

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 44*
Appropriations Committee Substitute Adopted 6/28/89
House Committee Substitute Favorable - Engrossed 8/1/89

Short Title: Expansion Budget 1989-91.

(Public)

Sponsors:

Referred to:

January 23, 1989

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

Requested by: Representative Diamont

---INTRODUCTION

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

Requested by: Representative Diamont

---TITLE OF ACT

Sec. 2. This act shall be known as "The Expansion Budget Appropriations Act of 1989."

1 An outline of the provisions of the act follows this section. The outline
 2 shows the heading "—CONTENTS/INDEX—"and it lists by general category the
 3 descriptive captions for the various sections and groups of sections that make up the act.

4 **—-CONTENTS/INDEX—-**

5 (This outline is designed for reference only, and the outline and the
 6 corresponding entries throughout the act in no way limit, define, or prescribe the scope
 7 or application of the text of the act.)

8

9 —-INTRODUCTION 1

10 —-TITLE OF ACT 1

11 PART I.—CURRENT OPERATIONS/GENERAL FUND 7

12 PART II.—CURRENT OPERATIONS/HIGHWAY FUND 8

13 PART III.—CURRENT OPERATIONS/GENERAL FUND/AID TO
 14 CERTAIN GOVERNMENTAL AND NONGOVERNMENTAL
 15 UNITS 9

16 PART IV.—APPROPRIATIONS OF BLOCK GRANT FUNDS 10

17 —-BLOCK GRANT PROVISIONS 10

18 PART V.—STATE AID TO NON-STATE ENTITIES/CORRECTIONS
 19 PROVISIONS 17

20 —-PEMBROKE LIBRARY RENOVATION FUNDS REDIRECTED FOR
 21 MUNICIPAL COMPLEX CONSTRUCTION 17

22 —-CASTALIA FUNDS REALLOCATED 17

23 —-HAYWOOD CENTER FUNDS 17

24 —-REALLOCATION OF CERTAIN FUNDS 18

25 —-17TH HOUSE DISTRICT SPECIAL FUNDS 18

26 —-FAYETTEVILLE AREA FUNDS 19

27 PART VI.—GENERAL GOVERNMENT PROVISIONS 19

28 —-ALLOCATION OF RAPE CRISIS CENTER FUNDS 19

29 —-DOMESTIC VIOLENCE CENTER FUNDS 20

30 —-REGIONAL HISTORIC ATTRACTION FUNDS 20

31 —-SOUTHEASTERN CENTER FOR CONTEMPORARY ART FUNDS
 32 LIMITATION 20

33 —-LAND LOSS PREVENTION FUNDS 20

34 —-OFFICE OF ADMINISTRATIVE HEARINGS RECEIPTS 21

35 —-CONTINGENCY AND EMERGENCY FUND
 36 RESERVE/RESTRICTED RESERVE 21

37 —-CONTINGENCY AND EMERGENCY FUND RESERVE/OUTDOOR
 38 DRAMAS 22

39 PART VII.—SALARIES AND BENEFITS 23

40 —-BENEFIT AND TECHNICAL ADJUSTMENTS/TEACHERS' AND
 41 STATE EMPLOYEES' HEALTH BENEFIT PLAN 23

42 —-GOVERNOR'S SALARY INCREASE 34

43 —-COUNCIL OF STATE/SALARY INCREASE 34

44 —-NONELECTED DEPARTMENT HEAD/SALARY INCREASES 35

1	—LEGISLATORS/SALARY AND EXPENSES INCREASE	35
2	—GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES	36
3	—SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES	36
4	—LEGISLATIVE EMPLOYEES/SALARY INCREASES	37
5	—JUDICIAL BRANCH OFFICIALS/SALARY INCREASE	37
6	—CLERKS OF COURT/SALARY INCREASE	38
7	—ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE	38
8	—MAGISTRATES/SALARY INCREASE	39
9	—COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES	42
10	—HIGHER EDUCATION PERSONNEL/SALARY INCREASES	42
11	—MOST STATE EMPLOYEES/SALARY INCREASES/1989-90	43
12	—MOST STATE EMPLOYEES/SALARY INCREASES/1990-91	44
13	—PUBLIC SCHOOL PERSONNEL/SALARY INCREASES	45
14	—CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES	50
15	—ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES	52
16	—POST-RETIREMENT ALLOWANCE INCREASES/RETIRED	
17	TEACHERS, STATE EMPLOYEES, JUDICIAL OFFICIALS,	
18	LOCAL GOVERNMENT EMPLOYEES, AND LEGISLATORS	53
19	—SALARY RELATED CONTRIBUTIONS/EMPLOYERS	54
20	—STUDY OF MEDICAL, DISABILITY, DEATH, RETIREMENT, AND	
21	RELATED BENEFITS PROVIDED BY FEDERAL, STATE, AND	
22	LOCAL GOVERNMENTS FOR FIREMEN	56
23	PART VIII.—BUDGET PROVISIONS	56
24	—NO TRANSFERS BETWEEN ITEMS IN THE BUDGET	56
25	—LIMIT ON NUMBER OF STATE EMPLOYEES	57
26	—EXPENDITURE OF FUNDS	58
27	—PERMIT DEVIATIONS FROM CERTAIN PROVISIONS OF THE	
28	EXECUTIVE BUDGET ACT	58
29	—FEE REPORTING REQUIREMENT	58
30	—CONTINGENCY AND EMERGENCY FUND ALLOCATION	60
31	—PRIVATE LICENSE TAGS ON STATE-OWNED CARS AUTHORIZED	60
32	—RESERVE FOR LOCAL TAX REIMBURSEMENTS	60
33	—TAX AMNESTY ACT/APPROPRIATIONS FOR TAX	
34	ENFORCEMENT PERSONNEL	66
35	—INFORMATION FROM PRIVATE ORGANIZATION RECEIVING	
36	STATE FUNDS	67
37	PART IX.—DEPARTMENT OF PUBLIC INSTRUCTION	67
38	—PUPIL TRANSPORTATION	67
39	—CHILD NUTRITION	67
40	—DROPOUT PREVENTION COORDINATORS	68
41	—DROPOUT PREVENTION/IN-SCHOOL SUSPENSION	68
42	—TEACHER ASSISTANT SCHOLARSHIP LOANS	68
43	—BASIC EDUCATION PROGRAM FUNDS	68
44	—FOREIGN LANGUAGE INSTITUTE	69

1	—ASSISTANT PRINCIPALS	69
2	—COORDINATION OF DEPARTMENT OF HUMAN	
3	RESOURCES/PUBLIC INSTRUCTION PROGRAMS	70
4	—REDUCE PAPERWORK	70
5	—TEACHER TRAINING/LEARNING DISABLED CHILDREN	71
6	—ACCREDITATION/ACCOUNTABILITY FUNDS	72
7	—USE OF FUNDS FOR TEACHERS	72
8	—PROJECT TEACH FUNDS	72
9	—N. C. SYMPHONY AUDIO-VISUAL FUNDS	72
10	—PRINCIPLES OF TECHNOLOGY FUNDS/DO NOT REVERT	73
11	—MODEL TEACHER EDUCATION CONSORTIUM	73
12	—ASSIGNMENT OF PRINCIPALS TO SMALLER SCHOOLS	74
13	—EXISTING CAREER DEVELOPMENT PILOT PROGRAMS	74
14	—EXISTING LEAD TEACHER PILOT PROGRAMS	75
15	—STATE AND PUBLIC SCHOOL MAINTENANCE AND OTHER	
16	WORKER MINIMUM SALARIES	75
17	PART X.—DEPARTMENT OF COMMUNITY COLLEGES	76
18	—TUITION INCREASE	76
19	—ACCOUNTABILITY AND FLEXIBILITY	76
20	—FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY	
21	COLLEGES	76
22	—FOCUSED INDUSTRIAL TRAINING PROGRAM	77
23	—RETOOLING FOR THE YEAR 2000: GAINING THE COMPETITIVE	
24	EDGE	77
25	—LITERACY ALLOCATION BASIS	78
26	—NORTH CAROLINA EMPLOYERS CHARGED IN-STATE TUITION	79
27	—LITERACY TRANSPORTATION	79
28	—TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY	
29	COLLEGE COURSES	79
30	—COMMUNITY COLLEGE REPORTS	79
31	PART XI.—COLLEGES AND UNIVERSITIES	80
32	—UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL	
33	HILL/NURSING	80
34	—ECU MEDICAL SCHOOL MEDICARE REIMBURSEMENT	80
35	—AID TO PRIVATE COLLEGES INCREASE/PROCEDURE	80
36	—ACCOUNTABILITY	81
37	—FINANCIAL AID FOR POST-SECONDARY EDUCATION FOR	
38	PART-TIME STUDENTS	82
39	—UNC HANDICAPPED BARRIER REMOVAL PLAN	82
40	—UNC RECEIPTS LRC STUDY	83
41	—TEACHER TASK FORCE RECOMMENDATIONS/FUNDS	83
42	—NORTH CAROLINA A&T STATE UNIVERSITY/WESTERN	
43	CAROLINA UNIVERSITY CENTENNIAL OBSERVANCE FUNDS	
44	84	

1	PART XII.—DEPARTMENT OF TRANSPORTATION	84
2	—SPECIAL APPROPRIATIONS FOR HIGHWAYS	84
3	—COMMISSION PAID TO BRANCH AGENTS	85
4	—COMMISSIONER OF MOTOR VEHICLES TO REPORT ON	
5	PRINTING AND BINDING FUNDS	85
6	—CONCESSIONS ON FERRIES AND AT FERRY FACILITIES	85
7	—HIGHWAY PLANNERS PILOT PROGRAM FUNDS	86
8	—BRIDGE MAINTENANCE BY DEPARTMENT OF TRANSPORTATION	86
9	PART XIII.—DEPARTMENT OF JUSTICE	87
10	—USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO	
11	STATE LAW ENFORCEMENT AGENCIES BY THE FEDERAL	
12	GOVERNMENT	87
13	—REALLOCATE SBI AGENT POSITIONS	87
14	—SBI SALARY INCREASE	87
15	PART XIV.—DEPARTMENT OF CRIME CONTROL AND PUBLIC	
16	SAFETY	88
17	—STATE LAW ENFORCEMENT STUDY	88
18	—REVIEW OF NATIONAL GUARD OPERATIONS	88
19	—STATE LAW ENFORCEMENT SALARY GRADE STUDY	89
20	—ASSIGNMENT OF HIGHWAY PATROL CARS	89
21	—ADDITIONAL HIGHWAY PATROL TROOPERS	89
22	PART XV.—DEPARTMENT OF CORRECTION	90
23	—SUBSTANCE ABUSE PROGRAM AND DWI PAROLE PROGRAM	
24	EVALUATIONS	90
25	—CORRECTIONAL OFFICERS AND SERGEANTS	90
26	—PRISONER ACQUIRED IMMUNE DEFICIENCY SYNDROME	
27	(AIDS) TESTING/TREATMENT	91
28	—CORRECTIONS CENTRALIZATION STUDY	92
29	PART XVI.—DEPARTMENT OF HUMAN RESOURCES	92
30	—LIMITATIONS ON THE STATE ABORTION FUND	92
31	—BLOCK GRANT FAMILY PLANNING FUNDS	93
32	—BLOCK GRANT ADOLESCENT PREGNANCY FUNDS	93
33	—ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES	
34	BLOCK GRANT FUNDS	94
35	—THOMAS S.	95
36	—ONE-ON-ONE PROGRAM FUNDS	95
37	—LIABILITY INSURANCE FOR PHYSICIANS/DENTISTS	95
38	—CHILD PROTECTIVE SERVICES FUNDS	96
39	—DOMICILIARY CARE RATE INCREASE	97
40	—FOSTER CARE RATE INCREASE	97
41	—REVISED/EXPANDED MEDICAID COVERAGE FOR PREGNANT	
42	WOMEN AND FOR CHILDREN	97
43	—AFDC INCREASE	98
44	—ADOLESCENT PREGNANCY PREVENTION PROJECTS	99

1	—INFANT MORTALITY PREVENTION FUNDS	103
2	—STATEWIDE MEDICAL EXAMINER FUNDS	103
3	—PRESCRIPTION DRUG REIMBURSEMENT	103
4	—COMMUNITY-BASED ALTERNATIVE PROGRAM	104
5	—CUED SPEECH FUNDS	104
6	—BLIND SERVICES FUNDS	104
7	—BLIND SERVICES/INFORMATION	105
8	—ENVIRONMENTAL HEALTH FUNDS	106
9	—SOLID WASTE MANAGEMENT TECHNICAL ASSISTANCE	106
10	—SUPERFUND PROGRAM	107
11	—AGING FUNDS	107
12	—ASBESTOS HAZARD MANAGEMENT FUNDS	107
13	PART XVII.—DEPARTMENT OF AGRICULTURE	107
14	—GENETIC ENGINEERING	107
15	PART XVIII.—DEPARTMENT OF COMMERCE	114
16	—WORKER READJUSTMENT PROGRAM FUNDS	114
17	—PETROLEUM OVERCHARGE FUNDS ALLOCATION	114
18	—BUSINESS ENERGY IMPROVEMENT PROGRAM	115
19	—COMMERCE REGIONAL OFFICE	116
20	—TRAVEL AND TOURISM FUNDS	117
21	—VISITOR AND WELCOME CENTERS FUNDS	117
22	PART XIX.—DEPARTMENT OF NATURAL RESOURCES AND	
23	COMMUNITY DEVELOPMENT	117
24	—ZOO RECEIPTS	117
25	—LUMBER RIVER PARKS RANGERS	118
26	—NATURAL AND SCENIC RIVERS SYSTEM	118
27	—AUTHORIZATION FOR USE OF WATER QUALITY FEES	119
28	—AUTHORIZATION FOR USE OF AIR QUALITY FEES	120
29	—SALES TAX PROCEEDS FOR WILDLIFE FUND MODIFIED	120
30	—TEXASGULF SETTLEMENT FUNDS	121
31	—AGRICULTURE COST SHARE PROGRAM	121
32	—CLEAN WATER REVOLVING LOAN AND GRANT FUND	122
33	PART XX.—MISCELLANEOUS PROVISIONS	122
34	—EFFECT OF HEADINGS	122
35	—EXECUTIVE BUDGET ACT REFERENCE	122
36	—COMMITTEE REPORT	123
37	—EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN THE	
38	CURRENT OPERATIONS ACT OF 1989 APPLY	123
39	—MOST TEXT APPLIES ONLY TO 1989-91	123
40	—SEVERABILITY CLAUSE	123
41	—EFFECTIVE DATE	123
42		
43	PART I.—CURRENT OPERATIONS/GENERAL FUND	
44		

1 Sec. 3. Appropriations from the General Fund of the State for the operations
2 and maintenance of the State departments, institutions, and agencies, and for other
3 purposes as enumerated, except for aid to certain governmental and nongovernmental
4 units, are made for the biennium ending June 30, 1991, according to the following
5 schedule:

<u>Current Operations - General Fund</u>	<u>1989-90</u>	<u>1990-91</u>
General Assembly	\$ 866,327	\$ 467,455
Department of Secretary of State	345,240	356,580
Department of State Auditor	481,759	444,631
Department of State Treasurer	547,042	647,947
Department of Public Education	85,866,508	188,527,180
Department of Justice	1,251,257	2,371,352
Department of Insurance	188,216	285,311
Department of Administration	1,090,078	1,072,493
Department of Agriculture	1,879,632	1,831,802
Department of Labor	1,194,639	791,867
Department of Natural Resources and Community Development	2,753,610	2,333,447
Department of Human Resources		
01. DHR-Administration and Support Program	200,000	50,000
02. Division of Health Service	2,700,000 3,837,124	
03. Social Services	4,132,540 8,154,036	
04. Medical Assistance	7,779,134 16,938,925	
05. Division of Services for the Blind	226,970	253,940
06. Cherry Hospital	712,710 950,280	
07. Division of Facility Services	535,086 394,483	
08. Division of Vocational Rehabilitation	- 677,754	

1	Total Department of		
2	Human Resources	16,286,440	31,256,542
3			
4	Department of Correction	8,180,904	24,216,698
5			
6	Department of Commerce	(1,454,563)	(4,333,136)
7			
8	Department of Revenue	5,091,431	3,047,331
9			
10	Department of Cultural Resources	217,987	198,253
11			
12	Department of Crime Control and		
13	Public Safety	1,418,343	1,457,285
14			
15	University of North Carolina-		
16	Board of Governors		
17	01. University Operations-		
18	Lump Sum (717,190)	7,438,328	
19	02. Related Educational		
20	Programs	2,315,000	3,440,000
21	03. N.C. State University (370,000)	(316,000)	
22	04. UNC - Chapel Hill		
23	a. Health Affairs (164,280)	(164,280)	
24	b. Academic Affairs (205,720)	(205,720)	
25	05. University of North Carolina		
26	Hospitals at Chapel Hill(250,000)	(250,000)	
27	Total University of North		
28	Carolina 607,810	9,942,328	
29			
30	Department of Community Colleges	13,576,891	5,231,540
31			
32	State Board of Elections	50,000	15,000
33			
34	Reserve for Employee Health Plan	30,000,000	40,000,000
35			
36	Reserve for State Employees and		
37	Teachers Salary Increases	292,600,000	612,400,000
38			
39	GRAND TOTAL CURRENT OPERATIONS--		
40	GENERAL FUND	\$ 463,039,551	\$ 922,561,906
41			
42	PART II.—CURRENT OPERATIONS/HIGHWAY FUND		
43			

1 Sec. 4. Appropriations from the Highway Fund of the State for the
 2 maintenance and operation of the Department of Transportation, and for other purposes
 3 as enumerated, except for aid to certain governmental and nongovernmental units, are
 4 made for the biennium ending June 30, 1991, according to the following schedule:

<u>Current Operations-Highway Fund</u>	<u>1989-90</u>
<u>1990-91</u>	
8	
9 Department of Transportation	
10 01. Administration	\$ 929,575 \$ 1,729,634
11 02. Highways	
12 a. Administration and	
13 Operations	1,004,595 924,216
14 b. State Construction	
15 (01) Special Appropriation	
16 for Highways	6,000,000 6,000,000
17 (02) Spot Safety	
18 Improvements	2,900,000 2,900,000
19 c. Ferry Operations	1,711,200 2,235,654
20 03. Division of Motor Vehicles	4,668,531 3,974,515
21 04. Governor's Highway Safety	
22 Program	6,000 6,000
23 05. Reserve to Correct Occupational	
24 Safety and Health Conditions	200,000 150,000
25 Total Department of Transportation	17,449,901 17,920,019
26	
27 Appropriations to Other State Agencies	
28 01. Department of Revenue	160,000 160,000
29	
30 02. Department of Crime Control	
31 & Public Safety	2,351,835 4,237,607
32	
33 03. Department of Administration	360,000 360,000
34	
35 Reserve for Hospital/Medical Benefit	3,000,000 3,500,000
36	
37 Reserve for Compensation Increase	17,300,000 36,200,000
38	
39 Reserve for Compensation Increase -	
40 Payroll Additives	233,211 233,211
41	
42 GRAND TOTAL CURRENT OPERATIONS-	
43 HIGHWAY FUND	\$ 40,824,947 \$ 62,610,837
44	

1 PART III.—CURRENT OPERATIONS/GENERAL FUND/AID TO CERTAIN
 2 GOVERNMENTAL AND NONGOVERNMENTAL UNITS

3

4 Sec. 5. Appropriations from the General Fund of the State to State
 5 departments, institutions, and agencies for aid to certain governmental and
 6 nongovernmental units as enumerated are made for the biennium ending June 30, 1991,
 7 according to the following schedule:

8

9 <u>General Fund</u>	<u>1989-90</u>	<u>1990-91</u>
10		
11 Department of Public Education	\$ 2,000,000	\$ 4,000,000
12		
13 Department of Administration		443,000 948,000
14		
15 Department of Transportation		
16 01. Aeronautics 355,000	855,000	
17 02. Aid to Railroads 500,000 -		
18 Total Department of Transportation		855,000 855,000
19		
20 Department of Natural Resources		
21 and Community Development		1,000,000 1,000,000
22		
23 Department of Human Resources		
24 01. Division of Aging 4,019,437	5,024,337	
25 02. Division of Health Services 400,000	400,000	
26 03. Social Services 2,650,000	3,593,783	
27 04. Division of Mental Health,		
28 Mental Retardation, and		
29 Substance Abuse Services 10,124,427	15,626,834	
30 05. Division of Youth Services 447,250	697,250	
31 06. DHR - Administration 90,000	50,000	
32 Total Department of Human Resources		17,731,114 25,392,204
33		
34 Department of Crime Control and		
35 Public Safety		75,000 -
36		
37 Department of Cultural Resources		- 650,000
38		
39 Office of State Budget and Management		240,000 100,000
40		
41 University of North Carolina-Board of Governors		
42 01. Related Educational Programs 1,310,000	1,310,000	
43		
44 State Board of Elections		481,555 -

1		
2	Reserve for Salary Increases for	
3	Mandated Local Programs	6,002,988 12,246,094
4		
5	GRAND TOTAL STATE AID—	
6	GENERAL FUND	\$ 30,138,657 \$ 46,501,298
7		
8		
9	PART IV.—APPROPRIATIONS OF BLOCK GRANT FUNDS	
10	Requested by: Representative Diamont	
11	—BLOCK GRANT PROVISIONS	
12	Sec. 6. (a) Appropriations from federal block grant funds are made for the	
13	fiscal year ending June 30, 1990, according to the following schedule:	
14	JOB TRAINING PARTNERSHIP ACT	
15	01. Title II A funds to the 27	
16	service delivery areas to train	
17	economically disadvantaged youth	
18	and adults \$21,537,460	
19		
20	02. Education set aside to State	
21	education agencies for projects	
22	to serve eligible participants	2,208,970
23		
24	03. Incentive grants and technical	
25	assistance funds to service	
26	delivery areas	1,656,728
27		
28	04. Funds for training economically	
29	disadvantaged older workers	828,364
30		
31	05. Funds to the Department of Natural	
32	Resources and Community Development	
33	to administer and audit all	
34	activities related to the Job	
35	Training Partnership Act Programs	1,380,606
36		
37	06. Title II B Summer Youth Employment	
38	and Training funds to service	
39	delivery areas for economically	
40	disadvantaged youth	10,903,115
41		
42	07. Title III Dislocated workers funds	
43	to the Employment Security	
44	Commission	2,318,402

1					
2	TOTAL	JOB	TRAINING	PARTNERSHIP	ACT
3					\$
4	40,833,645				
5					
6	COMMUNITY SERVICES BLOCK GRANT				
7					
8	01.	Community Action Agencies	\$ 7,815,918		
9					
10	02.	Limited Purpose Agencies	434,218		
11					
12	03.	Department of Natural Resources			
13		and Community Development to			
14		administer and monitor the			
15		activities of the Community			
16		Services Block Grant	434,218		
17					
18	TOTAL COMMUNITY SERVICES BLOCK GRANT				
19	8,684,354				\$
20					
21	COMMUNITY DEVELOPMENT BLOCK GRANT				
22					
23	01.	State Administration	\$ 858,080		
24					
25	02.	Urgent Needs/Contingency	1,852,296		
26					
27	03.	Development Planning Housing	1,111,378		
28					
29	04.	Economic Development	7,409,184		
30					
31	05.	Community Revitalization	26,673,062		
32					
33	TOTAL COMMUNITY DEVELOPMENT				
34	BLOCK GRANT		\$37,904,000		
35					
36	EDUCATION CONSOLIDATION AND IMPROVEMENT				
37	BLOCK GRANT		\$11,526,834		
38					
39	PREVENTIVE HEALTH BLOCK GRANT				
40					
41	01.	Emergency Medical Services	\$ 424,828		
42					
43	02.	Basic Public Health Services	891,309		
44					

1	03.	Hypertension Programs	552,640	
2				
3	04.	Health Education/Risk Reduction Programs	483,131	
4				
5	05.	Health Promotion/Local Health Departments	459,461	
6				
7	06.	Fluoridation of Water Supplies	148,063	
8				
9	07.	Rape Prevention and Rape		
10		Crisis		Programs
11		89,369		
12				
13	08.	AIDS/HIV Education, Counseling,		
14		and Testing	294,374	
15				
16	TOTAL PREVENTIVE HEALTH BLOCK GRANT			\$
17	3,343,175			
18				
19	MATERNAL AND CHILD HEALTH SERVICES			
20				
21	01.	Healthy Mother/Healthy Children		
22		Block Grants to Local Health		
23		Departments	\$11,718,781	
24				
25	02.	High Risk Maternity Clinic Services,		
26		Perinatal Education, and Consultation		
27		to Local Health Departments		
28		and Other Health Care Providers	1,275,498	
29				
30	03.	Services to Disabled Children	4,056,661	
31				
32	04.	Sudden Infant Death Syndrome	32,633	
33				
34	05.	Lead-Based Paint Poisoning	71,200	
35				
36	06.	New Special Projects	606,740	
37				
38	07.	Reimbursements for Local Health		
39		Departments for Contracted		
40		Nutritional Services	120,530	
41				
42	TOTAL MATERNAL AND CHILD			
43	HEALTH SERVICES			
44	\$17,882,043			

1
2 SOCIAL SERVICES BLOCK GRANT

3			
4	01.	County Departments of Social Services	\$41,441,595
5			
6	02.	Division of Mental Health, Mental	
7		Retardation, and Substance Abuse	5,770,693
8			
9	03.	Division of Services for the Blind	2,691,673
10			
11	04.	Division of Youth Services	1,051,428
12			
13	05.	Division of Facility Services	224,299
14			
15	06.	Division of Aging	327,424
16			
17	07.	Day Care Services	12,517,760
18			
19	08.	Volunteer Services	44,970
20			
21	09.	State Administration and State Level	
22		Contracts	3,362,775
23	10.	Voluntary Sterilization funds	100,000
24			
25	11.	Transfer to Maternal and Child	
26		Health Block Grant	1,691,909
27			
28	12.	Adult Day Care Services	653,910
29			
30	13.	County Departments of Social Services for	
31		Child Abuse/Prevention and	
32		Permanency Planning	400,000
33			
34	14.	Allocation to Division of Health Services	
35		for Grants in Aid to Prevention	
36		Programs	445,000
37			
38	15.	Transfer to Preventive Health	
39		Block Grant for Health	
40		Promotion Programs	459,461
41			
42	16.	Allocation to Preventive Health Block	
43		Grant for AIDS Education	294,374
44			

1	17.	Allocation to the Department of Human			
2		Resources for Block Grant Portion of			
3		Department-Wide Salary Increase		161,759	
4					
5	TOTAL	SOCIAL	SERVICES	BLOCK	GRANT
6					\$
7	71,639,030				
8					
9	LOW INCOME ENERGY BLOCK GRANT				
10					
11	01.	Energy Assistance Programs		\$17,923,064	
12					
13	02.	Crisis Intervention		4,362,032	
14					
15	03.	Administration		1,933,215	
16					
17	04.	Weatherization Program		1,737,187	
18					
19	05.	Indian Affairs		27,222	
20					
21	06.	Emergency Medical Services		209,116	
22					
23	07.	Transfer to Social Services			
24		Block Grant for Adult			
25		Day Care Services		410,139	
26					
27	08.	Transfer to Social Services Block			
28		Grant for State Administration			
29		& Contract Service		192,748	
30					
31	09.	Transfer to Maternal and Child Health			
32		Grant for Maternal and Child Health			
33		Block Grant in the Division of			
34		Health Services for Healthy Mothers			
35		and Children		1,696,362	
36					
37	10.	Allocation to the Department of			
38		Administration for the North			
39		Carolina Fund for Children		45,270	
40					
41	TOTAL	LOW	INCOME	ENERGY	BLOCK
42					GRANT
43	28,536,355				\$
44					

1 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH
2 SERVICES BLOCK GRANT

- 3
- 4 01. Funds to Area Mental Health,
- 5 Mental Retardation, and
- 6 Substance Abuse Programs to
- 7 Be Distributed on a Per
- 8 Capita Basis \$1,866,556
- 9
- 10 02. Services to Persons Who Have
- 11 Aged Out of the Willie M. Class 300,000
- 12
- 13 03. Programs for the Chronically
- 14 Mentally Ill 3,084,847
- 15
- 16 04. Community-Based Substance Abuse Programs 4,743,447
- 17
- 18 05. Administration 712,213
- 19
- 20 06. Non-Residential Child Mental Health
- 21 Services 279,781
- 22
- 23 07. Residential Child Mental Health Services 341,418
- 24
- 25 08. Treatment Alternatives to Street Crimes 232,371
- 26
- 27 09. Eastern Region Detox Services 353,110
- 28
- 29 10. Community-Based Services for Youth
- 30 Substance Abusers 1,962,191

31
32 TOTAL ALCOHOL AND DRUG ABUSE AND
33 MENTAL HEALTH SERVICES
34 BLOCK

GRANT
\$

35
36 13,875,934

37
38 ALCOHOL AND DRUG ABUSE TREATMENT AND
39 REHABILITATION BLOCK GRANT

- 40
- 41 01. Community-based Services for Youth
- 42 Substance Abusers \$ 968,673
- 43
- 44 02. Treatment Alternatives to Street Crimes 114,733

1			
2	TOTAL ALCOHOL AND DRUG ABUSE		
3	TREATMENT AND REHABILITATION		
4	BLOCK		GRANT
5			\$
6	1,083,406		
7			
8	MENTAL HEALTH SERVICES FOR THE HOMELESS		
9	BLOCK GRANT		
10			
11	01. Specialized Community Services for the		
12	Chronically Mentally Ill	\$215,588	
13	02. Community-based Services for Chronically		
14	Mentally Ill Youth	75,195	
15			
16	TOTAL MENTAL HEALTH SERVICES FOR THE		
17	HOMELESS	BLOCK	GRANT
18			\$
19	290,783		
20			
21	COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT		
22			
23	01. Development of Community-Based Substance		
24	Abuse Prevention Programs		
25	for Youth	\$61,709	
26			
27	02. Evaluation	6,800	
28			
29	TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM		
30	BLOCK GRANT	\$68,509	
31			

(b) Decreases in Federal Fund Availability

If federal funds are reduced below the amounts specified above after the effective date of this act, then every program, in each of the federal block grants listed above, shall be reduced by the same percentage as the reduction in federal funds. If federal funds are reduced in the Education Consolidation and Improvement Act Chapter II Block Grant, then the State Board of Education shall determine how reductions are to be made among the various local agencies.

(c) Increases in Federal Fund Availability

If the United States Congress appropriates additional funds for block grants after the effective date of this act, these funds shall be held in a reserve in each block grant for future allocations by the General Assembly. This subsection shall not apply to the Community Development Block Grant, the Community Services Block Grant, and to Job Training Partnership Act funds.

1 (d) Education Setaside of JTPA Funds

2 The Department of Natural Resources and Community Development shall
3 certify to the Joint Legislative Commission on Governmental Operations and to the
4 Fiscal Research Division of the Legislative Services Office when Job Training
5 Partnership Act funds have been distributed to each agency, the total amount distributed
6 to each agency, and the total amount of eight percent (8%) Education Setaside funds
7 received.

8
9 PART V.—STATE AID TO NON-STATE ENTITIES/CORRECTIONS
10 PROVISIONS

11
12 Requested by: Representative Locks

13 —PEMBROKE LIBRARY RENOVATION FUNDS REDIRECTED FOR
14 MUNICIPAL COMPLEX CONSTRUCTION

15 Sec. 7. S1742 of Section 1 of Chapter 1094 of the 1987 Session Laws,
16 Regular Session 1988, reads as rewritten:

17 "S1742 PEMBROKE LIBRARY MUNICIPAL COMPLEX FUNDS

18 Fifty thousand dollars (\$50,000) to the Town of Pembroke in Robeson County
19 for capital costs for ~~the library~~ a municipal complex."

20
21 Requested by: Representative Cooper

22 —CASTALIA FUNDS REALLOCATED

23 Sec. 7.1. Paragraph H2219 of Section 1 of Chapter 1085 of the 1987 Session
24 Laws reads as rewritten:

25 "H2219 CASTALIA CAPITAL FUNDS—CASTALIA VOLUNTEER FIRE
26 DEPARTMENT FUNDS

27 Seven thousand dollars (\$7,000) to the ~~Town of Castalia for capital needs,~~
28 ~~provided these funds are matched on the basis of one dollar from local ad~~
29 ~~valorem tax revenues for every two State dollars.~~ Castalia Volunteer Fire
30 Department, Inc., for capital improvements."

31
32 Requested by: Representative Beall

33 —HAYWOOD CENTER FUNDS

34 Sec. 8. Of the funds appropriated in Section 115 of Chapter 757 of the 1985
35 Session Laws to Haywood County for the 1985-86 fiscal year to construct an
36 agricultural center, any unexpended or unencumbered funds, any matching funds, and
37 any interest or investment earnings on these funds may be used by Haywood County for
38 a Student Activities Center at Haywood Community College.

39
40 Requested by: Representatives Jeralds, Edwards

41 —REALLOCATION OF CERTAIN FUNDS

42 Sec. 9. (a) Paragraph S1760 of Section 1 of Chapter 1094 of the 1987 Session
43 Laws reads as rewritten:

44 "S1760 CUMBERLAND CULTURAL FUNDS

1 ~~Fifty thousand dollars (\$50,000)~~ Twenty-five thousand dollars (\$25,000) to the
2 Howard Improvement Association, Inc., for renovation, improvement, and landscaping
3 of the historic Howard Trust property in Cumberland County, which has been used for
4 cultural, educational, and literary purposes since 1867.

5 Twenty-five thousand dollars (\$25,000) to the Orange Street School Restoration and
6 Historical Association, Inc., to restore and renovate the Old Orange Street School in
7 Fayetteville for use as a museum, art center, or other cultural center.

8 Forty thousand dollars (\$40,000) to the City of Fayetteville to renovate the Market
9 House."

10 (b) Section 24 of Chapter 1100 of the 1987 Session Laws is repealed.

11 (c) This section shall become effective June 30, 1989.

12
13 Requested by: Representative Jeralds

14 ---17TH HOUSE DISTRICT SPECIAL FUNDS

15 Sec. 10. Paragraph H2557 of Section 1 of Chapter 1085 of the 1987 Session
16 Laws, 1988 Regular Session, reads as rewritten:

17 "H2557 17TH HOUSE DISTRICT SPECIAL FUNDS

18 Two thousand five hundred dollars (\$2,500) to the Cumberland Community
19 Foundation, Inc., in Cumberland County for mini-grants for teacher staff
20 development.

21 Five thousand dollars (\$5,000) to the City of Fayetteville to provide
22 transportation for Senior Citizens.

23 Five thousand dollars (\$5,000) to the Spring Lake Community Center
24 Foundation, Inc., of Cumberland County for operating expenses.

25 Two thousand five hundred dollars (\$2,500) to the Southeastern Cumberland
26 County Rural Community Association, Inc., for educational programs and
27 playground equipment and repairs.

28 Two thousand five hundred dollars (\$2,500) to the Board of Governors of The
29 University of North Carolina to provide funds for the Continuing Education
30 Center at Fayetteville State University.

31 Two thousand five hundred dollars (\$2,500) to the Town of Spring Lake to be
32 used for transportation and out-reach programs at the Spring Lake Senior
33 Citizens Center.

34 Two thousand five hundred dollars (\$2,500) to the Cumberland Sheltered
35 Workshop, Inc., for operating expenses.

36 ~~Five thousand dollars (\$5,000) to the Howard Improvement Association, Inc.,~~
37 ~~for improvements to the historic Howard Trust property in Cumberland County,~~
38 ~~which has been used for cultural, educational, and literary purposes since 1867.~~
39 Teen Involvement Projects (TIPS), a nonprofit corporation, for support of its
40 programs for at-risk youth.

