

March 1, 1999

H 168. 1999 CURRENT OPERATIONS-1. *TO APPROPRIATE FUNDS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.* Blank bill.

Intro. by Easterling, Hardaway, and Redwine.

Ref. to Appropriations

APPROP

June 1, 1999

H 168. APPROPRIATIONS ACT OF 1999. Introduced 3/1/99. House Committee substitute replaces blank bill with following:

PART I. INTRODUCTION AND TITLE OF ACT.

PART II. Current Operations – GENERAL FUND

<u>Department</u>	<u>1999-2000</u>	<u>2000-2001</u>
GENERAL ASSEMBLY	34,980,575	39,518,408
OFFICE OF THE GOVERNOR		
Office of the Governor	5,233,364	5,282,172
Office of State Budget and Management	4,126,118	4,227,782
Office of State Planning	2,147,099	2,147,099
Special Appropriations	3,205,000	3,080,000
OFFICE OF THE LIEUTENANT GOVERNOR	640,485	640,485
DEPARTMENT OF SECRETARY OF STATE	6,304,914	6,191,037
DEPARTMENT OF STATE AUDITOR	11,614,631	11,608,041
DEPARTMENT OF STATE TREASURER		
State Treasurer	6,315,485	6,330,357
Special Appropriations	12,294,780	12,294,780
DEPARTMENT OF INSURANCE		
Insurance	21,904,763	21,495,037
Special Appropriation	4,500,000	4,500,000
DEPARTMENT OF ADMINISTRATION	60,897,632	60,089,326
OFFICE OF STATE CONTROLLER	11,482,568	11,488,315
OFFICE OF ADMINISTRATIVE HEARINGS	2,757,199	2,786,455
RULES REVIEW COMMISSION	317,343	309,326
DEPARTMENT OF CULTURAL RESOURCES		
Cultural Resources	66,878,077	57,662,464
Roanoke Island Commission	1,826,157	1,826,157
DEPARTMENT OF REVENUE	77,838,543	74,446,752
STATE BOARD OF ELECTIONS	3,199,660	3,199,660
JUDICIAL DEPARTMENT	340,238,661	347,252,196
OFFICE OF JUVENILE JUSTICE	134,241,466	140,018,378
DEPARTMENT OF JUSTICE	73,097,008	72,515,298
DEPARTMENT OF CORRECTION	889,784,047	887,874,408
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	36,091,794	36,267,844
 DEPARTMENT OF HEALTH AND HUMAN SERVICES		
DHHS-Administration and Support	92,886,130	89,406,803

Division of Aging	30,042,117	29,792,117
Division of Child Development	286,012,727	305,441,553
Division of Services of the Deaf and Hard of Hearing	31,604,083	31,989,549
Division of Social Services	151,394,120	185,459,375
Division of Medical Assistance	1,348,453,847	1,539,549,270
Division of Services for the Blind	17,462,992	17,455,155
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	618,990,187	615,239,024
Division of Facility Services	10,937,289	11,198,856
Division of Vocational Rehabilitation Services	39,041,887	38,256,403
Division of Public Health	133,211,183	131,729,059
NC Health Choice	22,092,346	25,509,475
Total DHHS	2,782,128,908	3,021,026,639
DEPARTMENT OF PUBLIC EDUCATION	5,261,627,676	5,277,518,248
COMMUNITY COLLEGES SYSTEM OFFICE	577, 960,851	591,015,693
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS		
General Administration	41,659,202	42,077,020
University Institutional Programs	77,859,274	90,414,402
Related Educational Programs	81,913,581	84,952,820
UNC-Chapel Hill		
Academic Affairs	177,293,233	177,575,523
Health Affairs	144,910,088	145,843,687
Area Health Education Centers	44,094,068	44,116,310
NC State University		
Academic Affairs	234,331,766	235,906,137
Agricultural Research Service	45,549,404	45,422,994
Agricultural Extension Service	36,031,921	35,969,822
UNC-Greensboro	78,810,304	79,052,368
UNC-Charlotte	83,166,903	83,378,506
UNC-Asheville	22,017,704	22,061,697
UNC-Wilmington	49,957,856	50,325,018
East Carolina University		
Academic Affairs	101,589,323	101,704,564
Division of Health Affairs	41,109,992	44,107,886
NC Agricultural and Technical State University	53,492,454	53,491,976
Western Carolina University	47,364,534	47,539,139
Appalachian State University	72,063,889	74,072,087
UNC-Pembroke	20,456,907	20,452,780
Winston-Salem State University	24,000,509	24,147,742
Elizabeth City State University	19,279,750	19,342,413
Fayetteville State University	25,992,535	26,012,535
NC Central University	39,206,985	39,048,808
NC School of the Arts	14,463,446	14,710,424
NC School of Science and Mathematics	10,391,245	10,432,372

UNC Hospitals at Chapel Hill	36,351,025	39,042,772
Total UNC	1,623,357,898	1,651,201,802
OFFICE OF THE GOVERNOR-HOUSING FINANCE	10,300,000	4,300,000
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	56,313,419	54,246,601
DEPARTMENT OF LABOR	16,469,251	16,369,251
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	154,219,087	157,576,964
DEPARTMENT OF COMMERCE		
Commerce	47,098,448	43,745,365
State Aid to Non-State Entities	25,996,251	17,296,251
State Information Processing Services	3,596,000	0
DEPARTMENT OF TRANSPORTATION	20,973,881	15,434,165
CONTINGENCY AND EMERGENCY	1,125,000	1,125,000
WELFARE REFORM	412,503	412,503
RESERVE FOR COMPENSATION INCREASE 1998-99 CONTINUED	63,627,578	63,627,578
RESERVE FOR COMPENSATION INCREASE 1999-2000	397,600,000	397,600,000
RESERVE FOR COMPENSATION BONUS	16,400,000	0
RESERVE FOR SALARY ADJUSTMENTS	3,944,303	4,444,303
RESERVE FOR CONSOLIDATED MAIL SERVICES	(1,000,000)	(1,500,000)
RESERVE FOR JUDICIAL RETIREMENT ADJUSTMENT	(900,000)	(900,000)
RESERVE FOR POSITIONS VACATED BY RETIREMENT	(12,709,439)	(12,709,439)
RESERVE FOR STATE HEALTH PLAN	110,000,000	147,000,000
RESERVE FOR RETIREES HEALTH BENEFITS	(144,000,000)	0
DEBT SERVICE		
Debt Service	191,910,930	290,709,550
Federal Reimbursement	1,155,948	1,155,948
GRAND TOTAL CURRENT OPERATIONS GENERAL FUND	13,019,555,862	13,553,748,199

PART III. CURRENT OPERATIONS--HIGHWAY FUND

DEPARTMENT OF TRANSPORTATION		
Administration	64,405,831	64,409,242
Operations	36,486,296	36,495,582
Construction and Maintenance		
Primary Construction		
Secondary Construction	84,777,000	87,710,000
Urban Construction	14,000,000	14,000,000
Access and Public Service Roads	2,000,000	2,000,000
Discretionary Fund	10,000,000	10,000,000
Spot Safety Improvements	9,100,000	9,100,000
State Funds to Match Federal Highway Aid	3,856,821	3,856,821
State Maintenance	463,069,469	462,069,469

Ferry Operations	18,174,622	18,174,622
State Aid to Municipalities	84,777,000	87,710,000
State Aid for Public Transportation and Railroads	57,003,319	54,476,002
OSHA-State	425,000	425,000
Governor's Highway Safety Program	338,121	338,121
Division of Motor Vehicles	91,133,577	92,987,232
Reserve and Transfers	215,142,944	237,657,909
GRAND TOTAL CURRENT OPERATIONS AND EXPANSION	1,154,690,000	1,181,410,000

PART IV. HIGHWAY TRUST FUND

Intrastate System	401,102,481	419,674,677
Secondary Roads Construction	75,899,292	78,524,234
Urban Loops	162,189,139	169,698,962
State Aid—Municipalities	42,085,006	44,033,663
Program Administration	28,768,082	30,128,464
Transfer to General Fund	170,000,000	170,000,000
GRAND TOTAL--HIGHWAY TRUST FUND	880,044,000	912,060,000

PART V. BLOCK GRANT FUNDS

Appropriates federal block grant funds for the fiscal year ending June 30, 2000 according to the following schedule:

DHHS BLOCK GRANT PROVISIONS

Community Services Block Grant	\$13,030,672
Social Services Block Grant	\$74,911,329
Low-income Energy Block Grant	\$19,920,759
Mental Health Services Block Grant	\$6,498,831
Substance Abuse Prevention and Treatment Block Grant	\$38,579,723
Child Care and Development Fund Block Grant	\$194,680,226
Temporary Assistance to Needy Families (TANF) Block Grant	\$364,119,968
Maternal and Child Health Block Grant	\$16,784,030
Preventive Health Services Block Grant	\$5,599,783

NER BLOCK GRANTS

Welfare to Work Block Grant	\$23,663,882
Community Development Block Grant	\$45,000,000

