amended by adding a new subsection to read:

40 "(b18) Service Retirement Allowance of Members Retiring on or After July 1,
41 2000. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
42 or after July 1, 2000, a member shall receive the following service retirement allowance.

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday, and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 30 years
7 of creditable service, the allowance shall be equal to one and
8 eighty-one hundredths percent (1.81%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more years
13 of creditable service as a law enforcement officer and prior to the
14 completion of 30 years of creditable service, his retirement
15 allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S. 135-
17 5(b18)(1)a. reduced by one-third of one percent (1/3 of
18 1%) thereof for each month by which his retirement date
19 precedes the first day of the month coincident with or next
20 following the month the member would have attained his
21 55th birthday; or
- 22 2. The service retirement allowance as computed under G.S.
23 135-5(b18)(1)a. reduced by five percent (5%) times the
24 difference between 30 years and his creditable service at
25 retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former
27 law enforcement officer shall receive a service retirement allowance
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his
30 65th birthday upon the completion of five years of membership
31 service or after the completion of 30 years of creditable service
32 or on or after his 60th birthday upon the completion of 25 years
33 of creditable service, the allowance shall be equal to one and
34 eighty-one hundredths percent (1.81%) of his average final
35 compensation, multiplied by the number of years of creditable
36 service.
- 37 b. If the member's service retirement date occurs after his 60th
38 birthday and before his 65th birthday and prior to his completion
39 of 25 years or more of creditable service, his retirement
40 allowance shall be computed as in G.S. 135-5(b18)(2)a. but shall
41 be reduced by one-quarter of one percent (1/4 of 1%) thereof for
42 each month by which his retirement date precedes the first day of
43 the month coincident with or next following his 65th birthday.

- 1 c. If the member's early service retirement date occurs on or after
2 his 50th birthday and before his 60th birthday and after
3 completion of 20 years of creditable service but prior to the
4 completion of 30 years of creditable service, his early service
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance as computed under G.S.
7 135-5(b18)(2)a. but reduced by the sum of five-twelfths of
8 one percent (5/12 of 1%) thereof for each month by which
9 his retirement date precedes the first day of the month
10 coincident with or next following the month the member
11 would have attained his 60th birthday, plus one-quarter of
12 one percent (1/4 of 1%) thereof for each month by which
13 his 60th birthday precedes the first day of the month
14 coincident with or next following his 65th birthday; or
- 15 2. The service retirement allowance as computed under G.S.
16 135-5(b18)(2)a. reduced by five percent (5%) times the
17 difference between 30 years and his creditable service at
18 retirement; or
- 19 3. If the member's creditable service commenced prior to
20 July 1, 1994, the service retirement allowance equal to the
21 actuarial equivalent of the allowance payable at the age of
22 60 years as computed in G.S. 135-5(b18)(2)b.
- 23 d. Notwithstanding the foregoing provisions, any member whose
24 creditable service commenced prior to July 1, 1963, shall not
25 receive less than the benefit provided by G.S. 135-5(b)."

26 Section 26.20.(c)G.S. 135-5 is amended by adding two new subsections to read:

27 "(ggg) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2000. –
28 From and after July 1, 2000, the retirement allowance to or on account of beneficiaries on
29 the retirement rolls as of June 1, 2000, shall be increased by six-tenths percent (0.6%) of
30 the allowance payable on June 1, 2000. This allowance shall be calculated on the
31 allowance payable and in effect on June 30, 2000, so as not to be compounded on any
32 other increase granted by act of the 1999 General Assembly, 2000 Regular Session.

33 "(hhh) From and after July 1, 2000, the retirement allowance to or on account of
34 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
35 by two and one-tenth percent (2.1%) of the allowance payable on June 1, 2000, in
36 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2000, the retirement
37 allowance to or on account of beneficiaries whose retirement commenced after July 1,
38 1999, but before June 30, 2000, shall be increased by a prorated amount of two and one-
39 tenth percent (2.1%) of the allowance payable as determined by the Board of Trustees
40 based upon the number of months that a retirement allowance was paid between July 1,
41 1999, and June 30, 2000."