41 Two thousand five hundred dollars (\$2,500) to the Arts Council of
42 Fayetteville/Cumberland County, Inc., for special projects."

43
44 Requested by: Representative Jeralds

1 —FAYETTEVILLE AREA FUNDS

2 Sec. 11. Paragraph H2582 of Section 1 of Chapter 1085 of the 1987 Session
3 Laws, 1988 Regular Session, reads as rewritten:

4 "H2582 FAYETTEVILLE AREA FUNDS

5 Two thousand five hundred dollars (\$2,500) to the Cumberland Community
6 Foundation, Inc., in Cumberland County for mini-grants for teacher staff
7 development.

8 Five thousand dollars (\$5,000) to the City of Fayetteville to provide
9 transportation for senior citizens.

10 Five thousand dollars (\$5,000) to the Spring Lake Community Center
11 Foundation, Inc., of Cumberland County for operating expenses.

12 One thousand five hundred dollars (\$1,500) to the Southeastern Cumberland
13 County Rural Community Association, Inc., for educational programs,
14 playground equipment, and repairs.

15 Two thousand five hundred dollars (\$2,500) to the Board of Governors of The
16 University of North Carolina to provide funds for the Continuing Education
17 Center at Fayetteville State University.

18 Two thousand five hundred dollars (\$2,500) to Spring Lake Lifeline Center,
19 Inc., of Cumberland County for operating expenses.

20 Two thousand five hundred dollars (\$2,500) to the Cumberland Sheltered
21 Workshop, Inc., for operating expenses.

22 Five thousand dollars (\$5,000) to ~~the Howard Improvement Association, Inc.,~~
23 ~~of Cumberland County for capital improvements.~~ Sugar & Spice Day/Night Care
24 for the Elderly in Cumberland County for operating expenses.

25 Two thousand five hundred dollars (\$2,500) to the Arts Council of
26 Fayetteville/Cumberland County, Inc., to be used for special projects.

27 One thousand dollars (\$1,000) to the Sugar & Spice Day/Night Care for the
28 Elderly in Cumberland County for development expenses."
29

30 PART VI.—GENERAL GOVERNMENT PROVISIONS

31

32 Requested by: Representatives Easterling, Michaux

33 —ALLOCATION OF RAPE CRISIS CENTER FUNDS

34 Sec. 12. Of the funds for the Rape Crisis Centers appropriated to the
35 Department of Administration, Council on the Status of Women, for fiscal years 1989-
36 90 and 1990-91, the sum of \$368,000 each fiscal year shall be distributed to the same
37 recipients and in the same proportions as provided by Section 41 of Chapter 1086 of the
38 1987 Session Laws, Regular Session 1988. The remaining funds shall be awarded
39 according to criteria developed by the Council on the Status of Women. Grants shall be
40 awarded by September 1 each fiscal year and the funds disbursed no later than
41 November 1 of each fiscal year.

42

43 Requested by: Representatives Easterling, Michaux

44 —DOMESTIC VIOLENCE CENTER FUNDS

1 Sec. 13. The funds appropriated to the Department of Administration,
2 Council on the Status of Women, for fiscal years 1989-90 and 1990-91 for domestic
3 violence centers, shall be allocated equally among all of the 61 domestic violence
4 centers in operation on February 1, 1989, that offered services including a hotline,
5 transportation services, community education programs, daytime services, and call
6 forwarding during the night. For the 1989-90 fiscal year, each grant shall be \$15,000.
7 For the 1990-91 fiscal year, each grant shall be \$20,000.

8
9 Requested by: Representatives B. Ethridge, Easterling, Michaux

10 ---REGIONAL HISTORIC ATTRACTION FUNDS

11 Sec. 14. Of the funds appropriated to the Department of Cultural Resources
12 in Section 5 of this act for the 1990-91 fiscal year the sum of \$100,000 shall be used for
13 grants of up to \$10,000 each to nonprofit historic attractions in North Carolina for
14 operating expenses and other purposes, all as approved by the North Carolina Historical
15 Commission, provided that any grant recipient agrees to match the State grant on a
16 dollar-for-dollar basis, and provided that the expenditure and accounting of these grant
17 funds by the historic attraction adhere to reasonable rules and regulations established by
18 the North Carolina Historical Commission.

19
20 Requested by: Representatives Decker, Stam

21 ---SOUTHEASTERN CENTER FOR CONTEMPORARY ART FUNDS
22 LIMITATION

23 Sec. 15. Notwithstanding any provisions of law to the contrary, no State
24 funds appropriated or allocated to the Southeastern Center for Contemporary Art, in
25 Winston-Salem, shall be used for the Awards in the Visual Arts (AVA) Program.

26
27 Requested by: Representative Michaux

28 ---LAND LOSS PREVENTION FUNDS

29 Sec. 16. Of the funds appropriated to the North Carolina Association of
30 Black Lawyers' Land Loss Prevention Project, Inc., in Section 5 of this act, the sum of
31 \$100,000 for the 1989-90 fiscal year and \$100,000 for the 1990-91 fiscal year shall be
32 used to provide free legal representation to low-income, financially distressed small
33 farmers. The North Carolina Association of Black Lawyers' Land Loss Prevention
34 Project, Inc., shall not use these funds to represent farmers who have income and assets
35 that would make them financially ineligible for legal services pursuant to Title 45, Part
36 1611 of the Code of Federal Regulations. The North Carolina Association of Black
37 Lawyers' Land Loss Prevention Project, Inc., shall report quarterly to the Joint
38 Legislative Commission on Governmental Operations on the use of these funds.

39
40 Requested by: Representatives Easterling, Michaux

41 ---OFFICE OF ADMINISTRATIVE HEARINGS RECEIPTS

42 Sec. 17. (a) The Office of Administrative Hearings may budget receipts from
43 the sale of publications and may budget the equivalent amount in contractual services
44 for preparation of publications.

1 (b) The Office of Administrative Hearings may budget federal receipts
2 received by the Civil Rights Division. These funds may be used to cover expenditures
3 such as rent of offices and contractual personal services.

4
5 Requested by: Representative Diamont

6 —CONTINGENCY AND EMERGENCY FUND RESERVE/RESTRICTED
7 RESERVE

8 Sec. 18. G.S. 143-12 reads as rewritten:

9 **"§ 143-12. Bills containing proposed appropriations.**

10 The Director shall cause to be prepared and submitted to the General Assembly the
11 following bills:

12 (1) A bill containing all proposed current operations appropriations of the
13 budget for each year in the ensuing biennium, which shall be known as
14 the 'Current Operations Appropriations Bill', and a bill containing all
15 proposed capital appropriations of the budget for each year in the
16 ensuing biennium, which shall be known as the 'Capital Improvement
17 Appropriations Bill'.

18 (2) If necessary, a bill containing the Director of the Budget's views on
19 revenue for the ensuing biennium, which shall be known as the
20 'Budget Revenue Bill', and shall provide an amount of revenue for the
21 ensuing biennium sufficient, in the opinion of the Director and the
22 Commission, to meet the appropriations contained in the Current
23 Operations Appropriations Bill and the Capital Improvement
24 Appropriations Bill.

25 (3) Repealed by Session Law 1983 (Regular Session, 1984), c. 1034, s.
26 153.

27 To the end that all expenses of the State may be brought and kept within the budget,
28 the Current Operations Appropriations Bill shall contain a specific sum as a contingent
29 or emergency ~~appropriation~~ appropriation, and shall allocate a specific portion of that
30 sum to a special reserve to be used solely for purposes as outlined in G.S. 143-
31 23(a1)(3), (4), and (5). The manner of the allocation of such contingent or emergency
32 appropriation shall be as follows: Any institution, department, commission, or other
33 agency or activity of the State, or other activity in which the State is interested, desiring
34 an allotment out of such contingent or emergency appropriation, shall upon forms
35 prescribed and furnished by the Director of the Budget, present such request in writing
36 to the Director of the Budget, with such information as he may require, and if the
37 Director of the Budget shall approve such request, in whole or in part, he shall forthwith
38 present the same to the Governor and Council of State, and upon their order only shall
39 such allotment be made. If the Director shall disapprove the request of such an
40 allotment out of the emergency or contingent appropriation, he shall transmit his refusal
41 and his reason therefor to the Governor and Council of State for their information.

42 Funds allocated from the contingent or emergency appropriation may be used only
43 for the purpose for which they were allocated and may not be reallocated for another
44 purpose by the Governor and the Council of State. If the funds are not spent or

1 encumbered for the purpose for which they were allocated by the end of the fiscal
2 biennium and if the Governor and the Council of State do not reallocate them for that
3 same purpose, the funds shall revert to the fund from which the contingent or
4 emergency appropriation was made. Also, if the funds are not needed for the purpose
5 for which they were allocated, the funds shall revert to the fund from which the
6 contingent or emergency appropriation was made.

7 The Director of the Budget may, in preparation of the Appropriations and Revenue
8 Bills, seek the advice of the Advisory Budget Commission. If the Director and the
9 Commission shall not agree as to the Appropriations and Revenue Bills in substantial
10 particulars, the Director shall prepare the same, based on his conclusions and judgment,
11 and the Commission or any of its members retain the right to submit separately to the
12 General Assembly such statement of disagreement and the particulars thereof as they
13 shall find proper to submit as representing their own views."

14
15 Requested by: Representative Gene Wilson

16 ---CONTINGENCY AND EMERGENCY FUND RESERVE/OUTDOOR DRAMAS

17 Sec. 19. (a) G.S. 143-204.8(a) reads as rewritten:

18 "(a) Upon the application of an outdoor historical drama corporation or trust,
19 approved by the Secretary of Cultural Resources, the Governor and the Council of State
20 ~~may~~ shall order an allotment from the Contingency and Emergency Fund of the State
21 not to exceed fifteen thousand dollars (\$15,000) a year to that outdoor historical drama
22 corporation or trust to aid in the production of an outdoor historical drama if the
23 provisions of subsection (b) of this section are met. ~~drama; provided that if that~~
24 ~~corporation or trust has received State funds from any source whatsoever, including~~
25 ~~direct appropriations, during a fiscal year the Governor and the Council of State during~~
26 ~~that year may not order an allotment which, when added to the State funds otherwise~~
27 ~~received, would exceed fifteen thousand dollars (\$15,000). No outdoor historical drama~~
28 ~~corporation or trust shall, during any one fiscal year, receive both an allotment under~~
29 ~~this Article from the Contingency and Emergency Fund and one from money~~
30 ~~appropriated to the Department of Cultural Resources for programs funded by the~~
31 ~~enactment of House Bill 947 of this Session [Session Laws 1977, Chapter 986]."~~

32 (b) Funds allocated to the Contingency and Emergency Fund for the 1989-90
33 fiscal year and the 1990-91 fiscal year and designated for all allocations of the
34 Contingency and Emergency Fund other than emergency allocations shall be used to
35 implement this section.

36
37 PART VII.—SALARIES AND BENEFITS

38
39 Requested by: Representative Diamont

40 ---BENEFIT AND TECHNICAL ADJUSTMENTS/TEACHERS' AND STATE
41 EMPLOYEES' HEALTH BENEFIT PLAN

42 Sec. 20. (a) G.S. 135-39.5 reads as rewritten:

43 "**§ 135-39.5. Powers and duties of the Executive Administrator and Board of**
44 **Trustees.**

1 The Executive Administrator and Board of Trustees of the Teachers' and State
2 Employees' Comprehensive Major Medical Plan shall have the following powers and
3 duties:

- 4 (1) Supervising and monitoring of the Claims Processor.
- 5 (2) Providing for enrollment of employees in the Plan.
- 6 (3) Communicating with employees enrolled under the Plan.
- 7 (4) Communicating with health care providers providing services under
8 the Plan.
- 9 (5) Making payments at appropriate intervals to the Claims Processor for
10 benefit costs and administrative costs.
- 11 (6) Conducting administrative reviews under G.S. 135-39.7.
- 12 (7) Annually assessing the performance of the Claims Processor.
- 13 (8) Preparing and submitting to the Governor and the General Assembly
14 cost estimates for the health benefits plan, including those required by
15 Article 15 of Chapter 120 of the General Statutes.
- 16 (9) Recommending to the Governor and the General Assembly changes or
17 additions to the health benefits program and health care cost
18 containment programs, together with statements of financial and
19 actuarial effects as required by Article 15 of Chapter 120 of the
20 General Statutes.
- 21 (10) Working with State employee groups to improve health benefit
22 programs.
- 23 (11) Repealed by Session Laws 1985, c. 732, s. 9.
- 24 (12) Determining basis of payments to health care providers, including
25 payments in accordance with G.S. 58-260.6.
- 26 (13) Requiring bonding of the Claims Processor in the handling of State
27 funds.
- 28 (14) Repealed by Session Laws 1985, c. 732, s. 7.
- 29 (15) In case of termination of the contract under G.S. 135-39.5A, to select a
30 new Claims Processor, after competitive bidding procedures approved
31 by the Department of Administration.
- 32 (16) Notwithstanding the provisions of Part 3 of this Article, to formulate
33 and implement cost-containment measures which are not in direct
34 conflict with that Part.
- 35 (17) Implementing pilot programs necessary to evaluate proposed cost
36 containment measures which are not in direct conflict with Part 3 of
37 this Article, and expending funds necessary for the implementation of
38 such programs.
- 39 (18) Authorizing coverage for alternative forms of care not otherwise
40 provided by the Plan in individual cases when medically necessary,
41 medically equivalent to services covered by the Plan, and when such
42 alternatives would be less costly than would have been otherwise.
- 43 (19) Establishing and operating a hospital bill audit program and a fraud
44 detection program."

1 (b) Effective January 1, 1989, G.S. 135-40 reads as rewritten:

2 **"§ 135-40. Undertaking.**

3 (a) The State of North Carolina undertakes to make available a Comprehensive
4 Major Medical Plan (hereinafter called the 'Plan') ~~to exclusively for the benefit of its~~
5 employees, retired employees and certain of their dependents which will pay benefits in
6 accordance with the terms hereof. The Plan shall have all the powers and privileges of a
7 corporation and shall be known as the North Carolina Teachers' and State Employees'
8 Comprehensive Major Medical Plan. The Executive Administrator and Board of
9 Trustees shall carry out their duties and responsibilities as fiduciaries for the Plan.

10 (b) The Plan benefits will be provided under contracts between the State and the
11 Claims Processor selected by the State. Claims Processor refers to the administrator,
12 third party administrator or other party contracting with the State to administer the Plan
13 benefits. Such contracts shall include the substance of G.S. 135-40.1 through G.S. 135-
14 40.13 and the description of Plan in the request for proposal, and shall be administered
15 by the respective Claims Processor of the State which will determine benefits and other
16 questions arising thereunder. The contracts necessarily will conform to applicable State
17 laws. If any of the provisions of G.S. 135-40.1 through G.S. 135-40.13 and the request
18 for proposals must be modified for inclusion in the contract because of State laws, such
19 modification will be made.

20 (c) Payroll deduction shall be available for coverage under this Part or under G.S.
21 135-39.5B of amounts not paid by the State.

22 (d) Notwithstanding any other provisions of the Plan, the Executive
23 Administrator and Board of Trustees are specifically authorized to use all appropriate
24 means to secure tax qualification of the Plan under any applicable provisions of the
25 Internal Revenue Code of 1954 as amended. The Executive Administrator and Board of
26 Trustees shall furthermore comply with all applicable provisions of the Internal
27 Revenue Code as amended, to the extent that this compliance is not prohibited by this
28 Article."

29 (c) G.S. 135-40.1(2) reads as rewritten:

30 "(2) Deductible. – Deductible shall mean an amount of covered expenses
31 during a ~~calendar~~-fiscal year which must be incurred after which
32 benefits (subject to the deductible) becomes payable. The deductible
33 for an employee, retired employee and/or his or her dependents shall
34 be one hundred fifty dollars (\$150.00) for each ~~calendar~~-fiscal year.

35 The deductible applies separately to each covered individual in
36 each ~~calendar~~-fiscal year, subject to an aggregate maximum of four
37 hundred fifty dollars (\$450.00) per family (employee or retiree and his
38 or her covered dependents) in any ~~calendar~~-fiscal year.

39 If two or more family members are injured in the same accident
40 only one deductible is required for charges related to that accident
41 during the benefit period."

42 (d) G.S. 135-40.1(17) reads as rewritten:

43 "(17) Retired Employee (Retiree). – Retired teachers, State employees,
44 and members of the General Assembly who are receiving monthly

1 retirement benefits from any retirement system supported in whole
2 or in part by contributions of the State of North Carolina, so long as
3 the retiree is enrolled. On and after January 1, 1988, a ~~retired~~
4 retiring employee or retiree must have completed at least five years
5 of contributory retirement service with an employing unit prior to
6 retirement from any State-supported retirement system in order to be
7 eligible for group benefits under this Part as a retired employee or
8 retiree."

9 (e) G.S. 135-40.2 is amended by adding a new subsection to read:

10 "(h) No person shall be eligible for coverage as an employee or retired employee
11 or as a dependent of an employee or retired employee upon a finding by the Executive
12 Administrator or Board of Trustees or by a court of competent jurisdiction that the
13 employee or dependent knowingly and willfully made or caused to be made a false
14 statement or false representation of a material fact in a claim for reimbursement of
15 medical services under the Plan."

16 (f) Effective September 1, 1987, G.S. 135-40.2(a) reads as rewritten:

17 "(a) The following persons are eligible for coverage under the Plan, on a
18 noncontributory basis, subject to the provisions of G.S. 135-40.3:

19 (1) All permanent full-time employees of an employing unit who meet the
20 following conditions:

- 21 a. Paid from general or special State funds, or
- 22 b. Paid from non-State funds and in a group for which his or her
23 employing unit has agreed to provide coverage.

24 Employees of State agencies, departments, institutions, boards, and
25 commissions not otherwise covered by the Plan who are employed in
26 permanent job positions on a recurring basis and who work 30 or more
27 hours per week for nine or more months per calendar year are covered
28 by the provisions of this subdivision.

29 (1a) Permanent hourly employees as defined in G.S. 126-5(c4) who work at
30 least one-half of the workdays of each pay period.

31 (2) Retired teachers, State employees, and members of the General
32 Assembly.

33 (2a) Surviving spouses of:

- 34 a. Deceased retired employees, provided the death of the former
35 plan member occurred prior to October 1, 1986; and
- 36 b. Deceased teachers, State employees, and members of the
37 General Assembly who are receiving a survivor's alternate
38 benefit under any of the State-supported retirement programs,
39 provided the death of the former plan member occurred prior to
40 October 1, 1986.

41 (3) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1020, s. 29(b),
42 effective January 1, 1988.

1 (3a) Employees of the General Assembly, not otherwise covered by this
2 section, as determined by the Legislative Services Commission, except
3 for legislative interns and pages.

4 (4) Members of the General Assembly."

5 (g) Effective July 1, 1986, G.S. 135-40.6 is amended in the portion of the
6 section preceding the first subdivision by deleting the phrase "per calendar year" and by
7 substituting the phrase "per fiscal year".

8 (h) Effective October 1, 1989, G.S. 135-40.6(1) reads as rewritten:

9 "(1) In-Hospital Benefits. – The Plan pays in-hospital benefits for each single
10 confinement, when charged by a hospital, for room accommodation, including bed,
11 board and general nursing care, but not to exceed the charge for semiprivate room or
12 ward accommodations, or the rate negotiated for the Plan.

13 The Plan will pay the following covered charges, when charged by a hospital, for
14 each confinement.

15 a. Intensive and cardiac nursing care.

16 b. All recognized drugs and medicines for use in the hospital.

17 c. Radiation services, including diagnostic x-rays, x-ray therapy,
18 radiation therapy and treatment.

19 d. Clinical and pathological laboratory examinations.

20 e. Electrocardiograms and electroencephalograms.

21 f. Physical therapy.

22 g. Intravenous solutions.

23 h. Oxygen and oxygen therapy, plus the use of equipment.

24 i. Dressings, ordinary splints, plaster casts and sterile supplies.

25 j. Use of operating, delivery, recovery and treatment rooms and
26 equipment.

27 k. Routine nursery charges, if the mother is eligible to receive maternity
28 benefits.

29 l. Anesthetics and the administration thereof by the hospital's employee
30 anesthesiologist.

31 m. Devices or appliances surgically inserted within the body.

32 n. Processing and administering of blood and blood plasma.

33 o. ~~Children who are born under the coverage type (2), (3), or (5), as~~
34 ~~outlined in G.S. 135-40.3(d), and who remain continuously covered~~
35 are entitled to benefits for treatment of illnesses or congenital defect,
36 incubation or isolette care, and treatment of prematurity or
37 postmaturity.

38 If the mother is a covered individual, benefits are provided for the
39 newborn's circumcision and routine nursery care.

40 p. When a covered individual is admitted to or transferred to a section of
41 a hospital providing ambulant, convalescent, or rehabilitative care,
42 benefits are provided up to the average number of days of service for
43 treatment of the particular diagnosis or condition involved, or more if
44 medical necessity requires.

- 1 q. The Plan pays benefits for laboratory testing and administration of
2 blood provided to a covered individual.
3 When a covered individual is the recipient of transplanted organs
4 or bones, benefits are provided for services to the donor which are
5 directly and specifically related to the transplantation.
- 6 r. Thirty days per fiscal year are provided for inpatient treatment of
7 mental illness. Readmission for this condition within 365 days of last
8 discharge shall be considered a single confinement. When furnished to
9 a patient in a skilled nursing facility, 30 days less the days of care
10 already provided for the same illness in a hospital are provided.
11 Additional inpatient treatment, based on individual consideration, may
12 be provided if prior approval is obtained from the Claims Processor.
- 13 s. The use of nebulizers when authorized as medically necessary by the
14 attending physician."
- 15 (i) Effective October 1, 1989, G.S. 135-40.6(2) reads as rewritten:
16 "(2) Limitations and Exclusions to In-Hospital Benefits. –
- 17 a. The services of physicians, surgeons and technicians not employed by
18 or under contract to the hospital are not covered.
- 19 b. Any admission for diagnostic tests or procedures which could be, and
20 generally are, performed on an outpatient basis, if no hospitalization
21 would have been required except for such diagnostic services is not
22 covered. However, benefits are provided at ninety percent (90%) of
23 Plan benefits for diagnostic tests and procedures consistent with the
24 symptoms or diagnosis for which admitted.
- 25 c. The Plan will not cover any admission to a hospital prior to the
26 effective date of coverage or beginning prior to the expiration of any
27 waiting period so long as the individual remains continuously in a
28 hospital.
- 29 d. Hospitalization for custodial, domiciliary or sanitarium care, or rest
30 cures, is not covered.
- 31 e. Hospitalization for dental care and treatment is not covered, except
32 when a hospital setting is medically necessary.
- 33 f. Prior to admission for scheduled inpatient hospitalization—and
34 ~~following admission for unscheduled inpatient hospitalization~~, the
35 admitting physician shall contact the Plan and secure approval
36 certification for an inpatient admission, including a length of stay,
37 based upon clinical criteria established by the medical community,
38 before any in-hospital benefits are allowed under G.S. 135-40.8(a).
39 Effective January 1, 1987, failure to secure certification, or denial of
40 certification, shall result in in-hospital benefits being allowed at the
41 rate maximum amount of out-of-pocket expenses established by G.S.
42 135-40.8(b). Denial of certification by the Plan shall be made only
43 after contact with the admitting physician and shall be subject to
44 appeal to the Executive Administrator and Board of Trustees."

- 1 (j) Effective October 1, 1989, G.S. 135-40.6(5) reads as rewritten:
2 "(5) Surgical Benefits. – The Plan pays the usual, customary and reasonable
3 charges for covered surgical services as follows:
4 a. Surgery: Cutting procedures, treatment of fractures, transfusions,
5 operative preparation for diagnostic x-ray examinations, surgical
6 implantation radiation sources, major endoscopic examinations,
7 biopsies, surgical sterilization, other standard services and operations.
8 For the purpose of this subdivision, the term 'standard services and
9 operations' includes the following organ transplants: liver, heart,
10 corneal, bone marrow, and kidney. All other organ transplants shall be
11 considered nonreimbursable under the Plan. Benefits for the above
12 listed organ transplants shall be payable only in accordance with rules
13 established by the Executive Administrator and Board of Trustees.
14 The Executive Administrator and Board of Trustees may limit the
15 Plan's reimbursement for selected organ transplants to amounts that
16 would otherwise be allowed in accordance with G.S. 135-40.4.
17 b. Anesthesia: Administration of general, spinal block or local anesthesia.
18 Covered services include pre- and postoperative visits, the
19 administration of the anesthetic, fluids and/or blood provided by the
20 anesthesiologist and incidental to the anesthesia, and necessary drugs
21 and materials provided by the anesthesiologist. No benefits are
22 provided for administration of local anesthesia or for anesthesia
23 administered by the operating surgeon or surgical assistant(s).
24 c. Oral Surgery: Services which are within the scope of practice of both a
25 doctor of medicine and a dentist, such as excision of tumors and
26 lesions of the mouth, treatment of jaw fractures and surgery to correct
27 injuries of the mouth structure other than teeth and their supporting
28 structure. Developmental and congenital orthognathic surgery
29 procedures will be covered under the Plan, provided such surgery is
30 medically necessary, is the only method of treatment which will
31 correct the patient's deformity, is not performed for cosmetic reasons,
32 and is approved in advance by the Claims Processor on the basis of the
33 surgeon's documentation that the correction of the deformity is
34 medically necessary for the maintenance of good physical health.
35 d. Maternity Care: Independent operative procedures in connection with
36 pregnancy, such as: manipulative obstetrical delivery, delivery by
37 Caesarean section, removal of ectopic pregnancy, dilation and
38 curettage. Benefits for manipulative obstetrical delivery include use of
39 forceps and/or episiotomy. No benefits are provided for antepartum or
40 postpartum care, except for direct surgical procedures of delivery and
41 surgical treatment.
42 e. Surgical Assistants: Services of an assistant surgeon when medical
43 judgment requires the services of an assistant surgeon and no hospital-
44 employed doctor in training is available.

- 1 f. Multiple Procedures: When multiple or bilateral surgical procedures
2 are performed by the same doctor through separate incisions or
3 approaches during the same session, the surgical benefits will be the
4 greater UCR allowance, plus fifty percent (50%) of the lesser UCR
5 allowance. Anesthesia benefits will be the greater UCR allowance.

6 When multiple surgical procedures are performed by the same
7 doctor through the same incision or operative approach, the surgical
8 benefits are limited to the procedure which has the highest UCR
9 allowance.

10 When a surgical procedure is performed in two or more stages, the
11 surgical benefit for the entire procedure is the same as it would be
12 were the procedure performed in one stage (except where otherwise
13 provided in the benefit schedule). This limitation does not apply to
14 anesthesia benefits.

- 15 g. Cleft Palate: Notwithstanding G.S. 135-40.6(6)a and G.S. 135-
16 40.7(11), medical treatment and care needed by an individual born
17 with cleft palate, including specialized dental and orthodontic care
18 necessitated by the congenital condition, ~~provided that the individual~~
19 ~~was covered at the time of birth by the Plan or the Predecessor Plan~~
20 condition."

21 (k) Effective October 1, 1989, G.S. 135-40.6(8) reads as rewritten:

22 "(8) Other Covered Charges. –

- 23 a. Prescription Drugs: Prescription legend drugs in excess of the first two
24 dollars (\$2.00) per prescription for generic drugs and brand name
25 drugs without a generic equivalent and in excess of the first three
26 dollars (\$3.00) per prescription for brand name drugs for use outside of
27 a hospital or skilled nursing facility. A prescription legend drug is
28 defined as an article the label of which, under the Federal Food, Drug,
29 and Cosmetic Act, is required to bear the legend: 'Caution: Federal
30 Law Prohibits Dispensing Without Prescription.' Such articles may not
31 be sold to or purchased by the public without a prescription order.
32 Benefits are provided for insulin even though prescription is not
33 required.
- 34 b. Private Duty Nursing: Services of licensed nurses (not immediate
35 relatives or members of the participant's household or private duty
36 nursing used in lieu of or as a substitute for hospital staff nurses)
37 ordered by the attending doctor for a condition requiring skilled
38 nursing services. Private Duty Nursing ordered must be approved in
39 advance by the Claims Processor as medically necessary. Allowances
40 for Private Duty Nursing shall not exceed the Plan's usual, customary
41 and reasonable allowances or ninety percent (90%) of the daily
42 semiprivate rate by skilled nursing facilities as determined by the Plan.
- 43 c. Home Health Agency Services: Services provided in a covered
44 individual's home, when ordered by the attending physician who

certifies that hospital or skilled nursing facility confinement would be required without such treatment and cannot be readily provided by family members. Services may include medical supplies, equipment, appliances, therapy services (when provided by a qualified speech therapist or licensed physiotherapist), and nursing services. Nursing services will be allowed for:

1. Services of a registered nurse (RN); or
2. Services of a licensed practical nurse (LPN) under the supervision of a RN; or
3. Services of a home health aide under the supervision of a RN, limited to four hours a day.

Home health services shall be limited to 60 days per fiscal year, except that additional home health services may be provided on an individual basis if prior approval is obtained from the Claims Processor. Plan allowances for home health services shall be limited to licensed or Medicare certified home health agencies and shall not exceed ninety percent (90%) of the skilled nursing facility semiprivate rates as determined by the Plan, or charges negotiated by the Plan.

d. Licensed Ambulance Service: Local ambulance transportation:

1. To or from a hospital for inpatient care or outpatient accident care;
2. From a hospital to the nearest facility able to provide needed services not available at the transferring hospital; or
3. From a hospital to a skilled nursing facility.

The word 'local' means ambulance transportation of not more than 50 miles unless the Claims Processor authorizes ambulance transportation beyond this distance.

e. Prosthetic and Orthopedic Appliances and Durable Medical Equipment: Appliances and equipment including corrective and supportive devices such as artificial limbs and eyes, wheelchairs, traction equipment, inhalation therapy and suction machines, hospital beds, braces, orthopedic corsets and trusses, and other prosthetic appliances or ambulatory apparatus which are provided solely for the use of the participant. Eligible charges include repair and replacement when medically necessary. Benefits will be provided on a rental or purchase basis at the sole discretion of the Administrator and agreements to rent or purchase shall be between the Administrator and the supplier of the appliance.

For the purposes of this subdivision, the term 'durable medical equipment' means standard equipment normally used in an institutional setting which can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of an illness or injury and is appropriate for use in the home. Decisions of the Claims Processor, the Executive Administrator

1 and Board of Trustees as to compliance with this definition and
2 coverage under the Plan shall be final.

- 3 f. Dental Services: Dental surgery and appliances for mouth, jaw, and
4 tooth restoration necessitated because of external violent and
5 accidental means, such as the impact of moving body, vehicle
6 collision, or fall occurring while an individual is covered under G.S.
7 135-40.3. No benefits are provided in connection with injury incurred
8 in the act of chewing, nor for damage or breakage of an appliance such
9 as bridge or denture being cleaned or otherwise not in normal mouth
10 usage at the time of accident, nor for appliances for orthodontic
11 treatment when a class of malocclusion, other than orthognathic, or
12 cross bite has been diagnosed. Benefits for temporomandibular joint
13 (TMJ) disfunction appliance therapy are limited to cases where the
14 TMJ disfunction has been diagnosed as solely resulting from
15 accidental means as certified by the attending practitioner and
16 approved by the Claims Processor.

17 Benefits shall include extractions, fillings, crowns, bridges, or other
18 necessary therapeutic and restorative techniques and appliances to
19 reasonably restore condition and function to that existing immediately
20 prior to the accident. Injury or breakage of existing appliances such as
21 bridges and dentures is limited to repair of such appliances unless
22 certified as damaged beyond repair.

- 23 g. Medical Supplies: Colostomy bags, catheters, dressings, oxygen,
24 syringes and needles, and other similar supplies.
- 25 h. Blood: Transfusions including cost of blood, plasma, or blood plasma
26 expanders.
- 27 i. Physical Therapy: Recognized forms of physical therapy for
28 restoration of bodily function, provided by a doctor, hospital, or by a
29 licensed professional physiotherapist. No benefits are provided for eye
30 exercises or visual training.
- 31 j. Inhalation Therapy: When provided by a doctor, hospital, or other
32 organization.
- 33 k. Speech Therapy: Speech therapy provided by certified speech
34 therapist. ~~Benefits are provided only in connection with a condition,~~
35 ~~illness, or injury arising while continuously covered under this Plan.~~
- 36 l. Cataract Lenses: Cataract lenses prescribed as medically necessary for
37 aphakia persons, including charges for necessary examinations and
38 fittings. Benefits will be limited to one set of cataract lenses every 24
39 months for persons 18 years of age or older, and one set of cataract
40 lenses every 12 months for persons less than 18 years of age.
- 41 m. Cardiac Rehabilitation: Charges not to exceed six hundred fifty dollars
42 (\$650.00) per fiscal year for cardiac testing and exercise therapy, when
43 determined medically necessary by an attending physician and
44 approved by the Claims Processor for patients with a medical history

1 of myocardial infarction, angina pectoris, arrhythmias, cardiovascular
 2 surgery, hyperlipidemia, or hypertension, provided such charges are
 3 incurred in a medically supervised facility fully certified by the North
 4 Carolina Department of Human Resources.

5 n. Chiropractic Services: Limited to the alignment of the spine and
 6 releasing of pressure by manipulation in accordance with the
 7 definitions in G.S. 90-143. Maximum benefits for x-rays,
 8 manipulations, and modalities shall be one thousand dollars (\$1,000)
 9 per fiscal year.

10 o. Foot Surgery: All foot surgery on bones and joints in excess of one
 11 thousand dollars (\$1,000), except for emergencies, shall require prior
 12 approval from the Claims Processor.

13 p. Outpatient Diabetes Self-Care Programs: Charges, not to exceed three
 14 hundred dollars (\$300.00) per fiscal year, when determined to be
 15 medically necessary by an attending physician and approved by the
 16 Executive Administrator and Claims Processor as meeting the
 17 standards of the National Diabetes Advisory Board for patients with a
 18 medical history of diabetes, provided such charges are incurred in a
 19 medically supervised facility.

20 q. Necessary medical services provided to terminally ill patients by duly
 21 licensed hospice organizations, when directed by the attending
 22 physician and approved in advance by the Claims Processor and the
 23 Executive Administrator.

24 r. Occupational Therapy: Recognized forms of occupational therapy
 25 provided by a doctor, hospital, or by a licensed professional
 26 occupational therapist to restore fine motor skills for the resumption of
 27 bodily functions."

28 (l) Effective October 1, 1989, G.S. 135-40.7A(b) reads as rewritten:

29 "(b) Notwithstanding any other provisions of this Part, the maximum benefit for
 30 each covered individual for treatment of chemical dependency is as follows:

31	30 Consecutive Days	\$ 3,900		
32	Fiscal Year		6,500	<u>\$ 8,000</u>
33	Lifetime	20,000	<u>25,000</u>	

34 Daily benefits are limited to ~~one hundred thirty dollars (\$130.00)~~ two hundred
 35 dollars (\$200.00) except for medical detoxification treatment under rules established by
 36 the Executive Administrator and Board of Trustees."

37 (m) Effective July 1, 1986, G.S. 135-40.8(a) reads as rewritten:

38 "(a) For the balance of any fiscal year after each eligible employee, retired
 39 employee, or dependent satisfies the cash deductible, the Plan pays ninety percent
 40 ~~(95%)-(90%)~~ (90%) of the eligible expenses outlined in G.S. 135-40.6. The covered individual
 41 is then responsible for the remaining ten percent (10%) until three hundred dollars
 42 (\$300.00), in excess of the deductible, has been paid out-of-pocket. The Plan then pays
 43 one hundred percent (100%) of the remaining covered expenses."