Includes provisions regarding potential decreases or increases in federal fund availability. Provides that 25% of funds allocated for Rape Prevention and Rape Education be allocated to nonprofit organizations to provide programs targeted for middle, junior high, and high school students. Provides if federal funds are provided under the Maternal and Child Health Block grant for abstinence education, those funds are to be administered by the Department of Public Instruction. Specifies use of \$1,000,000 in TANF Block Grant for evaluation of the Work First Program, with a report to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Provides that \$1,677,529 of TANF Block Grant shall be used to implement pilots and strategies that support TANF recipients in attaining and maintaining self-sufficiency through job retention, family support services, and pre- and post-TANF follow-up. Requires DHHS to report on use of TANF funds for Work First job retention pilots to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations

Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Specifies use of \$2,000,000 of TANF Block Grant for programs aimed at reducing teen pregnancies, with a report on the use of these funds to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by April 1, 2000. Provides for use of \$2,811,687 for Special Children Adoption Fund and directs Division of Social Services to develop guidelines for awarding these funds. Provides for allocation of \$1,500,000 to the State Private Child Caring Agencies Fund. Provides for allocation of \$1,000,000 for the Enhanced Employee Assistance Program to continue a grant program for private businesses employing former and current Work First recipients. Provides for allocation of \$1,427,550 for Child Welfare Improvements for allocation to counties for staff to recruit, train, and support prospective foster and adoptive families. Provides for \$2,000,000 for the Intensive Family Preservation Services Program, specifies priorities for these funds, and directs development of a standardized assessment of imminent risk and clear criteria for placement, with a report to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Directs DHHS and the Employment Security Comm'n to report on First Stop Employment Assistance Program to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Provides for use of \$6,189,025 of TANF Block Grant for grants to pilot programs to address problems of families with special or multiple employment barriers. Provides that \$1,000,000 of TANF Block Grant be used for grants to Boys and Girls Clubs. Provides for \$1,000,000 in grants for domestic violence services. Revises GS 1443-16.1 to require state agencies to submit block grant plans to the Fiscal Research Division by February 20 of odd-numbered calendar years.

Provides for following uses of Community Development Block Grant: up to \$1,000,000 for state administration; up to \$1,306,500 for Urgent Needs and Contingency; up to \$871,000 for Community Empowerment; up to \$8,710,000 for Economic Development; not less than \$20,033,000 for Community Revitalization; up to \$450,000 for State Technical Assistance; up to \$3,484,000 for Housing Development; and up to \$9,145,000 for infrastructure. Allows use of funds to increase capacity of non-profit organizations to carry out eligible activities. Requires that 20% of any increase in Community Development Block Grants be allocated to the Economic Development program category.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	1999-2000 (\$ Millions)	2000-2001 (\$ Millions)
BUDGET REFORM STATEMENT		
Unappropriated balance	<u>0.2</u>	
Revenue collections in 1998-99 in excess of authorized estimates	333.9	
Unexpended appropriations during 1998-99	106.3	
Transfer to Savings Reserve	0	
Transfer to Reserve for Repair and Renovations	(150.0)	
Transfer to Clean Water Management Trust Fund	(30.0)	
Ending Fund Balance	260.4	
Beginning Unrestricted Fund Balance	260.4	0
Revenues Existing Tax Structure	12,367.2	13,103.8
Revenues-Gains on Asset Sale (RJR)	69.0	--
Homestead Exemption Increase	--	(9.0)
Nontax Revenues	523.7	550.5

Disproportionate Share Receipts	105.0	105.0
Transfer from Highway Trust Fund	170.0	170.0
Highway Fund Transfer	13.6	13.8
Transfer from Disproportionate Share Receipts Reserve	20.0	0.0
Transfer from Flexible Benefit Reserve	1.2	0.0
TOTAL AVAILABILITY	13,530.1	13,934.1

Highway Fund Availability

Beginning Credit Balance	--	--
Estimated Revenue	1,149,490,000	1,194,410,000
Additional Reversions	5,200,000	--
TOTAL	1,154,690,000	1,194,410,000

Other. Transfers from General Fund to Dep't of State Treasurer in 1999-2000 \$399,000,000 for the Bailey/Emory/Patton Cases Refunds.

Increase Homestead Exemption. Amends GS 105-277.1(a) to increase the homestead property tax exemption for the elderly or permanently disabled from \$20,000 to \$25,000 and to change the maximum income for qualifying persons from \$15,000 to \$25,000. Makes conforming amendments to GS 105-309(f) and 105-277.1A. Effective for taxes imposed for taxable years beginning on or after July 1, 2000.

PART VII. GENERAL PROVISIONS

Special Funds, Federal Funds, and Departmental Receipts/Authorization for Expenditure.

Contains limitations on use of receipted funds.

Insurance and Fidelity Bonds. Requires all such authorized bonds to be placed by the Dept. of Insurance and costs paid by the affected department.

Contingency and Emergency Fund Allocations. Provides for \$900,000 in each year of the biennium for emergency allocations and \$225,000 in each year for other allocations.

Authorized Transfers. Allows transfers from Salary Adjustment Reserves to General Fund and Highway Fund.

Expenditure of Funds in Reserves Limited. Limits use of reserve funds to purposes for which reserve was established.

State Money Recipients/Conflict of Interest Policy. Requires each private, nonprofit entity eligible to receive State funds to file copy of entity's policy addressing conflicts of interest that may arise involving the entity's management employees and members of its board of directors.

Budgeting of Pilot Programs. Requires each such program to be shown as a separate budget item.

Authorization of Private License Tags on State-owned Motor Vehicles. Authorizes use of private license plates on specified number of vehicles for specified state agencies.

Comprehensive Review of Environmental Studies. Requires Dep't of Natural and Economic Resources to report to the General Assembly by April 15, 2000 on research studies conducted or commissioned by the Dep't from July 1, 1995 to April 1, 2000. Report to itemize studies and for each to note principal investigators, cost and funding sources, synopsis of findings, and an explanation of actions taken in response

PART VIII. PUBLIC SCHOOLS

Charter School Advisory Committee. Authorizes State Board of Education (hereafter in this part, Board) to spend up to \$50,000 each year from State Aid to Local School Administrative Units for 1999-2000 and 2000-2001 years to continue support of a charter school advisory committee. Authorizes Board to spend up to \$150,000 from State Aid to Local School Administrative Units for 1999-2000 and 2000-2001 to evaluate charter schools.

Litigation Reserve. Funds in Board's Litigation Reserve that are not expended or encumbered on June 30, 1999, do not revert on July 1, 1999, but remain available for expenditure until June 30, 2000. Authorizes Board to expend up to \$500,000 for 1999-2000 from unexpended funds for

certified employees' salaries to pay expenses related to pending litigation.

Exceptional Children. To extent that funds appropriated for exceptional children other than academically gifted children are adequate to do so, Board may allocate excess of these funds to provide services for severely disabled children in school units and in group homes.

Alternative Schools/At-Risk Students. Board may use up to \$200,000 of funds in Alternative Schools/At-Risk Students allotment for 1999-2000 and 2000-2001 years to (1) implement GS 115C-12(24), and (2) conduct studies of alternative schools and access to alternative schools, as required by S 1260 enacted in 1998 legislative session.

Uniform Education Reporting System (UERS)/Student Information Management System (SIMS) Funds. Funds appropriated for cited systems do not revert at end of 1999-2000 and 2000-2001 years but remain available until expended.

Supplemental Funding in Low-Wealth Counties. Provides that, from funds appropriated to the State Aid to Local School Administrative Units for the 1999-2001 biennium, the State Board of Education shall allocate supplemental funding for schools in low-wealth counties. Specifies allocation of funds as follows: the amount received per average daily membership for a county will be the difference between the state average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. Requires that local school units use these funds to supplement current expense funds only and to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, instructional supplies and equipment, staff development, and textbooks. Also permits schools to use these funds as salary supplements for instructional personnel and instructional support personnel. Requires at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Authorizes the State Board to allocate supplemental funding to schools located in whole or in part in counties in which the county wealth as a percentage of the state average is less than 100%. Provides reduced funding for counties whose effective tax rates dropped below the State average between the 1996-1997 fiscal year and the 1997-1998 fiscal year. Directs the Board to withhold funding in the 1999-2000 fiscal biennium from counties found to have used supplemental funds to supplant local per student current expense funds. Directs the Board to report to the Joint Legs. Education Oversight Comm. by May 1, 2000 on its analysis of whether counties supplanted funds. Provides for reports by the Dep't of Revenue to the Board on tax status of each county. Provides that supplemental funding allocations do not revert.

Small School System Supplemental Funding. Directs the Board to allocate funds appropriated for small school system supplemental funding to each county school unit with an average daily membership of less than 3,150 students. Also specifies that funds be provided to a school unit with an average daily membership from 3,150 to 4,000 students if the unit is in a county that has an adjusted property tax base per student that is below the state adjusted property tax base per student and if the total average daily membership of all schools within the county is from 3,150 to 4,000 students. Requires at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Provides phase-out provisions for counties that become ineligible due to increases in property tax base per student or due to increases in population. Prohibits using supplement funds to supplant local current expense funds. Directs the Board to report to the General Assembly by May 1, 2000 on its analysis of whether counties supplanted funds.