42 Section 26.20.(d)G.S. 135-5(m) reads as rewritten:

1 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
2 principal beneficiary designated to receive a return of accumulated contributions shall
3 have the right to elect to receive in lieu thereof the reduced retirement allowance
4 provided by Option 2 of subsection (g) above computed by assuming that the member
5 had retired on the first day of the month following the date of his death, provided that the
6 following conditions apply:

- 7 (1) a. The member had attained such age and/or creditable service to be
8 eligible to commence retirement with an early or service retirement
9 allowance, or
10 b. The member had obtained 20 years of creditable service in which
11 case the retirement allowance shall be computed in accordance
12 with ~~G.S. 135-5(b17)(1)b. or G.S. 135-5(b17)(2)e.,~~ G.S. 135-
13 5(b18)(1)b. or G.S. 135-5(b18)(2)c., notwithstanding the
14 requirement of obtaining age 50.
15 (2) The member had designated as the principal beneficiary to receive a
16 return of his accumulated contributions one and only one person who
17 was living at the time of his death.
18 (3) The member had not instructed the Board of Trustees in writing that he
19 did not wish the provisions of this subsection to apply.

20 For the purpose of this benefit, a member is considered to be in service at the date of
21 his death if his death occurs within 180 days from the last day of his actual service. The
22 last day of actual service shall be determined as provided in subsection (1) of this
23 section. Upon the death of a member in service, the surviving spouse may make all
24 purchases for creditable service as provided for under this Chapter for which the member
25 had made application in writing prior to the date of death, provided that the date of death
26 occurred prior to or within 60 days after notification of the cost to make the purchase.
27 The term "in service" as used in this subsection includes a member in receipt of a benefit
28 under the Disability Income Plan as provided in Article 6 of this Chapter."

29 Section 26.20.(e) G.S. 135-65 is amended by adding a new subsection to read:

30 "(u) From and after July 1, 2000, the retirement allowance to or on account of
31 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
32 by two and six-tenths percent (2.6%) of the allowance payable on June 1, 2000.
33 Furthermore, from and after July 1, 2000, the retirement allowance to or on account of
34 beneficiaries whose retirement commenced after July 1, 1999, but before June 30, 2000,
35 shall be increased by a prorated amount of two and six-tenths percent (2.6%) of the
36 allowance payable as determined by the Board of Trustees based upon the number of
37 months that a retirement allowance was paid between July 1, 1999, and June 30, 2000."

38 Section 26.20.(f) G.S. 120-4.22A is amended by adding a new subsection to
39 read:

40 "(o) In accordance with subsection (a) of this section, from and after July 1, 2000,
41 the retirement allowance to or on account of beneficiaries whose retirement commenced
42 on or before January 1, 2000, shall be increased by two and seven-tenths percent (2.7%)
43 of the allowance payable on June 1, 2000. Furthermore, from and after July 1, 2000, the

1 retirement allowance to or on account of beneficiaries whose retirement commenced after
2 January 1, 2000, but before June 30, 2000, shall be increased by a prorated amount of two
3 and seven-tenths percent (2.7%) of the allowance payable as determined by the Board of
4 Trustees based upon the number of months that a retirement allowance was paid between
5 January 1, 2000, and June 30, 2000."

6 Section 26.20.(g) G.S. 128-27(b17) reads as rewritten:

7 "(b17) Service Retirement Allowance of Member Retiring on or After July 1,
8 ~~1998-1998~~, but Before July 1, 2000. – Upon retirement from service in accordance with
9 subsection (a) or (a1) above, on or after July 1, 1998, but before July 1, 2000, a member
10 shall receive the following service retirement allowance:

11 (1) A member who is a law enforcement officer or an eligible former law
12 enforcement officer shall receive a service retirement allowance
13 computed as follows:

14 a. If the member's service retirement date occurs on or after his
15 55th birthday and completion of five years of creditable service
16 as a law enforcement officer, or after the completion of 30 years
17 of creditable service, the allowance shall be equal to one and
18 seventy-seven hundredths percent (1.77%) of his average final
19 compensation, multiplied by the number of years of his
20 creditable service.