44 (n) Effective October 1, 1986, G.S. 40.8(b) reads as rewritten:

1 "(b) Where a covered individual fails to obtain a second surgical opinion as
2 required under the Plan, the covered individual shall be responsible for fifty percent
3 (50%) of the eligible expenses, provided, however, that no covered individual shall be
4 required to ~~pay pay, in addition to the expenses in subsection (a) above,~~ out-of-pocket in
5 excess of five hundred dollars (\$500.00) per fiscal year."

6 (o) Effective October 1, 1982, G.S. 135-40.10(b) reads as rewritten:

7 "(b) For those participants eligible for Medicare, the State's ~~new~~ plan will be
8 administered on a 'carve out' basis. The provisions of the ~~new~~ plan are applied to the
9 charges not paid by Medicare (Parts A & B). In other words, those charges not paid by
10 Medicare would be subject to the deductible and coinsurance of the ~~new~~ Plan just as if
11 the charges not paid by Medicaid were the total bill."

12 (p) G.S. 135-40.11(a) reads as rewritten:

13 "(a) Coverage under this Plan of an employee and his or her surviving spouse or
14 eligible dependent children or of a retired employee and his or her surviving spouse or
15 eligible dependent children shall cease on the earliest of the following dates:

- 16 (1) The last day of the month in which an employee or retired employee
17 dies. Provided such surviving spouse or eligible dependent children
18 were covered under the Plan at the time of death of the former
19 employee or retired employee, or were covered on September 30,
20 1986, any such surviving spouse or eligible dependent children may
21 then elect to continue coverage under the Plan by submitting written
22 application to the Claims Processor and by paying the cost for such
23 coverage when due at the applicable fees. Such coverage shall cease
24 on the last day of the month in which such surviving spouse or eligible
25 dependent children die, except as provided by this Article.
- 26 (2) The last day of the month in which an employee's employment with
27 the State is terminated as provided in subsection (c) of this section.
- 28 (3) The last day of the month in which a divorce becomes final.
- 29 (4) The last day of the month in which an employee or retired employee
30 requests cancellation of coverage.
- 31 (5) The last day of the month in which a covered individual enters active
32 military service.
- 33 (6) The last day of the month in which a covered individual is found to
34 have knowingly and willfully made or caused to be made a false
35 statement or false representation of a material fact in a claim for
36 reimbursement of medical services under the Plan."

37
38 Requested by: Representative Diamont

39 —GOVERNOR'S SALARY INCREASE

40 Sec. 21. (a) Effective July 1, 1989, G.S. 147-11(a) reads as rewritten:

41 "(a) The salary of the Governor shall be ~~one hundred nine thousand, seven~~
42 ~~hundred twenty eight dollars (\$109,728)~~ one hundred sixteen thousand three hundred
43 sixteen dollars (\$116,316) annually, payable monthly."

1 (b) Effective July 1, 1990, G.S. 147-11(a) as amended by subsection (a) of
2 this section reads as rewritten:

3 "(a) The salary of the Governor shall be ~~one hundred sixteen thousand three~~
4 ~~hundred sixteen dollars (\$116,316)~~ one hundred twenty-three thousand three hundred
5 dollars (\$123,300) annually, payable monthly."
6

7 Requested by: Representative Diamont

8 ---COUNCIL OF STATE/SALARY INCREASE

9 Sec. 22. The annual salaries for members of the Council of State, payable
10 monthly, for the following fiscal years are:

11 Council of State	1989-90	1990-91
12 Lieutenant Governor	\$ 70,992	\$75,252
13 Attorney General	70,992	75,252
14 Secretary of State	70,992	75,252
15 State Treasurer	70,992	75,252
16 State Auditor	70,992	75,252
17 Superintendent of Public Instruction	70,992	75,252
18 Agriculture Commissioner	70,992	75,252
19 Insurance Commissioner	70,992	75,252
20 Labor Commissioner	70,992	75,252.

21
22 Requested by: Representative Diamont

23 ---NONELECTED DEPARTMENT HEAD/SALARY INCREASES

24 Sec. 23. In accordance with G.S. 143B-9, the maximum annual salaries,
25 payable monthly, for the nonelected heads of the principal State departments for the
26 following fiscal years are:

27 Nonelected Department Heads	1989-90	1990-91
28 Secretary of Administration	\$ 70,992	\$75,252
29 Secretary of Commerce	70,992	75,252
30 Secretary of Correction	70,992	75,252
31 Secretary of Crime Control and 32 Public Safety	70,992	75,252
33 Secretary of Cultural Resources	70,992	75,252
34 Secretary of Human Resources	70,992	75,252
35 Secretary of Natural Resources 36 and Community Development	70,992	75,252
37 Secretary of Revenue	70,992	75,252
38 Secretary of Transportation	70,992	75,252.

39
40 Requested by: Representative DeVane

41 ---LEGISLATORS/SALARY AND EXPENSES INCREASE

42 Sec. 24. Effective upon convening of the 1991 Regular Session of the
43 General Assembly, G.S. 120-3 reads as rewritten:

44 "**§ 120-3. Pay of members and officers of the General Assembly.**"

1 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-one~~
2 ~~thousand two hundred twenty-four dollars (\$31,224)~~\$35,100, payable monthly, and an
3 expense allowance of ~~one thousand one hundred seventy-five dollars (\$1,175)~~ \$1,320
4 per month. The President Pro Tempore of the Senate shall be paid an annual salary of
5 ~~nineteen thousand one hundred four dollars (\$19,104)~~\$35,100, payable monthly, and an
6 expense allowance of ~~eight hundred thirty-three dollars (\$833.00)~~ \$1,320 per month.
7 The Speaker Pro Tempore of the House shall be paid an annual salary of ~~seventeen~~
8 ~~thousand five hundred ninety-two dollars (\$17,592)~~\$19,776, payable monthly, and an
9 expense allowance of ~~six hundred ninety-four dollars (\$694.00)~~ \$780.00 per month; and
10 the Deputy President Pro Tempore of the Senate shall be paid an annual salary of
11 ~~sixteen thousand eighty dollars (\$16,080)~~ \$19,776, payable monthly, and an expense
12 allowance of ~~five hundred fifty-four dollars (\$554.00)~~ \$780.00 per month. The
13 majority and minority leader-leaders in the House and the majority and minority leaders
14 in the Senate shall be paid an annual salary of ~~thirteen thousand six hundred eighty-~~
15 ~~eight dollars (\$13,688)~~\$15,396, payable monthly, and an expense allowance of ~~five~~
16 ~~hundred fifty-four dollars (\$554.00)~~ \$622.00 per month.

17 (b) Every other member of the General Assembly shall receive increases in
18 annual salary only to the extent of and in the amounts equal to the average increases
19 received by employees of the State, effective upon convening of the next Regular
20 Session of the General Assembly after enactment of these increased amounts.
21 Accordingly, upon convening of the 1991 Regular Session of the General Assembly,
22 every other member of the General Assembly shall be paid an annual salary of ~~eleven~~
23 ~~thousand one hundred twenty-four dollars (\$11,124)~~\$12,504, payable monthly, and an
24 expense allowance of ~~four hundred sixty-five dollars (\$465.00)~~ \$522.00 per month.

25 (c) The salary and expense allowances provided in this section are in addition to
26 any per diem compensation and any subsistence and travel allowance authorized by any
27 other law with respect to any regular or extra session of the General Assembly, and
28 service on any State board, agency, commission, standing committee and study
29 commission."
30

31 Requested by: Representative Diamont

32 ---GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

33 Sec. 25. G.S. 120-37(c) reads as rewritten:

34 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
35 entitled to other benefits available to permanent legislative employees and shall be paid
36 an annual salary of ~~forty-one thousand seventy-six dollars (\$41,076)~~ forty-three
37 thousand five hundred forty-eight dollars (\$43,548) from July 1, 1989 through June 30,
38 1990, and an annual salary of forty-six thousand one hundred sixty-four dollars
39 (\$46,164) on and after July 1, 1990, payable monthly. The Legislative Services
40 Commission shall review the salary of the principal clerks prior to submission of the
41 proposed operating budget of the General Assembly to the Governor and Advisory
42 Budget Commission and shall make appropriate recommendations for changes in those
43 salaries. Any changes enacted by the General Assembly shall be by amendment to this
44 paragraph."

1

2 Requested by: Representative Diamont

3 —SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

4 Sec. 26. G.S. 120-37(b) reads as rewritten:

5 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
6 salary of ~~one hundred eighty five dollars (\$185.00)~~ one hundred ninety-seven dollars
7 (\$197.00) per week from July 1, 1989 through June 30, 1990, and two hundred nine
8 dollars (\$209.00) per week on and after July 1, 1990, plus subsistence at the same daily
9 rate provided for members of the General Assembly, plus mileage at the rate provided
10 for members of the General Assembly for one round trip only from their homes to
11 Raleigh and return. The sergeants-at-arms shall serve during sessions of the General
12 Assembly and at such time prior to the convening of, and subsequent to adjournment or
13 recess of, sessions as may be authorized by the Legislative Services Commission. The
14 reading clerks shall serve during sessions only."

15

16 Requested by: Representative Diamont

17 —LEGISLATIVE EMPLOYEES/SALARY INCREASES

18 Sec. 27. (a) The Legislative Administrative Officer may increase the salaries
19 of nonelected employees of the General Assembly in effect for fiscal year 1988-89 by
20 an amount equal to six percent (6%), rounded to conform to the steps in the salary
21 ranges adopted by the Legislative Services Commission, commencing July 1, 1989.
22 Nothing in this Part limits any of the provisions of G.S. 120-32.

23 (b) The Legislative Administrative Officer may increase the salaries of
24 nonelected employees of the General Assembly in effect for fiscal year 1989-90 by an
25 amount equal to six percent (6%), rounded to conform to the steps in the salary ranges
26 adopted by the Legislative Services Commission, commencing July 1, 1990. Nothing in
27 this Part limits any of the provisions of G.S. 120-32.

28

29 Requested by: Representative Diamont

30 —JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

31 Sec. 28. (a) The annual salaries, payable monthly, for specified judicial branch
32 officials for following fiscal years are:

33 Judicial Branch Officials	1989-90	1990-91
34 Chief Justice, Supreme Court	\$ 86,232	\$91,416
35 Associate Justice, Supreme Court	84,456	89,532
36 Chief Judge, Court of Appeals	81,756	86,664
37 Judge, Court of Appeals	79,968	84,768
38 Judge, Senior Regular Resident		
39 Superior Court	73,332	77,736
40 Judge, Superior Court	70,992	75,252
41 Chief Judge, District Court	62,628	66,396
42 Judge, District Court	60,240	63,864
43 District Attorney	66,060	70,032
44 Assistant District Attorney - an		

1	average of	42,732	45,300
2	Administrative Officer of the Courts	73,332	77,736
3	Assistant Administrative Officer		
4	of the Courts	59,772	63,360
5	Public Defender	66,060	70,032
6	Assistant Public Defender - an		
7	average of	42,732	45,300.

8 If an acting senior regular resident superior court judge is appointed under the
 9 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,
 10 Superior Court, until his temporary appointment is vacated, and the judge he replaces
 11 shall receive the salary indicated for Judge, Superior Court.

12 The district attorney or public defender of a judicial district, with the approval
 13 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 14 attorneys or assistant public defenders, respectively, in that district such that the average
 15 salaries of assistant district attorneys or assistant public defenders in that district do not
 16 exceed forty-two thousand seven hundred thirty-two dollars (\$42,732) effective July 1,
 17 1989, and forty-five thousand three hundred dollars (\$45,300) effective July 1, 1990,
 18 and the minimum salary of any assistant district attorney or assistant public defender is
 19 at least twenty-one thousand five hundred seventy-six dollars (\$21,576) effective July 1,
 20 1989, and twenty-two thousand eight hundred seventy-two dollars (\$22,872) effective
 21 July 1, 1990.

22 (b) The salaries in effect for fiscal year 1988-89 for permanent employees of
 23 the Judicial Department, except for those whose salaries are itemized in this Part, shall
 24 be increased by an amount, commencing July 1, 1989, equal to six percent (6%),
 25 rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

26 (c) The salaries in effect for fiscal year 1989-90 for permanent employees of
 27 the Judicial Department, except for those whose salaries are itemized in this Part, shall
 28 be increased by an amount, commencing July 1, 1990, equal to six percent (6%),
 29 rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

30

31 Requested by: Representative Diamont

32 ---CLERKS OF COURT/SALARY INCREASE

33 Sec. 29. G.S. 7A-101(a) reads as rewritten:

34 "(a)The clerk of superior court is a full-time employee of the State and shall receive
 35 an annual salary, payable in equal monthly installments, based on the population of the
 36 county, as determined by the population projections of the Office of State Budget and
 37 Management for the year preceding the first year of each biennial budget, according to
 38 the following schedule:

39	Population	Annual Salary	
40	<u>1989-90</u> <u>1990-91</u>		
41	Less than 30,000\$	<u>36,288</u>	<u>38,472</u>
42	<u>40,788</u>		
43	30,000 to 99,999	<u>41,748</u> <u>44,256</u>	<u>46,920</u>
44	100,000 to 199,999	<u>47,184</u> <u>50,016</u>	<u>53,028</u>

(1) A full-time magistrate, so designated by the Administrative Officer of the Courts, shall be paid the annual salary indicated in the table below according to the number of years he has served as a magistrate. The salary steps shall take effect on the anniversary of the date the magistrate was originally appointed:

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

Number of Prior Years of Service	Annual Salary	
	1989-90	1990-91
Less than 1	\$ 14,712	15,600
1 or more but less than 3	15,480	16,416
3 or more but less than 5	17,052	18,084
5 or more but less than 7	18,792	19,920
7 or more but less than 9	20,724	21,972
9 or more but less than 11	22,824	24,204
11 or more	25,116	26,628

A 'Full-time magistrate' is a magistrate who is assigned to work an average of not less than 40 hours a week during his term of office.

Notwithstanding any other provision of this subdivision, a full-time magistrate, who was serving as a magistrate on December 31, 1978, and who was receiving an annual salary in excess of that which would ordinarily be allowed under the provisions of this subdivision, shall not have the salary, which he was receiving reduced during any subsequent term as a full-time magistrate. That magistrate's salary shall be fixed at the salary level from the table above which is nearest and higher than the latest annual salary he was receiving on December 31, 1978, and, thereafter, shall advance in accordance with the schedule in the table above.

(2) A part-time magistrate, so designated by the Administrative Officer of the Courts, is included, in accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10) and 135-40.2(a) and shall receive an annual salary based on the following formula: The average number of hours a week that a part-time magistrate is assigned work during his term shall be multiplied by the annual salary payable to a full-time magistrate who has the same number of years of service prior to the beginning of that term as does the part-time magistrate and the product of that multiplication shall be divided by the number 40. The quotient shall be the annual salary payable to that part-time magistrate.

A 'part-time magistrate' is a magistrate who is assigned to work an average of less than 40 hours of work a week during his term. No magistrate may be assigned an average of less than 10 hours of work a week during his term.

Notwithstanding any other provision of this subdivision, upon reappointment as a magistrate and being assigned to work the same or

1 greater number of hours as he worked as a magistrate for a term of
2 office ending on December 31, 1978, a person who received an annual
3 salary in excess of that to which he would be entitled under the
4 formula contained in this subdivision shall receive an annual salary
5 equal to that received during the prior term. That magistrate's salary
6 shall increase in accordance with the salary formula contained in this
7 subdivision.

- 8 (3) Notwithstanding any other provision of this section, a ~~beginning full-~~
9 ~~time~~ magistrate with a two-year Associate in Applied Science degree
10 in criminal justice or paralegal training from a North Carolina
11 community college or the equivalent degree from a private educational
12 institution in North Carolina, ~~may be initially employed at~~ shall
13 receive the annual salary provided in the table above for a magistrate
14 with '3 or more but less than 5' years of service; a beginning full time
15 three years of service in addition to those which the magistrate has
16 served; a magistrate with a four-year degree from an accredited senior
17 institution of higher education may be initially employed at shall
18 receive the annual salary provided in the table above for a magistrate
19 with '5 or more but less than 7' years of service; a beginning full time
20 five years of service in addition to those which the magistrate has
21 served; a magistrate who holds a law degree from an accredited law
22 school may be employed at shall receive the annual salary provided in
23 the table above for a magistrate with '7 or more but less than 9' years
24 of service; and a beginning full time seven years of service in addition
25 to those which the magistrate has served; and a magistrate who is
26 licensed to practice law in North Carolina may be initially employed at
27 shall receive the annual salary provided in the table above for a
28 magistrate with nine years of service in addition to those which the
29 magistrate has served. '9 or more but less than 11' years of service.
30 ~~Seniority increments for a magistrate with a two or four year degree or~~
31 ~~a law degree or for a magistrate licensed to practice law in North~~
32 ~~Carolina as described herein accrue thereafter at two year intervals, as~~
33 ~~provided in the table.~~

34 Magistrates with a two or four-year degree or a law degree
35 described herein who became magistrates before July 1, 1979 are
36 entitled to an increase of three, five and seven years, respectively, in
37 their seniority, for pay purposes only. Full-time magistrates licensed to
38 practice law in North Carolina who became magistrates before July 1,
39 1979 are entitled to the pay of a magistrate with 9 or more years of
40 service, and part-time magistrates holding a law degree or a license to
41 practice law as described above who became magistrates before July 1,
42 1979 are entitled to a proportionate adjustment in their pay. Pay
43 increases authorized by this paragraph of this subdivision are not
44 retroactive.

- 1 (4) Notwithstanding any other provision of this section, a ~~beginning full-~~
2 ~~time~~-magistrate with 10 years' experience within the last 12 years as a
3 sheriff or deputy sheriff, administrative officer for a district attorney,
4 city or county police officer, or highway patrolman in the State of
5 North Carolina, or with 10 years' experience within the last 12 years as
6 clerk of superior court or an assistant or deputy clerk of court in the
7 State of North Carolina ~~may be initially employed at~~ shall receive the
8 annual salary provided in the table in subdivision (1) for a magistrate
9 with five years of service in addition to those the magistrate has
10 served. A magistrate who qualifies for the increased salary under both
11 subdivisions (3) and (4) of this subsection shall receive either the
12 salary determined under subdivision (3) or that determined under
13 subdivision (4), whichever is higher, but no more. 'five or more but
14 less than seven' years of service. Seniority increments for a magistrate
15 with the law enforcement or judicial system experience described
16 above accrue thereafter at two year intervals, as provided in the table.
17 A beginning magistrate who meets the criteria for increased beginning
18 salary under both subdivisions (3) and (4) may not combine those
19 entry levels but may begin at the higher of the two levels.
20 (5) The Administrative Officer of the Courts shall provide magistrates
21 with longevity pay at the same rates as are provided by the State to its
22 employees subject to the State Personnel Act."
23

24 Requested by: Representative Diamont

25 —COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

26 Sec. 32. (a) The Director of the Budget may transfer from the salary increase
27 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to
28 provide an average annual salary increase of six percent (6%), including funds for the
29 employer's retirement and Social Security contributions, commencing July 1, 1989, for
30 all permanent community college institutional personnel supported by State funds.
31 Subject to the availability of funds, the salaries for temporary community college
32 institutional personnel may be increased by pro rata amounts of the six percent (6%)
33 average annual salary increase provided for permanent institutional employees. These
34 funds may not be used for any purpose other than for the salary increases and necessary
35 employer contributions provided by this section.

36 (b) The Director of the Budget may transfer from the salary increase reserve
37 fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to provide
38 an average annual salary increase of six percent (6%), including funds for the
39 employer's retirement and Social Security contributions, commencing July 1, 1990, for
40 all permanent community college institutional personnel supported by State funds.
41 Subject to the availability of funds, the salaries for temporary community college
42 institutional personnel may be increased by pro rata amounts of the six percent (6%)
43 average annual salary increase provided for permanent institutional employees. These

1 funds may not be used for any purpose other than for the salary increases and necessary
2 employer contributions provided by this section.

3
4 Requested by: Representative Diamont

5 —HIGHER EDUCATION PERSONNEL/SALARY INCREASES

6 Sec. 33. (a) The Director of the Budget may transfer from the salary increase
7 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to
8 provide an annual average salary increase of six percent (6%), including funds for the
9 employer's retirement and Social Security contributions, commencing July 1, 1989, for
10 all employees of The University of North Carolina, as well as employees of the North
11 Carolina School of Science and Mathematics, supported by State funds and whose
12 salaries are exempt from the State Personnel Act. These funds shall be allocated to
13 individuals according to rules adopted by the Board of Governors, or the Board of
14 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
15 may not be used for any purpose other than for the salary increases and necessary
16 employer contributions provided by this section.

17 (b) The Director of the Budget may transfer from the salary increase reserve
18 fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to provide
19 an annual average salary increase of six percent (6%), including funds for the
20 employer's retirement and Social Security contributions, commencing July 1, 1990, for
21 all employees of The University of North Carolina, as well as employees of the North
22 Carolina School of Science and Mathematics, supported by State funds and whose
23 salaries are exempt from the State Personnel Act. These funds shall be allocated to
24 individuals according to rules adopted by the Board of Governors, or the Board of
25 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
26 may not be used for any purpose other than for the salary increases and necessary
27 employer contributions provided by this section.

28
29 Requested by: Representative Diamont

30 —MOST STATE EMPLOYEES/SALARY INCREASES/1989-90

31 Sec. 34. (a) The salaries in effect for fiscal year 1988-89 for all permanent full-
32 time State employees whose salaries are set in accordance with the State Personnel Act
33 and who are paid from the General Fund or the Highway Fund shall be increased, on
34 and after July 1, 1989, unless otherwise provided by this Part, by an average of four
35 percent (4%), rounded to conform to the steps in the salary ranges adopted by the State
36 Personnel Commission. If an employee's salary for fiscal year 1988-89 is not equal to a
37 specific pay rate on the 1988-89 salary schedule, his salary increase, effective July 1,
38 1989, unless otherwise provided by this Part, shall be four percent (4%) with the annual
39 salary adjusted so as to be divisible by 12. The provisions of this subsection shall also
40 apply to employees whose salaries are determined in accordance with G.S. 20-187.3(a).

41 (b) The salary increase reserve funds in Sections 3 and 4 of this act contain
42 funds equivalent to an average annual salary increase of two percent (2%) for
43 permanent State employees, which shall be transferred by the Director of the Budget,
44 including funds for the employer's retirement and Social Security contributions, to all

1 employing agencies to be awarded, on and after July 1, 1989, to permanent State
2 employees whose salaries are set in accordance with the State Personnel Act and who
3 are paid from the General Fund or the Highway Fund, on the basis of job performance
4 that exceeds satisfactory levels in accordance with the policies, rules, and regulations
5 established by the State Personnel Commission. The funds so transferred by the
6 Director of the Budget shall be computed on the annualized salaries payable on June 30,
7 1989, so as not to be compounded with any other increases in salary granted by the
8 1989 General Assembly. The provisions of this subsection shall not apply to employees
9 whose salaries are determined in accordance with G.S. 20-187.3(a). During the fiscal
10 year covered by this section, no employee shall receive more than a six percent (6%)
11 increase in his or her annual salary as a result of this subsection.

12 (c) Except as otherwise provided in this act, the fiscal year 1988-89 salaries
13 for permanent full-time State officials and persons in exempt positions that are
14 recommended by the Governor or the Governor and the Advisory Budget Commission
15 and set by the General Assembly shall be increased by an average of six percent (6%),
16 commencing July 1, 1989.

17 (d) The salaries in effect for fiscal year 1988-89 for all permanent part-time
18 State employees shall be increased on and after July 1, 1989, by pro rata amounts of the
19 four percent (4%) average salary increase provided for permanent full-time employees
20 covered under subsection (a) of this section.

21 (e) The Director of the Budget may allocate out of special operating funds or
22 from other sources of the employing agency, except tax revenues, sufficient funds to
23 allow a salary increase, on and after July 1, 1989, in accordance with subsections (a)
24 and (b), or subsection (c), or subsections (b) and (d), including funds for the employer's
25 retirement and Social Security contributions, for the permanent full-time and part-time
26 employees of the agency, provided the employing agency elects to make available the
27 necessary funds.

28 (f) Within regular Executive Budget Act procedures as limited by this act, all
29 State agencies and departments may increase on an equitable basis the rate of pay of
30 temporary and permanent hourly State employees, subject to availability of funds in the
31 particular agency or department, by pro rata amounts of the four percent (4%) average
32 salary increase provided for permanent full-time employees covered by the provisions
33 of subsection (a) of this section, commencing July 1, 1989.

34
35 Requested by: Representative Diamont

36 ---MOST STATE EMPLOYEES/SALARY INCREASES/1990-91

37 Sec. 35. (a) The salaries in effect for fiscal year 1989-90 for all permanent full-
38 time State employees whose salaries are set in accordance with the State Personnel Act
39 and who are paid from the General Fund or the Highway Fund shall be increased, on
40 and after July 1, 1990, unless otherwise provided by this Part, by an average of four
41 percent (4%), rounded to conform to the steps in the salary ranges adopted by the State
42 Personnel Commission. If an employee's salary for fiscal year 1989-90 is not equal to a
43 specific pay rate on the 1989-90 salary schedule, his salary increase, effective July 1,
44 1990, unless otherwise provided by this Part, shall be four percent (4%) with the annual

1 salary adjusted so as to be divisible by 12. The provisions of this subsection shall also
2 apply to employees whose salaries are determined in accordance with G.S. 20-187.3(a).

3 (b) The salary increase reserve funds in Sections 3 and 4 of this act contain
4 funds equivalent to an average annual salary increase of two percent (2%) for
5 permanent State employees, which shall be transferred by the Director of the Budget,
6 including funds for the employer's retirement and Social Security contributions, to all
7 employing agencies to be awarded, on and after July 1, 1990, to permanent State
8 employees whose salaries are set in accordance with the State Personnel Act and who
9 are paid from the General Fund or the Highway Fund, on the basis of job performance
10 that exceeds satisfactory levels in accordance with the policies, rules, and regulations
11 established by the State Personnel Commission. The funds so transferred by the
12 Director of the Budget shall be computed on the annualized salaries payable on June 30,
13 1990, so as not to be compounded with any other increases in salary granted by the
14 1989 General Assembly. The provisions of this subsection shall not apply to employees
15 whose salaries are determined in accordance with G.S. 20-187.3(a). During the fiscal
16 year covered by this section, no employee shall receive more than a six percent (6%)
17 increase in his or her annual salary as a result of this subsection.

18 (c) Except as otherwise provided in this act, the fiscal year 1989-90 salaries
19 for permanent full-time State officials and persons in exempt positions that are
20 recommended by the Governor or the Governor and the Advisory Budget Commission
21 and set by the General Assembly shall be increased by an average of six percent (6%),
22 commencing July 1, 1990.

23 (d) The salaries in effect for fiscal year 1989-90 for all permanent part-time
24 State employees shall be increased on and after July 1, 1990, by pro rata amounts of the
25 four percent (4%) average salary increase provided for permanent full-time employees
26 covered under subsection (a) of this section.

27 (e) The Director of the Budget may allocate out of special operating funds or
28 from other sources of the employing agency, except tax revenues, sufficient funds to
29 allow a salary increase, on and after July 1, 1990, in accordance with subsections (a)
30 and (b), or subsection (c), or subsections (b) and (d), including funds for the employer's
31 retirement and Social Security contributions, for the permanent full-time and part-time
32 employees of the agency, provided the employing agency elects to make available the
33 necessary funds.

34 (f) Within regular Executive Budget Act procedures as limited by this act, all
35 State agencies and departments may increase on an equitable basis the rate of pay of
36 temporary and permanent hourly State employees, subject to availability of funds in the
37 particular agency or department, by pro rata amounts of the four percent (4%) average
38 salary increase provided for permanent full-time employees covered by the provisions
39 of subsection (a) of this section, commencing July 1, 1990.

40
41 Requested by: Representative Diamont

42 —PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

43 Sec. 36. (a) Superintendents, Assistant Superintendents, Associate
44 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program

1 Administrators, Principals, and Assistant Principals–1989-90. The Director of the
2 Budget may transfer from the salary increase reserve fund created in Section 3 of this
3 act for fiscal year 1989-90 funds necessary to provide an annual salary increase of six
4 percent (6%), including funds for the employer's retirement and Social Security
5 contributions, commencing July 1, 1989, for all superintendents, assistant
6 superintendents, associate superintendents, supervisors, directors, coordinators,
7 evaluators, program administrators, principals, and assistant principals whose salaries
8 are supported from the State's General Fund. These funds may not be used for any
9 purpose other than for the salary increase and necessary employer contributions
10 provided by this subsection.

11 (a1) Salary schedule for administrators.– Prior to April 1, 1990, the State
12 Board of Education and the Superintendent of Public Instruction shall develop a salary
13 schedule for superintendents, assistant superintendents, associate superintendents,
14 supervisors, directors, coordinators, evaluators, program administrators, principals, and
15 assistant principals whose salaries are supported from the State's General Fund. The
16 schedule shall be similar to that mandated by the General Assembly for teachers and
17 shall incorporate (i) 30 annual salary steps based on years of experience, with a two
18 percent (2%) difference between steps except for between the third and fourth steps
19 which shall have a five percent (5%) difference, (ii) additional salary increments for
20 additional academic preparation, and (iii) annual longevity pay at two and one-half
21 percent (2.5%) of base salary only upon completion of 25 years of State service.

22 The State Board of Education and the Superintendent of Public Instruction
23 shall also develop a schedule for implementing this salary schedule as soon as
24 practicable, commencing not later than July 1, 1990, and for completing the
25 implementation of the salary schedule no later than June 30, 1994.

26 The State Board of Education and the Superintendent of Public Instruction
27 shall report to the President Pro Tempore of the Senate, the Speaker of the House of
28 Representatives, and the chairmen of the appropriations committees of the Senate and
29 the House of Representatives prior to April 1, 1990, on the salary schedule developed
30 pursuant to this subsection and the proposed implementation schedule for this salary
31 schedule.

32 (a2) Superintendents, Assistant Superintendents, Associate Superintendents,
33 Supervisors, Directors, Coordinators, Evaluators, Program Administrators, Principals,
34 and Assistant Principals–1990-91. The Director of the Budget may transfer from the
35 salary increase reserve fund created in Section 3 of this act for fiscal year 1990-91 funds
36 necessary to provide an average annual salary increase of six percent (6%), including
37 funds for the employer's retirement and Social Security contributions, commencing July
38 1, 1990, for all superintendents, assistant superintendents, associate superintendents,
39 supervisors, directors, coordinators, evaluators, program administrators, principals, and
40 assistant principals whose salaries are supported from the State's General Fund. These
41 funds shall be allocated to individuals according to rules adopted by the State Board of
42 Education and the Superintendent of Public Instruction so as to begin the first year of
43 the implementation schedule of the salary schedule developed pursuant to subsection

1 (a1) of this section. These funds may not be used for any purpose other than for the
2 salary increase and necessary employer contributions provided by this subsection.

3 (b) Teachers. The Director of the Budget may transfer from the salary increase
4 reserve fund created in Section 3 of this act for fiscal year 1989-90 and for fiscal year
5 1990-91 funds necessary to provide an annual average salary increase of six percent
6 (6%), including funds for the employer's retirement and Social Security contributions
7 and funds for annual longevity payments at two and one-half percent (2.5%) of base
8 salary only upon the completion of 25 years of State service, commencing July 1, 1989,
9 and July 1, 1990, for all teachers whose salaries are supported from the State's General
10 Fund. These funds shall be allocated to individuals according to rules adopted by the
11 State Board of Education and the Superintendent of Public Instruction to begin the first
12 and second years of the three-year implementation schedule. This salary schedule,
13 which incorporates (i) 30 annual salary steps based on years of experience, with a two
14 percent (2%) difference between steps except for between the third and fourth steps
15 which shall have a five percent (5%) difference and (ii) a five percent (5%) salary
16 increase for teachers with certification based on academic preparation at the master's
17 degree level.

18 This schedule shall be as follows:

- 19 (1) Beginning July 1, 1989, and ending June 30, 1992, the following
20 monthly salary schedule shall be phased in for certified personnel of
21 the public schools who are classified as "A" teachers. The schedule
22 contains 30 steps with each step corresponding to one year of teaching
23 experience.

24	Years	1989-90	1990-91
25	<u>Experience</u>	<u>Salary</u>	<u>Salary</u>
26	0	\$1,914	\$1,981
27	1	1,986	2,021
28	2	2,002	2,111
29	3	2,020	2,141
30	4	2,037	2,172
31	5	2,106	2,204
32	6	2,196	2,263
33	7	2,215	2,332
34	8	2,234	2,366
35	9	2,297	2,400
36	10	2,316	2,458
37	11	2,336	2,494
38	12	2,417	2,530
39	13	2,438	2,598
40	14	2,521	2,636
41	15	2,543	2,706
42	16	2,631	2,746
43	17	2,726	2,819
44	18	2,749	2,897

1	19	2,850	2,939
2	20	2,874	3,021
3	21	2,976	3,065
4	22	3,001	3,149
5	23	3,027	3,195
6	24	3,053	3,241
7	25	3,079	3,288
8	26	3,106	3,336
9	27	3,134	3,386
10	28	3,162	3,436
11	29+	3,191	3,487

(2) Beginning July 1, 1989, and ending June 30, 1992, the following monthly salary schedule shall be phased in for certified personnel of the public schools who are classified as "G" teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

	Years	1989-90	1990-91
	<u>Experience</u>	<u>Salary</u>	<u>Salary</u>
20	0	\$2,059	\$2,105
21	1	2,134	2,147
22	2	2,152	2,241
23	3	2,170	2,273
24	4	2,188	2,306
25	5	2,267	2,339
26	6	2,346	2,404
27	7	2,366	2,469
28	8	2,386	2,505
29	9	2,468	2,541
30	10	2,489	2,609
31	11	2,510	2,647
32	12	2,531	2,685
33	13	2,619	2,724
34	14	2,714	2,798
35	15	2,736	2,875
36	16	2,837	2,916
37	17	2,861	2,998
38	18	2,963	3,042
39	19	2,988	3,125
40	20	3,099	3,170
41	21	3,124	3,259
42	22	3,239	3,306
43	23	3,265	3,399
44	24	3,293	3,447

1	25	3,321	3,497
2	26	3,349	3,548
3	27	3,378	3,600
4	28	3,408	3,652
5	29+	3,438	3,706

6 (3) The rules adopted by the State Board for allocating funds to
7 individuals shall provide for (i) a seven and one-half percent (7.5%)
8 salary increase for teachers with certification based on academic
9 preparation at the six-year degree level; (ii) a ten percent (10%) salary
10 increase for teachers with certification based on academic preparation
11 at the doctoral degree level; and (iii) annual longevity pay at two and
12 one-half percent (2.5%) of base salary only upon the completion of 25
13 years of State service.

14 (c) Noncertified Employees. The Director of the Budget may transfer from the
15 salary increase reserve fund created in Section 3 of this act for fiscal year 1989-90 funds
16 necessary to provide an annual average salary increase of four percent (4%), including
17 funds for the employer's retirement and Social Security contributions, commencing July
18 1, 1989, for all noncertified public school employees, except school bus drivers, whose
19 salaries are supported from the State's General Fund. An additional amount of funds
20 equal to an average annual salary increase of two percent (2%) for these employees may
21 also be transferred by the Director of the Budget for fiscal year 1989-90 to further adjust
22 the salaries and State salary schedules for noncertified employees commensurate,
23 insofar as possible, with the salary schedules for comparable State employees whose
24 salaries are set in accordance with the State Personnel Act, as determined by the State
25 Board of Education and the Superintendent of Public Instruction. The salary adjustment
26 funds so transferred by the Director of the Budget shall be computed on the annualized
27 salaries payable on June 30, 1989, so as not to be compounded with any other increases
28 in salary granted by the 1989 General Assembly. In addition, local boards of education
29 are authorized to use, within available funds, any unexpended salary allocations for
30 noncertified personnel to further help relieve any salary inequities for noncertified
31 employees through salary adjustments. These funds shall be allocated to individuals
32 according to rules adopted by the State Board of Education and the Superintendent of
33 Public Instruction and may not be used for any purpose other than for the salary
34 increases and necessary employer contributions provided by this subsection.