Funds for National Board for Professional Teaching Standards. Provides that funds appropriated in this act to the Dep't of Public Instruction may be used to pay for the NBPTS participation fee and for up to three days of approved paid leave for teachers participating in the NBPTS program during the 1999-2000 and 2000-2001 school years for state-paid teachers who have completed three years of teaching in state schools operated by local boards of education, the Dep't of Human Resources, the Dep't of Correction, or the University of North Carolina, prior to application for NBPTS certification, and who have not previously received state funds for participating in any certification area in the NBTPS program. Requires repayment by teachers who do not complete the training process or do not teach in an N.C. public school for at least one year, absent extenuating circumstances. Directs the State Board to adopt policies and guidelines to implement act.

Funds to Implement the ABCs of Public Education. Provides that, from the funds appropriated to State Aid to Local School Administrative Units, the Board may provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance in accordance with the ABC's of Public Education Program. Allows State Board to pay cash awards of up to \$1500 (teachers and certified personnel) and up to \$500 (teacher assistants) in schools that achieve higher than expected improvement and to pay up to \$750 (teachers and certified personnel) and \$375 (teacher assistants) for schools that meet expected improvements. Permits use of funds for assistance teams to low-performing schools.

Substitute Teachers. Requires local boards of education in units with higher than statewide average teacher absentee rates to determine why teacher absence rates are higher than the statewide average and to develop a plan for decreasing the unit average.

Limited English Proficiency. Directs Board to develop guidelines for identifying and helping students with limited proficiency in English. Allocates unspecified funding to schools based on the percentage of students who have limited English proficiency. Directs Board to survey local school units to assess recruitment and retention of English as a second language teachers and to report to the General Assembly on this survey by March 1, 2000.

Drivers Education Funds Do Not Revert/Driving Education Certificates. Authorizes use of funds appropriated for drivers education for 1999-2000 and 2000-2001 for driving eligibility certificates.

Teaching Fellows Administrative Costs. Authorizes the Public School Forum, as administrator for the Teaching Fellows Program, to use up to \$150,000 annually from the fund balance for administrative costs, in addition to funds required for collection costs on loans.

Teacher Salary Schedule. Establishes monthly salary ranges for school teachers, psychologists, speech pathologists and nurses, including longevity payments for teachers ranging from 1% of base salary for 10-14 years of service up to 4.5% of base salary for 25 or more years of service.

School-based Administrator Salaries. Establishes monthly salary ranges for school principals and assistant principals. Removes requirement that superintendents be paid at least 1% more than the highest paid principal. Provides longevity pay for principals and assistant principals as for State employees under the State Personnel Act.

School Central Office Salaries. Establishes monthly salary ranges for assistant superintendents, associate superintendents, directors/coordinators, supervisors and finance officers. Provides longevity pay for central office personnel as for State employees under the State Personnel Act. Prohibits transfer of State funds from other funding sources to pay central office salaries. Provides for average annual salary increase of 3% for central office personnel, with a one-time bonus of \$125.

Noncertified Personnel Salary Funds/Teacher Assistant Salary Funds. Funds appropriated in Reserve for Compensation Increase provide 3% increase for non-certified public school employees, plus a one-time bonus of \$125.

Student Accountability Standards. Directs that funds appropriated for 1999-2001 biennium for Student Accountability Standards shall be used to help students performing at or above grade level in reading and mathematics in grades 3-8 on end-of-grade tests.

Appropriation of Funds from State Literary Fund. Appropriates \$2,500,000 for 1999-2000 from State Literary Fund to the Dep't of Public Instruction for aid to local school administrative units.

Transfer from Unemployment Reserve Fund. Directs Board to transfer \$850,000 from Unemployment Reserve Fund to General Fund in fiscal 1999-2000. Allocates \$850,000 to state aid to local school administrative units for programs similar to the unemployment reserve.

High School Exit Exams. Authorizes Board to use up to \$2,000,000 from 1999-2000 funds appropriated to state aid to local school administrative units to develop a high school exit examination. Requires report to General Assembly prior to expenditure of these funds.

Central Office Administrator Salary Study. Directs Joint Legis. Education Oversight Comm. to study the issue of salaries for school central office personnel and to report to the General Assembly before the 2000 regular session convenes.

Mentor Program Study. Directs Board to study the mentor program for teachers with initial certification and to report to the General Assembly before the 2000 regular session convenes.

Need for School Nurses/Study. Directs Joint Legis. Education Oversight Comm. to study the need for additional nurses in the public schools and, if it finds that additional nurses are needed,

to forward the study results to the nonprofit corporation created by settlement of a civil action, 98-cvs-14377 and approved in SL 1999-2.

Study of School Transportation Needs for Children with Special Needs. Directs Board to study the issue of school transportation for children with special needs and to report the results to the Joint Legis. Education Oversight Comm. by Jan. 1, 2000. Allocates up to \$50,000 from funds appropriated for public school transportation to perform the study.

Strengthen Alternative Schools/Alternative Learning Programs. Amends GS 115C-47 to mandate creation of at least one alternative school or learning program by each local board of education and to prohibit superintendents from assigning employees who have received ratings less than "above standard" to alternative schools or learning programs. Alters funding for 1999-2000 to allocate 25% of funds now allotted to At-Risk Student Services/Alternative Schools solely to Alternative Schools/Alternative Learning Programs. Limits transfers of funds allocated for alternative schools/alternative learning programs. Permits Board to grant case-by-case waivers from alternative school requirement. Requirement to provide at least one alternative school or program becomes effective July 1, 2000.

Expand School Breakfast Program. Directs Board to expand the school breakfast program to all students in kindergarten prior to the beginning of the 2000-2001 school year.

Willie M. Funds/State Aid to Local School Administrative Units. Directs funds appropriated to state aid to local school administrative units for services to Willie M. class members to services required by state and federal law for children who were identified as members of the class at the time of dissolution of the class and to other children with special needs.

Charter School/ADM Reduction. Provides that if the projected average daily membership of schools other than charter schools in a county school administrative unit with 3,000 or fewer students is decreased by more than 4% due to projected shifts of enrollment to charter schools, the Board may use funds appropriated to State Aid to Local School Administrative Units for 1999-2000 to reduce the loss of funds to a maximum of 4%. Applies to 1999-2000 only.

Payroll Deduction Clarification. Makes technical and clarifying changes to provision for payroll deductions for employees' associations.

Textbook Commission Membership Expansion. Amends GS 115C-87 to expand membership of Textbook Comm'n to 23 (was, 14) and changes composition of comm'n. Requires each proposed textbook to be read by at least one expert certified in the discipline for which the textbook would be used. Adds as criterion for evaluation of textbooks whether it is aligned with the standard course of study. Effective Jan. 1, 2000.

Studies by Education Oversight Committee. Authorizes Joint Legis. Education Oversight Comm. to review reports by the Board and conduct any further study necessary regarding the establishment of a teacher assistant salary schedule and the issue of differentiated high school diplomas. Permits report to General Assembly prior to convening the 2000 regular session or the 2001 General Assembly and prohibits the Board from adopting a differentiated diploma plan until the plan is approved by the General Assembly.

Teacher Assistant Salary. Directs Board to study the costs and feasibility of a teacher assistant salary schedule providing an average teacher assistant salary that is 56% of the daily pay rate of an entry-level teachers with an "A" certificate. Authorizes Board and Board of Community Colleges to study feasibility of certifying teacher assistants. Directs Board to study costs of giving credits to teachers who previously worked as teacher assistants. Requires Board to report to General Assembly by April 1, 2000 on these studies.

PART IX. COMMUNITY COLLEGES

Employment of Community College Faculty/ Study. Requires State Board of Community Colleges to contract with a consultant to study whether the Community College System should employ faculty members for less than 12 month contracts, given that the system is on a semester system rather than a quarter system. Requires State Board to use funds from State Board Reserve to implement this section. Requires that Board report on results to the Joint Legislative Appropriations Subcommittees on Education and the Fiscal Research

Division prior to 4/30/2000. States intent of General Assembly to provide for changes in faculty salaries that enhance salary.

Cooperative High School Education Program Accountability. Requests that the State Board of Community Colleges and the State Board of Education jointly reconsider existing policies for cooperative high school education programs. and make a preliminary report to the Joint Legislative Education Oversight Committee and the Fiscal Research Div'n prior to 11/15/99 and a final report prior to 4/15/2000. Requires that report include findings and recommendations that will enable State to increase the number of qualified high school students participating in cooperative high school education programs provided by community colleges. Requires that Joint Legislative Education Oversight Committee review final report. If the Committee finds the report inadequate, requires that it make a recommendation to the General Assembly as to how much, if at all, to downwardly adjust appropriations to these agencies for failure to adequately develop and implement this program.