21 b. If the member's service retirement date occurs on or after his
22 50th birthday and before his 55th birthday with 15 or more years
23 of creditable service as a law enforcement officer and prior to the
24 completion of 30 years of creditable service, his retirement
25 allowance shall be equal to the greater of:

26 1. The service retirement allowance payable under G.S. 128-
27 27(b17)(1)a. reduced by one-third of one percent (1/3 of
28 1%) thereof for each month by which his retirement date
29 precedes the first day of the month coincident with or next
30 following the month the member would have attained his
31 55th birthday; or

32 2. The service retirement allowance as computed under G.S.
33 128-27(b17)(1)a. reduced by five percent (5%) times the
34 difference between 30 years and his creditable service at
35 retirement.

36 (2) A member who is not a law enforcement officer or an eligible former
37 law enforcement officer shall receive a service retirement allowance
38 computed as follows:

39 a. If the member's service retirement date occurs on or after his
40 65th birthday upon the completion of five years of creditable
41 service or after the completion of 30 years of creditable service
42 or on or after his 60th birthday upon the completion of 25 years
43 of creditable service, the allowance shall be equal to one and

1 seventy-seven hundredths percent (1.77%) of average final
2 compensation, multiplied by the number of years of creditable
3 service.

4 b. If the member's service retirement date occurs after his 60th
5 birthday and before his 65th birthday and prior to his completion
6 of 25 years or more of creditable service, his retirement
7 allowance shall be computed as in G.S. 128-27(b17)(2)a. but
8 shall be reduced by one-quarter of one percent (1/4 of 1%)
9 thereof for each month by which his retirement date precedes the
10 first day of the month coincident with or next following his 65th
11 birthday.

12 c. If the member's early service retirement date occurs on or after
13 his 50th birthday and before his 60th birthday and after
14 completion of 20 years of creditable service but prior to the
15 completion of 30 years of creditable service, his early service
16 retirement allowance shall be equal to the greater of:

17 1. The service retirement allowance as computed under G.S.
18 128-27(b17)(2)a. but reduced by the sum of five-twelfths
19 of one percent (5/12 of 1%) thereof for each month by
20 which his retirement date precedes the first day of the
21 month coincident with or next following the month the
22 member would have attained his 60th birthday, plus one-
23 quarter of one percent (1/4 of 1%) thereof for each month
24 by which his 60th birthday precedes the first day of the
25 month coincident with or next following his 65th birthday;
26 or

27 2. The service retirement allowance as computed under G.S.
28 128-27(b17)(2)a. reduced by five percent (5%) times the
29 difference between 30 years and his creditable service at
30 retirement; or

31 3. If the member's creditable service commenced prior to
32 July 1, 1995, the service retirement allowance equal to the
33 actuarial equivalent of the allowance payable at the age of
34 60 years as computed in G.S. 128-27(b17)(2)b.

35 d. Notwithstanding the foregoing provisions, any member whose
36 creditable service commenced prior to July 1, 1965, shall not
37 receive less than the benefit provided by G.S. 128-27(b)."

38 Section 26.20.(h) G.S. 128-27 is amended by adding a new subsection to read:

39 "(b18) Service Retirement Allowance of Member Retiring on or After July 1, 2000. –
40 Upon retirement from service in accordance with subsection (a) or (a1) above, on or after
41 July 1, 2000, a member shall receive the following service retirement allowance:

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 30 years
7 of creditable service, the allowance shall be equal to one and
8 seventy-eight hundredths percent (1.78%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more years
13 of creditable service as a law enforcement officer and prior to the
14 completion of 30 years of creditable service, his retirement
15 allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S. 128-
17 27(b18)(1)a. reduced by one-third of one percent (1/3 of
18 1%) thereof for each month by which his retirement date
19 precedes the first day of the month coincident with or next
20 following the month the member would have attained his
21 55th birthday; or
- 22 2. The service retirement allowance as computed under G.S.
23 128-27(b18)(1)a. reduced by five percent (5%) times the
24 difference between 30 years and his creditable service at
25 retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former
27 law enforcement officer shall receive a service retirement allowance
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his
30 65th birthday upon the completion of five years of creditable
31 service or after the completion of 30 years of creditable service
32 or on or after his 60th birthday upon the completion of 25 years
33 of creditable service, the allowance shall be equal to one and
34 seventy-eight hundredths percent (1.78%) of average final
35 compensation, multiplied by the number of years of creditable
36 service.
- 37 b. If the member's service retirement date occurs after his 60th
38 birthday and before his 65th birthday and prior to his completion
39 of 25 years or more of creditable service, his retirement
40 allowance shall be computed as in G.S. 128-27(b18)(2)a. but
41 shall be reduced by one-quarter of one percent (1/4 of 1%)
42 thereof for each month by which his retirement date precedes the

- 1 first day of the month coincident with or next following his 65th
2 birthday.
- 3 c. If the member's early service retirement date occurs on or after
4 his 50th birthday and before his 60th birthday and after
5 completion of 20 years of creditable service but prior to the
6 completion of 30 years of creditable service, his early service
7 retirement allowance shall be equal to the greater of:
- 8 1. The service retirement allowance as computed under G.S.
9 128-27(b18)(2)a. but reduced by the sum of five-twelfths
10 of one percent (5/12 of 1%) thereof for each month by
11 which his retirement date precedes the first day of the
12 month coincident with or next following the month the
13 member would have attained his 60th birthday, plus one-
14 quarter of one percent (1/4 of 1%) thereof for each month
15 by which his 60th birthday precedes the first day of the
16 month coincident with or next following his 65th birthday;
17 or
- 18 2. The service retirement allowance as computed under G.S.
19 128-27(b18)(2)a. reduced by five percent (5%) times the
20 difference between 30 years and his creditable service at
21 retirement; or
- 22 3. If the member's creditable service commenced prior to
23 July 1, 1995, the service retirement allowance equal to the
24 actuarial equivalent of the allowance payable at the age of
25 60 years as computed in G.S. 128-27(b18)(2)b.
- 26 d. Notwithstanding the foregoing provisions, any member whose
27 creditable service commenced prior to July 1, 1965, shall not
28 receive less than the benefit provided by G.S. 128-27(b)."

29 Section 26.20.(i) G.S. 128-27(m) reads as rewritten:

30 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
31 principal beneficiary designated to receive a return of accumulated contributions shall
32 have the right to elect to receive in lieu thereof the reduced retirement allowance
33 provided by Option two of subsection (g) above computed by assuming that the member
34 had retired on the first day of the month following the date of his death, provided that all
35 three of the following conditions apply:

- 36 (1) a. The member had attained such age and/or creditable service to be
37 eligible to commence retirement with an early or service retirement
38 allowance, or
- 39 b. The member had obtained 20 years of creditable service in which
40 case the retirement allowance shall be computed in accordance
41 with ~~G.S. 128-27(b17)(1)b. or G.S. 128-27(b17)(2)e.,~~ G.S. 128-
42 27(b18)(1)b. or G.S. 128-27(b18)(2)c., notwithstanding the
43 requirement of obtaining age 50.

1 (2) The member had designated as the principal beneficiary to receive a
2 return of his accumulated contributions one and only one person who is
3 living at the time of his death.

4 (3) The member had not instructed the Board of Trustees in writing that he
5 did not wish the provisions of this subsection apply.

6 For the purpose of this benefit, a member is considered to be in service at the date of
7 his death if his death occurs within 180 days from the last day of his actual service. The
8 last day of actual service shall be determined as provided in subsection (l) of this
9 section. Upon the death of a member in service, the surviving spouse may make all
10 purchases for creditable service as provided for under this Chapter for which the member
11 had made application in writing prior to the date of death, provided that the date of death
12 occurred prior to or within 60 days after notification of the cost to make the purchase."