35 (c1) Noncertified Employees. The Director of the Budget may transfer from
36 the salary increase reserve fund created in Section 3 of this act for fiscal year 1990-91
37 funds necessary to provide an annual average salary increase of four percent (4%),
38 including funds for the employer's retirement and Social Security contributions,
39 commencing July 1, 1990, for all noncertified public school employees, except school
40 bus drivers, whose salaries are supported from the State's General Fund. An additional
41 amount of funds equal to an average annual salary increase of two percent (2%) for
42 these employees may also be transferred by the Director of the Budget for fiscal year
43 1990-91 to further adjust the salaries and State salary schedules for noncertified
44 employees commensurate, insofar as possible, with the salary schedules for comparable

1 State employees whose salaries are set in accordance with the State Personnel Act, as
 2 determined by the State Board of Education and the Superintendent of Public
 3 Instruction. The salary adjustment funds so transferred by the Director of the Budget
 4 shall be computed on the annualized salaries payable on June 30, 1990, so as not to be
 5 compounded with any other increases in salary granted by the 1989 General Assembly.
 6 These funds shall be allocated to individuals according to rules adopted by the State
 7 Board of Education and the Superintendent of Public Instruction and may not be used
 8 for any purpose other than for the salary increases and necessary employer contributions
 9 provided by this subsection.

10 (d) The fiscal year 1988-89 pay rates adopted by local boards of education for
 11 school bus drivers shall be increased by at least six percent (6%), on and after July 1,
 12 1989, to the extent that such rates of pay are supported by the allocation of State funds
 13 from the State Board of Education. Local boards of education shall increase the rates of
 14 pay for all school bus drivers who were employed during fiscal year 1988-89 and who
 15 continue their employment for fiscal year 1989-90 by at least six percent (6%), on and
 16 after July 1, 1989. The Director of the Budget may transfer from the salary increase
 17 reserve fund created in Section 3 of this act for fiscal year 1989-90 funds necessary to
 18 provide the salary increases for school bus drivers whose salaries are supported from the
 19 State's General Fund in accordance with the provisions of this subsection.

20 (d1) The fiscal year 1989-90 pay rates adopted by local boards of education
 21 for school bus drivers shall be increased by at least six percent (6%), on and after July 1,
 22 1990, to the extent that such rates of pay are supported by the allocation of State funds
 23 from the State Board of Education. Local boards of education shall increase the rates of
 24 pay for all school bus drivers who were employed during fiscal year 1989-90 and who
 25 continue their employment for fiscal year 1990-91 by at least six percent (6%), on and
 26 after July 1, 1990. The Director of the Budget may transfer from the salary increase
 27 reserve fund created in Section 3 of this act for fiscal year 1990-91 funds necessary to
 28 provide the salary increases for school bus drivers whose salaries are supported from the
 29 State's General Fund in accordance with the provisions of this subsection.

30

31 Requested by: Representative Diamont

32 ---CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

33 Sec. 37. (a) The annual salaries, payable monthly, for the following fiscal
 34 years for the following executive branch officials are:

Executive Branch Officials	Annual Salary	
	1989-90	1990-91
37 Chairman, Alcoholic Beverage Control		
38 Commission	\$ 68,304	\$ 72,408
39 State Controller	110,772	117,420
40 Commissioner of Motor Vehicles	68,304	72,408
41 Commissioner of Banks	68,304	72,408
42 Chairman, Employment Security Commission	68,304	72,408
43 State Personnel Director	70,992	75,252
44 Chairman, Parole Commission	62,328	66,072

1	Members of the Parole Commission	57,504	60,960
2	Chairman, Industrial Commission	61,320	65,004
3	Members of the Industrial Commission	59,808	63,408
4	Executive Director, Agency for Public		
5	Telecommunications	57,504	60,960
6	General Manager, Ports Railway		
7	Commission	51,876	54,996
8	Director, Museum of Art	70,008	74,208
9	Director, State Ports Authority	79,392	84,156
10	Executive Director, Wildlife Resources		
11	Commission	58,884	62,424
12	Executive Director, North Carolina		
13	Housing Finance Agency	84,648	89,736
14	Executive Director, North Carolina		
15	Technological Development Authority	45,156	47,868
16	Executive Director, North Carolina		
17	Agricultural Finance Authority	66,468	70,464
18	Director, Office of Administrative		
19	Hearings	60,240	63,864.

20 (b) Any person carrying on the functions of a position listed in subsection (a)
21 of this section shall be paid only the salary set out in that subsection, and the mere
22 classification of the position to be some other position does not allow the salary of that
23 position to be set in some other manner.

24 (c) G.S. 53-93.1 reads as rewritten:

25 **"§ 53-93.1. Deputy commissioner.**

26 The Commissioner of Banks shall appoint, with approval of the Governor, and may
27 remove at his discretion a deputy commissioner, who, in the event of the absence, death,
28 resignation, disability or disqualification of the Commissioner of Banks, or in case the
29 office of Commissioner shall for any reason become vacant, shall have and exercise all
30 the powers and duties vested by law in the Commissioner of Banks. ~~He shall receive~~
31 ~~such compensation as shall be fixed by the General Assembly in the Current Operations~~
32 ~~Appropriations Act.~~

33 Irrespective of the conditions under which the deputy commissioner may exercise
34 the powers and perform the duties of the Commissioner of Banks, pursuant to the
35 preceding paragraph, such deputy commissioner, in addition thereto, is hereby
36 authorized and empowered at any and all times, at the discretion of the Commissioner
37 of Banks, to perform such duties and exercise such powers of the Commissioner of
38 Banks in the name of and on behalf of the Commissioner as the Commissioner, in his
39 discretion, may direct.

40 This section is not to be construed to modify the provisions of G.S. 53-97."

41 (d) G.S. 113-315.26 reads as rewritten:

42 **"§ 113-315.26. Personnel.**

43 The Secretary of Commerce shall appoint such ~~management~~ personnel as deemed
44 necessary who shall serve at the pleasure of the Secretary of Commerce. ~~The salaries of~~

1 ~~these personnel shall be fixed by the General Assembly in the Current Operations~~
2 ~~Appropriations Act. The Secretary of Commerce shall have the power to appoint,~~
3 ~~employ and dismiss such number of employees as he may deem necessary to~~
4 ~~accomplish the purposes of this Article subject to the availability of funds. The power to~~
5 ~~appoint, employ and dismiss personnel, and to fix the number thereof, may be delegated~~
6 ~~to one or more of the management personnel upon such terms and subject to such~~
7 ~~restrictions and limitations as the Secretary of Commerce may deem proper. The~~
8 ~~compensation of such employees shall be fixed by the Secretary of Commerce. It is~~
9 recommended that, to the fullest extent possible, the Secretary of Commerce consult
10 with the Authority on matters of personnel."

11
12 Requested by: Representative Diamont

13 ~~—~~ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

14 Sec. 38. (a) Salaries for positions that are funded partially from the General
15 Fund or Highway Fund and partially from sources other than the General Fund or
16 Highway Fund shall be increased from the General Fund or Highway Fund
17 appropriation only to the extent of the proportionate part of the salaries paid from the
18 General Fund or Highway Fund.

19 (b) The granting of the salary increases under this Part does not affect the
20 status of eligibility for salary increments for which employees may be eligible unless
21 otherwise required by this Part.

22 (c) The salary range maximums for all employees shall be increased to
23 accommodate the across-the-board salary increase provided by this Part so that every
24 employee will continue to have the same relative position with respect to salary
25 increases and future increments as he would have had if these salary increases had not
26 been made.

27 (d) The salary increases provided in this Part to be effective July 1, 1989, do not
28 apply to persons separated from State service due to resignation, dismissal, reduction in
29 force, death, or retirement, whose last workday is prior to July 1, 1989; or to employees
30 involved in written disciplinary procedures. Payroll checks issued to employees after
31 July 1, 1989, which represent payment for services provided prior to July 1, 1989, shall
32 not be eligible for salary increases provided for in this act. This subsection shall apply
33 to all employees, subject to or exempt from the State Personnel Act, paid from State
34 funds, including public schools, community colleges, and The University of North
35 Carolina.

36 (d1) The salary increases provided in this Part to be effective July 1, 1990,
37 do not apply to persons separated from State service due to resignation, dismissal,
38 reduction in force, death, or retirement, whose last workday is prior to July 1, 1990; or
39 to employees involved in written disciplinary procedures. Payroll checks issued to
40 employees after July 1, 1990, which represent payment for services provided prior to
41 July 1, 1990, shall not be eligible for salary increases provided for in this act. This
42 subsection shall apply to all employees, subject to or exempt from the State Personnel
43 Act, paid from State funds, including public schools, community colleges, and The
44 University of North Carolina.

1 (e) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the
2 1979 Session Laws as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
3 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
4 or G.S. 7A-102(c), no employee or officer of the public school system shall receive an
5 automatic increment, and no State employee or officer shall receive a merit increment,
6 during the 1989-90 fiscal year, or the 1990-91 fiscal year, except as otherwise permitted
7 by this act.

8 (f) The Director of the Budget shall transfer from the salary increase reserve
9 funds created in Sections 3 and 4 of this act for fiscal year 1989-90 and fiscal year
10 1990-91 all funds necessary for the salary increases provided by this Part, including
11 funds for the employer's retirement and Social Security contributions.

12 (g) Nothing in this Part authorizes the transfer of funds from the General
13 Fund to the Highway Fund for salary increases.

14 (h) Salary increases provided by this Part shall be computed on the
15 annualized salaries payable on June 30, 1989, and June 30, 1990, so as not to be
16 compounded with any other increases granted by the 1989 General Assembly.

17
18 Requested by: Representative Diamont

19 —POST-RETIREMENT ALLOWANCE INCREASES/RETIRED TEACHERS,
20 STATE EMPLOYEES, JUDICIAL OFFICIALS, LOCAL GOVERNMENT
21 EMPLOYEES, AND LEGISLATORS

22 Sec. 39. (a) G.S. 135-5 is amended by adding a new subsection to read:

23 "(pp) From and after July 1, 1989, the retirement allowance to or on account of
24 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased
25 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988, in
26 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1989, the
27 retirement allowance to or on account of beneficiaries whose retirement commenced
28 after July 1, 1988, but before June 30, 1989, shall be increased by a prorated amount of
29 three and one-half percent (3.5%) of the allowance payable as determined by the Board
30 of Trustees based upon the number of months that a retirement allowance was paid
31 between July 1, 1988, and June 30, 1989."

32 (b) G.S. 135-65 is amended by adding a new subsection to read:

33 "(j) From and after July 1, 1989, the retirement allowance to or on account of
34 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased
35 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988.
36 Furthermore, from and after July 1, 1989, the retirement allowance to or on account of
37 beneficiaries whose retirement commenced after July 1, 1988, but before June 30, 1989,
38 shall be increased by a prorated amount of three and one-half percent (3.5%) of the
39 allowance payable as determined by the Board of Trustees based upon the number of
40 months that a retirement allowance was paid between July 1, 1988, and June 30, 1989."

41 (c) G.S. 128-27 is amended by adding a new subsection to read:

42 "(ff) From and after July 1, 1989, the retirement allowance to or on account of
43 beneficiaries whose retirement commenced on or before July 1, 1988, shall be increased
44 by three and one-half percent (3.5%) of the allowance payable on July 1, 1988, in

1 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1989, the
2 retirement allowance to or on account of beneficiaries whose retirement commenced
3 after July 1, 1988, but before June 30, 1989, shall be increased by a prorated amount of
4 three and one-half percent (3.5%) of the allowance payable as determined by the Board
5 of Trustees based upon the number of months that a retirement allowance was paid
6 between July 1, 1988, and June 30, 1989."

7 (d) G.S. 120-4.22A is amended by adding a new subsection to read:

8 "(e) In accordance with subsection (a) of this section, from and after July 1, 1989,
9 the retirement allowance to or on account of beneficiaries whose retirement commenced
10 on or before January 1, 1989, shall be increased by the same amount as provided to
11 retired members and beneficiaries of the Teachers' and State Employees' Retirement
12 System pursuant to the provisions of G.S. 135-5(11) and (mm)."

13 (e) Of the funds appropriated to the General Assembly in Section 3 of
14 Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of
15 1989, for the 1989-90 fiscal year, the sum of \$135,000 shall be transferred to the
16 Legislative Retirement System to fund the provisions of subsection (d) of this section.

17 (f) Notwithstanding the provisions of G.S. 135-5(o) and G.S. 128-27(k), it is
18 the intent of the 1989 Session of the General Assembly that the retirement allowances to
19 or on account of beneficiaries of the Retirement Systems covered by subsections (a),
20 (b), and (c) of this section be increased for fiscal year 1990-91 by six and one-tenth
21 percent (6.1%) of the allowances payable for fiscal year 1989-90, subject to the
22 availability of unencumbered actuarial gains in the Retirement Systems for the year
23 ending December 31, 1988.

24
25 Requested by: Representative Diamont

26 —SALARY RELATED CONTRIBUTIONS/EMPLOYERS

27 Sec. 40. (a) Required employer salary-related contributions for employees
28 whose salaries are paid from department, office, institution, or agency receipts shall be
29 paid from the same source as the source of the employees' salary. If an employee's
30 salary is paid in part from the General Fund or Highway Fund and in part from
31 department, office, institution, or agency receipts, required employer salary-related
32 contributions may be paid from the General Fund or Highway Fund only to the extent of
33 the proportionate part paid from the General Fund or Highway Fund in support of the
34 salary of the employee, and the remainder of the employer's requirements shall be paid
35 from the source that supplies the remainder of the employee's salary. The requirements
36 of this section as to source of payment are also applicable to payments on behalf of the
37 employee for hospital-medical benefits, longevity pay, unemployment compensation,
38 accumulated leave, workers' compensation, severance pay, separation allowances, and
39 applicable disability income and disability salary continuation benefits.

40 (b) Effective September 1, 1989, the State's employer contribution rates budgeted
41 for retirement and related benefits as a percentage of covered salaries for the 1989-90
42 fiscal year are (i) eleven and sixty-four hundredths percent (11.64%) - Teachers and
43 State Employees; (ii) sixteen and sixty-four hundredths percent (16.64%) - State Law
44 Enforcement Officers; (iii) eight and seventeen hundredths percent (8.17%) - University

1 Employees' Optional Retirement Program; (iv) thirty-one and twenty-six hundredths
2 percent (31.26%) - Consolidated Judicial Retirement System; and (v) thirty-eight and
3 seventy-five hundredths percent (38.75%) - Legislative Retirement System. Each of the
4 foregoing contribution rates includes one and fifty-five hundredths percent (1.55%) for
5 hospital and medical benefits. The rate for State Law Enforcement Officers includes
6 five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers
7 and State Employees, State Law Enforcement Officers, and for the University
8 Employees' Optional Retirement Program includes fifty-two hundredths percent
9 (0.52%) for the Disability Income Plan.

10 (c) The State's employer contribution rates budgeted for retirement and related
11 benefits as a percentage of covered salaries for the 1990-91 fiscal year are (i) eleven and
12 seventy-four hundredths percent (11.74%) - Teachers and State Employees; (ii) sixteen
13 and seventy-four hundredths percent (16.74%) - State Law Enforcement Officers; (iii)
14 eight and twenty-seven hundredths percent (8.27%) - University Employees' Optional
15 Retirement Program; (iv) thirty-one and thirty-six hundredths percent (31.36%) -
16 Consolidated Judicial Retirement System; and (v) thirty-eight and eighty-five
17 hundredths percent (38.85%) - Legislative Retirement System. Each of the foregoing
18 contribution rates includes one and sixty-five hundredths percent (1.65%) for hospital
19 and medical benefits. The rate for State Law Enforcement Officers includes five
20 percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and
21 State Employees, State Law Enforcement Officers, and for the University Employees'
22 Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the
23 Disability Income Plan.

24 (d) The maximum annual employer contributions, payable monthly, by the State
25 for each covered employee or retiree for the 1989-90 fiscal year to the Teachers' and
26 State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible
27 employees and retirees - \$954.00; and (ii) Non-Medicare eligible employees and retirees
28 - \$1,253.

29 (e) The maximum annual employer contributions, payable monthly, by the
30 State for each covered employee or retiree for the 1990-91 fiscal year to the Teachers'
31 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare eligible
32 employees and retirees - \$986.00; and (ii) Non-Medicare eligible employees and retirees
33 - \$1,295.

34
35 Requested by: Representative Diamont

36 —STUDY OF MEDICAL, DISABILITY, DEATH, RETIREMENT, AND RELATED
37 BENEFITS PROVIDED BY FEDERAL, STATE, AND LOCAL GOVERNMENTS
38 FOR FIREMEN

39 Sec. 41. Of the funds appropriated to the General Assembly in Section 3 of
40 Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of
41 1989, the sum of \$5,000 for the 1989-90 fiscal year and the sum of \$5,000 for the 1990-
42 91 fiscal year shall be used by the Legislative Research Commission to study, with the
43 staff assistance of the Legislative Services Office and the Department of Insurance, the
44 receipt and disposition of premium taxes levied by the State on fire and lightning

1 insurance policies issued within the State in accordance with Articles 1 and 2 of Chapter
2 118 of the North Carolina General Statutes. This study shall include, but not be limited
3 to, the amount of premium tax receipts and earnings thereon maintained by trustees, the
4 coordination of medical, disability, death, retirement, and related benefits provided by
5 trustees with similar benefits provided in the course of a fireman's employment or
6 otherwise provided by the State of North Carolina or agencies of the United States, and
7 eligibility requirements administered by trustees for firemen's receipt of the foregoing
8 types of benefits. The study shall also include a review of the revenue collections on
9 other premium taxes levied by the State on fire and lightning insurance policies issued
10 within the State in accordance with Article 8B of Chapter 105 of the North Carolina
11 General Statutes, in comparison with the amount of General Fund and other revenues
12 expended annually by the State for medical, disability, death, retirement, and related
13 benefits for firemen. The Legislative Research Commission shall complete its study
14 and make a report of its findings and recommendations to the General Assembly upon
15 the convening of the 1991 Session of the General Assembly.

16
17 PART VIII.—BUDGET PROVISIONS

18
19 Requested by: Representative Diamont

20 —NO TRANSFERS BETWEEN ITEMS IN THE BUDGET

21 Sec. 42. G.S. 143-23(a1) reads as rewritten:

22 "(a1) No transfers may be made between line items in the budget of any
23 department, institution, or other spending agency; however, with the approval of the
24 Director of the Budget, a department, institution, or other spending agency may spend
25 more than was appropriated for a line item if the overexpenditure is:

- 26 (1) In a program for which funds were appropriated for that fiscal period
27 and the total amount spent for the program is no more than was
28 appropriated for the program for the fiscal period;
- 29 (2) Required to continue a program because of unforeseen events, so long
30 as the scope of the program is not increased;
- 31 (3) Required by a court, Industrial Commission, or administrative hearing
32 officer's order or award or to match unanticipated federal funds;
- 33 (4) Required to respond to an unanticipated disaster such as a fire,
34 hurricane, or tornado; or
- 35 (5) Required to call out the National Guard.

36 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
37 Commission on Governmental Operations and to the Fiscal Research Division of the
38 Legislative Services Office the reason if the amount expended for a program is more
39 than the amount appropriated for it from all sources.

40 Funds appropriated for salaries and wages may only be used for salaries and wages
41 or for premium pay, overtime pay, longevity, unemployment compensation, workers'
42 compensation, temporary wages, contracted personal services, moving expenses,
43 payment of accumulated annual leave, certain awards to employees, tort claims, and
44 employer's social security, retirement, and hospitalization payments: provided, however,

1 funds appropriated for salaries and wages may also be used for purposes for which over
2 expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the
3 Director of the Budget shall include such use and the reason for it in his quarterly report
4 to the Joint Legislative Commission on Governmental Operations and to the Fiscal
5 Research Division of the Legislative Services Office. ~~Salary—Lapsed salary~~ funds that
6 become available from vacant positions may not be used for new permanent employee
7 positions or to raise the salary of existing employees.

8 As used in this subsection, 'program' means a group of expenditure and receipt line
9 items for support of a specific budgeted activity outlined in the certified budget for each
10 department, agency, or institution, as designated by the four-digit fund (purpose)
11 number in the Budget Preparation System."
12

13 Requested by: Representative Diamont

14 —LIMIT ON NUMBER OF STATE EMPLOYEES

15 Sec. 43. G.S. 143-47.15 is repealed.

16 Sec. 44. (a) Article 1 of Chapter 143 of the General Statutes is amended by
17 adding a new section to read:

18 "**§ 143-10.2. Limit on number of State employees.**

19 The total number of permanent State funded employees, excluding employees in the
20 State's public school system funded by way of State aid to local public school units,
21 shall not be increased by the end of any State fiscal year by a greater percentage than
22 the percentage rate of the residential population growth for the State of North Carolina.
23 The percentage rates shall be computed by the Office of State Budget and Management.
24 The population growth shall be computed by averaging the rate of residential population
25 growth in each of the preceding 10 fiscal years as stated in the annual estimates of
26 residential population in North Carolina made by the United States Census Bureau. The
27 growth rate of the number of employees shall be computed by averaging the rate of
28 growth of State employees in each of the preceding 10 fiscal years as of July 1 of each
29 fiscal year as stated in the State Budget."

30 (b) The substance of subsection (a) of this section shall be studied by the
31 Commission on the Future of Education if that Commission is created by act of the
32 General Assembly.
33

34 Requested by: Representative Diamont

35 —EXPENDITURE OF FUNDS

36 Sec. 45. G.S. 143-16.3 reads as rewritten:

37 "**§ 143-16.3. No expenditures for purposes for which the General Assembly has**
38 **considered but not enacted an appropriation.**

39 Notwithstanding any other provision of law, no funds from any source, except for
40 ~~gifts and grants~~, gifts, grants, and funds allocated from the Contingency and Emergency
41 Fund by the Council of State, may be expended for any purpose for which the General
42 Assembly has considered but not enacted an appropriation of funds for the current fiscal
43 period. For the purpose of this section, the General Assembly has considered a purpose

1 when that purpose is included in a bill or petition or when any committee of the Senate
2 or the House of Representatives deliberates on that purpose."

3
4 Requested by: Representative Diamont

5 —PERMIT DEVIATIONS FROM CERTAIN PROVISIONS OF THE EXECUTIVE
6 BUDGET ACT

7 Sec. 46. Sections 156 through 160 of Chapter 479 of the 1985 Session Laws,
8 as amended, do not apply to the extent that the Director of the Budget finds that
9 compliance is impossible and that deviation is necessary because of complications in the
10 budget process that were not contemplated when the budget for the 1989-91 fiscal
11 biennium was enacted.

12 The Director of the Budget shall report, on a monthly basis to the Joint
13 Legislative Commission on Governmental Operations and to the Fiscal Research
14 Division of the Legislative Services Office on any deviations from Sections 156 through
15 160 of Chapter 479 of the 1985 Session Laws, as amended, and the reasons it was
16 impossible to comply.

17 This section does not authorize deviations from Sections 156 through 160 of
18 Chapter 479 of the 1985 Session Laws, as amended, to combine fund codes.

19
20 Requested by: Representative Diamont

21 —FEE REPORTING REQUIREMENT

22 Sec. 47. G.S. 143-11 reads as rewritten:

23 "**§ 143-11. Survey of departments.**

24 On or before the fifteenth day of December, biennially in the even-numbered years,
25 the Director shall make a complete, careful survey of the operation and management of
26 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
27 agencies and undertakings of the State and all persons or corporations who use or
28 expend funds as hereinbefore defined, in the interest of economy and efficiency, and a
29 working knowledge upon which to base recommendations to the General Assembly as
30 to appropriations for maintenance and special funds and capital expenditures for the
31 succeeding biennium. If the Director and the Commission shall agree in their
32 recommendations for the budget for the next biennial period, he shall prepare their
33 report in the form of a proposed budget, together with such comment and
34 recommendations as they may deem proper to make. If the Director and Commission
35 shall not agree in substantial particulars, the Director shall prepare the proposed budget
36 based on his own conclusions and judgment, and the Commission or any of its members
37 retain the right to submit separately to the General Assembly such statement of
38 disagreement and the particulars thereof as representing their views. The budget report
39 shall contain a complete and itemized plan of all proposed expenditures for each State
40 department, bureau, board, division, institution, commission, State agency or
41 undertaking, person or corporation who receive or may receive for use and expenditure
42 any State funds as hereinbefore defined, in accordance with the classification adopted
43 by the State Controller, and of the estimated revenues and borrowings for each year in
44 the ensuing biennial period beginning with the first day of July thereafter. Opposite each

1 item of the proposed expenditures, the budget shall show in separate parallel columns
 2 the amount expended for the last preceding appropriation year, for the current
 3 appropriation year, and the increase or decrease. The budget shall clearly differentiate
 4 between general fund expenditures for operating and maintenance, special fund
 5 expenditures for any purpose, and proposed capital outlays.

6 The Director shall accompany the budget with:

7 (1) A budget message supporting his recommendations and outlining a
 8 financial policy and program for the ensuing biennium. The message
 9 will include an explanation of increase or decrease over past
 10 expenditures, a discussion of proposed changes in existing revenue
 11 laws and proposed bond issues, their purpose, the amount, rate of
 12 interest, term, the requirements to be attached to their issuance and the
 13 effect such issues will have upon the redemption and annual interest
 14 charges of the State debt.

15 (2) State Controller reports including:

16 ~~(a)~~a. An itemized and complete financial statement for the
 17 State at the close of the last preceding fiscal year
 18 ending June 30.

19 ~~(b)~~b. A statement of special funds.

20 ~~(c)~~c. A statement showing the itemized estimates of the
 21 condition of the State treasury as of the beginning and
 22 end of each of the next two appropriation years.

23 (3) A report on the fees charged by each State department, bureau,
 24 division, board, commission, institution, and agency during the
 25 previous fiscal year, the statutory or regulatory authority for each fee,
 26 the amount of the fee, when the amount of the fee was last changed,
 27 the number of times the fee was collected during the prior fiscal year,
 28 and the total receipts from the fee during the prior fiscal year.

29 It shall be a compliance with this section by each incoming Governor, at the first
 30 session of the General Assembly in his term, to submit the budget report with the
 31 message of the outgoing Governor, if he shall deem it proper to prepare such message,
 32 together with any comments or recommendations thereon that he may see fit to make,
 33 either at the time of the submission of the said report to the General Assembly, or at
 34 such other time, or times, as he may elect and fix.

35 The function of the Advisory Budget Commission under this section applies only if
 36 the Director of the Budget consults with the Commission in preparation of the budget."
 37

38 Requested by: Representative Diamont

39 ---CONTINGENCY AND EMERGENCY FUND ALLOCATION

40 Sec. 48. Of the funds appropriated to the Contingency and Emergency Fund
 41 in Section 3 of Chapter 500 of the 1989 Session Laws, the Current Operations
 42 Appropriations Act of 1989, the sum of \$900,000 for the 1989-90 fiscal year and the
 43 sum of \$900,000 for the 1990-91 fiscal year shall be designated for emergency
 44 allocations, which are for the purposes outlined in G.S. 143-23(a1)(3), (4), and (5). The

1 sum of \$225,000 for the 1989-90 fiscal year and the sum of \$225,000 for the 1990-91
 2 fiscal year shall be designated for other allocations from the Contingency and
 3 Emergency Fund.

4

5 Requested by: Representative Diamont

6 **—PRIVATE LICENSE TAGS ON STATE-OWNED CARS AUTHORIZED**

7 Sec. 49. (a) Pursuant to the provisions of G.S. 14-250, for the 1989-91 fiscal
 8 biennium, the General Assembly authorizes the use of private license tags on State-
 9 owned motor vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
10 Motor Vehicles	License and Theft	97
11 Justice	SBI Agents	277
12 Correction	Probation/Parole Surveillance	
13	Officers (intensive probation)	25
14		
15 Crime Control and		
16 Public Safety	ALE Officers	123

17 (b) Except as provided in this section, all State-owned motor vehicles shall bear
 18 permanent registration plates issued under G.S. 20-84.

19

20 Requested by: Representative Diamont

21 **—RESERVE FOR LOCAL TAX REIMBURSEMENTS**

22 Sec. 50. (a) There is created in the Department of Revenue a special reserve to
 23 be known as the Local Government Tax Reimbursement Reserve. Funds in the Reserve
 24 shall be used to reimburse local governments for certain reductions in tax revenue
 25 resulting from tax legislation enacted by the General Assembly. There is appropriated
 26 from the General Fund to the Local Government Tax Reimbursement Reserve
 27 \$231,755,615 for the 1989-90 fiscal year and \$234,093,897 for the 1990-91 fiscal year.
 28 The Department of Revenue shall distribute the funds appropriated to the Local
 29 Government Tax Reimbursement Reserve for the 1989-90 and 1990-91 fiscal years as
 30 follows:

- 31 (1) The sum of \$5,366,497 for the 1989-90 fiscal year and the sum of
 32 \$5,618,722 for the 1990-91 fiscal year shall be used as needed to
 33 reimburse local governments, in accordance with G.S. 105-164.44C,
 34 for the impact of the exemption of food stamp purchases from sales tax
 35 under Chapter 656 of the 1985 Session Laws.
- 36 (2) The sum of \$5,439,102 for the 1989-90 fiscal year and the sum of
 37 \$5,874,231 for the 1990-91 fiscal year shall be used to reimburse local
 38 governments, in accordance with the second sentence of the third
 39 paragraph of G.S. 105-213(a), for the impact of the intangibles tax
 40 exemption of certain accounts and accounts receivable under Chapter
 41 656 of the 1985 Session Laws.
- 42 (3) The sum of \$24,902,468 for the 1989-90 fiscal year and the sum of
 43 \$25,496,225 for the 1990-91 fiscal year shall be used to reimburse
 44 local governments, in accordance with G.S. 105-213.1, for the impact

1 of the intangibles tax exemption of money on deposit and money on
2 hand under Chapter 656 of the 1985 Session Laws.

3 (4) The sum of \$107,973,963 for the 1989-90 fiscal year and the sum of
4 \$107,973,963 for the 1990-91 fiscal year shall be used to reimburse
5 local governments, in accordance with G.S. 105-275.1 as enacted by
6 Chapter 622 of the 1987 Session Laws and rewritten by Chapters 813
7 and 1041 of the 1987 Session Laws, for the impact of the property tax
8 exemption for inventories of manufacturers and for livestock, poultry,
9 and feed under Chapters 622, 813, and 1041 of the 1987 Session Laws.

10 (5) The sum of \$80,373,585 for the 1989-90 fiscal year and the sum of
11 \$81,445,756 for the 1990-91 fiscal year shall be used to reimburse
12 local governments, in accordance with G.S. 105-277A as rewritten by
13 Chapters 622, 813, and 1041 of the 1987 Session Laws, for the impact
14 of the property tax exemption for inventories of wholesalers and
15 retailers under Chapter 656 of the 1985 Session Laws and Chapter 622
16 of the 1987 Session Laws.

17 (6) The sum of \$7,700,000 for the 1989-90 fiscal year and the sum of
18 \$7,685,000 for the 1990-91 fiscal year shall be used as needed to
19 reimburse local governments, in accordance with G.S. 105-277.1A, for
20 the impact of the expansion of the property tax homestead exemption
21 under Chapter 1052 of the 1981 Session Laws and Chapter 656 of the
22 1985 Session Laws.

23 The amounts designated for the reimbursements are estimates. If the amount
24 designated is insufficient to pay for any of the reimbursements provided in this section,
25 the Department of Revenue shall draw additional funds from the Local Government Tax
26 Reimbursement Reserve to be used to make the reimbursement. If the funds
27 appropriated to the Reserve are insufficient to pay for the reimbursements provided in
28 this section, the State Budget Officer shall withhold from net collections under Article
29 2B of Chapter 105 of the General Statutes the remaining amount necessary to pay for
30 the reimbursements. Funds remaining in the Local Government Tax Reimbursement
31 Reserve at the end of each fiscal year shall revert to the General Fund.

32 (b) G.S. 105-164.44C reads as rewritten:

33 **"§ 105-164.44C. Reimbursement for sales taxes on food stamp foods and**
34 **supplemental foods.**

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

1 Reserve an amount equal to the amount of the reimbursement and the cost of
2 administration."

3 (c) G.S. 105-213.1(d) reads as rewritten:

4 "(d) Source. ~~Amounts-Funds~~ distributed under this section shall be ~~charged to~~
5 ~~individual income tax collections.~~ drawn from the Local Government Tax
6 Reimbursement Reserve."

7 (d) G.S. 105-275.1 reads as rewritten:

8 "**§ 105-275.1. Reimbursement for exclusion of manufacturers' inventories and**
9 **poultry and livestock.**

10 (a) Initial Distribution. – On or before January 15, 1989, the governing body of
11 each county and each city shall furnish to the Secretary a list of (i) all the inventories
12 owned by manufacturers that were required to be listed and assessed as of January 1,
13 1987, and were listed on or before September 1, 1987, in the county or city under this
14 ~~Subchapter, Subchapter;~~ (ii) all livestock and poultry and feed used in the production of
15 livestock and poultry that was required to be listed and assessed as of January 1, 1987,
16 and was listed on or before September 1, 1987, in the county or city under this
17 Subchapter; ~~and~~ (iii) all the crops and other agricultural or horticultural products held
18 for sale, whether in process or ready for sale, owned by taxpayers regularly engaged in
19 the growth, breeding, raising, or other production of new products for sale, that were not
20 included under subdivision (ii) above and that were required to be listed and assessed as
21 of January 1, 1987, and were listed on or before September 1, 1987, in the county or
22 city under this ~~Subchapter. Subchapter;~~ and (iv) in the case of a city, all the inventories
23 owned by manufacturers that were located as of January 1, 1987, in an area for which
24 the city began annexation proceedings before September 1, 1987, and which became a
25 part of the city after January 1, 1987, and before January 1, 1988. The list shall contain
26 the value of the inventories and other items as well as the property tax rates in effect in
27 the county or city for the eight years from 1980 through 1987. The list shall also
28 contain the property tax rates in effect for those years in each special district for which
29 the county or city collected taxes in 1987 but whose tax rates were not included in the
30 rates listed for the county or city, and the value of the inventories owned by
31 manufacturers and other items described in subdivisions (ii) and (iii) above that were
32 required to be listed and assessed as of January 1, 1987, and were listed on or before
33 September 1, 1987, in that district. The list shall be accompanied by an affidavit
34 attesting to the accuracy of the list and shall be on a form prescribed by the Secretary.

35 On or before March 20, 1989, the Secretary shall pay to each county and city that
36 submitted a list under this subsection an amount equal to the county or city average rate,
37 as provided below, multiplied by the value of the inventories ~~owned by manufacturers~~
38 ~~that were required to be listed and assessed as of January 1, 1987, and were listed on or~~
39 ~~before September 1, 1987, in the county or city,~~ described in subdivisions (i) and (iv)
40 above contained in the list submitted by the city or county, plus or minus the percentage
41 of this product that equals the percentage by which State personal income has increased
42 or decreased during the most recent 12-month period for which State personal income
43 data has been compiled by the Bureau of Economic Analysis of the United States
44 Department of Commerce.