Implementation of Performance Budgeting. Adds new GS 115D-31.3, implementing performance budgeting for the community colleges. Requires that the State Board create new accountability measures and performance standards to be used for performance budgeting, and requires that it review these measures annually. Authorizes State Board to permit institutions meeting performance measures to carry forward funds remaining in their budgets in an amount not to exceed 2% of State funds allocated to that institution, starting with fund balances at the end of the 2000-2001 fiscal year. Provides that carry forward funds shall be used to purchase equipment and program start-up costs other than faculty salaries. Requires that funds be encumbered within 12 months of the fiscal year into which they were carried forward. Requires five performance measures: (1) progress of basic skills students, (2) passing rate for licensure and certification exams, (3) goal completion of program completers, (4) employment status of graduates, and (5) performance of students who transfer to the university system. Permits colleges to choose one additional measure from the State Board's Phase 4 Funding Formula Study. Provides that successful performance on each of the six performance measures shall allow a college to retain and carry forward up to one-third of one percent of its final fiscal year General Fund appropriations into the next fiscal year. Requires that each college publish performance on these measures in its catalog each year beginning with the 2001 academic year. Requires State Board to report to Joint Legislative Education Oversight Committee and Fiscal Research Div'n prior to March 1, on an annual basis, on the implementation of this provision.

Over-realized Tuition and Fee Receipts Transferred to the Equipment Reserve Fund. Amends GS 115D-31 to add section (e), providing that if receipts from tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board shall transfer the overage to the Equipment Reserve Fund.

Financial Assistance for Community College Students. Requires that the Community College System Office allocate \$5 million of its appropriation in each 1999-2000 and 2000-2001 to provide need-based student assistance to

community college students. Requires that students apply for federal Pell Grants to be eligible for program. Requires that the State Board adopt rules and policies for the disbursement of the financial assistance. Permits Board to contract with the State Education Assistance Authority to administer the funds. Provides that these funds will not revert. Requires that the Board ensure that at least one counselor is available at each college to inform students about federal and state assistance programs. Repeals GS 115D-40 (Community College Scholarship Fund).

Community College Funding Flexibility. Local community college may use all state funds allocated to it, except for Literacy Funds and Funds for New and Expanding Industries, for any authorized purpose consistent with college's Institutional Effectiveness Plan. This Plan must indicate to Board how college will use funding flexibility to meet demands of local community and maintain presence in all previously funded categorical programs. Funds allocated for salary increases shall be used only for salary increases and necessary employer contributions. States intent that no transfers be made from the formula salary line item, and that faculty salary funds be used to evaluate full-time and part-time faculty salaries. Permits transfers in college budgets from faculty salaries to other purposes only after public notice and notice to faculty. Provides that no more than 1% system-wide may be transferred from faculty salaries without the approval of the State Board of Community Colleges. Such transfers above 1% must be reported to the joint Legislative Comm'n on Govt. Operations.

State Board Reserve Allocations. Requires State Board to use \$100,000 from State Board Reserve for each fiscal year to assist small rural low-wealth community colleges with operation and maintenance of plant costs. Requires State Board to use \$40,000 for fiscal 1999-2000 to support the recruitment activities of the NC Industries for Technical Education (NCITE).

Permit Transfers of Funds to the New and Expanding Industry Training Program. Authorizes Director of the Budget, after consultation with the Joint Legislative Comm'n on Governmental Operations, to transfer funds from any agency or program funded from the General Fund to this program to supplement its needs during fiscal 1999-2000.

Adult Education Program/ Review. Requires that State Board of Community Colleges review the Adult High School Program to determine how well the program is aligned with recent public school reforms and, after review, direct and advise local colleges on steps necessary to ensure adequate alignment. Requires that Board report on implementation of this section to the Joint Legislative Education Oversight Committee before 4/15/2000.

Management Information System Funds. Provides that funds appropriated for the Community College System Office Management Information System shall not revert at the end of 1999-2000 and 2000-2001 fiscal years.

Extend Community College Bond Match Deadline. Extends deadline from July 1, 1999 to July 1, 2000.

Employment Security Commission Training and Employment Account Funds. Contingent on passage of H 275, appropriates from the Employment Security Commission Training and Employment Account to the Community College System Office \$22 million for fiscal 1999-2000 and \$56.5 million for fiscal 2000-2001 to be used as follows: (1) nonreverting equipment, technology, and MIS reserve: \$12 million in 1999-2000 and \$42.5 million in 2000-2001; (2) nonreverting start-up fund for regional and cooperative initiatives: \$2 million in

each year; (3) new and expanding industry training program: \$7 million in 1999-2000 and \$10 million in 2000-2001; and (4) enhanced focused industrial training programs: \$1 million in 1999-2000 and \$2 million in 2000-2001. With same contingency, appropriates from the Employment Security Comm'n Training and Employment Account to the Employment Security Comm'n \$5.5 million for fiscal 1999-2000 and \$14.1 million for fiscal 2000-2001 for the costs of collecting and administering the new training and reemployment contribution and for enhanced reemployment services. Also provides a formula for allocating any excess funds in Account over the above appropriations: 80% to the Community College System Office for purposes outlined above and 20% to Employment Security Commission for purposes listed above. Requires that funds be used for nonrecurring expenses only. Requires that Community College System Office and Employment Security Commission report to the Joint Legislative Education Oversight Committee prior to 5/1/2000 on proposed expenditures of these funds. Requires that these two entities jointly develop options for delivering workforce training more efficiently and effectively and report on those options before 5/1/2000.

Clarification of Certain 1998 Community College Appropriations. Provides that, notwithstanding GS 115D-31, no non-State match is required for funds appropriated to SL 1998-212 for community college capital projects or for community college matching scholarship endowment funds.

Community College Reserve Funds Do Not Revert. Provides that funds appropriated to the Anson-Union Community College Reserve in SL 1998-212 shall not revert at the end of the fiscal year.

PART X. UNIVERSITIES

Aid to Students Attending Private Colleges Procedure. Funds appropriated in act to UNC Board of Governors for aid to private colleges must be disbursed under GS 116-19, 116-21, and 116-22. Funds shall provide up to \$975 per full-time equivalent NC undergraduate student enrolled at private institution as of Oct. 1 of each year. In addition to funds appropriated under GS 116-19 and in addition to all other financial assistance made available to private educational institutions located in state, or to students attending these institutions, there is granted to each full-time NC undergraduate student attending approved institution a sum not to exceed \$1,675 per academic year, which must be distributed as provided in act. Expenditures may not be used for student who is (1) incarcerated in state or federal correctional facility for committing Class A, B, B1, or B2 felony; or (2) incarcerated in state or federal correctional facility for committing Class C through I felony and is not eligible for parole or release within 10 years.

Aid to Private Colleges/Legislative Tuition Grant Limitations. No Legislative Tuition Grant funds may be expended at off-campus site (defined as program offered for degree credit away from institution's main, permanent campus) of private institution, established after May 15, 1987, unless (i) private institution offering program has previously notified and secured agreement from other private institutions operating degree programs in county in which off-campus program is located or operating in counties adjacent to that county, or (ii) degree program is neither available nor planned in county with off-campus site or in counties adjacent to that county. Member of armed services, abiding in state incident to military duty, who does not qualify as resident for tuition purposes, is eligible for Legislative Tuition Grant under section if member is enrolled as full-time student. Grant may not exceed cost of tuition less any tuition assistance paid by member's employer.

Wake Forest and Duke Medical Schools Assistance/Funding Formula. Disbursement to Wake Forest University shall be made in amount of \$8,000 for each medical student who is NC resident (\$5,000 to Duke University), \$1,000 (\$500, Duke University) of which shall be placed by school in fund to be used to provide student financial aid to financially needy NC students who are enrolled

in medical school. Contains other specified limitations.

Rewarding Teaching Excellence. Funds appropriated in act for Rewarding Teaching Excellence Program must be distributed according guidelines established by UNC Board of Governors. Funds may not be used for any purpose other than for salary increases and necessary employer contributions provided by section.

Marine Science Research Committee Funds. Establishes Marine Sciences Research Organization Planning Committee to recommend an organizational and funding structure to ensure cooperative efforts among N.C. institutions doing marine science research. Committee to be comprised of chancellors of East Carolina University, N.C. State University, UNC-Chapel Hill, UNC-Wilmington, and three persons selected by the chancellors for their knowledge of the field. The committee is to be chaired by the chancellor of UNC-Wilmington. Requires report to General Assembly by March 1, 2000 and provides for committee to disband following report.

UNC Incentive Funding. Amends GS 116-30.3 for fiscal 1999-2000 to allocate one-half of special incentive reversion funds to fund nonrecurring items in the expansion budget appropriated to the Board of Governors at the direction of the Board of Governors. Effective July 1, 2000, eliminates 2% floor (for Area Health Education Centers of UNC-Chapel Hill, 1% floor) for non-reverting incentive amounts allowed to be carried forward and eliminates required 2% (for AHEC, 1%) reversion amount. Also effective July 1, 2000 eliminates allocation on use of one-half the reversion incentive funds.

Scholarship Fund Balances. Directs transfer of fund balances remaining in the Social Workers' Education Loan Fund to the Nursing Scholars Program to implement the reductions in appropriations for scholarships in the 1999-2000 fiscal year.