13 Section 26.20.(j) G.S. 128-27 is amended by adding two new subsections to
14 read:

15 "(xx) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2000. –
16 From and after July 1, 2000, the retirement allowance to or on account of beneficiaries on
17 the retirement rolls as of June 1, 2000, shall be increased by six-tenths of one percent
18 (0.6%) of the allowance payable on June 1, 2000. This allowance shall be calculated on
19 the allowance payable and in effect on June 30, 2000, so as not to be compounded on any
20 other increase payable under subsection (k) of this section or otherwise granted by act of
21 the 1999 General Assembly, 2000 Regular Session.

22 (yy) From and after July 1, 2000, the retirement allowance to or on account of
23 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
24 by three and eight-tenths percent (3.8%) of the allowance payable on June 1, 2000, in
25 accordance with subsection (k) of this section. Furthermore, from and after July 1, 2000,
26 the retirement allowance to or on account of beneficiaries whose retirement commenced
27 after July 1, 1999, but before June 30, 2000, shall be increased by a prorated amount of
28 three and eight-tenths percent (3.8%) of the allowance payable as determined by the
29 Board of Trustees based upon the number of months that a retirement allowance was paid
30 between July 1, 1999, and June 30, 2000."

31
32 Requested by: Senators Plyler, Perdue, Odom

33 **GRACE PERIOD FOR FIRE DISTRICTS TO FILE CERTIFICATES OF**
34 **ELIGIBILITY FOR FIREMEN'S RELIEF FUND MONEYS**

35 Section 26.21.(a)G.S. 58-84-45 is repealed. Section 26.21.(b) Chapter 58 of the
36 General Statutes is amended by adding a new section to read:

37 "**§ 58-84-46. Certification to Commissioner.**

38 On or before October 31 of each year the clerk of each fire district that has a local
39 board of trustees under G.S. 58-84-30 shall file a certificate of eligibility with the
40 Commissioner. The certificate shall contain information prescribed by administrative
41 rule adopted by the Commissioner. If the certificate is not filed with the Commissioner
42 on or before January 31 in the ensuing year:

- 1 (1) The fire district that failed to file the certificate shall forfeit the payment
2 next due to be paid to its board of trustees.
3 (2) The Commissioner shall pay over that amount to the treasurer of the
4 North Carolina State Firemen's Association.
5 (3) That amount shall constitute a part of the Firemen's Relief Fund."

6 Section 26.21.(c) This section is effective July 1, 2000, and applies
7 retroactively to October 31, 1998.

8
9 Requested by: Senators Plyler, Perdue, Odom, Warren, Kerr

10 **INCLUDE FULL-TIME COUNTY FIRE MARSHALS IN THE FIREMEN'S AND**
11 **RESCUE SQUAD WORKERS' PENSION FUND**

12 Section 26.22. G.S. 58-86-25 reads as rewritten:

13 **"§ 58-86-25. 'Eligible firemen' defined; determination and certification of volunteers**
14 **meeting qualifications.**

15 'Eligible firemen' shall mean all firemen of the State of North Carolina or any political
16 subdivision thereof, including those performing such functions in the protection of life
17 and property through fire fighting within a county or city governmental unit and so
18 certified to the Commissioner of Insurance by the governing body thereof, and who
19 belong to a bona fide fire department which, as determined by the Commissioner, is
20 classified as not less than class '9' or class 'A' and 'AA' departments in accordance with
21 rating methods, schedules, classifications, underwriting rules, bylaws or regulations
22 effective or applied with respect to the establishment of rates or premiums used or
23 charged pursuant to Articles 36 or 40 of this Chapter or by such other reasonable methods
24 as the Commissioner may determine, and which operates fire apparatus and equipment of
25 the value of five thousand dollars (\$5,000) or more, and said fire department holds drills
26 and meetings not less than four hours monthly and said firemen attend at least 36 hours of
27 all drills and meetings in each calendar year. 'Eligible firemen' shall also mean an
28 employee of a county whose sole duty is to act as fire marshal of the county, provided the
29 board of county commissioners of that county certifies the fire marshal's attendance at no
30 less than 36 hours of all drills and meetings in each calendar year. 'Eligible firemen' shall
31 also mean those persons meeting the other qualifications of this section, not exceeding 25
32 volunteer firemen plus one additional volunteer fireman per 100 population in the area
33 served by their respective departments. Each department shall annually determine and
34 report the names of those firemen meeting the eligibility qualifications to its respective
35 governing body, which upon determination of the validity and accuracy of the
36 qualification shall promptly certify the list to the board. For the purposes of the preceding
37 sentence, the governing body of a fire department operated: by a county is the county
38 board of commissioners; by a city is the city council; by a sanitary district is the sanitary
39 district board; by a corporation, whether profit or nonprofit, is the corporation's board of
40 directors; and by any other entity is that group designated by the board."