1 On or before March 20, 1989, the Secretary shall also pay to each county and city
2 that submitted a list under this subsection an amount equal to the average rate, as
3 provided below, for each special district for which the county or city collected taxes in
4 1987, but whose tax rates were not included in the county or city's rates, multiplied by
5 the value of the inventories owned by manufacturers that were required to be listed and
6 assessed as of January 1, 1987, and were listed on or before September 1, 1987, in the
7 district, plus or minus the percentage of this product that equals the percentage by which
8 State personal income has increased or decreased during the most recent 12-month
9 period for which State personal income data has been compiled by the Bureau of
10 Economic Analysis of the United States Department of Commerce.

11 The Secretary shall calculate an average rate for each county and city, and for each
12 special district whose tax rates were not included in the tax rates of a county or city, as
13 the arithmetic mean of the property tax rates in effect in the county, city, or district for
14 the eight years from 1980 through 1987. If a county, city, or district did not have tax
15 rates in effect for the entire eight-year period, the average rate shall be the arithmetic
16 mean of the property rates in effect for the years during the eight-year period that it did
17 have rates in effect.

18 Of the funds received by each county and city pursuant to this subsection, the portion
19 that was received because the county or city was collecting taxes for a special district
20 (either because the district's tax rate was included in the city or county's rate or because
21 the Secretary paid the county or city the product of the district's average rate and the
22 value of the inventories in the district) shall be distributed among the districts in the
23 county or city as soon as practicable after the city or county receives funds under this
24 subsection. The county or city shall distribute to each special district in the county or
25 city an amount equal to the average rate for the district multiplied by the value of the
26 inventories owned by manufacturers that were required to be listed and assessed as of
27 January 1, 1987, and were listed on or before September 1, 1987, in the district, plus or
28 minus the percentage of this product that equals the percentage by which State personal
29 income has increased or decreased during the most recent 12-month period for which
30 State personal income data has been compiled by the Bureau of Economic Analysis of
31 the United States Department of Commerce. The Local Government Commission may
32 adopt rules for the resolution of disputes and correction of errors in the distribution
33 among special districts provided in this paragraph. The Local Government Commission
34 shall report to the 1990 General Assembly any errors it discovers in the information
35 furnished by local governments to the Secretary as required in this subsection.

36 (b) Subsequent Distributions. – As soon as practicable after January 1, 1990, the
37 Secretary shall pay to each county and city the amount it received under subsection (a)
38 in 1989 plus an amount equal to the county or city average rate multiplied by the value
39 of the items described in subdivisions (ii) and (iii) of subsection (a) that were required
40 to be listed and assessed as of January 1, 1987, and were listed on or before September
41 1, 1987, in the county or city, plus or minus the percentage of this product that equals
42 the percentage by which State personal income has increased or decreased during the
43 most recent 12-month period for which State personal income data has been compiled
44 by the Bureau of Economic Analysis of the United States Department of Commerce.

1 As soon as practicable after January 1, 1990, the Secretary shall also pay to each county
2 and city an amount equal to the average rate for each special district for which the
3 county or city collected taxes in 1987, but whose tax rates were not included in the
4 county or city's rates, multiplied by the value of the items described in subdivisions (ii)
5 and (iii) of subsection (a) that were required to be listed and assessed as of January 1,
6 1987, and were listed on or before September 1, 1987, in the district, plus or minus the
7 percentage of this product that equals the percentage by which State personal income
8 has increased or decreased during the most recent 12-month period for which State
9 personal income data has been compiled by the Bureau of Economic Analysis of the
10 United States Department of Commerce. Thereafter, except as provided in subsection
11 (f), as soon as practicable after January 1 of each year, the Secretary shall distribute to
12 each county and city the amount it received under this section the preceding year.

13 Of the funds received by each county and city pursuant to this subsection in 1990,
14 the portion that was received because the county or city was collecting taxes for a
15 special district (either because the district's tax rate was included in the city or county's
16 rate or because the Secretary paid the county or city the product of the district's average
17 rate and the value of the inventories and other items in the district) shall be distributed
18 among the districts in the county or city as soon as practicable after the city or county
19 receives the funds. The county or city shall distribute to each special district in the
20 county or city the amount it distributed to the district in 1989 plus an amount equal to
21 the average rate for the district multiplied by the value of the items, other than
22 inventory, described in subdivisions (ii) and (iii) of subsection (a) that were required to
23 be listed and assessed as of January 1, 1987, and were listed on or before September 1,
24 1987, in the district, plus or minus the percentage of this product that equals the
25 percentage by which State personal income has increased or decreased during the most
26 recent 12-month period for which State personal income data has been compiled by the
27 Bureau of Economic Analysis of the United States Department of Commerce.

28 Each year thereafter, as soon as practicable after receiving funds under this
29 subsection, every county and city shall distribute among the special districts for which
30 the county or city collects tax an amount equal to the amount it distributed among such
31 districts the previous year. ~~This distribution shall be in accordance with regulations~~
32 ~~issued by the local Government Commission.~~ The Local Government Commission may
33 adopt rules for the resolution of disputes and correction of errors in the distribution
34 among special districts provided in this subsection. In addition, the Local Government
35 Commission may adopt rules for the reallocation of funds when a special district is
36 dissolved, merged, or consolidated, or when a special district ceases to levy tax, either
37 temporarily or permanently.

38 (c) Use. – Funds received by a county, city, or special district under this section
39 may be used for any lawful purpose.

40 (d) 'City' Defined. – As used in this section, the term 'city' has the same meaning
41 as in G.S. 153A-1(1).

42 (e) Source of Funds. – To pay for the distribution required by this section and the
43 cost to the Department of Revenue of making the distribution, the Secretary of Revenue
44 shall ~~charge the collections received by the Department under Division I of Article 4 of~~

1 ~~Chapter 105 with~~ draw from the Local Government Tax Reimbursement Reserve an
2 amount equal to the amount distributed and the cost of making the distribution.

3 (f) Correction of Errors. – If the Secretary discovers that the amount or value of
4 any inventories or other items listed by a county or city pursuant to subsection (a) of this
5 section was overstated or understated, the Secretary shall adjust the amount to be
6 distributed under subsection (b) as follows. For the distribution to be made in the year
7 following discovery of the overstatement or understatement, the Secretary shall
8 distribute to the county or city the amount it would have received under subsection (b)
9 in 1990 if it had not overstated or understated the amount or value of any inventories or
10 other items, plus the total amount it failed to receive in 1989 and subsequent years due
11 to understatement of the amount or value of the inventories or other items, or minus the
12 total amount it received in 1989 and subsequent years due to overstatement of the
13 amount or value of the inventories or other items. Thereafter, each year the Secretary
14 shall distribute to the county or city the amount it would have received under subsection
15 (b) in 1990 if it had not overstated or understated the amount or value of any inventories
16 or other items."

17 (e) A city affected by the amendment to G.S. 105-275.1(a) provided in this
18 section shall submit to the Secretary of Revenue a list of the manufacturers' inventories
19 in the annexed area as soon as practicable.

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

21 "(f) Source of Funds. The Secretary of Revenue shall pay for the distribution
22 required by this section and the cost of making the distribution as follows:

23 (1) For the distribution made in 1989, the Secretary shall draw an amount
24 equal to the amount distributed and the cost of making the distribution
25 first from the Inventory Tax Reimbursement Fund created in Section
26 15.1 of the School Facilities Finance Act of 1987, until it is exhausted,
27 and then the remainder of that amount from collections received by the
28 Department under Division I of Article 4 of this Chapter.

29 (2) For distributions made in subsequent years, the Secretary shall ~~charge~~
30 ~~the collections received by the Department under Article 5 of this~~
31 ~~Chapter with~~ draw from the Local Government Tax Reimbursement
32 Reserve for the distribution required by this section an amount equal to
33 the amount distributed and the cost of making the distribution."

34 (g) G.S. 105-277.1A(f) reads as rewritten:

35 "(f) In order to pay for the reimbursement under this section and the cost to the
36 Department of Revenue for administering the reimbursement, the Secretary of Revenue
37 shall draw from the Local Government Tax Reimbursement Reserve an amount equal to
38 the reimbursement and the cost of administration. ~~may withhold from net collections~~
39 ~~received by the Department under Article 2A and Article 2C of Chapter 105 of the~~
40 ~~General Statutes an amount equal to the reimbursement and the cost of administration."~~

41
42 Requested by: Representative Diamont

43 —TAX AMNESTY ACT/APPROPRIATIONS FOR TAX ENFORCEMENT
44 PERSONNEL

1 Sec. 51. Section 11 of Chapter 557 of the 1989 Session Laws reads as
2 rewritten:

3 "Sec. 11. (a) There is appropriated:

4 (1) From the Highway Fund to the Department of Revenue the sum of
5 \$117,950 for the 1989-90 fiscal year and the sum of \$149,690 for the
6 1990-91 fiscal year; and

7 (2) From the General Fund to the Department of Revenue the sum of
8 \$4,953,192 for the 1989-90 fiscal year and the sum of \$4,765,218 for
9 the 1990-91 fiscal year

10 for additional tax enforcement personnel, support personnel, and other costs resulting
11 from the additional tax enforcement personnel.

12 ~~(b) Notwithstanding any other provision of this section, this section does not
13 appropriate any funds and no funds may be expended under this section."~~

14
15 Requested by: Representative Miller

16 ---INFORMATION FROM PRIVATE ORGANIZATION RECEIVING STATE
17 FUNDS

18 Sec. 51.1. Chapter 143 of the General Statutes is amended by adding the
19 following new section:

20 **"§ 143-6.1. Information from private organizations receiving State funds.**

21 Every private person, corporation, organization and institution which receives, uses
22 or expends any State funds shall use or expend such funds only for the purposes for
23 which such State funds were appropriated by the General Assembly or collected by the
24 State.

25 Each private person, corporation, organization and institution which uses or expends
26 State funds, except when the funds are compensation for goods or services, shall file
27 annually with the State Auditor and with the Joint Committee on Governmental
28 Operations a financial statement in such form and on such schedule as shall be
29 prescribed by the State Auditor, and shall furnish to the State Auditor for audit all
30 books, records and other information as shall be necessary for the State Auditor to
31 account fully for the use and expenditure of State funds. Each such private person,
32 corporation, organization and institution shall furnish such additional financial or
33 budgetary information as shall be requested by the State Auditor or by the Joint
34 Committee on Governmental Operations. All documents furnished to the State Auditor
35 or to the Joint Committee on Governmental Operations pursuant to this section, and any
36 audits or other reports prepared by the State Auditor, shall be public records.

37 The receipt, use or expenditure of State funds by a private person, corporation,
38 organization and institution shall not, in and of itself, make or constitute such person,
39 corporation, organization or institution a State agency."

40
41 PART IX.—DEPARTMENT OF PUBLIC INSTRUCTION

42
43 Requested by: Representatives J. Crawford, Tart

44 ---PUPIL TRANSPORTATION

1 Sec. 52. The Department of Public Instruction shall implement the Pupil
2 Transportation Operational Study authorized by Section 94 of Chapter 1086 of the 1987
3 Session Laws. The State Board of Education shall allocate up to \$400,000 of the funds
4 appropriated for the 1989-90 fiscal year for aid to local school administrative units for
5 pupil transportation to implement the findings of this study.

6 The Department shall also report its final recommendations for achieving
7 improved efficiency and economy in the pupil transportation system to the 1990 Session
8 of the General Assembly. These recommendations shall include incentives for
9 encouraging cost-effective operations in local school administrative units, as provided
10 in G.S. 115C-240(e) and G.S. 115C-246(a).

11
12 Requested by: Representatives J. Crawford, Tart

13 —CHILD NUTRITION

14 Sec. 53. Of the funds appropriated to the Department of Public Education for
15 the 1989-90 fiscal year for aid to local school administrative units for staff development,
16 the State Board of Education shall allocate \$280,000 to local school units for staff
17 development of school food service personnel.

18
19 Requested by: Representatives J. Crawford, Tart

20 —DROPOUT PREVENTION COORDINATORS

21 Sec. 54. Of the funds appropriated to the Department of Public Education for
22 aid to local school administrative units for dropout prevention, the State Board of
23 Education shall allocate to the Department of Public Instruction up to \$225,000 for the
24 1989-90 fiscal year and up to \$225,000 for the 1990-91 fiscal year for three dropout
25 prevention coordinators. The State Superintendent shall assign the dropout prevention
26 coordinators to designated areas within the State and shall develop job descriptions for
27 them.

28
29 Requested by: Representatives J. Crawford, Tart

30 —DROPOUT PREVENTION/IN-SCHOOL SUSPENSION

31 Sec. 55. Of the funds appropriated to the Department of Public Education for
32 aid to local school administration units for the Dropout Prevention/In-School
33 Suspension Program, the sum of \$200,000 for each fiscal year of the 1989-91 fiscal
34 biennium may be used to fund eight pilot public/private educational compacts to bring
35 together on an ongoing basis representatives from public education, community
36 colleges, higher education, and business and industry leaders to determine how to
37 improve attendance, prevent dropping out of school, increase academic performance,
38 and increase participation in higher education and the workforce by at-risk students.
39 The funds may also be used to fund eight parental involvement pilot programs, and to
40 provide for operating costs, workshops, and committee meetings for the State
41 Department of Public Instruction's dropout prevention staff.

42 The State Board of Education may adopt rules governing the use of these
43 funds.

1 The State Board of Education shall report to the General Assembly on the use
 2 of these funds prior to April 1, 1991.

3
 4 Requested by: Representatives J. Crawford, Tart
 5 ---TEACHER ASSISTANT SCHOLARSHIP LOANS

6 Sec. 56. Of the funds appropriated in Section 3 of this act for teacher
 7 assistants, the State Board of Education may, within funds available, designate up to
 8 \$200,000 for the 1989-90 fiscal year and up to \$200,000 for the 1990-91 fiscal year for
 9 scholarship loans to teacher assistants enrolled in accredited teacher education
 10 programs.

11
 12 Requested by: Representatives J. Crawford, Tart
 13 ---BASIC EDUCATION PROGRAM FUNDS

14 Sec. 57. Funds are appropriated in Section 3 of this act to the Department of
 15 Public Education for further implementation of the Basic Education Program in public
 16 schools. These funds will provide for the fifth and sixth years of the planned eight-year
 17 implementation schedule. The following information chart shows the major increases in
 18 State funds over the 1988-89 fiscal year.

19
 20 **BASIC EDUCATION PROGRAM**

21 Basic Education Plan:

	<u>1989-90</u>	<u>1990-91</u>
22 1. Additional Teachers	\$ 46,735,714	\$90,342,391
23 2. Vocational Education Teachers	1,039,116	2,078,823
24 3. In-School Suspension	- 1,726,921	
25 4. Instructional Support	23,622,981	47,259,404
26 5. Instructional/Lab		
27 Clerical Assistants	- 17,073,432	
28 6. Athletic Trainer Supplement	15,000	15,000
29 7. Assistant Principals -		
30 Extension of Term	- 11,166,375	
31 8. Asst/Associate		
32 Superintendents	- 4,767,421	
33 9. Clerical Assistants	6,010,484	11,637,563
34 10. Supervisors	- 2,611,375	

35
 36
 37 TOTAL BASIC EDUCATION PLAN \$77,423,295
 38 \$188,678,705
 39

40 Requested by: Representative Cromer
 41 ---FOREIGN LANGUAGE INSTITUTE

42 Sec. 58. Of the funds appropriated to the Department of Public Education for
 43 aid to local school administrative units, the State Board of Education may allocate to the
 44 Department of Public Instruction the sum of \$300,000 for the 1989-90 fiscal year and

1 the sum of \$300,000 for the 1990-91 fiscal year for two positions, support expenses, and
2 workshops to provide intensive advanced training for teachers teaching foreign
3 languages.

4
5 Requested by: Representatives J. Crawford, Tart

6 —ASSISTANT PRINCIPALS

7 Sec. 59. Funds appropriated for assistant principals in Section 3 of this act
8 shall be allotted to local school administrative units on the basis of months of
9 employment. School units may employ assistant principals for 10, 11, or 12 months.

10 Local superintendents shall, to the extent practical, distribute these positions
11 to schools on the basis of average daily membership.

12 If a local school administrative unit does not choose to employ assistant
13 principals for more than 10 months, the unit may use the funds for summer school
14 programs.

15
16 Requested by: Representative J. Crawford

17 —COORDINATION OF DEPARTMENT OF HUMAN RESOURCES/PUBLIC
18 INSTRUCTION PROGRAMS

19 Sec. 60. The Superintendent of Public Instruction shall use funds
20 appropriated for the Department of Public Instruction for the 1989-91 fiscal biennium to
21 employ a person to coordinate programs in the public schools and programs operated or
22 funded through the Department of Human Resources that serve the same children.

23
24 Requested by: Representative Tart

25 —REDUCE PAPERWORK

26 Sec. 61. (a) The State Board of Education and the Department of Public
27 Instruction shall review requirements for reports from local school administrative units
28 and, to the extent possible, eliminate any duplicate or obsolete reporting requirements.
29 The State Board of Education and the Department of Public Instruction shall designate
30 the source of the requirement for any report not eliminated.

31 Each local board of education shall review its local requirements for reports,
32 including local school required reports, and, to the maximum extent possible, eliminate
33 any duplicate or obsolete reporting requirements. Each local board of education shall
34 designate the source of the requirement for any report not eliminated. Local boards of
35 education shall report the results of their review to the State Board of Education prior to
36 April 1, 1990.

37 The State Board of Education and the Department of Public Instruction
38 shall jointly report the progress of their review and the reviews of local boards of
39 education to the General Assembly prior to May 1, 1990.

40 (b) G.S. 115C-47(18) reads as rewritten:

41 "(18) To Make Rules Concerning the Conduct and Duties of Personnel. —
42 Local boards of education, upon the recommendation of the
43 superintendent, shall have full power to make all just and needful
44 rules and regulations governing the conduct of teachers, principals,

1 and supervisors, the kind of reports they shall make, and their
2 duties in the care of school property.

3 Prior to the beginning of each school year, each local board of
4 education shall identify all reports, including local school required
5 reports, that are required at the local level for the school year. No
6 additional reports shall be required at the local level after the
7 beginning of the school year without the prior approval of the local
8 board of education."

9 (c) G.S. 115C-12 is amended by adding a new subdivision to read:

10 "(19) Duty to Identify Required Reports. – Prior to the beginning of each
11 school year, the State Board of Education shall identify all reports
12 that are required at the State level for the school year."

13 (d) Subsections (b) and (c) of this section shall become effective July 1, 1989,
14 and apply to all school years beginning with the 1990-91 school year.

15
16 Requested by: Representative J. Crawford

17 —TEACHER TRAINING/LEARNING DISABLED CHILDREN

18 Sec. 62. (a) G.S. 115C-296(b) reads as rewritten:

19 "(b) It is the policy of the State of North Carolina to maintain the highest quality
20 teacher education programs in order to enhance the competence of professional
21 personnel certified in North Carolina. To the end that teacher preparation programs are
22 upgraded to reflect a more rigorous course of study, the State Board of Education shall
23 submit to the General Assembly not later than November 1, 1984, a plan to promote this
24 policy. The State Board of Education, as lead agency in coordination and cooperation
25 with the University Board of Governors, the Board of Community Colleges and such
26 other public and private agencies as are necessary, shall continue to refine the several
27 certification requirements, standards for approval of institutions of teacher education,
28 standards for institution-based innovative and experimental programs, standards for
29 implementing consortium-based teacher education, and standards for improved
30 efficiencies in the administration of the approved programs. The standards for approval
31 of institutions of teacher education shall require that teacher education programs for
32 students who do not major in special education include courses in the identification and
33 education of children with learning disabilities."

34 (b) G.S. 115C-118 reads as rewritten:

35 "**§ 115C-118. Functions.**

36 The centers shall have the following functions:

37 (1) To provide in-service training to all special education teachers and
38 other professionals as defined by the Superintendent.

39 (2) To develop in kindergarten and primary grade teachers the necessary
40 skills to detect potential special education needs and the capability to
41 plan special educational programs.

42 (2a) To provide in-service training for all teachers in the identification and
43 education of learning disabled children.

- 1 (3) To provide in-service training and consultative services to a parent or
2 guardian of a child with special needs and to appropriate public school
3 administrative and management personnel.
- 4 (4) To work in concert with the various local human resources agencies to
5 the end that multiple and duplicative services provided at various times
6 and by various agencies of the State may be obviated.
- 7 (5) To conduct an in-depth evaluation of the impact of in-service training
8 on the delivery of services to children with special needs within the
9 public schools on an annual basis in compliance with such rules and
10 regulations as the Superintendent may promulgate."

11
12 Requested by: Representative J. Crawford

13 ---ACCREDITATION/ACCOUNTABILITY FUNDS

14 Sec. 63. Of the funds appropriated in Section 3 of this act for implementation
15 of the Basic Education Program, up to \$200,000 for the 1989-90 fiscal year and up to
16 \$250,000 for the 1990-91 fiscal year may be used to implement performance standards
17 that are part of the statewide accreditation program.

18 Of other funds appropriated in Section 3 of this act to the Department of
19 Public Education for the 1989-90 fiscal year and the 1990-91 fiscal year, up to \$150,000
20 in each year may be used for research and development.

21
22 Requested by: Representatives J. Crawford, Tart

23 ---USE OF FUNDS FOR TEACHERS

24 Sec. 64. Funds are appropriated to the Department of Public Education for
25 the 1989-91 fiscal biennium for additional teacher positions to be used to expand
26 curricular offerings in accordance with the Basic Education Program. Local boards of
27 education shall use positions allocated to them with these funds to expand curricular
28 offerings to those contained in the Basic Education Program at any grade level and in
29 any of the identified curricular offerings based on the identification of local needs,
30 priorities, and local schedules for implementing the Basic Education Program.

31 The local board of education may, with the approval of the State Board of
32 Education, use the funds allocated to it for expanded curricular offerings to otherwise
33 provide a curricular offering at that school, as called for in the Basic Education
34 Program. The State Board of Education shall monitor the alternative uses of these funds
35 and shall report on such uses by February 1 of each year to the President of the Senate,
36 the Speaker of the House of Representatives, and the Fiscal Research Division.

37
38 Requested by: Representatives J. Crawford, Tart

39 ---PROJECT TEACH FUNDS

40 Sec. 65. Of the funds appropriated to the Department of Public Education for
41 the 1989-91 fiscal biennium, the sum of \$73,000 for the 1989-90 fiscal year and the sum
42 of \$73,000 for the 1990-91 fiscal year shall be used to:

- 43 (1) Maintain the Project Teach Initiative in the Robeson, Pitt,
44 Cumberland, Warren, Halifax, Guilford, Vance, and Northampton

- 1 County Schools, and the Durham, High Point, and Greensboro City
2 Schools; and
3 (2) To expand the project in at least two school systems to focus on
4 parents of students in the seventh grade so as to involve parents in the
5 coaching and support of promising minority young people.
6

7 Requested by: Representative Tart

8 ---N. C. SYMPHONY AUDIO-VISUAL FUNDS

9 Sec. 66. Of the funds appropriated to the Department of Public Education for
10 the 1989-90 fiscal year for aid to local school administrative units, up to \$50,000 shall
11 be used to develop, maintain, and update an ongoing audio-visual program and a young
12 people's television series, for the North Carolina Symphony's statewide education
13 outreach effort that can be used with current written materials and recordings in the
14 school systems in all counties of the State by all six of the major orchestras operating
15 current education programs.
16

17 Requested by: Representative Diamont

18 ---PRINCIPLES OF TECHNOLOGY FUNDS/DO NOT REVERT

19 Sec. 67. (a) Funds appropriated in prior fiscal years to provide support for a
20 Principles of Technology demonstration program in the Northampton County, Halifax
21 County, and Weldon City School administrative units, shall not revert at the end of the
22 1988-89 fiscal year but shall remain available for expenditure until June 30, 1991.

23 (b) This section shall become effective June 30, 1989.
24

25 Requested by: Representatives J. Crawford, Tart

26 ---MODEL TEACHER EDUCATION CONSORTIUM

27 Sec. 68. (a) There is established a model teacher education consortium for the
28 following local school administrative units: Granville County, Halifax County,
29 Northampton County, Vance County, Warren County, Roanoke Rapids City and
30 Weldon City, with the collaboration of East Carolina University, Elizabeth City State
31 University, Atlantic Christian College, North Carolina Wesleyan College, Halifax
32 Community College, and Vance-Granville Community College.

33 (b) The consortium shall develop a teacher education program in accordance with
34 the requirements of the North Carolina Administrative Code, Title 16, Section .0206
35 and shall, upon development of the program, apply to the State Board of Education for
36 approval as a teacher education program. The Department of Public Instruction shall
37 assist the consortium in developing the program and shall act upon the application of the
38 program in accordance with Title 16, Section .0206 and the Department of Public
39 Instruction's Standards for Organizing and Implementing Consortium-Based Teacher
40 Education.

41 (c) The consortium's teacher education program shall be designed to serve
42 persons interested in becoming certified teachers in North Carolina's public schools, or
43 in upgrading or refining skills for employment in the public schools, or in expanding
44 areas of certification in keeping with established standards. The initial thrust of the

1 program shall be to qualify for certification teachers who already have college degrees
2 but are not certified or need additional areas of certification and to provide a teacher
3 education program for qualified teacher assistants. Special emphasis shall be placed on
4 recruiting minority participants.

5 (d) The consortium's Policy Board, developed in accordance with the Standards
6 for Organizing and Implementing Consortium-Based Teacher Education, shall establish
7 a monetary value for the individualized education program of each participant, and shall
8 enter an agreement with each participant for the repayment of that amount on terms
9 specified in the agreement. The agreement shall provide for forgiveness of the
10 repayment on a plan modeled after G.S. 115C-471.

11 (e) The consortium shall seek foundation, business, industry, and local
12 school administrative unit support for 1989-90 and subsequent fiscal years.

13 (f) Of the funds appropriated to the Department of Public Education in
14 Section 3 of this act, the State Board of Education shall use up to \$50,000 for the 1989-
15 90 fiscal year for the consortium established by this section. No more than one-half of
16 the monies for the 1989-90 fiscal year and no more than thirty percent (30%) of the
17 monies for the 1990-91 fiscal year shall be used for administrative purposes. The
18 remainder shall be used to provide instructional support for the participants under the
19 plan devised by the policy board.

20
21 Requested by: Representative Nesbitt

22 —ASSIGNMENT OF PRINCIPALS TO SMALLER SCHOOLS

23 Sec. 69. (a) If a principal paid with State funds is reassigned to a lower job
24 classification because he is transferred to a school within a local school administrative
25 unit with a smaller number of State-allotted teachers, the State shall pay only the pay
26 level the principal would have earned had he served his entire career as a principal at the
27 lower job classification.

28 (b) This section applies to all transfers on or after July 27, 1989, except transfers
29 in school systems that have been created, or will be created, by merging two or more
30 school systems. Transfers in these merged systems are exempt from the provisions of
31 this section for one calendar year following the date of the merger.

32
33 Requested by: Representative J. Crawford

34 —EXISTING CAREER DEVELOPMENT PILOT PROGRAMS

35 Sec. 70. (a) Notwithstanding the provisions of Article 24B of Chapter 115C of
36 the General Statutes or any other provision of law, funding for the career development
37 pilot projects shall continue through the 1989-90 fiscal year: Provided, however, that
38 any additional compensation received by an employee as a result of the unit's
39 participation in the pilot program for the 1989-90 fiscal year and for subsequent fiscal
40 years shall be paid as a bonus or supplement to the employee's regular salary.

41 (b) If an employee in a career development pilot unit is recommended for Career
42 Status I or II and that status is approved by the local board of education prior to the
43 beginning of the 1989-90 school year, the local board of education may pay that
44 employee a bonus or supplement to his regular salary. For the 1989-90 fiscal year only,

1 the local board of education may use any State career development funds available to it
2 to pay these bonuses or supplements.

3 (c) Effective at the beginning of the 1989-90 school year, an employee may be
4 considered for Career Status II no earlier than his third year in Career Status I; an
5 employee may be considered for Career Status III no earlier than his third year in Career
6 Status II.

7
8 Requested by: Representative Nesbitt

9 **—EXISTING LEAD TEACHER PILOT PROGRAMS**

10 Sec. 71. The State Board of Education shall use up to \$250,000 of the funds
11 appropriated for the 1989-90 fiscal year for the Career Development Pilot Program to
12 continue the existing Lead Teacher Pilot Programs.

13

14 Requested by: Representatives Barnes, Tart

15 **—STATE AND PUBLIC SCHOOL MAINTENANCE AND OTHER WORKER**
16 **MINIMUM SALARIES**

17 Sec. 71.1. (a) To the extent that funds appropriated in Sections 3 and 4 of this act
18 for State agency, department, institution, board, and commission permanent employee
19 salaries and related payroll costs result in unencumbered salary reserves on an
20 annualized basis, such reserves shall be used by State agencies, departments,
21 institutions, boards, and commissions to ensure that all of their full-time, permanent
22 employees supported by the General Fund or the Highway Fund are paid at a monthly
23 salary of not less than \$1,000. State agencies, departments, institutions, boards, and
24 commissions supported from receipts and their full-time, permanent employees are also
25 covered by the provisions of this subsection to the extent that such receipts are available
26 to be expended as provided by this subsection.

27 (b) To the extent that funds appropriated to the Department of Public Education
28 in Section 3 of this act for local educational agency employee salaries and related
29 payroll costs become higher than the salaries and payroll costs actually paid on an
30 annualized basis, the State Board of Education and Superintendent of Public Instruction
31 may use these funds, up to a maximum amount of \$3,000,000 per year, to ensure,
32 insofar as possible, that full-time, permanent employees of local educational agencies
33 supported by the General Fund are paid at a monthly salary of not less than \$1,000.
34 Full-time, permanent employees of local educational agencies who are supported from
35 the receipts of the Department of Public Education are also covered by the provisions of
36 this subsection to the extent that such receipts are available to be expended as provided
37 by this subsection.

38 (c) To the extent that funds appropriated for the 1989-91 biennium to the
39 Department of Public Education in Section 3 of this act for local educational agency
40 employee salaries and related payroll costs become higher than the salaries and payroll
41 costs actually paid on an annualized basis, the State Board of Education and
42 Superintendent of Public Instruction are authorized to use such funds, up to a maximum
43 amount of \$2,000,000 per year, to begin providing cost-sharing incentives to local
44 educational agencies for upgrading locally adopted salaries for maintenance workers

1 that are lower than the salary levels adopted by the State Board for school maintenance
2 mechanics, and for the other locally paid, non-certified employees for upgrading locally
3 adopted salaries that are lower than the salary levels for comparable State paid
4 positions. The State Board of Education and Superintendent of Public Instruction shall
5 provide quarterly reports to the Director of the Fiscal Research Division on the amount
6 of funds provided to each local educational agency pursuant to this section, the amount
7 of additional local funds provided by each local educational agency pursuant to this
8 section, the number of workers whose salaries were increased pursuant to this section,
9 the amount of salary increases granted to workers under this section, and any other
10 related information requested by the Director of the Fiscal Research Division for the
11 implementation of this section.

12
13 PART X.—DEPARTMENT OF COMMUNITY COLLEGES

14
15 Requested by: Representatives J. Crawford, Tart

16 —TUITION INCREASE

17 Sec. 72. The State Board of Community Colleges shall adopt tuition rates
18 beginning in the fall quarter of 1989 in the amount of ninety dollars (\$90.00) per quarter
19 for in-State students and eight hundred forty dollars (\$840.00) per quarter for out-of-
20 State students.

21
22 Requested by: Representatives J. Crawford, Tart

23 —ACCOUNTABILITY AND FLEXIBILITY

24 Sec. 73. The State Board of Community Colleges shall develop a "Critical
25 Success Factors" list to define statewide measures of accountability for all community
26 colleges. Each college shall develop an institutional effectiveness plan, tailored to the
27 specific mission of the college. This plan shall be consistent with the Southern
28 Association of Colleges and Schools criteria and provide for collection of data as
29 required by the "Critical Success Factors" list. The Department of Community Colleges
30 shall provide assistance to the colleges in developing their institutional effectiveness
31 plans.

32 To maximize the opportunity for each college to achieve its institutional
33 effectiveness plan, the State Board shall develop policies that allow maximum budget
34 flexibility. However, in no instance shall the system budget have transfers greater than
35 five percent (5%) from salaries to other costs and from instruction to administration.
36 Nevertheless, it is the intent of the General Assembly that each community college
37 strive to attain the average monthly salary paid in the Southern Regional Education
38 Board (SREB) states for community colleges. There shall be no limitations on transfers
39 from administration to instruction or from other cost to salaries. No transfers shall be
40 made from literacy or community services programs. It is the intent of the General
41 Assembly that in no instance shall excess fringe benefit funds be used to increase the
42 salaries of administrators.

43 The State Board shall promote and encourage local flexibility, creativity and
44 ingenuity in the pursuit of educational goals of the Community College System.

1 The State Board shall report semiannually to the Joint Legislative
2 Commission on Governmental Operations on the progress of the "Critical Success
3 Factors" list and on the institutional effectiveness plans.

4
5 Requested by: Representatives J. Crawford, Tart
6 —FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY
7 COLLEGES

8 Sec. 74. For the purpose of determining the community college system-wide
9 number of full-time equivalent (FTE) teaching positions each year, the total curriculum
10 full-time equivalent student enrollment shall be divided by 21, and occupational
11 extension full-time equivalent student enrollment shall be divided by 22.

12
13 Requested by: Representatives J. Crawford, Tart
14 —FOCUSED INDUSTRIAL TRAINING PROGRAM

15 Sec. 75. Notwithstanding the provisions of G.S. 96-5(f), there is appropriated
16 from the Worker Training Trust Fund to the Department of Community Colleges the
17 sum of \$500,000 for the 1989-90 fiscal year and the sum of \$500,000 for the 1990-91
18 fiscal year to continue the Focused Industrial Training Program administered by the
19 Department of Community Colleges.

20
21 Requested by: Representatives J. Crawford, Tart
22 —RETOOLING FOR THE YEAR 2000: GAINING THE COMPETITIVE EDGE

23 Sec. 76. (a) Of the funds appropriated to the Department of Community
24 Colleges in Section 3 of this act, the sum of \$5,000,000 for the 1989-90 fiscal year and
25 the sum of \$10,000,000 for the 1990-91 fiscal year shall be used by the State Board of
26 Community Colleges in initiating the retooling of the Community College System, as
27 provided in subsection (b) of this section.

28 (b) Chapter 115D of the General Statutes is amended by adding a new section to
29 read:

30 **"§ 115D-8. 'Retooling for the year 2000: Gaining the Competitive Edge.'**

31 (a) The State Board of Community Colleges shall adopt a Community College
32 Education Blueprint not inconsistent with the Commission on the Future Report on the
33 North Carolina Community College System, 'Gaining the Competitive Edge', which
34 will allow the State to compete successfully in the national and global economy of today
35 and the next century. The State Board shall implement the Education Blueprint for
36 community colleges within funds appropriated for that purpose by the General
37 Assembly. It is the goal of the General Assembly that by July 1, 1993, the community
38 colleges be fully funded to retool for the year 2000 in order to support the State in
39 gaining the competitive edge.