East Carolina University Medical School. Provides for transfer of \$2,000,000 from ECU Medicare Reimbursement Trust Fund to ECU School of Medicine operating fund.

UNC Enrollment Planning. Directs transfer of \$2,000,000 from the East Carolina University Medicare Reimbursement Trust Fund to the East Carolina School of Medicine General Fund for current expenses for fiscal year 1999-2000.

UNC Enrollment Planning. Allocates \$2,000,000 of 1999-2000 funds appropriated to the Board of Governors of UNC for a "Strategic Initiatives Reserve" to be used for campus assessments and to develop enrollment growth plans for the seven constituent institutions expected to grow 20% by fall, 2003. Allocates \$3,000,000 in continuing operating funds appropriated to the Board of Governors of UNC to carry out the Board of Governors' plans for campuses planning for rapid enrollment growth whose current enrollment is less than 5,000 FTE students. Allocates \$3,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for improvement of faculty instruction at the seven campuses targeted for major enrollment growth. Requires report to General Assembly by April 15, 2000 on use of these funds. Allocates \$2,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for the enhancement of development offices at the smaller institutions. Allocates \$1,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for facilities management support for the smaller campuses and requires report to General Assembly by April 15, 2000 on use of these funds. Allocates \$1,000,000 in continuing operating funds appropriated to the Board of Governors of UNC to prevent reductions in faculty positions for the seven growth constituent institutions if these institutions are projected to have budget reductions based on current enrollment estimates. Requires annual reports to the General Assembly by Dec. 15 of each year on enrollment planning and management.

Graduate Tuition Remission. Allocates \$3,500,000 from funds appropriated to the Board of Governors of UNC to campuses with graduate programs and students eligible for graduate tuition remission or resident graduate tuition awards, but prohibits use of these funds at Research I institutions.

UNC-Wilmington Retain Land Sales Proceeds. Authorizes UNC-Wilmington to retain proceeds from sale of real property at the old Marine Science Center near Wrightsville Beach to use for the new Marine Science Center now under construction.

Explanation of Federal Tax Credits Available for Educational Purposes. Requires each constituent institution of the UNC system to provide an explanation to students and families of the federal tax credits available for educational purposes.

North Carolina Progress Board. Amends GS 143B, Part 2A of Art. 9 to locate Progress Board

at N.C. State University but to be independent of the Board of Governors. Expands Board to 21 members (was, 14). Modifies appointments and terms. Provides for reports by the Progress Board. Provides for an executive director to be appointed by the chancellor of N.C. State University. Permits operating funds appropriated in 1998 that are not expended to be carried forward past June 30, 1999.

UNC Overhead Receipts. Effective July 1, 1999 allows all overhead receipts earned by the constituent institutions of the UNC system to be retained by the campus earning the receipts.

UNC General Administration Flexibility. Allows carry forward of up to 2½% of appropriations in UNC general administration budget code and use for one-time expenditures. Provides additional flexibility for general administration in use of its budget code.

UNC New Degree Programs. Allocates \$1,340,000 from funds appropriated to the Board of Governors of UNC for fiscal years 1999-2000 and 2000-2001 for new program development. For 1999-2000 further allocates these funds to support new programs at East Carolina, Elizabeth City State, N.C. A & T, N.C. State, UNC-Charlotte and Winston-Salem State.

PART XI. DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Recodification of Administrative Rules. Authorizes the Codifier of Rules to reorganize and make changes to the text of Titles 10 and 15A of the North Carolina Administrative Code to reflect recent reorganization of the Dep't of Health and Human Services and the Dep't of Environment and Natural Resources. Changes not affecting the substance of the rules are exempt from the requirements of GS Ch. 150B and do not require review or approval of the Rules Review Comm'n.

Prescription Drug Assistance Program Study. Requires DHHS and the Fiscal Research Division of the Legislative Services Office to develop a proposal for a prescription drug assistance program to serve low-income elderly and disabled persons who are not eligible for Medicaid and who need prescription drugs to treat a condition which, if left untreated, could result in the person's admission to a nursing facility or in the person qualifying for Medicaid. DHHS must utilize the expertise of the Prescription Drug Work Group and (1) identify health conditions that need prescription drug treatment to prevent nursing home admission or Medicaid services; (2) identify the group of low-income elderly and disabled persons most in need of assistance; (3) estimate the number of person potentially eligible for drug assistance; (4) identify appropriate limitations on levels of assistance; (5) estimate the cost of the program; (6) review similar programs in other states; (7) develop a simple and cost-effective system for administering the program; (8) develop a timetable for implementation (9); conduct other activities that will assist in the development of the proposal. DHHS must report a complete proposal with several options to the General Assembly by May 1, 2000.

Study on Traumatic Brain Injury. Requires DHHS to study (1) the long-range costs of treating and caring for persons with traumatic brain injury and (2) the feasibility and cost to the state of obtaining a home and community-based Medicaid waiver to provide Medicaid services to 100 individuals with traumatic brain injury and for administrative support to manage the waiver. DHHS must report the study results to the House and Senate Appropriations Committees on Health and Human Services by May 1, 2000.

DHHS Employees/In Kind Match. Amends GS 143B-139.4 to permit DHHS to assign employees of the Office of Rural Health and Resource Development to serve as in-kind match to nonprofit organizations working to establish health care programs that will improve health care access while controlling costs.

Establishment of Division of Education Services. Requires the Sec'y of DHHS to create a new Div'n of Education Services, led by a Superintendent of Education Services with a strong background in public education, to manage the Governor Morehead School and the three residential schools for the deaf. DHHS goals and plans must be consistent with its 1999 report, Program Review of Disability Services. Any or all of the schools or educational programs currently managed by the Div'n of Mental Health, Developmental Disabilities, and Substance Abuse Services may be included in this new division. The purpose of creating the new division is to focus management attention and resources on (1) improving student academic and postsecondary outcomes; (2) increasing staff development and training; (3) achieving administrative consistency and access to expert support services across campuses; and (4) strengthening collaborative relationships with local education agencies and with the State Board of Education. DHHS must make a progress report to the House Appropriations Subcommittees on Health and Human

Services and the Senate Appropriations Committee on Human Resources by April 1, 2000. Repeals GS 143B-216.33(a)(2). DHHS must evaluate opportunities, within the limits of existing law, for reorganizing the administration and delivery of DHHS services to visually impaired, deaf and hard of hearing, and vocational rehabilitation clients and report any resulting reorganization to the House Appropriations Subcommittees on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

ABCs Plan in DHHS Schools. Effective June 30, 1999, requires DHHS to retain any unobligated portion of nonrecurring funds appropriated by the 1997 General Assembly, 1998 Regular Session, to implement the ABCs Plan in the Governor Morehead School and the Schools for the Deaf.

Procedure for Award of Human Services Grants. Of appropriations to DHHS, requires \$4 million for fiscal year 1999-2000 to be used for grants for programs that provide services to older adults, adults with disabilities, at-risk children, and youth and families.

Nonmedicaid Reimbursement. As in 1998 budget act, provides for standards for reimbursement under programs other than Medicaid. Reauthorizes additional incentive payment of no more than 15% for hospitals that provide psychiatric inpatient care for Thomas S. Class members or adults with mental retardation and mental illness. Raises eligibility level for adults in the Atypical Antipsychotic Medication Program from 115% to 125% of the federal poverty guidelines and revises fee schedule for this program accordingly.

Authorization to Expand Transitional Medicaid. Effective October 1, 1999, DHHS must expand transitional Medicaid benefits for Work First families, including parents, from 12 months to 24 months. DHHS must maximize the federal fund share and apply for federal approval as necessary.

Additional Dental Benefits under Health Insurance Program for Children. Amends GS 108A-70.21(b)(1) to expand dental benefits under the Health Insurance Program for Children to include twice annual fluoride applications, sealants, simple extractions, therapeutic pulpotomies, and prefabricated stainless steel crowns.

Allocation of G.S. 143-23.2 Medicaid Funds. Allocates \$84,000,000 in 1999-2000 and \$29,000,000 in 2000-2001 as prescribed in G.S. 143-23.2(b) for Medicaid programs.

Study Increase in Resource Limits for Aged, Blind, Disabled Persons to Qualify for Medicaid. Directs DHHS to study the feasibility and cost to triple the amount of the resource limits for aged, blind, and disabled persons to qualify for Medicaid and report study results to the House and Senate Appropriations committees on Health and Human Services by May 1, 2000.

Medicaid Anticipated Changes. Sets schedule of services and payment bases for funds appropriated for Medicaid for the categorically needy and medically needy. Allocates 85% of nonfederal cost of Medicaid to the State and 15% of nonfederal cost of services to counties. Services and payment bases and income and eligibility standards are substantially similar to provisions in the 1998 budget act, except DHHS is to provide Medicaid coverage to elderly, blind and disabled people who have incomes equal to or less than 100% of the federal poverty guidelines. Medicaid enrollment of categorically needy families with children must be continuous without regard to changes in income or assets, and DHHS must study the effect of this coverage on both the Medicaid program and the Health Insurance Program for Children. DHHS must make interim report on this study by October 1, 1999, and final report by January 1, 2000, to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources.