41
42 **PART XXVII. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS**
43

1
 2 Requested by: Senators Plyler, Perdue, Odom
 3 **CAPITAL APPROPRIATIONS/GENERAL FUND**
 4 Section 27. There is appropriated from the General Fund for the 2000-2001
 5 fiscal year the following amount for capital improvements:

6
 7 Department of Environment and Natural Resources
 8 Water Resources Projects \$13,356,000
 9
 10 Department of Crime Control and Public Safety
 11 National Guard Armory at Charlotte \$ 1,618,172
 12

13 TOTAL CAPITAL APPROPRIATION
 14 \$14,974,172

15
 16 Requested by: Senators Plyler, Perdue, Odom
 17 **WATER RESOURCES DEVELOPMENT PROJECT FUNDS**

18 Section 27.1.(a) Funds in the amount of \$13,356,000 are appropriated in this act for
 19 water resources development projects. To the extent that funds are available to do so, the
 20 Department of Environment and Natural Resources shall use these funds and other funds
 21 that may become available for the 2000-2001 fiscal year for this purpose to the undertake
 22 the following water resources development projects:

23
 24 Project Name

25			
26	01.	Wilmington Harbor Deepening	\$12,500,000
27	02.	Brunswick Co. Beaches	4,125,000
28	03.	Wilmington Harbor Maintenance Dredging	200,000
29	04.	Carolina Beach Protection	840,000
30	05.	Kure Beach Protection	1,110,000
31	06.	Long Beach Sea Turtle Habitat Restoration	3,261,000
32	07.	Stumpy Point Bay Maintenance Dredging	240,000
33	08.	Rollinson Channel Maintenance Dredging	120,000
34	09.	Silver Lake Harbor Maintenance Dredging	160,000
35	10.	Deep Creek Watershed (Yadkin County)	1,000,000
36		Total Requirements	23,556,000

37
 38 Section 27.1.(b) Where the actual costs are different from the estimated costs
 39 in the Water Resources Development Plan for the 2000-2001 fiscal year, the Department
 40 may adjust the allocations among projects as needed. If any projects in the Plan are
 41 delayed and the budgeted State funds cannot be used during the 2000-2001 fiscal year, or
 42 if the projects in the Plan are accomplished at a lower cost, the Department may use the
 43 resulting fund availability to fund any of the following:

- 1 (1) Corps of Engineers project feasibility studies.
- 2 (2) Corps of Engineers projects whose schedules have advanced and require
- 3 State matching funds in the 2000-2001 fiscal year.
- 4 (3) State-local water resources development projects. Funds not expended
- 5 or encumbered for these purposes shall revert to the General Fund at the
- 6 end of the 2001-2002 fiscal year.

7 Section 27.1.(c) The Department shall make quarterly reports on the use of these
8 funds to the Joint Legislative Commission on Governmental Operations, the Fiscal
9 Research Division, and the Office of State Budget and Management. Each report shall
10 include all of the following:

- 11 (1) All projects that receive funding.
- 12 (2) The estimated cost of each project.
- 13 (3) The date that work on each project began or is expected to begin.
- 14 (4) The date that work on each project was completed or is expected to be
- 15 completed.
- 16 (5) The actual cost of each project.

17 The quarterly reports shall also show those projects advanced in schedule,
18 those projects delayed in schedule, and an estimate of the amount of funds expected to
19 revert to the General Fund.