40 (b) The Community College Education Blueprint shall define the programs
41 necessary to provide every community college student access to quality teaching and
42 academic support services by addressing the following:

- 43 (1) Exemplary faculty and staff,
44 (2) Effective learning experiences,

- 1 (3) Educational advancement for all adult learners,
2 (4) Expanded access to adult education.
3 (c) The Community College Education Blueprint shall establish effective
4 mechanisms to promote accountability and increased flexibility in funding and shall
5 address the following:
6 (1) Flexible funding tied to performance,
7 (2) Strategic goal setting and assessment,
8 (3) Channels for outside assessment,
9 (4) Efficient resource distribution.
10 (d) The Community College Education Blueprint shall provide opportunities for
11 all adult North Carolinians to master the basic critical thinking skills demanded in a
12 complex and competitive economy by addressing the following:
13 (1) A work force with comprehensive basic skills,
14 (2) Reduction of the basic skills gap,
15 (3) Performance based education for the underskilled.
16 (e) The Community College Education Blueprint shall set forth methods to help
17 business and industry adapt to technological change and promote small business
18 development throughout the State by addressing the following:
19 (1) Workplaces with competitive technology,
20 (2) Job creation through expanded entrepreneurship.
21 (f) The Community College Education Blueprint shall set forth ways to build
22 strong partnerships with the public schools and the State's universities to establish a
23 comprehensive, integrated education system in North Carolina.
24 (g) The Community College Education Blueprint shall provide for strong
25 leadership for the future of the system and its colleges by addressing the following:
26 (1) Visionary leadership for the future,
27 (2) Responsive governance and management."
28

29 Requested by: Representatives J. Crawford, Tart

30 ---LITERACY ALLOCATION BASIS

31 Sec. 77. Literacy education funds, as defined by the State Board of
32 Community Colleges, shall be expended only for literacy education and for no other
33 purposes. The Department of Community Colleges shall distribute literacy funds on the
34 basis of a formula that provides for equitable treatment of all colleges. The formula
35 shall encompass incentives and rewards for improvement in literacy education. This
36 revised formula shall include a base allotment, a target population of individuals
37 between 16 and 54 years of age with less than a high school education, consideration of
38 past performance in literacy education based on prior years' FTE earnings, an amount
39 for each GED and Adult High School diploma awarded, and a reward for serving a
40 higher percentage of the population to be served than the statewide average. Literacy
41 FTE shall be reported on a contact hour basis.

42 Notwithstanding G.S. 150B-13, the State Board of Community Colleges may,
43 until six months from the effective date of this act, adopt temporary rules for college
44 formula allocations without prior notice or hearing or upon any abbreviated notice or

1 hearing the State Board of Community Colleges finds practicable. The State Board of
2 Community Colleges shall begin normal rule-making procedures on permanent rules in
3 accordance with Article 2 of Chapter 150B at the same time it adopts a temporary rule
4 as authorized under this section. Temporary rules adopted under this section shall be
5 published by the Director of the Office of Administrative Hearings in the North
6 Carolina Register and shall be effective for a period of not longer than 180 days.

7
8 Requested by: Representatives J. Crawford, Tart

9 —NORTH CAROLINA EMPLOYERS CHARGED IN-STATE TUITION

10 Sec. 78. G.S. 115D-39 reads as rewritten:

11 "**§ 115D-39. Student tuition and fees.**

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

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

17 The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and
18 116-143.3, shall apply to students attending institutions operating pursuant to this
19 ~~Chapter.~~ Chapter; provided, however, that when an employer other than the armed
20 services, as that term is defined in G.S. 116-143.3, pays tuition for an employee to
21 attend an institution operating pursuant to this Chapter and when the employee works at
22 a North Carolina business location, the employer shall be charged the in-State tuition
23 rate."

24
25 Requested by: Representatives J. Crawford, Tart

26 —LITERACY TRANSPORTATION

27 Sec. 79. Community college literacy education funds may be used for
28 transportation to literacy programs. Community college equipment funds may be used
29 to purchase vehicles for transportation to literacy programs.

30 The State Board of Community Colleges and the State Board of Education
31 shall develop pilot projects to allow the public school transportation system, including
32 the Transportation Management System, to provide transportation for students in
33 literacy programs.

34
35 Requested by: Representatives Tart, J. Crawford

36 —TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY COLLEGE
37 COURSES

38 Sec. 80. The Department of Public Education shall use funds available from
39 the Public School Fund to pay the community college tuition of any high school student
40 in the State who is enrolled in a community college in accordance with G.S. 115D-20(4)
41 and G.S. 115D-5.

42
43 Requested by: Representatives Tart, J. Crawford

44 —COMMUNITY COLLEGE REPORTS

1 Sec. 81. The State Board of Community Colleges shall review all the reports
2 it requires local community colleges to submit. Except as otherwise provided by federal
3 law, the Board shall eliminate the requirements for all reports that it determines to be
4 duplicative or otherwise unnecessary.

5
6 PART XI.—COLLEGES AND UNIVERSITIES

7
8 Requested by: Representatives J. Crawford, Tart
9 —UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL
10 HILL/NURSING

11 Sec. 82. Notwithstanding the provisions of G.S. 126-4(1), G.S. 126-4(2), and
12 Section 9 of Chapter 738 of the 1987 Session Laws, as amended by Section 100(a) of
13 the 1987 Session Laws, and as further amended by Section 54 of Chapter 500 of the
14 1989 Session Laws, the Current Operations Appropriations Act of 1989, the Board of
15 Directors of the University of North Carolina Hospitals at Chapel Hill shall establish
16 policies and rules governing the performance of competitive position classification
17 studies and competitive compensation plan studies and the implementation of
18 competitive classification and compensation plans for clinical nursing employees.
19 These plans shall provide for minimum, maximum, and intermediate rates of pay, and
20 may include provisions for range revisions and shift premium pay and for salary
21 adjustments to address internal inequities and job performance. The Office of State
22 Personnel shall review the classification and compensation plans on an annual basis,
23 and all changes in compensation plans for clinical nursing employees shall be submitted
24 to the Office of State Personnel upon implementation.

25
26 Requested by: Representatives J. Crawford, Tart
27 —ECU MEDICAL SCHOOL MEDICARE REIMBURSEMENT

28 Sec. 83. Section 231(b) of Chapter 738 of the 1987 Session Laws, as
29 amended by Section 99 of Chapter 1086 of the 1987 Session Laws, Regular Session
30 1988, reads as rewritten:

31 "(b) This section shall remain effective until ~~June 30, 1989~~ June 30, 1990."

32
33 Requested by: Representatives J. Crawford, Tart
34 —AID TO PRIVATE COLLEGES INCREASE/PROCEDURE

35 Sec. 84. Section 30 of Chapter 500 of the 1989 Session Laws, the Current
36 Operations Appropriations Act of 1989, reads as rewritten:

37 "Requested by: Senator Ward, Representatives J. Crawford, Tart

38 —AID TO PRIVATE COLLEGES ~~PROCEDURE INCREASE/PROCEDURE~~

39 Sec. 30. (a) Funds appropriated in this act to the Board of Governors of The
40 University of North Carolina for aid to private colleges shall be disbursed in accordance
41 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
42 to four hundred dollars (\$400.00) per full-time equivalent North Carolina undergraduate
43 student enrolled at a private institution as of October 1 each year.

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

7 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
8 to all other financial assistance made available to private educational institutions located
9 within the State, or to students attending these institutions, there is granted to each full-
10 time North Carolina undergraduate student attending an approved institution as defined
11 in G.S. 116-22, the sum of one thousand one hundred fifty dollars (~~\$1,100~~)(~~\$1,150~~) per
12 academic year, which shall be distributed to the student as hereinafter provided.

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

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

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

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

37 Any remaining funds shall revert to the General Fund.

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

40
41 Requested by: Representatives J. Crawford, Tart

42 —ACCOUNTABILITY

43 Sec. 85. The Board of Governors of The University of North Carolina shall
44 require each institution to develop a plan that would exhibit how the institution will

1 measure its effectiveness, especially in the areas of student learning and development,
2 faculty development and quality, and progress toward the institution's missions. Each
3 plan shall include information concerning the institution's goals to improve and
4 maintain its quality in these areas. The plans shall provide for annual assessments and
5 for reporting these assessments to the Board of Governors and to the General Assembly.
6 The Board shall identify a number of assessment measures that shall be required on all
7 campuses to insure systemwide assessment.

8 These plans shall be developed and submitted to the General Assembly by
9 January 15, 1991.

10
11 Requested by: Representative Colton

12 ---FINANCIAL AID FOR POST-SECONDARY EDUCATION FOR PART-TIME
13 STUDENTS

14 Sec. 86. The Board of Governors of The University of North Carolina and
15 the State Board of Community Colleges shall adopt rules to ensure that students at any
16 of the constituent institutions of The University of North Carolina and at any of the
17 campuses of the Community College System who are part-time students enrolled for at
18 least three credit hours a semester in academic programs are eligible for State-funded
19 need-based scholarship assistance.

20
21 Requested by: Representatives J. Crawford, Tart

22 ---UNC HANDICAPPED BARRIER REMOVAL PLAN

23 Sec. 87. (a) The Board of Governors of The University of North Carolina
24 shall adopt a plan to ensure that, beginning in the 1990-91 academic year, all man-made
25 barriers to the handicapped at all of the constituent institutions of The University of
26 North Carolina will be systematically removed.

27 (b) Prior to expending funds for barrier removal, the Board of Governors
28 shall require each campus to complete a survey of accessibility needs and to prepare a
29 plan to meet these needs based upon three levels of priority. These levels shall be:

- 30 (1) " Urgent Needs"- Barriers known to currently prevent people from
31 participating in university programs or services, and which place a
32 significant burden on the ability of disabled people to perform
33 independently and safely, or which discourage
34 "mainstream" participation with other, nondisabled people;
- 35 (2) " Secondary Needs"- Obvious barriers which could inhibit future
36 participation of disabled people but which have not yet caused
37 incidents of inaccessibility;
- 38 (3) " Long-range Needs"- Barriers which require major, separate funding
39 or long-term planning to address the needs, such as the construction of
40 a new facility.

41 Each campus shall use an advisory committee which shall include
42 representatives of disabled people on campus, the Office of Student Affairs, and the
43 Chancellor's representative, in developing this plan.

1 (c) The Board shall ensure that the surveys and plans of the campuses are
 2 comparable in scope and definition. The Board shall allocate any funds appropriated for
 3 this purpose based upon the needs and priorities identified in the campuses' plans.

4 (d) The Board of Governors of The University of North Carolina shall submit
 5 its plan to the General Assembly by May 1, 1990.

6
 7 Requested by: Representatives J. Crawford, Tart

8 ~~---UNC RECEIPTS LRC STUDY~~

9 Sec. 88. The Legislative Research Commission may study receipts and
 10 expenditures from receipts in The University of North Carolina and its affiliated
 11 agencies and institutions. The study shall include overhead receipts, trust funds, and
 12 other receipts that do not flow through the normal budgetary process. The Commission
 13 may make a final report, including any legislative proposals, to the 1991 General
 14 Assembly.

15
 16 Requested by: Representatives J. Crawford, Tart

17 ~~---TEACHER TASK FORCE RECOMMENDATIONS/FUNDS~~

18 Sec. 89. (a) The State Board of Education and the Board of Governors of
 19 The University of North Carolina shall implement the objectives of the plan for the
 20 preparation of teachers as identified in "The Education of North Carolina
 21 Teachers" report and in the "Second Annual Report of the Joint Committee on Teacher
 22 Education of the Board of Governors of The University of North Carolina and the State
 23 Board of Education."

24 (b) Of the funds appropriated to the Department of Public Education in
 25 Section 3 of The Expansion Budget Appropriations Act of 1989 the sum of \$1,080,000
 26 for the 1989-90 fiscal year, and the sum of \$1,080,000 for the 1990-91 fiscal year shall
 27 be used by the State Board of Education to carry out the following program components
 28 as identified in the "Second Annual Report on the Joint Committee on Teacher
 29 Education of the Board of Governors of The University of North Carolina and the State
 30 Board of Education" :

	<u>1989-90</u>	<u>1990-91</u>	
31 Reform of Teacher Education Programs	\$ 50,000		\$
32 50,000			
33 Quality Assurance Program Improvement	5,000		
34 5,000			
35 Teacher Certification and Program			
36 Approval	850,000		
37	850,000		
38 Professional Education	125,000		
39 125,000			
40 Incentive Programs for Teachers	<u>50,000</u>		
41 <u>50,000</u>			
42			
43 Total	<u>\$1,080,000</u>	<u>\$1,080,000</u>	
44			

1
2 (c) Of the funds appropriated to the Board of Governors of The University of
3 North Carolina in Section 3 of The Expansion Budget Appropriations Act of 1989, the
4 sum of \$1,500,000 for the 1989-90 fiscal year, and the sum of \$1,500,000 for the 1990-
5 91 fiscal year shall be used to carry out the following program components as identified
6 in the "Second Annual Report of the Joint Committee on Teacher Education of the
7 Board of Governors of The University of North Carolina and the State Board of
8 Education" :

	<u>1989-90</u>	<u>1990-</u>
9		
10 <u>91</u>		
11 Reform of Teacher Education Programs	\$ 424,000	\$ 424,000
12 Quality Assurance Program Improvement	536,000	536,000
13 Professional Education		
14 Revitalization of Teacher Education		
15 Faculty <u>540,000</u> <u>540,000</u>		
16 Total <u>\$1,500,000</u> <u>\$1,500,000</u>		

17 (d) The State Board of Education and the Board of Governors of The
18 University of North Carolina shall, through the Joint Committee on Teacher Education,
19 continue to monitor and evaluate the implementation of the programs for the
20 improvement of the preparation of teachers as set forth in the report, "The Education of
21 North Carolina Teachers," and in the "Second Annual Report on the Joint Committee on
22 Teacher Education of the Board of Governors of The University of North Carolina and
23 the State Board of Education."

24 (e) The annual reports required through the evaluation and monitoring plan
25 developed pursuant to Section 96(d) of Chapter 830 of the 1987 Session Laws shall
26 continue as provided in that subsection and shall reflect the expenditures and evaluation
27 findings on a fiscal year basis.

28
29 Requested by: Representatives Barnhill, Blue

30 ---NORTH CAROLINA A&T STATE UNIVERSITY/WESTERN CAROLINA
31 UNIVERSITY CENTENNIAL OBSERVANCE FUNDS

32 Sec. 90. The Board of Governors of The University of North Carolina shall
33 allocate for the 1989-90 fiscal year sufficient funds not to exceed \$100,000 for the
34 centennial observance at North Carolina Agricultural and Technical State University
35 and \$50,000 for the centennial observance at Western Carolina University, from
36 overhead receipts balances held by the General Administration of The University of
37 North Carolina.

38
39 PART XII.—DEPARTMENT OF TRANSPORTATION

40
41 Requested by: Representatives McLaughlin, Woodard

42 ---SPECIAL APPROPRIATIONS FOR HIGHWAYS

43 Sec. 91. Of the funds appropriated to the Department of Transportation for
44 special appropriations for highways in Chapter 500 of the 1989 Session Laws, the

1 Current Operations Appropriations Act of 1989, and in this act, sixty-six million dollars
2 (\$66,000,000) for fiscal year 1989-90 and sixty-six million dollars (\$66,000,000) for
3 fiscal year 1990-91 may be used for:

- 4 (1) Supplemental funding for highway construction, reconstruction, and
5 rehabilitation projects for State and Federal Aid road systems;
- 6 (2) Supplemental funding for the planning, design and engineering of
7 highways and acquisition of highway rights-of-way;
- 8 (3) Matching funds for unanticipated federal-aid construction funds;
- 9 (4) Payment for all or any portion of the interest or principal on bonds
10 issued by the State for road and highway purposes;
- 11 (5) A means of maintaining a uniform seasonal pace of highway
12 construction, including scheduled ferry replacement.

13 Construction funds shall be allocated equitably each year among the 14
14 Highway Divisions. Notwithstanding any other provisions of Chapter 136 of the
15 General Statutes, the Department shall make allocations under this section in a manner
16 that assures that at the end of the second year each of the 14 Highway Divisions, over
17 the two-year period, has been allocated an equal amount, insofar as possible, of all
18 funds allocated under this section, including those for scheduled ferry replacement. The
19 Secretary shall report in writing, on a monthly basis, to the Joint Legislative
20 Commission on Governmental Operations and the Fiscal Research Division on the
21 projects that have been funded, and those projects that he reasonably expects to be
22 funded under this section. The report shall set out the reasons this method of funding
23 serves the best interest of the State's transportation improvement programs. That report
24 shall include, among other things, the cost savings realized, and the manner in which the
25 cost savings have been realized by the use of the funds allocated under this section.

26
27 Requested by: Representatives McLaughlin, Woodard

28 ---COMMISSION PAID TO BRANCH AGENTS

29 Sec. 92. Section 202 of Chapter 1034 of the 1983 Session Laws (Regular
30 Session 1984) as amended by Section 172 of Chapter 738 of the 1987 Session Laws
31 reads as rewritten:

32 "Sec. 202. Section 140 of Chapter 761 of the 1983 Session Laws is amended in the
33 last sentence by deleting the language 'sixty-four cents (64¢)' and substituting '~~seventy-~~
34 ~~two cents (72¢)~~' 'eighty-two cents (82¢) for fiscal year 1989-90 and ninety-two cents
35 (92¢) thereafter.'"

36
37 Requested by: Representatives McLaughlin, Woodard

38 ---COMMISSIONER OF MOTOR VEHICLES TO REPORT ON PRINTING AND
39 BINDING FUNDS

40 Sec. 93. The Commissioner of Motor Vehicles shall report, no later than May
41 15, 1990, to the Chairmen of the Highway Fund Subcommittee of the Appropriations
42 Committee of the House of Representatives and to the Chairman of the Senate
43 Appropriations Committee on Natural and Economic Resources on the expenditure of
44 the funds requested for printing and binding. Copies of the report mandated by this

1 section shall also be delivered to the Chairmen of the Appropriations Committees of the
2 House of Representatives and of the Senate and to the Fiscal Research Division of the
3 Legislative Services Office.

4
5 Requested by: Representative Perdue

6 ---CONCESSIONS ON FERRIES AND AT FERRY FACILITIES

7 Sec. 94. G.S. 136-82 reads as rewritten:

8 **"§ 136-82. Department of Transportation to establish and maintain ferries.**

9 The Department of Transportation is vested with authority to provide for the
10 establishment and maintenance of ferries connecting the parts of the State highway
11 system, whenever in its discretion the public good may so require, and to prescribe and
12 collect such tolls therefor as may, in the discretion of the Department of Transportation,
13 be expedient.

14 To accomplish the purpose of this section said Department of Transportation is
15 authorized to acquire, own, lease, charter or otherwise control all necessary vessels,
16 boats, terminals or other facilities required for the proper operation of such ferries or to
17 enter into contracts with persons, firms or corporations for the operation thereof and to
18 pay therefor such reasonable sums as may in the opinion of said Department of
19 Transportation represent the fair value of the public service rendered.

20 To provide for the comfort and convenience of the passengers on the ferries
21 established and maintained pursuant to this section, the Department of Transportation,
22 notwithstanding any other provision of law, may operate, or contract for the operation
23 of, concessions on the ferries and at ferry facilities to provide food, drink, other
24 refreshments, and personal comfort items for those passengers."

25
26 Requested by: Representative R. Hunter

27 ---HIGHWAY PLANNERS PILOT PROGRAM FUNDS

28 Sec. 95. Of the funds appropriated in Section 4 of this act for the Department
29 of Administration, \$360,000 for the 1989-90 fiscal year and \$360,000 for the 1990-91
30 fiscal year shall be used to fund a pilot program of providing highway planners to
31 certain multi-county planning regions. The funds shall provide grants of \$45,000 each
32 to Multi-County Planning Regions A, B, C, D, L, P, Q, and R to employ a local
33 highway planner to assist local city and county governments in planning future highway
34 development and construction. The Department of Administration in conjunction with
35 the Councils of Governments shall establish minimum qualifications that must be met
36 by all local highway planners funded pursuant to this section. The Department of
37 Administration shall report to the General Assembly on or before the first day of the
38 1991 Session of the General Assembly on the results of this pilot program and any
39 recommendations for continuation or expansion of the program.

40
41 Requested by: Representative Diamont

42 ---BRIDGE MAINTENANCE BY DEPARTMENT OF TRANSPORTATION

43 Sec. 96. G.S. 136-97 reads as rewritten:

44 **"§ 136-97. Responsibility of counties for upkeep, etc., terminated.**

1 (a) The board of county commissioners or other road-governing bodies of the
2 various counties in the State are hereby relieved of all responsibility or liability for the
3 upkeep or maintenance of any of the roads or bridges thereon constituting the State
4 highway system, after the same shall have been taken over, and the control thereof
5 assumed by the Department of Transportation.

6 (b) The Department of Transportation, as part of maintaining the highways,
7 bridges and watercourses of this State, shall haul all debris removed from on, under, or
8 around a bridge to an appropriate disposal site for solid waste, where the debris shall be
9 disposed of in accordance with law."

10
11 PART XIII.—DEPARTMENT OF JUSTICE

12
13 Requested by: Representative Justus

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

16 Sec. 97. (a) Assets transferred to the Department of Justice during the 1989-91
17 biennium pursuant to 19 U.S.C. 1616a shall be credited to the budget of that
18 Department and shall result in an increase of law enforcement resources for the
19 Department. Assets transferred to the Department of Crime Control and Public Safety
20 during the 1989-91 biennium pursuant to 19 U.S.C. 1616a shall be credited to the
21 budget of that Department and shall result in an increase of law enforcement resources
22 for the Department. Each of these Departments shall report to the Joint Legislative
23 Commission on Governmental Operations on how it intends to use these assets before it
24 uses these assets.

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

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

34
35 Requested by: Representative Huffman

36 —REALLOCATE SBI AGENT POSITIONS

37 Sec. 98. Of the funds appropriated to the Department of Justice, the sum of
38 \$112,000 for the 1989-90 fiscal year and the sum of \$112,000 for the 1990-91 fiscal
39 year shall be used by the State Bureau of Investigation to support the reallocation of 87
40 agent positions as recommended by the Office of State Personnel.

41
42 Requested by: Representative Barnes

43 —SBI SALARY INCREASE

44 Sec. 99. Effective July 1, 1991, G.S. 114-13 reads as rewritten:

1 **"§ 114-13. Director of the Bureau; personnel.**

2 The Attorney General shall appoint a Director of the Bureau of Investigation, who
3 shall serve at the will of the Attorney General, and whose salary shall be fixed by the
4 Department of Administration under G.S. 143-36 **et seq.** He may further appoint a
5 sufficient number of assistants and stenographic and clerical help, who shall be
6 competent and qualified to do the work of the Bureau. The salaries of such assistants
7 shall be fixed by the Department of Administration under G.S. 143-36 **et seq.** The
8 salaries of clerical and stenographic help shall be the same as now provided for similar
9 employees in other State departments and bureaus.

10 The provisions of G.S. 126-7 shall not apply to sworn law enforcement agents of the
11 Bureau. Sworn law enforcement agents of the Bureau shall, however, be subject to
12 salary classes, ranges and longevity pay for service as are applicable to other State
13 employees generally. Beginning July 1, 1991, and annually thereafter each sworn law
14 enforcement agent of the Bureau shall be granted a salary increase in an amount
15 corresponding to the increments between steps within the salary range established for
16 the class to which the member's position is assigned by the State Personnel
17 Commission, not to exceed the maximum of each applicable salary range."

18
19 PART XIV.—DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

20
21 Requested by: Representative Barnes

22 —STATE LAW ENFORCEMENT STUDY

23 Sec. 100. (a) The Office of the State Auditor shall conduct a performance
24 audit of State law enforcement agencies and make recommendations for coordinating
25 the activities of those agencies as appropriate. The recommendations should address
26 methods of reducing the duplication and overlapping of law enforcement
27 responsibilities, training, and technical assistance among State law enforcement
28 agencies.

29 (b) The Office of State Auditor shall make an interim report, including its
30 findings and any recommendations, to the House of Representatives' Appropriations
31 Committee on Justice and Public Safety and the Fiscal Research Division by May 1,
32 1990, and shall make a final report to the 1991 General Assembly.

33
34 Requested by: Representatives Huffman, Justus

35 —REVIEW OF NATIONAL GUARD OPERATIONS

36 Sec. 101. The Office of the State Auditor shall conduct, within funds
37 available, a performance audit of the North Carolina National Guard administered by
38 the Department of Crime Control and Public Safety that will address but is not limited
39 to determining:

- 40 (1) The proportion of minorities that are in the National Guard, the
41 percentage of minorities occupying positions of responsibility, and a
42 breakdown of National Guard membership by race, sex, and rank.
43 (2) The procedure used by the Retention Board for officers and soldiers
44 when they reach 20 years of service, whether these procedures are well

1 known, and the type of information that disqualifies an individual for
2 retention after 20 years of service.

3 (3) The proportion of minorities that are full-time National Guardsmen
4 and the percentage who hold full-time leadership positions; the
5 standard practices concerning the retention of a Guardsman who is
6 full-time before he reaches 20 years of qualifying service with full-
7 time employment; the proportion of full-time Guardsmen not retained
8 prior to reaching 20 years of qualifying service with full-time benefits,
9 and providing a breakdown of this information by race, sex, and rank.

10 (4) The breakdown of retirees paid from the \$1.8 million transfer to the
11 State Treasurer for retirement of National Guardsmen by rank, race,
12 sex, and number of years for retirement purposes.

13 (5) Whether adequate procedures are in place for Guardsmen to report acts
14 of discrimination, and the difficulty experienced by Guardsmen in
15 reporting acts of discrimination through official channels.

16 The Office of State Auditor shall report its findings and recommendations to
17 the Senate and House Appropriations Base Budget Committee on Justice and Public
18 Safety by April 15, 1990.

19
20 Requested by: Representative Anderson

21 ---STATE LAW ENFORCEMENT SALARY GRADE STUDY

22 Sec. 102. The Office of State Personnel shall conduct a study of the salary
23 grades of all state law enforcement agencies and determine whether the present grades
24 are appropriate. The Office shall submit a report of its findings and any
25 recommendations by May 1, 1990, to the 1989 General Assembly, 1990 Regular
26 Session.

27
28 Requested by: Representative Anderson

29 ---ASSIGNMENT OF HIGHWAY PATROL CARS

30 Sec. 103. G.S. 20-190.3 reads as rewritten:

31 "**§ 20-190.3. Assignment of new highway patrol cars.**

32 All new highway patrol cars, whether marked or unmarked, placed in service after
33 July 1, 1985, shall be assigned to ~~and used by troopers whose primary duties are in the~~
34 ~~field and by line sergeants and first sergeants.~~ all members of the Highway Patrol."

35
36 Requested by: Representatives Huffman, Justus

37 ---ADDITIONAL HIGHWAY PATROL TROOPERS

38 Sec. 104. (a) Funds are appropriated in Section 4 of this act to the
39 Department of Crime Control and Public Safety for an additional 70 troopers for the
40 Highway Patrol, 35 to be added in the 1989-90 fiscal year and 35 to be added in the
41 1990-91 fiscal year. These 70 troopers may not be assigned to any duty other than full-
42 time enforcement of the traffic laws by patrolling the roads except when absence
43 therefrom is required for court appearances, training mandated by statutes or
44 compliance with the rules of the North Carolina Criminal Justice Education and

1 Training Standards Commission, or administrative work directly arising out of road
2 patrol or court appearance. Also, no additional administrative positions may be created
3 that decrease the number of members of the Highway Patrol assigned to road patrol as
4 essentially full-time duty.

5 (b) This section is not intended to prevent the Department of Crime Control
6 and Public Safety from assigning troopers to normal special duties to which troopers are
7 ordinarily assigned.

8

9 PART XV.—DEPARTMENT OF CORRECTION

10

11 Requested by: Representatives Huffman, Justus

12 —SUBSTANCE ABUSE PROGRAM AND DWI PAROLE PROGRAM
13 EVALUATIONS

14 Sec. 105. (a) The Department of Correction shall prepare an evaluation of the
15 operation and results of the substance abuse program established by G.S. 143B-262(d)
16 and G.S. 143B-264. The report shall include information on the number of inmates who
17 have been accepted into the program, the number who have completed treatment or are
18 presently receiving treatment through the program, the number who did not complete
19 treatment through the program, and any follow-up information indicating the results of
20 the program. The Department shall submit its report not later than May 1, 1990, to the
21 Chairmen of the Senate and House Appropriations Committees, the Chairman of the
22 House Base Budget Appropriations Committee, the Chairman of the Senate
23 Appropriations Committee on Justice and Public Safety, the Chairmen of the House
24 Appropriations Committees on Justice and Public Safety, the Special Committee on
25 Prisons, the Joint Legislative Commission on Governmental Operations, and the Fiscal
26 Research Division.

27 (b) The Department of Correction shall prepare an evaluation of the
28 implementation, operation, and results of the DWI program at Cherry Hospital
29 established in Chapter 8 of the 1989 Session Laws. The report shall include information
30 on the number of persons who have been accepted into the program, the number who
31 have completed treatment or are presently receiving treatment through the program, the
32 number who did not complete treatment through the program, and any follow-up
33 information indicating the results of the program. The Department shall submit its
34 report not later than May 1, 1990, to the Chairmen of the Senate and House
35 Appropriations Committees, the Chairman of the House Base Budget Appropriations
36 Committee, the Chairman of the Senate Appropriations Committee on Justice and
37 Public Safety, the Chairmen of the House Appropriations Committees on Justice and
38 Public Safety, the Special Committee on Prisons, the Joint Legislative Commission on
39 Governmental Operations, and the Fiscal Research Division.

40

41 Requested by: Representative Huffman

42 —CORRECTIONAL OFFICERS AND SERGEANTS

43 Sec. 106. Of the funds appropriated to the Department of Correction, the sum
44 of \$1,117,939 for the 1989-90 fiscal year and the sum of \$5,818,759 for the 1990-91

1 fiscal year shall be placed in reserve for the hiring of correctional officers and sergeants
2 at Central Prison, Triangle Correctional Institution, South Piedmont Area Units, North
3 Carolina Correctional Institution for Women, Polk Youth Institution, Morrison Youth
4 Institution, and Odom Correctional Institution, and sergeants at other field units as
5 approved by the 1989 General Assembly.

6
7 Requested by: Representative Brubaker

8 ---PRISONER ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)
9 TESTING/TREATMENT

10 Sec. 107. (a) In order to determine the prevalence of HIV infection, all
11 incoming inmates admitted to the Department of Correction between November 1,
12 1989, and April 30, 1990, shall be tested anonymously for the HIV antibody.

13 (b) Of the funds appropriated to the Department of Correction for the 1989-90
14 fiscal year, the sum of \$58,200 shall be used for the HIV testing study. These funds
15 shall be used for laboratory testing expenses to test all incoming inmates between
16 November 1, 1989, and April 30, 1990. Of the funds appropriated to the Department of
17 Correction for the 1989-90 fiscal year, the Department may hire, or contract for,
18 temporary services related to this study.

19 (c) The Department of Correction, Division of Prisons, shall track all AIDS-
20 related expenditures of the Department of Correction for prisoners during the 1989-90
21 fiscal year.

22 (d) The Secretary of Correction, in consultation with the State Health Director
23 and the Attorney General, shall formulate a plan for the detection, prevention, and
24 treatment of AIDS in the prison population. The study and resulting management plan
25 shall address, but shall not be restricted to the following:

- 26 (1) Testing of inmates for the presence of the HIV virus;
- 27 (2) Confidentiality of test results;
- 28 (3) Segregation/nonsegregation of inmates testing positive for the HIV
29 virus;
- 30 (4) Equal access to prison programs and facilities by inmates testing
31 positive for the HIV virus;
- 32 (5) Treatment and counseling, before and after testing, for inmates testing
33 positive for the HIV virus;
- 34 (6) Education of the inmate population and families of inmates testing
35 positive for the HIV virus;
- 36 (7) Methods of preventing infection.

37 (e) The Department of Correction shall report the results of its study and plan
38 for the detection, prevention, and treatment of AIDS in the prison population, the results
39 of its blind HIV-positive seroprevalence study, and its AIDS-related expenditures for
40 the 1989-90 fiscal year to the 1989 General Assembly by May 15, 1990.

41
42 Requested by: Representatives Huffman, Justus

43 ---CORRECTIONS CENTRALIZATION STUDY

1 Sec. 108. The House Appropriations Committees on Justice and Public
2 Safety and the Senate Appropriations Committee on Justice and Public Safety shall
3 study the desirability of adopting a more centralized approach to corrections in this
4 State. The primary purpose of this study shall be a comparison of the cost of
5 maintaining the present 89 correctional facilities across the State and the cost of
6 building and maintaining a more regionalized system consisting of substantially fewer
7 facilities. The study shall include:

- 8 (1) An examination of the existing correctional facilities, the anticipated
9 lifespan of those facilities, and the projected cost of renovating them to
10 meet acceptable standards;
- 11 (2) An estimate of the cost of constructing and maintaining new,
12 regionalized facilities;
- 13 (3) An estimate of the reduction in personnel costs that would result from
14 a more regionalized correctional system; and
- 15 (4) A comparison of this State's correctional system with the correctional
16 systems of other states with comparable prison populations, including
17 any steps those states have made to centralize their correctional
18 systems.

19 The Committees may consult with the Office of State Construction, the
20 Office of State Budget and Management, and the Office of the State Auditor in
21 conducting their study. The Committees may hire outside consultants, if necessary, to
22 assist in this study.

23 The Committees shall keep the Special Committee on Prisons informed of
24 their activities, and may submit their report by May 1, 1990, to the Special Committee
25 on Prisons and to the 1989 General Assembly, 1990 Regular Session.

26 27 PART XVI.—DEPARTMENT OF HUMAN RESOURCES

28
29 Requested by:

30 —LIMITATIONS ON THE STATE ABORTION FUND

31 Sec. 108.1. (a) Repeals:

- 32 (1) Section 72 of Chapter 500 of the 1989 Session Laws, the Current
33 Appropriations Act of 1989, is repealed.
- 34 (2) Section 93 of Chapter 479 of the 1985 Session Laws and Section 75 of
35 Chapter 738 of the 1987 Session Laws are repealed.

36 (c) Funds. Of the funds appropriated in Section 3 of Chapter 500 of the 1989
37 Session Laws, the Current Operations Appropriations Act of 1989, to the Department of
38 Human Resources, Division of Social Services, for the 1989-90 fiscal year and the
39 1990-91 fiscal year, no more than the sum of \$424,000 for each fiscal year may be
40 expended for the performance of abortions.

41 (d) Restricted Criteria. No State funds may be used to perform abortions
42 except in the cases of pregnancies:

- 43 (1) Resulting from rape or incest, or

- 1 (2) Pregnancies to women who receive Aid to Families with Dependent
- 2 Children, or
- 3 (3) When in the opinion of a doctor, the mother's health is impaired by the
- 4 continuance of the pregnancy, or
- 5 (4) When the woman is mentally retarded, as defined in G.S. 122C-3(22);
- 6 or
- 7 (5) When the woman is a minor as defined by G.S. 48A-2; or
- 8 (6) Where a physician has determined that a fetal deformity is present.

9 (e) Eligibility. Applicants for services under this section shall be residents of
 10 North Carolina, whose income is at or below five thousand dollars (\$5,000) per year.

11 Neither race, creed color, age, other than provided by this section, national
 12 origin, handicapping condition, nor marital status may be eligibility criteria for services
 13 prescribed by this section.

14 (e1) Rules adopted pursuant to this section shall in no way restrict or enlarge
 15 the class of persons to be served as defined herein. No rules adopted pursuant to this
 16 section shall require a woman to report rape or incest within any specified time.

17 (f) Responsibilities of the County Departments of Social Services. Services
 18 provided under this section shall be administered uniformly in every county in the State.
 19 Applications for services shall be made to county departments of social services.

20 Eligibility for the services under this section shall be determined by the
 21 county department of social services under the provisions of this section. The county
 22 department of social services shall arrange for the delivery of these services with
 23 appropriate medical providers.

24 (g) Reimbursement to Providers. Services shall be reimbursed at no less than
 25 \$150.00 for outpatient services and no more than \$500.00 for inpatient services.