Departmental Study/Medicaid Coverage for Medically Necessary Prosthetics or Orthotics. Directs DHHS to study providing Medicaid coverage for medically necessary prosthetics or orthotics for Medicaid eligible persons age 21 and older. Requires DHHS to report its findings and recommendations to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by May 1, 2000.

Dentist Participation in Medicaid. Directs the Joint Legislative Health Care Oversight Committee to review the report of the NC Institute of Medicine's Task Force on Dental Care Access and other reports pertinent to dental care access and report its recommendations from this review to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by May 1, 2000.

Senior Center Outreach. Specifies uses of funds appropriated to the Division of Aging for

1999-2000. Requires certain commitments from county commissioners before funds may be spent on new senior center in that county. Limits state funding to not more than 90% of reimbursable costs.

Funds for Alzheimer's Association Chapters in NC. Of the funds appropriated to the Division of Aging, allocates \$150,000 for 1999-2000 and \$150,000 for 2000-2001 to be divided equally (\$50,000) among the three chapters of the Alzheimer's Association. Each chapter must submit a plan for use of funds before funds may be allocated by the Div'n of Aging.

Fire Protection Fund. Amends GS 122A-5.13 to permit up to \$10,000 annually from the Fire Protection Fund to be used to provide staff support to the NC Housing Finance Agency for loan processing and to DHHS for review and approval of fire protection plans and inspection of fire protection systems.

Transfer Bingo Program to Crime Control and Public Safety. Transfers the Bingo Program from Div'n of Facility Services to the Dep't of Crime Control and Public Safety by a Type I transfer, as defined in GS 143A-6.

Adult Care Home Bed Vacancies/Extension. Extends from August 26, 1999, to September 30, 2000, the limitations on DHHS approval of additional adult care home beds as specified in SL 1997-443, Section 11.69(b).

Plan for Accreditation of Adult Care Homes and Assisted Living Facilities. Requires DHHS to study and develop a plan and criteria for accreditation of adult care homes and assisted living facilities and to report its findings and recommendations to the Joint Legislative Health Care Oversight Committee and to the NC Study Comm'n on Aging by April 1, 2000.

Special Assistance Demonstration Project. Permits DHHS to use funds from the State/County Special Assistance for Adults budget to provide Special Assistance payments to eligible individuals in in-home living arrangements. Payments may be made for up to 400 individuals participating in the two long-term care demonstration projects for a two-year period from June 1, 1999 to June 30, 2000. DHHS must make an interim report by June 30, 1999, and a final report by October 1, 2001, to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources

Adult Care Homes Reimbursement Rate/Adult Care Homes Allocation Of Nonfederal Cost of Medicaid Payments/Staffing Grant. Provides for eligibility and payment rates for adult care home facilities and allocates state and county shares of the nonfederal cost of Medicaid payments. Allocates \$2,000,000 for 1999-2000 and \$500,000 for July through Sept. of 2000-2001 for staffing grants for adult care homes to be matched equally by county funds subject to conditions set forth in special provision.

Foster Care Assistance Payments. Establishes maximum rates for state participation in the foster care assistance program.

Adoption Assistance Payments. Establishes maximum rates for state participation in the adoption assistance program.

Authorized Additional Use of HIV Foster Care and Adoptive Family Funds. Directs that any additional funds remaining in appropriations for board payments to foster and adoptive families of HIV-infected children as prescribed in Chapter 324 or the 1995 Session Laws may be used to provide medical training in avoiding HIV transmission in the home. Sets maximum rates for state participation in HIV foster care and adoption assistance..

Child Protective Services. Requires funds appropriated to DHHS, Division of Social Services, for 1999-2001 for Child Protective Services be allocated to county dep'ts of social services based on formula that takes into consideration number of Child Protective Services cases in the county and the number of workers necessary to meet standards adopted by Ass'n of County Directors of Social Services.

Child Welfare System Pilots. Directs DHHS, Div'n of Social Services, in conjunction with local dep'ts of social services, to develop a plan to implement a dual response system of child protection in no fewer than two and no more than five demonstration areas in the State. DHHS must develop a data collection process that would enable the General Assembly to assess the impact of these pilots on specified topics.

Child Welfare System Improvements. Amends SL 1997-443, Section 11.57, as amended by Section 12.22 of SL 1998-212, to permit the Div'n of Social Services to grant an exception to the minimum 72 hours of preservice training for child welfare workers who satisfactorily complete or

are enrolled in a Master's or Bachelor's Degree program after July 1, 1999, from an accredited North Carolina social work program pursuant to the Council on Social Work Education.

Limitations on State Abortion Fund. Extends limitations on funding of abortions, as established in SL 1995-324, Section 23.27, to fiscal years 1999-2000 and 2000-2001.

Child Caring Institution Rules Effective. Makes Social Services Comm'n rules adoption (10 NCAC 41S, 41T) and repeal (10 NCAC 41E, 41G, 41R) effective July 1, 1999.

Physician Services. Authorizes use of appropriation for salary increases and performance pay to offset costs of contracting with private and independent universities for provision of physician services to clients in facilities operated by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services in the same manner as is currently done with constituent institutions of The University of North Carolina.

Liability Insurance. Authorizes provision of medical liability insurance to employees of DHHS, DENR, and DOC, who are dentists or physicians.

Private Agency Uniform Cost-Finding Requirement. Authorizes Division of MH/DD/SA Services to require private agency that provides services under contract with two or more area authorities to complete an agency-wide uniform cost finding in accordance with GS 122C-143.2(a) and GS 122C-147.2.

Funds to Reduce Waiting List for Services for Developmentally Disabled Persons. Of funds appropriated to the Div'n of MH/DD/SA Services, \$6 million for 1999-2000 must be used to provide family support services to developmentally disabled individuals who are not eligible for the Medicaid Community Alternative Program for MR/DD persons and who are on the DHHS waiting list for services.

Study of State Psychiatric Hospitals/Area Mental Health Programs. As specified in the 1998 budget act, requires State Auditor to make reports to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by November 1, 1999, December 1, 1999, and April 1, 2000.

Butner Community Land Reservation. Directs DHHS to reserve and dedicate certain described land for the construction of a community building and related facilities to serve the Butner Reservation. The Butner Planning Council must advise DHHS on the use of the reserved land, the construction of the community building, and the expenditure of cablevision franchise rebate funds.

Mental Health Funds For Crisis Services. Purpose of funds appropriated for local crisis services must include, but not be limited to, meeting the short-term crisis needs of mentally retarded children that are determined by the Div'n of MH/DD/SA Services to need crisis services.

Mental Health Reserve for Medicaid Match. Of funds appropriated to Div'n of MH/DD/SA Services for fiscal year 1999-2000, DHHS must transfer to the Mental Health Restricted Reserve an amount not more than the actual expenditures for Medicaid payments for the 1998-99 fiscal year for services provided by area authorities, plus the estimated amount needed to match Medicaid payments under the former Carolina Alternatives Program. DHHS may not transfer from area authority allocations funds to cover Medicaid expenditures that exceed the amount of funds in the Reserve for the 1999-2000 fiscal year.

Use of Willie M./Thomas S. Funds. Specifies use of funds appropriated to DHHS for services required by state and federal law to Thomas S. and Willie M. class members.

Authority to Access Cash Reserves of DMH/DD/SAS Area Program Foundations for Reimbursement for Disallowed Expenditures. Adds to GS Ch. 122C a new GS 122C-123A requiring area authorities to reimburse to the State funds transferred to other entities when such expenditures are disallowed pursuant to a State or federal audit.

Early Intervention Services. Of funds appropriated to DHHS, \$203,000 for fiscal year 1999-2000 and \$610,000 for 2000-2001 must be used to implement two recommendations from the Interagency Coordinating Council's 1999 Study on Early Intervention Services for Children Ages Birth to Five Years. Of this appropriation, \$78,000 in 1999-2000 and \$110,000 in 2000-2001 must be used to plan and implement an integrated interagency data base of children with or at risk for disabilities to be used for purposes specified. The sum of \$125,000 in 1999-2000 and \$500,000 in 2000-2001 must be used to plan and implement regional transdisciplinary training teams to provide training technical assistance, and other support services to existing early intervention agencies and providers. DHHS, DPI, and UNC TEACCH must submit an interim report by March 15, 2000, and a final plan for statewide implementation of the transdisciplinary teams by March

15, 2001 to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources. Directs the NC Schools for the Deaf and other agencies providing early intervention services to implement procedures for informing parents of children identified with hearing loss of services available through Beginnings for Parents of Hearing Impaired Children, Inc.

Child Care Allocation Formula. Establishes simplified allocation formula for all noncategorical federal and state day care funds: 1/3 according to county population in relation to the total population of the state; 1/3 according to the number of children under 6 years of age in a county who are living in families with below poverty level income levels in relation to the total number of children under 6 in the state in families with below poverty level income; and 1/3 according to the number of working mothers with children under 6 years of age in a county in relation to the total number of working mothers with children under 6 in the state. A county's initial allocation shall not be less than that county's total expenditures for child care in fiscal year 1995-96.