20 Section 27.1.(d) Notwithstanding G.S. 143-23, if additional federal funds that require
21 a State match are received for water resources projects or for beach renourishment
22 projects for the 2000-2001 fiscal year, the Director of the Budget may, after consultation
23 with the Joint Legislative Commission on Governmental Operations, transfer funds from
24 General Fund appropriations to match the federal funds.

25

26 PART XXVIII. MISCELLANEOUS PROVISIONS

27

28 Requested by: Senators Plyler, Perdue, Odom

29 EXECUTIVE BUDGET ACT APPLIES

30 Section 28. The provisions of the Executive Budget Act, Chapter 143, Article
31 1 of the General Statutes, are reenacted and shall remain in full force and effect and are
32 incorporated in this act by reference.

33

34 Requested by: Senators Plyler, Perdue, Odom

35 COMMITTEE REPORT

36 Section 28.1.(a) The Senate Appropriations Committee Report on the Continuation,
37 Expansion, and Capital Budgets, dated June 21, 2000, which was distributed in the
38 Senate and used to explain this act, shall indicate action by the General Assembly on this
39 act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
40 Executive Budget Act, and for these purposes shall be considered a part of this act and as
41 such shall be printed as a part of the Session Laws.

42 Section 28.1.(b) The budget enacted by the General Assembly for the
43 maintenance of the various departments, institutions, and other spending agencies of the

1 State for the 2000-2001 fiscal biennium is a line item budget, in accordance with the
2 Budget Code Structure and the State Accounting System Uniform Chart of Accounts set
3 out in the Administrative Policies and Procedures Manual of the Office of the State
4 Controller. This budget includes the appropriations made from all sources including the
5 General Fund, Highway Fund, special funds, cash balances, federal receipts, and
6 departmental receipts.

7 The General Assembly amended the requested adjustments to the budgets
8 submitted to the General Assembly by the Director of the Budget and the Advisory
9 Budget Commission, in accordance with the steps that follow and the line item detail in
10 the budget enacted by the General Assembly may be derived accordingly:

11 (1) The base budget was adjusted in accordance with the base budget cuts
12 and additions that were set out in the Senate Appropriations Committee
13 Report on the Continuation, Expansion, and Capital Budgets.

14 (2) Transfers of funds supporting programs were made in accordance with
15 the Senate Appropriations Committee Report on the Continuation,
16 Expansion, and Capital Budgets.

17 Section 28.1.(c) The budget enacted by the General Assembly shall also be
18 interpreted in accordance with the special provisions in this act and in accordance with
19 other appropriate legislation.

20 In the event that there is a conflict between the line item budget certified by the
21 Director of the Budget and the budget enacted by the General Assembly, the budget
22 enacted by the General Assembly shall prevail.

23
24 Requested by: Senators Plyler, Perdue, Odom

25 **MOST TEXT APPLIES ONLY TO 2000-2001**

26 Section 28.2. Except for statutory changes or other provisions that clearly
27 indicate an intention to have effects beyond the 2000-2001 fiscal year, the textual
28 provisions of this act apply only to funds appropriated for, and activities occurring
29 during, the 2000-2001 fiscal year.

30
31 Requested by: Senators Plyler, Perdue, Odom

32 **EFFECT OF HEADINGS**

33 Section 28.3. The headings to the parts and sections of this act are a
34 convenience to the reader and are for reference only. The headings do not expand, limit,
35 or define the text of this act, except for effective dates referring to a Part.

36
37 Requested by: Senators Plyler, Perdue, Odom

38 **SEVERABILITY CLAUSE**

39 Section 28.4. If any section or provision of this act is declared unconstitutional
40 or invalid by the courts, it does not affect the validity of this act as a whole or any part
41 other than the part so declared to be unconstitutional or invalid.

42
43 Requested by: Senators Plyler, Perdue, Odom

1 **EFFECTIVE DATE**

2 Section 28.5. Except as otherwise provided, this act becomes effective July 1,
3 2000.