26 No services may be reimbursed with State funds allocated under this section
 27 when federal funds are available for the reimbursement.

28 Providers receiving funds under this section may not collect additional funds
 29 from individuals receiving services.

30

31 Requested by: Representatives Duncan, L. Etheridge

32 ---BLOCK GRANT FAMILY PLANNING FUNDS

33 Sec. 109. Family planning services provided by local health departments and
 34 funded by federal block grant funds shall be continued at or above the 1988-89 fiscal
 35 year levels. In the event of federal reductions for maternal and child health-care
 36 services, family-planning services shall not be subject to reductions greater than the
 37 average for other maternal or child health program.

38

39 Requested by: Representatives Duncan, L. Etheridge

40 ---BLOCK GRANT ADOLESCENT PREGNANCY FUNDS

41 Sec. 110. (a) Social Services Block Grant funds appropriated for fiscal year
 42 1989-90 and included in Section 6 of this act shall be allocated as follows:

43 Swain County Cherokee Boys Club, Inc.	\$30,000
44 Caldwell County Health Department	30,000

1	Robeson County Health Department	30,000
2	Harnett County Health Department	40,000
3	Buncombe County Health Department	40,000
4	Carteret County Community Action, Inc.	40,000
5	Davidson County Health Department	40,000
6	Greene County Health Care, Inc.	40,000
7	Bertie County Health Department	40,000
8	Scotland County Health Department	40,000
9	Macon County Programs for Progress	55,000
10	Mecklenburg County N.C. Coalition on Adolescent	
11	Pregnancy	20,000.

12 (b) Programs receiving funds allocated under this section shall use these
13 funds for adolescent pregnancy prevention and prematurity prevention projects.

14 (c) No funds allocated under this section shall be used for purchase and
15 prescriptions of contraceptives, nor shall contraceptives be distributed on school
16 property under this section. None of the funds allocated under this section may be used
17 for transportation to and from abortion services. None of the funds allocated under this
18 section may be used for abortions. This subsection applies only to the funds allocated
19 under this section.

20 (d) Each program receiving funds under this section shall be subject to the
21 provisions of Section 91 of Chapter 500 of the 1989 Session Laws, the Current
22 Operations Appropriations Act of 1989.

23
24 Requested by: Representatives Duncan, L. Etheridge

25 —ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK
26 GRANT FUNDS

27 Sec. 111. If additional Alcohol, Drug Abuse, and Mental Health Services
28 Block Grant funds are made available to the State above the current levels of
29 \$14,476,000 for federal fiscal year 1989 and the projected amount of \$14,167,000 for
30 federal fiscal year 1990, the Department of Human Resources may:

- 31 (1) Allocate additional funds to mental health items in the State fiscal year
32 1989-90 block grant plan sufficient to restore reductions but not
33 exceed State fiscal year 1988-89 funding levels set forth in Chapter
34 1086 of the 1987 Session Laws; and
- 35 (2) Budget additional block grant funds for mental health and substance
36 abuse programs as may be necessary to meet federal Alcohol, Drug
37 Abuse, and Mental Health Services Block Grant requirements.

38
39 Requested by: Representatives Duncan, L. Etheridge

40 —THOMAS S.

41 Sec. 112. (a) Funds appropriated to the Department of Human Resources in
42 Section 5 of this act for the 1989-90 fiscal year and the 1990-91 fiscal year for members
43 of the Thomas S. class as identified in Thomas S., et al., vs. Flaherty, shall be placed in
44 a reserve in the Division of Mental Health, Mental Retardation, and Substance Abuse

1 Services, and shall be expended only for programs serving Thomas S. class members or
2 for services for those clients who are likely to become class members.

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

8

9 Requested by: Representatives Duncan, L. Etheridge

10 ---ONE-ON-ONE PROGRAM FUNDS

11 Sec. 113. Of the funds appropriated in Section 5 of this act to the Department
12 of Human Resources, Division of Youth Services, the sum of \$197,250 for the 1989-90
13 fiscal year and the sum of \$197,250 for the 1990-91 fiscal year shall be allocated as
14 follows:

15 (1) \$97,250 for the 1989-90 fiscal year and \$97,250 for the 1990-91 fiscal
16 year for the existing 34 local programs of the Governor's One-on-One
17 Volunteer Program;

18 (2) \$20,000 for the 1989-90 fiscal year and \$20,000 for the 1990-91 fiscal
19 year to allow two of the 34 programs that are currently part-time
20 programs to be expanded to full-time programs; and

21 (3) \$80,000 for the 1989-90 fiscal year and \$80,000 for the 1990-91 fiscal
22 year to establish and implement four new programs.

23 Funds allocated pursuant to this section shall not supplant or diminish funds
24 appropriated for the Program from Social Services Block Grant funds.

25

26 Requested by: Representative Duncan

27 ---LIABILITY INSURANCE FOR PHYSICIANS/DENTISTS

28 Sec. 114. The Secretary of the Department of Human Resources and the
29 Secretary of the Department of Correction may provide medical liability coverage not to
30 exceed \$1,000,000 on behalf of employees of the Departments licensed to practice
31 medicine or dentistry. This coverage may include commercial insurance or self-
32 insurance and shall cover these employees for their acts or omissions only while they
33 are engaged in providing medical and dental services pursuant to their State
34 employment.

35 The coverage provided pursuant to this section shall not require any
36 additional appropriations and shall not apply to any individual providing contractual
37 service to the Department of Human Resources or the Department of Correction.

38

39 Requested by: Representatives Duncan, L. Etheridge

40 ---CHILD PROTECTIVE SERVICES FUNDS

41 Sec. 115. (a) Of the funds appropriated to the Department of Human Resources,
42 Division of Social Services for the 1989-90 fiscal year and for the 1990-91 fiscal year
43 for Child Protective Services and included in Sections 3 and 5 of this act, the Division
44 shall use up to \$174,910 in the 1989-90 fiscal year and up to \$174,910 in the 1990-91

1 fiscal year for child protective services training; and shall use up to \$175,090 in the
2 1989-90 fiscal year and up to \$175,090 in the 1990-91 fiscal year to provide
3 consultation and technical assistance to county departments of social services to
4 strengthen and support local child protective services. The Division may establish one
5 training position and four consultant positions to carry out these purposes. The
6 remaining funds shall be allocated to the county departments of social services as
7 follows:

- 8 (1) \$10,000 for the 1989-90 fiscal year and \$10,000 for the 1990-91 fiscal
9 year shall be allocated to each of the 15 county departments that did
10 not receive an allocation of the 1985 State appropriation for child
11 protective services;
- 12 (2) In addition, each of the 100 county departments shall receive an
13 allocation of \$10,000 for the 1989-90 fiscal year and \$10,000 for the
14 1990-91 fiscal year;
- 15 (3) The balance of available funds shall be allocated to each county
16 department based upon the percentage that the total number of abuse
17 and neglect reports within that county represents to the statewide total
18 number of abuse and neglect reports. These percentages shall be
19 computed from the reports received by the Central Registry of Abuse
20 and Neglect cases for the next two prior fiscal years.

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

31 (c) The Department of Human Resources, Division of Social Services, shall
32 establish criteria and guidelines to assure that the allocations to county departments of
33 social services are used in accordance with the intent and purposes of this section. The
34 Division shall evaluate the results and any progress achieved in improving statewide
35 protective services for children through the expenditure of the appropriation, and shall
36 report to the Joint Legislative Commission on Governmental Operations and the Fiscal
37 Research Division of the Legislative Services Office by May 1, 1990.

38
39 Requested by: Representatives Duncan, L. Etheridge

40 ---DOMICILIARY CARE RATE INCREASE

41 Sec. 116. Section 81 of Chapter 500 of the 1989 Session Laws, the Current
42 Operations Appropriations Act of 1989, reads as rewritten:

43 "Sec. 81. Effective January 1, 1990, the maximum monthly rate for ambulatory
44 residents in domiciliary care facilities shall be ~~six hundred ninety six dollars (\$696.00)~~

1 seven hundred twenty-four dollars (\$724.00) and the maximum monthly rate for semi-
2 ambulatory residents shall be ~~seven hundred thirty dollars (\$730.00)~~ seven hundred sixty
3 dollars (\$760.00). Effective January 1, 1991, the maximum monthly rates for
4 ambulatory residents shall be increased to ~~seven hundred six dollars (\$706.00)~~ seven
5 hundred thirty-four dollars (\$734.00) and for semi-ambulatory residents ~~seven hundred~~
6 forty dollars (\$740.00) seven hundred seventy dollars (\$770.00)."

7
8 Requested by: Representatives Duncan, L. Etheridge

9 —FOSTER CARE RATE INCREASE

10 Sec. 117. (a) Section 75 of Chapter 500 of the 1989 Session Laws, the
11 Current Operations Appropriations Act of 1989, reads as rewritten:

12 "—FOSTER CARE BOARD RATE

13 Sec. 75. ~~Funds~~ Effective July 1, 1989 through December 31, 1989, funds
14 appropriated to the Department of Human Resources by Section 3 of this act for foster
15 care board rates shall be used to set the rates at two hundred dollars (\$200.00) per child
16 per month."

17 (b) Effective January 1, 1990, funds appropriated to the Department of
18 Human Resources by Section 3 of this act for foster care board rates shall be used in
19 accordance with G.S. 108A-48 and G.S. 108A-49 to set the maximum regular rates at
20 \$250.00 per child per month and to establish a maximum board rate of \$365.00 per
21 month per child for children who have special care needs due to mental or physical
22 dysfunction, behavioral disorder, or medical condition.

23
24 Requested by: Representatives Duncan, L. Etheridge

25 —REVISED/EXPANDED MEDICAID COVERAGE FOR PREGNANT WOMEN
26 AND FOR CHILDREN

27 Sec. 118. Subsection (m) of Section 70 of Chapter 500 of the 1989 Session
28 Laws, the Current Operations Appropriations Act of 1989, reads as rewritten:

29 "~~(m) The Department of Human Resources shall provide Medicaid coverage for~~
30 ~~pregnant women; for children under age 3; for children under age 4 beginning October~~
31 ~~1, 1989; and for children under age 5 beginning October 1, 1990, whose family income~~
32 ~~is equal to or less than the federal poverty guidelines as revised annually.~~

33 The Department of Human Resources shall provide Medicaid coverage to pregnant
34 women, to infants, and to children according to the following schedule:

- 35 (1) Effective July 1, 1989, through December 31, 1989, pregnant women
36 with family incomes equal to or less than the federal poverty
37 guidelines as revised annually shall be covered for Medicaid benefits;
38 (2) Effective January 1, 1990, pregnant women with incomes equal to or
39 less than one hundred fifty percent (150%) of the federal poverty
40 guidelines as revised annually shall be covered for Medicaid benefits;
41 (3) Effective July 1, 1989, through December 31, 1989, infants under the
42 age of one with family incomes equal to or less than the federal
43 poverty guidelines as revised annually shall be covered for Medicaid
44 benefits;

- (4) Effective January 1, 1990, infants under the age of one with family incomes equal to or less than one hundred fifty percent (150%) of the federal poverty guidelines as revised annually shall be covered for Medicaid benefits;
- (5) Effective July 1, 1989, through September 30, 1989, children under the age of three with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits; and
- (6) Effective October 1, 1989, children under the age of six with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits.
- (7) Effective October 1, 1990, children under the age of seven with family incomes equal to or less than the federal poverty guidelines as revised annually shall be covered for Medicaid benefits.

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

Requested by: Representatives Stam, Nesbitt
 —AFDC INCREASE

Sec. 119. Subsection (d) of Section 70 of Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of 1989, reads as rewritten:

"(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. ~~Effective until January 1, 1988, December 31, 1989, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children and the Standard of Need for Aid to Families with Dependent Children shall continue as set by Section 418-67 of Chapter 4014-738 of the 1985-1987 Session Laws, Regular Session 1986. Laws. Effective January 1, 1988, 1990, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:~~ Categorically Needy~~Medically Needy~~

Family Size	Standard Of Need	Level*	AFDC Payment			
			AA,AB,AD*1	\$4,248-	\$4,392	\$2,124
	\$2,196	\$2,900	\$3,000			
2	5,544	5,712	2,772	2,856	3,700	3,900
3	6,384	6,576	3,192	3,288	4,300	4,400
4	6,984	7,200	3,492	3,600	4,700	4,800
5	7,608	7,848	3,804	3,924	5,100	5,300
6	8,208	8,474	4,104	4,236	5,500	5,700
7	8,760	9,024	4,380	4,512	5,900	6,100

1 8 ~~9,168~~ 9,456 ~~4,584~~ 4,728 ~~6,200~~ 6,400*Aid to Families with Dependent
2 Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); Aid to the Disabled
3 (AD).The payment level for Aid to Families with Dependent Children shall be fifty
4 percent (50%) of the standard of need.

5 These standards may be changed with the approval of the Director of the Budget
6 with the advice of the Advisory Budget Commission."
7

8 Requested by: Representatives Duncan, Jerals

9 —ADOLESCENT PREGNANCY PREVENTION PROJECTS

10 Sec. 120. Section 91 of Chapter 500 of the 1989 Session Laws, the Current
11 Operations Act of 1989, reads as rewritten:

12 "Requested by: Senator Walker

13 —ADOLESCENT PREGNANCY PREVENTION PROJECTS

14 Sec. 91. (a) Of the funds appropriated to the Division of Health Services,
15 Department of Human Resources, by Section 5 of this act, nine hundred forty thousand
16 dollars (\$940,000) for the 1989-90 fiscal year and nine hundred forty thousand dollars
17 (\$940,000) for the 1990-91 fiscal year shall be used to fund adolescent pregnancy
18 prevention projects. Projects that were funded in the 1988-89 fiscal year from General
19 Fund appropriations or federal block grants shall receive continuation funding during
20 the 1989-90 fiscal year, subject to the provisions listed in this section.

21 (b) The Division of Health Services shall by November 1, 1989, complete an
22 evaluation of the projects in Brunswick, Durham, Henderson, Robeson, Cumberland,
23 and Harnett Counties, which evaluation shall compare these projects' current operations
24 to their operations at the time of their evaluation by the Human Services Institute. This
25 comparison shall include:

- 26 (1) The degree to which the project has identified specific goals and
27 objectives for its activities;
- 28 (2) The degree to which the project has identified, and is targeted at, a
29 population at high risk of becoming pregnant or already pregnant;
- 30 (3) The degree to which the project has actively involved its community in
31 its activities;
- 32 (4) The degree to which the project has sought out and utilized available
33 technical resources and assistance; and
- 34 (5) The degree to which the project accounts for and evaluates its
35 activities.

36 ~~The Division shall complete the evaluation of the projects within 90 days of the~~
37 ~~effective date of this act. Thereafter, The Commission for Health Services shall review~~
38 the Division's evaluation and shall determine if funding for any project should be
39 discontinued. Upon such a determination, the Division shall inform the project that
40 funding shall cease as of December 31, 1989. In the event that any project is
41 discontinued, the Division may use funds made available from the discontinuation to
42 employ additional staff to provide planning and evaluation assistance to local projects.
43 Contingent upon the further availability of resources, the Division may solicit
44 applications from existing or additional projects and recommend to the Commission for

1 Health Services projects for funding with monies made available from the
2 discontinuation of projects. The Commission for Health Services shall make the final
3 determination of any new projects to be funded.

4 Beginning in fiscal year 1990-91, the Division shall evaluate all of the adolescent
5 pregnancy projects funded as a result of this program at least yearly and shall report its
6 findings to the Adolescent Pregnancy Study Commission, the Commission for Health
7 Services, and the General Assembly by April 1 of each year. Any evaluation of these
8 projects ~~after January 1, 1990,~~ shall include a study of the effectiveness of the project in
9 reducing the pregnancy rate within the target population.

10 ~~The Division shall report the results of its evaluation of the projects listed in this~~
11 ~~subsection to the Commission for Health Services. The Commission shall make the~~
12 ~~determination if a project is to be continued or discontinued. In the event that any of~~
13 ~~these projects is discontinued, and sufficient funds are available, the Division may hire~~
14 ~~an additional staff person to assist in the operation of the program and fund the position~~
15 ~~from monies made available from the discontinuation of projects. Contingent upon the~~
16 ~~further availability of resources, the Division shall solicit applications from additional~~
17 ~~projects and recommend to the Commission for Health Services projects for funding~~
18 ~~with monies made available from the discontinuation of projects. The Commission for~~
19 ~~Health Services shall make the final determination of any new projects to be funded.~~

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

25 (1) Applications. Any local agency or organization or combination of
26 agencies and organizations may apply to the Division of Health
27 Services for an allocation of money to operate a project aimed at
28 preventing adolescent pregnancy. The application shall contain an
29 analysis of the adolescent pregnancy and related problems in the
30 locality the project would serve, and a description of how the project
31 would attempt, over a period of at least five years, to prevent the
32 problems. The application shall state how much money is needed to
33 operate the project and how the money shall be spent. The Division
34 shall conduct annually a proposal-writing session that shall be attended
35 by a representative of any project that wishes to apply for funding; that
36 session shall define the criteria for accountability and evaluation that
37 the Division requires of projects. That session shall also provide
38 information about additional funding sources to which projects might
39 turn to satisfy the matching requirements of subdivision 5 of this
40 section.

41 (2) ~~Minimum Standards: First Year. Proposal Requirements.~~ The
42 Division shall apply the following minimum standards to projects
43 applying for first year funding:

- 1 a. Each project shall have a plan of action that extends for at least
2 five years for prevention of adolescent pregnancy.
- 3 b. Each project shall have realistic, specific, and measurable goals
4 and objectives for the prevention of adolescent pregnancy.
- 5 c. Each project, before submitting its proposal, shall send a
6 representative to the proposal-writing session held by the
7 Division.
- 8 (3) ~~Minimum Standards: Succeeding Years. Operating standards.~~ The
9 Division shall apply the following minimum operating standards ~~to~~
10 ~~projects applying for second and succeeding years' funding:~~
- 11 a. Each project shall have a Board of Advisors composed of
12 members from outside the sponsoring agency of the project.
13 The Board of Advisors shall include representatives from at
14 least four of the following: media, government, charitable
15 organizations, private business, medical institutions. The
16 Boards of Advisors shall meet ~~monthly~~ at least quarterly and
17 ~~are responsible for project evaluations and reports~~ advise project
18 staff on project policies and operations.
- 19 b. Each project shall ~~promptly~~ comply with reporting and
20 reporting, contracting, and evaluation requirements of the
21 Division.
- 22 c. Each project shall define and maintain cooperative ties with
23 other community institutions.
- 24 d. Each project shall demonstrate its ability to attract financial
25 support from sources other than the State, including sources in
26 the local community.
- 27 (4) Criteria for Selection. For first-year funding, the Division shall choose
28 from among the applicants that meet the minimum standards in
29 subdivision (2) of this subsection the best selection of projects
30 according to the following criteria:
- 31 a. ~~Qualifications of staff~~ Adequacy of proposed staff to meet
32 project objectives,
- 33 b. ~~Appropriateness of the project to adolescent pregnancy~~
34 ~~prevention~~ project strategies to reduce adolescent pregnancy,
- 35 c. ~~Appropriateness of the project to the locality~~ Level of
36 community support,
- 37 d. Degree of need of the locality, and
- 38 e. Other appropriate criteria.
- 39 The Division shall make its recommendations for funding to the
40 Commission for Health Services. The Commission shall make the
41 final determination of which projects are to be funded ~~and shall be~~
42 ~~advised in this decision by a panel that shall include experts in fields~~
43 ~~related to adolescent pregnancy.~~ The Commission shall consider the
44 recommendations of the Division but shall not be bound by them. The

1 Commission shall notify the projects that are to be funded by June 1 of
2 each year.

- 3 (5) Schedule of Funding. If the Commission, upon consultation with the
4 Division, finds that a project it has chosen for first-year funding
5 continues to meet the ~~minimum operating~~ standards of subdivisions (2)
6 and (3) of this subsection, ~~the Division shall continue to fund that~~
7 ~~project's demonstrated needs, to the extent of available money, for five~~
8 ~~years funding for that project shall continue, to the extent of available~~
9 ~~money, for an additional four years. The level of funding provided by~~
10 ~~the Division to approved projects shall be set according to the~~
11 following schedule:

- 12 a. ~~Eighty-First year, eighty percent (80%) of the project's annual~~
13 ~~budget in the first year not to exceed the maximum award~~
14 ~~established by the Commission for Health Services,~~
15 b. ~~Seventy-Second year, ninety percent (70%)-(90%) in the second~~
16 ~~year of the State appropriations or federal block grant funds~~
17 ~~awarded in the first year,~~
18 c. ~~Sixty-Third year, seventy-five percent (60%)-(75%) in the third~~
19 ~~year of the State appropriations or federal block grant funds~~
20 ~~awarded in the first year,~~
21 d. ~~Fifty-Fourth year, sixty-five percent (50%)-(65%) in the fourth~~
22 ~~year of the State appropriations or federal block grant funds~~
23 ~~awarded in the first year, and~~
24 e. ~~Forty-Fifth year, fifty percent (40%)-(50%) in the fifth year of~~
25 ~~the State appropriations or federal block grant funds awarded in~~
26 ~~the first year.~~

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

- 30 (6) Five-Year Limit on Funding. No project shall receive State funding if
31 it has previously received State funding for five full years. Provided
32 that any project that has received State funding before July 1, 1990,
33 will be eligible for consideration for an additional five years' State
34 support, according to the schedule. The Commission may fund any
35 such project that meets the minimum standards if it determines, after
36 considering the experience and impact of the project and measuring its
37 application against those of other applicants, that it should be funded.

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

41
42 Requested by: Representatives Duncan, L. Etheridge

43 ---INFANT MORTALITY PREVENTION FUNDS

1 Sec. 121. Of the funds appropriated to the Department of Human Resources,
2 Division of Medical Assistance in Section 3 of this act for the 1989-90 fiscal year, the
3 sum of \$260,000 shall be used for an Infant Mortality Prevention Campaign. The
4 Campaign shall be an educational awareness program, directed at all women of
5 childbearing age, on the importance of early, continuous, and good prenatal care. The
6 program shall be accomplished through television, radio, and other news media.

7
8 Requested by: Representative Duncan

9 —STATEWIDE MEDICAL EXAMINER FUNDS

10 Sec. 122. The State Health Director may budget up to \$450,000 of excess
11 federal indirect cost receipts to complete, staff, and equip the Statewide Medical
12 Examiner System.

13
14 Requested by: Representatives Duncan, L. Etheridge

15 —PRESCRIPTION DRUG REIMBURSEMENT

16 Sec. 123. (a) Section 70(a)(6) of Chapter 500 of the 1989 Session Laws reads as
17 rewritten:

18 "(6) **Drugs** - Drug costs as allowed by federal regulations plus ~~four dollars~~
19 ~~four cents (\$4.04)~~ four dollars twenty-four cents (\$4.24) professional
20 services fee per month excluding refills for the same drug or generic
21 equivalent during the same month. Reimbursement shall be available
22 for up to six prescriptions per recipient, per month, including refills.
23 Payments for drugs are subject to the provisions of subsection (g) of
24 this section and to the provisions at the end of subsection (a) of this
25 section, or in accordance with a plan adopted by the Department of
26 Human Resources consistent with federal reimbursement regulations."

27 (b) Effective upon the reduction of the estimated drug acquisition cost below the
28 Average Wholesale Price, Section 70(a)(6) of Chapter 500 of the 1989 Session Laws, as
29 rewritten by Subsection (a) of this section, reads as rewritten:

30 "(6) **Drugs** - Drug costs as allowed by federal regulations plus ~~four dollars~~
31 ~~twenty four cents (\$4.24)~~ four dollars eighty-five cents (\$4.85)
32 professional services fee per month excluding refills for the same drug
33 or generic equivalent during the same month. Reimbursement shall be
34 available for up to six prescriptions per recipient, per month, including
35 refills. Payments for drugs are subject to the provisions of subsection
36 (g) of this section and to the provisions at the end of subsection (a) of
37 this section, or in accordance with a plan adopted by the Department of
38 Human Resources consistent with federal reimbursement regulations."

39
40 Requested by: Representatives Duncan, L. Etheridge

41 —COMMUNITY-BASED ALTERNATIVE PROGRAM

42 Sec. 124. Of the funds appropriated in Section 5 of this act to the Department
43 of Human Resources, Division of Youth Services, the sum of \$250,000 for the 1989-90

1 fiscal year and the sum of \$500,000 for the 1990-91 fiscal year shall be allocated as
2 follows:

- 3 (1) \$187,500 for the 1989-90 fiscal year and \$375,000 for the 1990-91
4 fiscal year among the counties on a per capita basis;
5 (2) \$62,500 for the 1989-90 fiscal year and \$125,000 for the 1990-91
6 fiscal year equally among all 100 counties.

7
8 Requested by: Representatives Duncan, L. Etheridge

9 —CUED SPEECH FUNDS

10 Sec. 125. Of the funds appropriated to the Department of Human Resources,
11 in Section 5 for the 1989-90 fiscal year and the 1990-91 fiscal year the sum of \$50,000
12 shall be allocated each fiscal year to the Cued Speech Center, Incorporated in Wake
13 County to establish and operate a preschool deaf education program that will include a
14 model center in two triangle areas of the State, to provide services by interpreters who
15 will work throughout the State in local mainstream situations, to provide workshops for
16 families, interpreters and professionals who work with hearing impaired infants and
17 preschool children, and to provide direct services to hearing impaired senior citizens.

18

19 Requested by: Representatives Duncan, L. Etheridge

20 —BLIND SERVICES FUNDS

21 Sec. 126. Of the funds appropriated to the Department of Human Resources,
22 Division of Services for the Blind, the sum of \$200,000 for the 1989-90 fiscal year and
23 the sum of \$200,000 for the 1990-91 fiscal year, shall be used to establish additional
24 preschool programs for visually impaired children. The Department shall report the
25 progress of the implementation of these programs to the Joint Legislative Commission
26 on Governmental Operations by May 1, 1990.

27

28 Requested by: Representative Wisner

29 —BLIND SERVICES/INFORMATION

30 Sec. 127. G.S. 111-28 reads as rewritten:

31 **"§ 111-28. Department of Human Resources authorized to receive federal, etc.,**
32 **grants for benefit of needy blind; use of information concerning blind**
33 **persons.**

34 The Department of Human Resources is hereby authorized and empowered to
35 receive grants-in-aid from the federal government or any State or federal agency for the
36 purpose of rendering other services to the needy blind and those in danger of becoming
37 blind; and all such grants so made and received shall be paid into the State treasury and
38 credited to the account of the Department of Human Resources, to be used in carrying
39 out the provisions of this law.

40 The Commission for the Blind is hereby further authorized and empowered to make
41 such rules and regulations as may be required by the federal government or State or
42 federal agency as a condition for receiving such federal funds, not inconsistent with the
43 laws of this State.

1 Whenever the words 'Social Security Board' appear in G.S. 111-6, 111-13 to 111-26
2 the same shall be interpreted to include any agency of the federal government which
3 may be substituted therefor by law.

4 The Department of Human Resources is hereby authorized and empowered to enter
5 into reciprocal agreements with public welfare agencies in other states relative to the
6 provision of assistance and services to residents, nonresidents, or transients, and
7 cooperate with other agencies of the State and federal governments in the provisions of
8 such assistance and services and in the study of the problems involved.

9 The Department of Human Resources is hereby authorized and empowered to
10 establish and enforce reasonable rules and regulations governing the custody, use and
11 preservation of the records, papers, files, and communications of the Department.

12 It shall be unlawful, except for purposes directly connected with the administration
13 of aid to the needy blind and in accordance with the rules and regulations of the
14 Department of Human Resources, for any person or persons to solicit, disclose, receive,
15 make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of,
16 any list of or name of, or any information concerning, persons applying for or receiving
17 aid to the needy blind, directly or indirectly derived from the records, papers, files, or
18 communications of the Department of Human Resources or the board of county
19 commissioners or the county social services department, or acquired in the course of the
20 performance of official duties.

21 Notwithstanding the above, the Department of Human Resources is authorized to
22 release to the North Carolina Department of Motor Vehicles and the North Carolina
23 Department of Revenue the name and medical records of any person listed in the
24 register of the blind in this State maintained under the provisions of G.S. 111-4. All
25 information and documents released to the Department of Motor Vehicles and the
26 Department of Revenue shall be treated by those departments as confidential for their
27 use only and shall not be released by them to any person for commercial or political
28 purposes or for any purpose not directly connected with the administration of Chapters
29 20 and 105 of the General Statutes of this State. The Department of Human Resources
30 may also release to the North Carolina Library for the Blind and Physically
31 Handicapped of the Department of Cultural Resources, the name and address of any
32 person listed in the register of the blind in this State maintained under the provisions of
33 G.S. 111-4. All information released to the North Carolina Library for the Blind and
34 Physically Handicapped shall be treated as confidential for its use only and shall not be
35 released to any person for commercial or political purposes or for any purpose not
36 directly connected with providing information concerning services offered by the North
37 Carolina Library for the Blind and Physically Handicapped."

38
39 Requested by: Representatives Duncan, L. Etheridge

40 —ENVIRONMENTAL HEALTH FUNDS

41 Sec. 128. Of the funds appropriated to the Department of Human Resources,
42 Division of Health Services in Section 5 of this act, for the 1989-90 fiscal year and for
43 the 1990-91 fiscal year the sum of \$300,000 shall be used each fiscal year for the
44 purpose of providing high quality environmental health programs.

1 These funds shall be allocated equally among the 100 counties.

2
3 Requested by: Representatives Duncan, L. Etheridge

4 —SOLID WASTE MANAGEMENT TECHNICAL ASSISTANCE

5 Sec. 129. Of the new positions authorized in Section 3 of this act for the
6 Department of Human Resources, Division of Health Services, seven positions shall be
7 used primarily for the purpose of providing direct solid waste technical assistance to
8 units of local government. The term "technical assistance" as used in this section
9 includes examination of alternative methods for solid waste management, development
10 of waste stream reduction strategy, recycling strategies, and studies of financing
11 alternatives for solid waste management systems.

12 The positions designated for technical assistance to units of local government
13 shall be located in the Solid Waste Management Section and shall be designated as a
14 separate branch of this section. The Secretary of the Department of Human Resources
15 may assign these positions to the Department's Regional Offices.

16 The Department shall submit an annual report on the technical assistance
17 activities undertaken with these positions, including the number and geographical
18 distribution of units of local government served, the category of assistance, and specific
19 results attributed to the technical assistance, to the Joint Legislative Committee on
20 Governmental Operations. This report shall be submitted no later than April 15 of each
21 year.

22
23 Requested by: Representatives Duncan, L. Etheridge

24 —SUPERFUND PROGRAM

25 Sec. 130. The Department of Human Resources may use funds available,
26 with the approval of the Office of State Budget, in order to provide the ten percent
27 (10%) cost share required for Superfund clean ups on National Priority List sites. These
28 funds may be in addition to those appropriated for this purpose.

29 The Department of Human Resources and the Office of State Budget will
30 report the amount and the source of the funds to the Joint Legislative Commission on
31 Governmental Operations.

32
33 Requested by: Representative Duncan

34 —AGING FUNDS

35 Sec. 131. Of the funds appropriated to the Department of Human Resources,
36 Division of Aging for the 1989-90 fiscal year, the sum of \$225,000 shall be used as
37 follows:

- 38 (1) \$25,000 each shall be allocated to Buncombe, Craven, Cumberland,
39 Guilford, Mecklenburg, Robeson, and Surry Counties to fund the
40 existing Information and Referral Pilot Projects first implemented
41 pursuant to Section 8 of Chapter 1095 of the 1987 Session Laws; and
42 (2) \$50,000 shall be used to contract with the Center for Aging Research
43 and Educational Services at the University of North Carolina at Chapel
44 Hill, the Long-Term Care Resources Program at Duke University, or

1 both, for technical assistance in designing methods for alleviating the
2 service fragmentation associated with in-home and community-based
3 supportive services for older adults and their families.
4

5 Requested by: Representative Cromer
6 —ASBESTOS HAZARD MANAGEMENT FUNDS

7 Sec. 132. The fees established and collected pursuant to Article 19 of
8 Chapter 130A of the General Statutes are appropriated to the Department of Human
9 Resources to support the Asbestos Hazard Management Program.
10

11 PART XVII.—DEPARTMENT OF AGRICULTURE
12

13 Requested by: Representative Rogers
14 —GENETIC ENGINEERING

15 Sec. 133. (a) Chapter 106 of the General Statutes is amended by adding a new
16 Article to read:

17 **“ARTICLE 63.**

18 **“GENETICALLY ENGINEERED ORGANISMS ACT.**

19 **“§ 106-755. Declaration of findings.**

20 The General Assembly of North Carolina finds and declares that biotechnology has
21 enormous potential to benefit many fields of human endeavor, including agriculture,
22 health care, and environmental protection, and that North Carolina, as a center for the
23 agricultural, pharmaceutical, health care, fermentation, chemical, and food processing
24 industries has much to gain from advances in biotechnology and genetic engineering.

25 The General Assembly further finds that as products of biotechnology move from
26 contained laboratories into the environment for testing and commercialization, the
27 citizens of North Carolina may have concerns about the potential effects of planned
28 introductions of new genetically engineered organisms on agriculture, public health, and
29 the natural environment. While the majority of these introductions will be
30 environmentally benign and comparable to the introduction of new genetic entities
31 derived from selective breeding, certain introductions might pose unknown risks and, as
32 such, require appropriate oversight.

33 The General Assembly therefore determines that it is incumbent upon the State,
34 working in concert with the federal regulatory authorities, to take responsible, timely
35 and minimally burdensome measures to ensure that the public and the environment are
36 protected and that risks from the environmental use of new genetically engineered
37 organisms are promptly addressed, while simultaneously allowing biotechnological
38 research and product development to advance. To do so, the State will create, in the
39 Department of Agriculture, a Genetic Engineering Review Board responsible for
40 reviewing and approving proposed introductions of genetically engineered organisms
41 into the environment. This Board will enable the State, in cooperation with the federal
42 authorities, to assess the potential risks and effects of releases of genetically engineered
43 organisms without undue governmental interference with the progress and commercial
44 development of biotechnology.

1 **"§ 106-756. Title.**

2 This Article shall be known as the 'Genetically Engineered Organisms Act.'

3 **"§ 106-757. Purpose.**

4 The purpose of this Article is to regulate the release and commercial use of
5 genetically engineered organisms in order to protect agriculture, public health, and the
6 environment. This Article does not apply to the breeding of plants, animals, and other
7 organisms by traditional methods, such as artificial insemination or hand pollination.

8 **"§ 106-758. Definitions.**

9 As used in this Article:

- 10 (1) 'Adverse effect' means physical injury to agriculture, public health, or
11 the environment.
- 12 (2) 'Board' means the Genetic Engineering Review Board.
- 13 (3) 'Commercial use' means the sale, offering for sale, or distribution of a
14 genetically engineered organism.
- 15 (4) 'Commissioner' means the Commissioner of Agriculture.
- 16 (5) 'Department' means the Department of Agriculture.
- 17 (6) 'Genetic engineering' means the introduction of new genetic material
18 to an organism or the regrouping of an organism's genes, except for the
19 breeding of plants, animals, and other organisms by traditional
20 methods, such as artificial insemination or hand pollination, and such
21 other methods as may be designated by the Board under G.S. 106-760.
- 22 (7) 'Genetically engineered organism' means a living organism derived
23 from genetic engineering.
- 24 (8) 'Organism' means any animal, plant, bacterium, cyanobacterium,
25 fungus, protist, or virus.
- 26 (9) 'Release' means the placement or use of a genetically engineered
27 organism outside a contained laboratory, fermentation facility,
28 greenhouse, building, structure, or other similar facility or under any
29 other conditions not specifically determined by the Board to be
30 adequately contained.