Child Care Funds Matching Requirement. Prohibits requirement of local matching funds as a condition of receiving state day funds unless federal law requires the match.

Child Care Revolving Loan Fund. Permits funds budgeted for the Child Care Revolving Loan Fund to be transferred to and invested by the financial institution contracted to operate the Fund.

Child Care Market Rate Funds. Directs that \$3.3 million of the appropriation to the Div'n of Social Services be transferred to the Div'n of Child Development to fund the nonfederal share of the child care market rate.

Child Care Subsidies. Sets the maximum gross annual income for initial eligibility for subsidized child care services at 75% of the State median income, adjusted for family size. Sets out fees schedule and limitations, and rules for monthly schedule of payments and payment rates for day care services.

Early Childhood Education and Development Initiatives. Amends GS 143B-168.12(a)(1) to exempt local board members who are appointed because of a position held by that member from the county or region residency requirement. Directs DHHS and the NC Partnership for Children, Inc. to continue to implement the recommendations in the Smart Start Performance Audit and to report quarterly to the Joint Legislative Comm'n on Governmental Operations. Sets limits on administrative costs for local partnerships, competitive bidding practices, and matching funds requirements. Authorizes DHHS to continue to implement the performance-based evaluation system and the Frank Porter Graham Child Development Center to continue its evaluation of the program. Of funds appropriated to DHHS, Div'n of Child Development, \$58 million in 1999-2000 and \$78,928,826 in 2000-2001 must be used to administer and deliver services in all 100 counties. The NC Partnership for Children, Inc. may use \$1.5 million in 1999-2000 to assist local partnerships in their efforts to develop local collaboration. Of funds appropriated to DHHS for the Early Childhood Education and Development Initiatives Program, the Frank Porter Graham Child Development Center must receive \$1,015,000 in 1999-2000 and \$1,015,000 in 2000-2001.

Reimbursement and Compensation of Members of the North Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living Council, and the Commission for the Blind. Provides that members of Vocational Rehabilitation Advisory Council, Statewide Independent Living Council, and Comm'n for the Blind who are unemployed or who must forfeit wages from other employment to attend meetings or perform related duties, receive compensation up to \$50 per day for attending meetings or performing related duties.

Family Support/Deaf and Hard of Hearing Services Contract. Of funds appropriated to Div'n of Services for the Deaf and Hard of Hearing for family support services, \$503,238 for 1999-2000 and \$503,238 for 2000-2001 must be used to contract with a private, nonprofit corporation licensed to do business in NC to perform family support and advocacy services as well as technical assistance to professionals who work with families of hearing-impaired children aged birth to 21 years.

Services for Blind/Extended Service Provider Positions. Of funds appropriated to Div'n of Services for the Blind, \$250,000 for each fiscal year of the 1999-2001 biennium must be used to maintain extended service provider positions at local nonprofit-supported employment programs.

Immunization Program Restitution Policy. Directs DHHS to require restitution from immunization providers when vaccine in the provider's inventory has expired or become spoiled or unstable due to the provider's negligence and unreasonable failure to properly rotate the

inventory.

Immunization Program Funding. Authorizes DHHS to use up to \$1 million of funds appropriated for childhood immunization programs in each fiscal year of the 1999-2001 biennium for outreach and other projects designed to increase childhood immunization rates in state.

Intensive Home Visitation Program for Children. Appropriates from the Work First Reserve Fund to DHHS \$945,000 for 1999-2000 to match federal funds in the Intensive Home Visitation Program for Children. Specifies topics that DHHS must report on by April 1, 2000 to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division.

AIDS Drug Assistance Program. Directs DHHS to develop and implement, by July 1, 1999, a cost-containment plan for the purpose of serving additional clients of the Aids Drug Assistance Program. Lists specific activities to be conducted in developing the plan. Requires DHHS to report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division, by May 15, 2000, on the realized and projected savings and recommendations for projected savings. Sets income eligibility levels for participation in the AIDS Drug Assistance Program and directs DHHS to study participation rates and costs if eligibility for participation were raised.

HIV/STD Prevention Services/Evaluation and Accountability of Grantees. Establishes reporting requirements for entities contracting with DHHS to provide services to high-risk individuals. Directs DHHS to adopt standards for the annual evaluation and certification of these entities. By July 1, 1999, DHHS must report on adopted standards to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources.

Extend Heart Disease and Stroke Prevention Task Force. Extends the Heart Disease and Stroke Prevention Task Force to June 30, 2001, and requires task force reports to the 2000 and 2001 General Assembly.

Osteoporosis Program Funds. Of funds appropriated to Div'n of Public Health, \$100,000 for 1999-2000 must be allocated for the continuing work of the Osteoporosis Task Force established by Section 15.32 of SL 1997-443. Task Force must report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, the Governor, and the Fiscal Research Division by April 1, 2000 (progress) and October 1, 2000 (final). Task Force to expire at submission of final report.

Cancer Control Advisory Committee Funds. Directs that a portion of funds appropriated to DHHS, Div'n of Public Health, be used for prostate cancer control activities.

Public Health Prevention Activities Report. Requires, by April 15, 2000, the Div'n of Public Health to report on the activities of the Children's Vision Screening Program to Prevent Blindness, Inc.; the NC Healthy Start Foundation; and the Adolescent Pregnancy Prevention Coalition of North Carolina. Specifies the types of information to be included in each report.

Communicable Disease Control Aid to Counties Flexibility. Authorizes DHHS to combine and allocate funds appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into one Acute Communicable Disease Control Aid to Counties Grant. Funding to local health departments and other authorized recipients must be based on a general communicable disease formula to be developed by DHHS.

Transfer Funds Designated for the Chemical Alcohol Testing Program. Directs the Administrative Office of the Courts to transfer all funds collected under GS 20-16.5(j) that are designated for the chemical alcohol testing program to DHHS on a monthly basis. Any funds not needed for that program must be transferred annually to the Governor's Highway Safety program for grants to local law enforcement agencies for training and enforcement of the laws on driving while impaired. This program must expend these funds within 13 months of receipt.

Healthy Mothers/Healthy Children Grant Program. Authorizes the Healthy Mothers/Healthy Children Grant Program in up to eight local health departments and requires DHHS to report on the Program's implementation to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

Preventive Health Program Plan. Requires DHHS to develop a plan to reduce duplication among preventive health programs and initiatives, focusing on task forces, advisory committees,

local health departments, and other entities supported by and within the Chronic Disease Prevention and Control Section of the Div'n of Public Health. DHHS must report to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

PART XII. HOUSING FINANCE AGENCY

Home Program Matching Funds. Directs that funds appropriated to the Housing Finance Agency for the federal HOME Program must be used to match federal funds appropriated for the HOME Program. Lists projects to be given priority for funding by the Housing Finance Agency. Requires Agency to report to the Joint Legislative Comm'n on Governmental Operations by April 1 of each year concerning the status of the HOME Program. Funds appropriated to match federal HOME Program funds do not revert to the General Fund on June 30, 2000 or on June 30, 2001.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

State Budget Study of Agricultural Loans and Grants Program. Directs Office of State Budget and Management to study all private and public farm loans and grants programs available throughout the State and to report its findings to the Fiscal Research Division no later than May 1, 2000.

Assistance for Small, Family Farms. Of funds appropriated to the Dep't of Agriculture and Consumer Services for 1999-2000, \$50,000 must be used to provide assistance to farmers who operate small, family farms. By March 1, 2000, the Dep't must report to the Joint Legislative Comm'n on Governmental Operations, the Appropriations Subcommittees on Natural and Economic Resources in the House and Senate, and the Fiscal Research Div'n on the use of these funds.

Guidelines for Grants for Local Agricultural Fairs. Directs the Dep't of Agriculture and Consumer Services to adopt guidelines for the disbursement of funds appropriated for grants for local agricultural fairs.

Southern Dairy Compact Commission Funds. Of funds appropriated to the Dep't of Agriculture and Consumer Services, \$500,000 for 1999-2000 must be credited to a nonreverting reserve within the Dep't for start-up costs of the Southern Dairy Compact Comm'n, to be established as set forth in GS 106-810. Conditions reserve disbursements on ratification by Congress of legislation authorizing the operation of the Southern Dairy Compact. Specifies provisions for contract to be entered into between North Carolina and the Southern Dairy Compact Comm'n. Upon failure of Congress to authorize the Compact by June 30, 2001, all funds in the reserve revert to the General Fund.

Loan Program for Small, Family-Owned Farms. Funds appropriated to the NC Rural Rehabilitation Corporation for 1999-2000 must be used to make loans to those farmers of small, family-owned farms having financial difficulty as shown by their inability to obtain affordable conventional loans from other sources. Term of loan may not exceed 20 years. The Dep't of Agriculture and Consumer Services must adopt rules to implement this section.

Mandatory Equine Infectious Anemia Testing Funds. Not later than October 1, 1999, Board of Agriculture must adopt rules providing for the mandatory testing of equines for equine infectious anemia prior to sale or prior to exhibition or assembly at public stables or other public places. Authorizes Dep't of Agriculture and Consumer Services to use its appropriations for the cost of enforcing the mandatory testing program.