31 **"§ 106-759. Genetic Engineering Review Board.**

32 (a) There is created the Genetic Engineering Review Board in the Department of
33 Agriculture. The Board shall consist of 10 members as follows:

- 34 (1) The Secretary of the Department of Natural Resources and Community
35 Development or his designee;
- 36 (2) The Secretary of Human Resources or his designee;
- 37 (3) The Commissioner of Agriculture or his designee;
- 38 (4) The President of the North Carolina Biotechnology Center or his
39 designee;
- 40 (5) The Dean of the College of Agriculture and Life Sciences at North
41 Carolina State University, or his designee, and the Dean of the School
42 of Agriculture at North Carolina Agricultural and Technical State
43 University, or his designee;

- 1 (6) The Dean of the School of Public Health of the University of North
2 Carolina at Chapel Hill or his designee;
3 (7) A practicing farmer who is an active member of a farm organization,
4 appointed by the General Assembly upon the recommendation of the
5 Speaker of the House of Representatives;
6 (8) A representative of a nonprofit public interest organization appointed
7 by the General Assembly upon the recommendation of the President
8 Pro Tempore of the Senate; and
9 (9) A representative of the biotechnology industry appointed by the
10 Governor.

11 (b) The appointed members of the Board shall serve for three-year terms.
12 Members designated by an ex officio member shall serve at the pleasure of the ex
13 officio member. Appointments and designations shall be made within 60 days after the
14 effective date of this Article.

15 (c) A chairman shall be elected by the Board from among its members for a one-
16 year term, and shall serve no more than two consecutive terms. The Commissioner of
17 Agriculture may appoint a member of the Board to serve as interim chairman for one
18 year or until the Board elects a chairman, whichever is sooner.

19 (d) Any vacancies shall be filled by the appropriate appointing authority. Any
20 appointment to fill a vacancy on the Board created by resignation, dismissal, death,
21 disability or any cause shall be for the balance of the unexpired term. Vacancies in
22 appointments made by the General Assembly shall be filled in accordance with G.S.
23 120-122. Any appointed member of the Board may be removed by the appointing
24 authority for misfeasance, malfeasance or nonfeasance.

25 (e) The members of the Board who are not State employees shall receive per
26 diem and travel and subsistence allowances as provided by law. All clerical and other
27 services required by the Board shall be supplied by the Department of Agriculture. A
28 majority of the Board shall constitute a quorum for the transaction of business. Rule
29 making and administrative proceedings shall be governed by the North Carolina
30 Administrative Procedure Act.

31 **"§ 106-760. Board's powers and duties.**

32 (a) The Board shall:

- 33 (1) Delegate to the Commissioner any of its duties, other than rule
34 making, but including issuance of permits, as the Board deems
35 necessary or convenient for the administration and enforcement of this
36 Article; and
37 (2) Adopt regulations designating those activities that will not be treated
38 as genetic engineering for the purposes of this Article.

39 (b) The Board may:

- 40 (1) Grant, deny, suspend, modify or revoke permits as provided by this
41 Article;
42 (2) Adopt, amend, or revoke regulations to implement and carry out the
43 purposes of this Article; and

- 1 (3) Establish advisory committees to assist the Board in carrying out its
2 duties.

3 **"§ 106-761. Commissioner's powers and duties.**

4 The Commissioner may:

- 5 (1) Enforce this Article, administer the permit process, and exercise the
6 powers and duties imposed upon him by this Article or by rules
7 adopted in accordance with this Article; and
8 (2) Designate such employees of the North Carolina Department of
9 Agriculture, and enter into cooperative agreements with federal and
10 State agencies, as may be necessary to carry out the duties and exercise
11 the powers provided by this Article.

12 **"§ 106-762. Permits required; applications; federal review; permit revocation.**

13 (a) A genetically engineered organism may not be released into the environment,
14 or sold, offered for sale, or distributed for release into the environment unless a permit
15 for its release has been issued pursuant to this Article. The Board may, by regulation,
16 provide for general permits for classes of activities for which individual permits will not
17 be required.

18 (b) Permit applications shall be on forms or in the format prescribed by the
19 Board, and shall include such information as the Board deems necessary in order to
20 determine compliance with this Article. To the extent feasible, the Board shall
21 authorize the use of forms or formats required by the federal government for actions
22 similar to those regulated under this Article. Applicants shall, upon request by the
23 Board, submit copies of data submitted with corresponding federal permit applications.

24 (c) The Board may require such additional data as it deems necessary to
25 determine potential adverse effects of the release of the organism on agriculture, public
26 health, and the environment. To the extent possible, the Board shall accept for review
27 and base its decision on the data submitted with the federal application.

28 (d) The Board may, if it deems it necessary to protect agriculture, public health,
29 or the environment from potential adverse effects of the release of a genetically
30 engineered organism:

- 31 (1) Place restrictions on the number and location of organisms released,
32 method of release, training of persons involved with the release of
33 organisms, disposal of organisms, and other conditions of use;
34 (2) Require measures to limit dispersal of released organisms or spread of
35 inserted genes or gene products;
36 (3) Require monitoring of the abundance and dispersal of the released
37 organism or inserted genes or gene products; and
38 (4) Deny, suspend, modify, or revoke the permit.

39 (e) The Board may submit written comments to any federal agency reviewing a
40 proposed or completed release, and otherwise participate in any such reviews. The
41 Board may issue a permit under this Article based on the federal review and approval of
42 the proposed release if the Board determines that federal regulation of the release
43 sufficiently protects agriculture, public health, and the environment in North Carolina.

1 The Board shall minimize duplication of federal regulatory requirements to the extent
2 possible.

3 (f) The Board may deny, suspend, modify, or revoke a permit for failure to
4 comply with this Article or with any rule adopted in accordance with this Article. Such
5 proceedings shall be in accordance with the Administrative Procedure Act. The Board
6 may summarily suspend a permit in accordance with G.S. 150B-3, pending further
7 proceedings, if the Board determines that an adverse effect is occurring or is likely to
8 occur because of a release authorized by such permit.

9 (g) A decision shall be made on a permit application within 90 days from the date
10 the completed application is received by the Board, unless a public hearing is held
11 pursuant to G.S. 106-763. The Board may, for good cause, extend the time for making
12 a decision by no more than 30 days.

13 (h) Issuance of permits under this Article is not subject to the provisions of
14 Article 1 of Chapter 113A of the General Statutes.

15 (i) An application may be withdrawn at any time by written notice to the Board.

16 **"§ 106-763. Public notice of releases; public hearing.**

17 (a) Within 15 days after receiving a completed application for a proposed release,
18 the Board shall publish notice and a brief description of the proposed release, unless the
19 Board intends to deny the application. Notice shall also be provided to any person who
20 has filed a written request to be notified of such releases. The Board shall prescribe the
21 form, content and extent of the notice. However, at a minimum, notice shall be given
22 by publication one time in a newspaper having general circulation in each county where
23 the release is proposed to be made. In addition, subject to the provisions of this Article
24 regarding confidential business information, any documents submitted as part of the
25 application shall be available for public inspection or copying at or near the site of the
26 proposed release and at the offices of the Board. Any person may submit written
27 comments to the Board regarding the proposed release.

28 (b) Any person may request a public hearing on a permit application by filing a
29 written request with the Board within 30 days after the date of the notice of the
30 application. The Board shall consider all such requests for hearing and, if it determines
31 that there is significant public interest and justification for holding such a hearing, a
32 hearing shall be held in the county where the release is proposed to be made. If the
33 Board determines that a public hearing should be held, it may do so even though no
34 hearing has been requested. Notice of the hearing shall be published at least 30 days
35 before the hearing date. The Board shall prescribe the form, content, and extent of the
36 notice. However, at a minimum, notice shall be given by publication one time in a
37 newspaper having general circulation in each county where the release is proposed to be
38 made.

39 (c) If a public hearing is held, a decision shall be made on the permit application
40 within 120 days after the date the completed application is received by the Board. The
41 Board may, for good cause, extend the time for making a decision by no more than 30
42 additional days.

43 (d) The Board may, with the written consent of the applicant, extend the period
44 to review the application.

1 **"§ 106-764. Confidential business information.**

2 (a) In submitting information pursuant to this Article, an applicant for a permit
3 may designate as 'confidential' any portions of which the applicant believes are entitled
4 to treatment as confidential business information. A designation of confidentiality shall
5 be made in writing and in such manner as the Board may prescribe. Information
6 designated as 'confidential' may be submitted separately from other material submitted.

7 (b) Any person engaged in the review of the effects of a proposed release of a
8 genetically engineered organism who believes that access to undisclosed confidential
9 business information is necessary in order to perform such review effectively may
10 request the disclosure of material designated as confidential business information by
11 submitting a written petition to the Board. Such a petition shall state the reason(s) that
12 such confidential business information is necessary to the performance of the
13 petitioner's review. In addition, the petitioner shall sign an affidavit affirming that the
14 petitioner is not nor does petitioner represent in any capacity a person engaged in any
15 business or enterprise in competition with the applicant or in which the confidential
16 business information could be utilized for commercial or product development
17 purposes. The applicant shall be notified of the petition and shall have an opportunity to
18 respond to the petition. Such response may include an offer by the applicant to produce
19 the confidential business information to the petitioner pursuant to terms to be expressed
20 in a written agreement between the applicant and the petitioner, an explanation by the
21 applicant as to why the petitioner does not need the confidential business information in
22 order to perform such review or an offer by the applicant to provide the petitioner with
23 other information which is not confidential and responds to the petitioner's reasons for
24 requesting the confidential business information. By mutual written agreement of the
25 petitioner and the applicant, the Board may delay a decision on the petition until further
26 written notice by the petitioner. The Board shall then make a determination as to
27 whether the petitioner does require access to any or all of the confidential business
28 information requested by the petitioner in order to make an effective, independent
29 review of the proposed release. Where the Board determines that the petitioner does
30 require access to some or all of the confidential business information requested by the
31 petitioner, the Board shall notify the applicant and the petitioner of its decision, and the
32 applicant shall provide that confidential business information which is required by the
33 petitioner as determined by the Board to the petitioner or withdraw its application. If
34 the Board's decision is appealed, the applicant shall not be required to disclose the
35 confidential business information pending appeal. If the application is withdrawn, all
36 confidential business information shall be returned to the applicant and shall not be
37 disclosed.

38 (c) Except as provided in this Article, no person may reveal or use for his own
39 benefit any confidential business information received pursuant to this Article.

40 (d) Nothing in this section, or in rules adopted under this section, authorizes the
41 Board or any person to withhold from the public information regarding the adverse
42 effects of a proposed release of any organism.

43 **"§ 106-765. Local regulation.**

1 No county or municipality shall enact any regulation or ordinance regulating the
2 release of genetically engineered organisms.

3 **"§ 106-766. Unlawful acts; penalties; injunctions.**

4 (a) No genetically engineered organism may be released, sold, offered for sale, or
5 distributed in violation of this Article or rules adopted in accordance with this Article.

6 (b) A civil penalty of not more than ten thousand dollars (\$10,000) may be
7 assessed by the Board against any person who violates any provision of this Article or
8 any rule of the Board. In determining the amount of the penalty, the Board may
9 consider the degree and extent of harm caused by the violation. No civil penalty may be
10 assessed under this section unless the person has been given the opportunity for a
11 hearing pursuant to the Administrative Procedure Act. Each day's violation shall
12 constitute a separate offense.

13 (c) A person who interferes with or attempts to interfere with the Commissioner
14 or any of his agents while engaged in the performance of their duties under this Article,
15 or violates any provision of this Article or any rule of the Board, is guilty of a
16 misdemeanor and is punishable by a fine of not less than two hundred fifty dollars
17 (\$250.00) nor more than one thousand dollars (\$1,000) for each offense. Each day's
18 violation shall constitute a separate offense.

19 (d) Notwithstanding any remedy at law, the Commissioner is authorized to apply
20 to the superior court, and the court shall have jurisdiction upon hearing and for cause
21 shown, to grant a temporary or permanent injunction to prevent or stop a violation of
22 this Article.

23 (e) Any public employee who willfully releases a genetically engineered
24 organism in violation of this Article shall be subject to dismissal.

25 **"§ 106-767. Expiration.**

26 This Article shall expire September 30, 1995."

27 (b) No permits are required under G.S. 106-762, as enacted in subsection (a) of
28 this section, until July 1, 1990.

29 (c) G.S. 120-123 is amended by adding a new subdivision to read:

30 "(8a) The Genetic Engineering Review Board, as created by G.S. 106-
31 759."

32
33 **PART XVIII.—DEPARTMENT OF COMMERCE**

34
35 Requested by: Representatives B. Ethridge, Redwine

36 —WORKER READJUSTMENT PROGRAM FUNDS

37 Sec. 134. (a) There is appropriated from the Worker Training Trust Fund to the
38 Employment Security Commission of North Carolina the sum of \$1,200,000 for the
39 1989-90 fiscal year and the sum of \$1,200,000 for the 1990-91 fiscal year for a Worker
40 Readjustment Program to provide a statewide program of rapid response to plant
41 closings.

42 (b) The Employment Security Commission shall report to the Joint Legislative
43 Commission on Governmental Operations by the first of each month prior to the
44 expenditure of any funds appropriated by this section. The report required by this

1 subsection may be included in any other report that the Employment Security
2 Commission is required to make to the Joint Legislative Commission on Governmental
3 Operations.

4 (c) The Employment Security Commission shall use supplemental federal funds
5 or other additional funds received by the Employment Security Commission for similar
6 purposes before expending funds appropriated by this section.

7
8 Requested by: Representatives B. Ethridge, Redwine

9 —PETROLEUM OVERCHARGE FUNDS ALLOCATION

10 Sec. 135. (a) The funds and interest thereon received from the case of United
11 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
12 is appropriated from the Special Reserve to the Department of Commerce the sum of
13 \$10,900,000 for the 1989-90 fiscal year and the sum of \$10,900,000 for the 1990-91
14 fiscal year to be allocated as follows:

15 (1) The sum of \$2,200,000 for the 1989-90 fiscal year and the sum of
16 \$2,200,000 for the 1990-91 fiscal year shall be used for projects under
17 the State Energy Conservation and Energy Extension Service
18 Programs;

19 (2) The sum of \$3,200,000 for the 1989-90 fiscal year and the sum of
20 \$3,200,000 for the 1990-91 fiscal year shall be used for the Low
21 Income Weatherization Program;

22 (3) The sum of \$2,500,000 for the 1989-90 fiscal year and the sum of
23 \$2,500,000 for the 1990-91 fiscal year shall be used for energy
24 conservation programs for hospitals and schools; and

25 (4) The sum of \$3,000,000 for the 1989-90 fiscal year and the sum of
26 \$3,000,000 for the 1990-91 fiscal year shall be used for the Low
27 Income Home Energy Assistance Program (LIHEAP).

28 Any remaining funds in the Special Reserve for Oil Overcharge Funds may be
29 expended only as authorized by the General Assembly. All interest or income accruing
30 from all deposits or investments of cash balances shall be credited to the Special
31 Reserve for Oil Overcharge Funds.

32 (b) There is appropriated from funds received from the United States Department
33 of Energy's Stripper Well Litigation (MDL378) and appropriated to the Special Reserve
34 for Oil Overcharge Funds to the Department of Commerce the sum of \$5,975,000 for
35 the 1989-90 fiscal year to be allocated as follows:

36 (1) The sum of \$2,500,000 shall be paid to the Business Energy
37 Improvement Program Revolving Loan Fund;

38 (2) The sum of \$1,675,000 shall be used to expand the Transportation
39 Information Management System (TIMS);

40 (3) The sum of \$350,000 shall be used for waste tire utilization;

41 (4) The sum of \$1,350,000 shall be used for local government energy
42 conservation; and

43 (5) The sum of \$100,000 shall be used for the Energy Assurance Study
44 Commission.

1 (c) The Department of Commerce shall submit comprehensive annual reports to
2 the General Assembly by May 15, 1990 and January 31, 1991, which detail the use of
3 all funds received in the cases of United States v. Exxon and Stripper Well that were
4 used or expended by State agencies. Any State department or agency that has received
5 oil overcharge funds shall provide all information requested by the Department of
6 Commerce for the purpose of preparing this report.

7
8 Requested by: Representatives B. Ethridge, Redwine

9 —BUSINESS ENERGY IMPROVEMENT PROGRAM

10 Sec. 136. Article 10 of Chapter 143B of the General Statutes is amended by
11 adding a new Part to read:

12 **“PART 14. BUSINESS ENERGY IMPROVEMENT PROGRAM.**

13 **“§ 143B-472.30. Short title.**

14 This Part shall be known as the Business Energy Improvement Program.

15 **“§ 143B-472.31. Legislative findings and purpose.**

16 The General Assembly finds and declares that it is in the best interest of the
17 citizens of North Carolina to promote and encourage energy efficiency within the State's
18 industrial and commercial base in order to conserve energy, promote economic
19 competitiveness, and expand employment in the State.

20 **“§ 143B-472.32. Lead agency; powers and duties.**

21 (a) For the purposes of this Part, the Department of Commerce, Energy
22 Division, is designated as the lead State agency in matters pertaining to industrial and
23 commercial energy conservation.

24 (b) The Division shall have the following powers and duties with respect to
25 this Part:

26 (1) To provide industrial and commercial concerns doing business in
27 North Carolina with information and assistance in undertaking energy
28 conserving capital improvement projects to enhance industrial and
29 commercial capacity.

30 (2) To establish a revolving fund within the Division for the purpose of
31 providing secured loans in amounts not greater than five hundred
32 thousand dollars (\$500,000) per business entity to install energy-
33 efficient capital improvements within businesses located within or
34 translocating to North Carolina. In providing these loans, priority shall
35 be given to businesses already located in the State.

36 (3) To work with appropriate State and federal agencies to develop and
37 implement rules and regulations to facilitate this program.

38 (c) The annual interest rate charged for the use of the funds from the
39 revolving fund established pursuant to subdivision (b)(2) of this section shall be one-
40 half of the 90-day rate for United States Treasury Bills, not to exceed five percent (5%)
41 per annum, excluding other fees required for loan application review and origination.
42 The term of any loan originated under this section may not be greater than seven years.

1 (d) In accordance with the terms of the Stripper Well Settlement, administrative
2 expenses for activities under this section shall be limited to five percent (5%) of funds
3 appropriated for this purpose."
4

5 Requested by: Representatives B. Ethridge, Redwine

6 ---COMMERCE REGIONAL OFFICE

7 Sec. 137. (a) Funds appropriated in Section 3 of this act to the Department of
8 Commerce, Division of Business/Industry Development, shall be used to establish an
9 additional regional office for economic development in eastern North Carolina. Any
10 remaining funds may be used by the Department of Commerce, subject to the approval
11 of the Office of State Budget and Management, to expand economic development
12 operations in the State.

13 (b) The Department of Commerce shall provide a detailed report on the proposed
14 expenditure of these funds to the Joint Legislative Commission on Governmental
15 Operations by November 1, 1989.

16
17 Requested by: Representative Diamont

18 ---TRAVEL AND TOURISM FUNDS

19 Sec. 138. Keep North Carolina Beautiful, Inc., shall receive no State
20 appropriations from any State agency for the 1989-90 fiscal year or the 1990-91 fiscal
21 year other than the funds appropriated to the Department of Commerce, Division of
22 Travel and Tourism, in Section 3 of Chapter 500 of the 1989 Session Laws, the Current
23 Operations Appropriations Act of 1989, for Keep North Carolina Beautiful, Inc.

24
25 Requested by: Representatives James, Beall

26 ---VISITOR AND WELCOME CENTERS FUNDS

27 Sec. 139. (a) Before any other transfers are made pursuant to G.S. 20-81.3(c) or
28 (g), the Secretary of Transportation shall allocate and reserve the sum of \$50,000 for the
29 1989-90 fiscal year and the sum of \$150,000 for the 1990-91 fiscal year for personnel to
30 man Visitor and Welcome Centers as follows:

31 (1) The sum of \$50,000 for the 1989-90 fiscal year and the sum of
32 \$50,000 for the 1990-91 fiscal year for the Visitor and Welcome
33 Center on U.S. Highway 17 in Camden County, to be administered by
34 the Albemarle Regional Planning and Development Office in the City
35 of Hertford;

36 (2) The sum of \$50,000 for the 1990-91 fiscal year for the Visitor and
37 Welcome Center on U.S. Highway 441 in Macon County, to be
38 administered by a State chartered nonprofit organization or local
39 government agency under contract with the Department of
40 Transportation; and

41 (3) The sum of \$50,000 for the 1990-91 fiscal year for the Visitor and
42 Welcome Center on U.S. Highway 17 South in Brunswick County, to
43 be administered by the Region O Council of Governments.
44

1 PART XIX.—DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY
2 DEVELOPMENT

3

4 Requested by: Representatives B. Ethridge, Redwine

5 —ZOO RECEIPTS

6 Sec. 140. Part 22 of Article 7 of Chapter 143B of the General Statutes is
7 amended by adding a new section to read:

8 "**§ 143B-336.1. Special Zoo Fund.**

9 A special continuing and nonreverting fund, to be called the Special Zoo Fund, is
10 created. The North Carolina Zoological Park shall retain unbudgeted receipts at the end
11 of each fiscal year, beginning June 30, 1989, and deposit these receipts into this Fund.
12 This Fund shall be used for maintenance, repairs, and renovations of exhibits in existing
13 habitat clusters and visitor services facilities, and for the replacement of tram equipment
14 as required to maintain adequate service to the public. The Special Zoo Fund may also
15 be used to match private funds which are raised for these purposes. Funds may be
16 expended for these purposes by the Department of Natural Resources and Community
17 Development on the advice of the North Carolina Zoological Park Council and with the
18 approval of the Office of State Budget and Management. The Department of Natural
19 Resources and Community Development shall provide an annual report to the Office of
20 State Budget and Management and to the Fiscal Research Division of the Legislative
21 Services Office on the use of fees collected pursuant to this section."

22

23 Requested by: Representatives DeVane, Locks, Mercer

24 —LUMBER RIVER PARKS RANGERS

25 Sec. 141. From the funds appropriated in Section 3 of this act to the
26 Department of Natural Resources and Community Development, Division of Parks and
27 Recreation for the 1989-90 fiscal year and the 1990-91 fiscal year for State Park Staff,
28 the Department shall establish and fund two Park Ranger positions, including support
29 and equipment costs, to be allocated to the Lumber River State Natural and Scenic
30 River State Park.

31

32 Requested by: Representatives DeVane, Locks, Mercer

33 —NATURAL AND SCENIC RIVERS SYSTEM

34 Sec. 142. (a) G.S. 113A-34 reads as rewritten:

35 "**§ 113A-34. Types of scenic rivers.**

36 The following types of rivers are eligible for inclusion in the North Carolina natural
37 and scenic rivers system:

38 Class I. Natural river areas. Those free-flowing rivers or segments of rivers and
39 adjacent lands existing in a natural condition. Those rivers or segments of rivers that are
40 free of man-made impoundments and generally inaccessible except by trail, with the
41 lands within the boundaries essentially primitive and the waters essentially unpolluted.
42 These represent vestiges of primitive America.

1 Class II. Scenic river areas. Those rivers or segments of rivers that are largely free of
2 impoundments, with the lands within the boundaries largely primitive and largely
3 undeveloped, but accessible in places by roads.

4 Class III. Recreational river areas. Those rivers or segments of rivers that offer
5 outstanding recreation and scenic values and that are largely free of impoundments.
6 They may have some development along their shorelines and have more extensive
7 public access than natural or scenic river segments. Recreational river segments may
8 also link two or more natural and/or scenic river segments to provide a contiguous
9 designated river area. No provision of this section shall interfere with flood control
10 measures; provided that recreational river users can continue to travel the river."

11 (b) G.S. 113A-35.2 reads as rewritten:

12 **"§ 113A-35.2. Additional components.**

13 That segment of the Linville River beginning at the State Highway 183 bridge over
14 the Linville River and extending approximately 13 miles downstream to the boundary
15 between the United States Forest Service lands and lands of Duke Power Company
16 (latitude 35° 50' 20") shall be a ~~seenie-natural~~ river area and shall be included in the
17 North Carolina Natural and Scenic River System.

18 That segment of the Horsepasture River in Transylvania County extending
19 downstream from Bohaynee Road (N.C. 281) to Lake Jocassee shall be a natural river
20 and shall be included in the North Carolina Natural and Scenic Rivers System.

21 That segment of the Lumber River extending from county road 1412 in Scotland
22 County downstream to the North Carolina-South Carolina state line, a distance of
23 approximately 102 river miles, shall be included in the Natural and Scenic Rivers
24 System and classified as follows: from county road 1412 in Scotland County
25 downstream to the junction of the Lumber River and Back Swamp shall be classified as
26 scenic; from the junction of the Lumber River and Back Swamp downstream to the
27 junction of the Lumber River and Jacob Branch and the river within the Fair Bluff town
28 limits shall be classified as recreational; and from the junction of the Lumber River and
29 Jacob Branch downstream to the North Carolina-South Carolina state line, excepting the
30 Fair Bluff town limits, shall be classified as natural."

31 (c) In accordance with Article 2C of Chapter 113 of the General Statutes, the
32 General Assembly creates the Lumber River State Park as a component of the State
33 parks system, to be managed as a State river.

34 The Department of Natural Resources and Community Development,
35 Division of Parks and Recreation, shall prepare a general management plan for the
36 Lumber River State Park, to include a master plan which shall recognize and provide for
37 State and local government protection of the various parts of the river so as to preserve
38 its outstanding character in perpetuity.

39 The general master plan shall be prepared by December 31, 1990, and
40 transmitted to the Governor, the Lieutenant Governor, the President Pro Tempore of the
41 Senate, and the Speaker of the House.

42 (d) For the purpose of law enforcement only, the North Carolina Indian Cultural
43 Center shall be considered as part of those lands subject to the provisions of Article 1A
44 of Chapter 113 of the General Statutes.

1

2 Requested by: Representatives B. Ethridge, Redwine

3 —AUTHORIZATION FOR USE OF WATER QUALITY FEES

4 Sec. 143. (a) There is appropriated from the water quality fees collected and
5 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to
6 exceed \$1,143,540 for the 1989-90 fiscal year and a sum not to exceed \$1,465,585 for
7 the 1990-91 fiscal year to the Department of Natural Resources and Community
8 Development to retain and provide all necessary support for a position, or to establish
9 and provide all necessary support for a position, in the water quality program, when
10 sufficient fees for a position and all necessary support for the 1989-90 fiscal year and
11 for the 1990-91 fiscal year have been deposited. No more than nine new positions for
12 the 1989-90 fiscal year and no more than nine new positions for the 1990-91 fiscal year
13 may be funded and supported in this manner. First priority is to retain and support those
14 positions that were previously established by the General Assembly. Water quality fees
15 shall be the only source of funds for these positions and all necessary support, including
16 fringe benefits. These positions shall be used to reduce the backlog of permit
17 applications and to improve the rate of compliance of facilities with environmental
18 standards for toxic substances.

19 (b) The Department of Natural Resources and Community Development shall
20 provide a quarterly report to the Joint Legislative Commission on Governmental
21 Operations and to the Director of the Fiscal Research Division beginning October 1,
22 1989. Each report shall state the amount and type of fees collected for the quarter and
23 since the beginning of the fiscal year, the number of permit applications processed for
24 the quarter and since the beginning of the fiscal year, the number of permit applications
25 not processed, and the progress made in reducing the backlog of permit applications.

26

27 Requested by: Representatives B. Ethridge, Redwine

28 —AUTHORIZATION FOR USE OF AIR QUALITY FEES

29 Sec. 144. (a) There is appropriated from the air quality fees collected and
30 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to
31 exceed \$627,000 for the 1989-90 fiscal year and a sum not to exceed \$918,000 for the
32 1990-91 fiscal year, to the Department of Natural Resources and Community
33 Development to establish and provide all necessary support for a position in the
34 Department of Natural Resources and Community Development, when sufficient fees
35 for a position and all necessary support for the 1989-90 fiscal year and for the 1990-91
36 fiscal year have been collected and deposited. No more than eight new positions in the
37 1989-90 fiscal year and no more than six new positions in the 1990-91 fiscal year may
38 be established in this manner. First priority is to retain and support those positions that
39 were previously established by the General Assembly. Air quality fees shall be the only
40 source of funds for these positions and all necessary support, including fringe benefits.
41 These positions shall be used to conduct air quality permitting and air quality
42 compliance and monitoring activities.

43 (b) The Department of Natural Resources and Community Development shall
44 provide quarterly reports to the Joint Legislative Commission on Governmental

1 Operations and to the Director of the Fiscal Research Division beginning October 1,
2 1989. Each report shall state the amount and type of fees collected for the quarter and
3 since the beginning of the fiscal year, the number of permit applications processed for
4 the quarter and since the beginning of the fiscal year, the number of permit applications
5 not processed, and the progress made in reducing the backlog of permit applications.
6

7 Requested by: Representatives B. Ethridge, Redwine

8 ---SALES TAX PROCEEDS FOR WILDLIFE FUND MODIFIED

9 Sec. 145. G.S. 105-164.44B reads as rewritten:

10 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
11 **fishing supplies and equipment.**

12 ~~For the 1987-88 fiscal year, the Secretary of Revenue shall transfer at the end of~~
13 ~~each quarter from the State sales and use net tax collections received by the Department~~
14 ~~of Revenue under Article 5 of Chapter 105 of the General Statutes to the State Treasurer~~
15 ~~for the Wildlife Resources Fund, one fourth of one million nine hundred sixty thousand~~
16 ~~dollars (\$1,960,000). During subsequent fiscal years, Each fiscal year, the Secretary of~~
17 Revenue shall transfer at the end of each quarter from the State sales and use tax net
18 collections received by the Department of Revenue under Article 5 of Chapter 105 of
19 the General Statutes to the State Treasurer for the Wildlife Resources Fund, one fourth
20 of ~~one million nine hundred sixty thousand dollars (\$1,960,000)~~ two million eight
21 hundred thirty-four thousand six hundred seventy-five dollars (\$2,834,675) plus or
22 minus the percentage of that amount by which the total collection of State sales and use
23 taxes increased or decreased during the preceding fiscal year."
24

25 Requested by: Representatives B. Ethridge, Redwine

26 ---TEXASGULF SETTLEMENT FUNDS

27 Sec. 146. The sum of \$1,001,907, received by the Department of Natural
28 Resources and Community Development in accordance with a settlement agreement
29 with Texasgulf Inc., dated June 2, 1989, and placed in General Fund receipt code 1310-
30 0720 in the Environmental Management Division, shall not be available for expenditure
31 by the Department of Natural Resources and Community Development, and shall not
32 revert to the General Fund, but instead is reallocated to the Beaufort County Board of
33 Commissioners. The money shall be paid by the Office of State Budget and
34 Management to the Beaufort County Board of Commissioners within 15 days after
35 request for the funds by the Board of Commissioners.

36 The Beaufort County Board of Commissioners shall distribute the money to
37 the Beaufort County School Administrative Unit and the Washington City School
38 Administrative Unit on an average daily membership basis.

39 This section shall become effective June 30, 1989.
40

41 Requested by: Representatives B. Ethridge, Redwine

42 ---AGRICULTURE COST SHARE PROGRAM

43 Sec. 147. Funds appropriated to the Department of Natural Resources and
44 Community Development for the 1989-90 fiscal year and for the 1990-91 fiscal year in

1 Section 5 of this act and in Section 5 of Chapter 500 of the 1989 Session Laws, the
 2 Current Operations Appropriations Act of 1989, for the Agriculture Cost Share Program
 3 for Nonpoint Source Pollution Control shall be used to implement the Agriculture Cost
 4 Share Program statewide beginning in the 1989-90 fiscal year. Of these funds, the
 5 Department of Natural Resources and Community Development shall use the sum of
 6 \$64,826 for the 1989-90 fiscal year and the sum of \$64,826 for the 1990-91 fiscal year
 7 to establish two positions to administer the Agriculture Cost Share Program.

8

9 Requested by: Representatives B. Ethridge, Redwine

10 **—CLEAN WATER REVOLVING LOAN AND GRANT FUND**

11 Sec. 148. G.S. 159G-4(b) reads as rewritten:

12 "(b) Of the appropriations made from the General Fund to the Clean Water
 13 Revolving Loan and Grant Fund for use of the Office of State Budget and Management
 14 as provided in this Chapter, allocations are made as follows after first subtracting the
 15 amounts allocated under subsection (a) of this section, to the extent that there are any
 16 excess funds available:

17 **Wastewater Accounts**

18 **General Wastewater Revolving**

19 **Loan Account** ~~45.00%~~ 45.00%

20 **Emergency Wastewater Revolving**

21 **Loan Account** ~~13.00%~~ ~~13.00%~~ 14.00%

22 **High-Unit Cost Wastewater**

23 **Account** ~~10.00%~~ 10.00%

24 **Water Supply Accounts**

25 **General Water Supply**

26 **Revolving Loan Account** ~~23.00%~~ 23.00%

27 **High-Unit Cost Water Supply**

28 **Account** ~~3.00%~~ 3.00%

29 **Emergency Water Supply Revolving**

30 **Loan Account** ~~5.00%~~ 5.00%

31 ~~Administrative Account~~ ~~1.00%~~ ~~1.00%~~"

32

33 **PART XX.—MISCELLANEOUS PROVISIONS**

34

35 Requested by: Representative Diamont

36 **—EFFECT OF HEADINGS**

37 Sec. 149. The headings to the Parts and sections of this act are a convenience
 38 to the reader and are for reference only. The headings do not expand, limit, or define
 39 the text of this act.

40

41 Requested by: Representative Diamont

42 **—EXECUTIVE BUDGET ACT REFERENCE**

1 Sec. 150. The provisions of the Executive Budget Act, Chapter 143, Article 1
2 of the General Statutes, are reenacted and shall remain in full force and effect and are
3 incorporated in this act by reference.

4
5 Requested by: Representative Diamont

6 ---COMMITTEE REPORT

7 Sec. 151. The House Expansion Budget Appropriations Committee Report,
8 dated July 24, 1989, as revised, which was distributed in the House of Representatives
9 and used to explain this act, shall indicate action by the General Assembly on this act
10 and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
11 Executive Budget Act, and for such purposes shall be considered a part of this act.

12
13 Requested by: Representative Diamont

14 ---EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN THE CURRENT
15 OPERATIONS ACT OF 1989 APPLY

16 Sec. 152. Except where expressly repealed or amended by this act, the
17 provisions of Chapter 500 of the 1989 Session Laws, the Current Operations
18 Appropriations Act of 1989, are not affected by this act.

19 Notwithstanding any modifications by this act in the amounts appropriated,
20 except where expressly repealed or amended, the limitations and directions for the
21 1989-91 fiscal biennium in Chapter 500 of the 1989 Session Laws, the Current
22 Operations Appropriations Act of 1989, that applied to appropriations to particular
23 agencies or for particular purposes apply to the newly enacted appropriations of this act
24 for those same purposes.

25
26 Requested by: Representative Diamont

27 ---MOST TEXT APPLIES ONLY TO 1989-91

28 Sec. 153. Except for statutory changes or other provisions that clearly
29 indicate an intention to have effects beyond the 1989-91 biennium, the textual
30 provisions of this act shall apply only to funds appropriated for and activities occurring
31 during the 1989-91 biennium.

32
33 Requested by: Representative Diamont

34 ---SEVERABILITY CLAUSE

35 Sec. 154. If any section or provision of this act is declared unconstitutional or
36 invalid by the courts, it does not affect the validity of the act as a whole or any part
37 other than the part so declared to be unconstitutional or invalid.

38
39 Requested by: Representative Diamont

40 ---EFFECTIVE DATE

41 Sec. 155. Except as otherwise provided, this act shall become effective July
42 1, 1989.