Increase Grape Growers Funds. Amends GS 105-113.81A to raise to \$175,000 the cap on fortified wine tax proceeds to be credited to the Dep't of Agriculture and Consumer Services.

PART XIV. DEPARTMENT OF LABOR

Department of Labor/Budget Over-realized Indirect Cost Receipts. Authorizes the Dep't of Labor to budget over-realized indirect cost receipts up to \$200,000 in 1999-2000 and up to \$300,000 in 2000-2001 to fund departmental technology needs.

Youth Employment Certificates. Amends GS 95-25.5 to authorize the Commissioner of Labor to issue youth employment certificates both directly and electronically.

PART XV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Special Reserve Funds for Forest Seedling Program/Bladen Lakes State Forest. Amends GS 113-36 to create two nonreverting funds, the Forest Seedling Nursery Program Fund and the Bladen Lakes State Forest Fund. The Seedling Fund is funded by receipts from sale of seed and seedlings and may be used only to develop, improve, repair, maintain, operate or otherwise invest

in the Forest Seedling Nursery Program. The Bladen Lakes Fund is funded by receipts from the sale of forest products from Bladen Lakes State Forest and may be used only to develop, improve, repair, maintain, operate or otherwise invest in the Bladen Lakes State Forest.

Statewide Beaver Damage Control Program Funds. Appropriates \$500,000 in 1999-2000 and 2000-2001 from funds appropriated to the Wildlife Resources Commission for State share of beaver damage control under GS 113-291.10, provided that at least \$25,000 in federal funds is available each fiscal year for the federal share.

Grassroots Science Program. Appropriates \$3,670,000 in 1999-2000 and \$3,420,000 in 2000-2001 as grants-in-aid as follows: \$64,066 each year for the Aurora Fossil Museum, \$179,172 each year for the Catawba Science Center, \$63,942 each year for the Colburn Gem and Mineral Museum, Inc., \$776,577 each year for Discovery Place, \$54,420 each year for the Granville County Museum Commission, Inc. – Harris Gallery, \$108,202 each year for Imagination Station, \$465,240 each year for NC Museum of Life and Science, \$98,007 each year for Rocky Mount Children's Museum, \$381,489 each year for Schiele Museum of Natural History, \$247,501 each year for Sci Works Science Center and Environmental Park of Forsyth County, \$321,802 each year for Natural Science Center of Greensboro, Western NC Nature Center, \$203,944 each year for the Cape Fear Museum, \$318,274 in 1999-2000 and \$68,274 in 2000-2001 for Museum of Coastal Carolina, \$56,243 each year for Iredell County Children's museum and \$210,860 each year for the Health Adventure Museum of Pack Place Education, Arts, and Science Center, Inc.

Town Fork Creek Soil Conservation Project. Extends nonreverting reserve account of S.L. 1995-507, sec. 26.3(c) as amended by S.L. 1997-443, sec. 15.11 to June 30, 2001 (was, 1999).

Meadow Branch Water Project and Deep Creek Project/Extend Reversion Date. Extends nonreverting appropriations for water resources projects in Deep Creek (Yadkin County) and Meadow Branch (Robeson County) until June 30, 2001 (was, June 30, 1999).

NER Interim Study of DENR Organization. Authorizes the appropriations subcommittees on Natural and Economic Resources to study the organization of the Dep't during the interim and make recommendations to the 2000 regular session no later than May 1, 2000.

Superfund Program/Inactive Hazardous Sites Funds. Authorizes Dep't, with approval of the Office of State Budget and Management, to use available funds to provide the ten percent cost share required for Superfund cleanups on National Priority List sites, to pay operating and maintenance costs associated with Superfund cleanups, and to cleanup priority inactive hazardous sites. Requires a report to the General Assembly on the amount and source of such funding within 30 days of making expenditures.

Funds for Voluntary Remedial Actions. Authorizes the Sec'y to contribute from the Inactive Hazardous Sites Cleanup Fund up to ten percent of the cost each fiscal year (not to exceed \$50,000 per site) for implementing voluntary remedial action at up to three high-priority sites. Requires a report to the General Assembly by April 1 of each year in the biennium on these expenditures.

DENR Position for Scrap Tire Program. Authorizes Dep't to use funds in the Scrap Tire Disposal Account for a technical assistance position for 1999-2000 and 2000-2001 to help local governments develop programs to keep scrap tires from outside the state from being disposed for free and to complete the cleanup of nuisance tire collection sites.

Pollution Prevention and Environmental Assistance to Small Businesses with Need. Directs that grants and technical or financial assistance from the Div. Of Pollution Prevention and Environmental Assistance of Dep't be prioritized towards small businesses that can demonstrate financial need.

DENR Study One-Stop Permit Process. Directs Dep't to study the feasibility and benefits of implementing a one-stop permit system, specifically considering the State of New Jersey's ONE STOP program. Requires report by Feb. 15, 2000 to the General Assembly.

Repeal Duplicate Reporting Requirement for Clean Water Management Trust Fund. Repeals GS 113-145.6(i), which requires a report to the General Assembly that is duplicated in GS 113-145.6A.

Environmental Education Grants. Permits use of up to \$50,000 of the \$200,000 appropriated to Dep't for environmental education grants to be used to administer the grants. Permits use of grant funds for schools, community organizations, and environmental education centers for development of environmental education library collections or school groups for field trips to

environmental education centers across the State, provided the activities of the field trip are correlated with the Dept' of Public Instruction's curriculum objectives. Requires report to the General Assembly by Jan. 1, 2000 and again by July 1, 2000 on the grant program.

Partnership for the Sounds. Requires reports, including audited financial statements, from Partnership for the Sounds, Inc. to the General Assembly.

North Carolina Water Quality Workgroup Initiative/Rivernet Monitoring System Pilot Program/Research Funds. Directs Dep't to work with N.C. State University to identify the scientific and State agency databases that relate to water quality, to identify data gaps and to establish priorities for filling data gaps. Requires the workgroup to develop a water quality monitoring system to be called Rivernet that provides continuous monitoring of water quality parameters and web-based dissemination of water quality data in areas of impaired water quality. Requires a pilot area to be chosen and implemented for the 1999-2001 biennium. Requires data to meet EPA standards and to avoid duplication. Appropriates \$1,150,000 for the 1999-2000 fiscal year and \$650,000 for the 2000-2001 fiscal year to implement the section, allocated as follows: \$275,000 in each year to N.C. State for operating costs of the monitoring system and pilot project, \$500,000 in 1999-2000 for purchase of monitoring equipment, installation of data transfer network and installation of computer hardware and software, and \$375,000 in each year for reserve funds to be administered by the Scientific Advisory Council in the Dep't for research projects recommended by the workgroup. Funding is limited to studies that promote collaborative work among the Dep't, N.C. State University, UNC-Wilmington, East Carolina University, Western Carolina University and UNC-Chapel Hill to collectively close "knowledge policy gaps" with respect to the State's water quality.

PART. XVI. DEPARTMENT OF COMMERCE

Department of Commerce Budget Revisions. Requires Dep't, in consultation and upon approval of Office of State Budget and Management, to revise its budget codes to accurately reflect its organization. Budget revisions are to be submitted to and approved by OSBM by Jan. 1, 2000. Requires reports to the General Assembly by Oct. 15, 1999 and Jan. 15, 2000 on these budget revisions.

Wanchese Seafood Industrial Park Funds. Authorizes expenditure of \$121,120 in each fiscal year by the NC Seafood Industrial Authority for operation, maintenance, repair, and capital improvements.

Industrial Recruitment Competitive Fund. Continues fund purpose of providing financial assistance to businesses or industries deemed by the Governor to be vital to a healthy and growing State economic and that are making significant efforts to establish or expand in N.C. Permits use of fund for installation or purchase of equipment, structural repairs, improvements or renovations of existing buildings, construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines or equipment for existing buildings. Requires Governor to adopt guidelines and procedures for the commitment of funds. Requires report by the Dep't to the General Assembly by Oct. 1, 1999 on the use of the fund.

Regional Economic Development Comm' Allocations. Establishes a formula by which the Dep't of Commerce is to allocate funds to the following regional economic development comm'ns: Western NC; Research Triangle; Southeastern; Piedmont Triad Partnership; Northeastern; Global Transpark; and Carolinas Partnership, Inc.

Regional Commission Reports. Requires each regional development comm'n receiving a grant-in-aid from the Dep't of Commerce to make a report of its activities and finances to the Joint Legislative Comm'n on Governmental Operations, Fiscal Research Div'n, and Dep't of Commerce by Jan. 15, 2000 and 2001. Requires quarterly activity reports to Dep't of Commerce.

Repeal Statutory Reporting Requirements for Regional Economic Development Commissions. Repeals annual report to the General Assembly for Western, Northeastern and Southeastern comm's.

Modify Northeast Regional Economic Development Commission. Amends GS 158-8.2 to delete "tourism development" from state purposes of the comm'n. Reduces ex officio members to one (removing Sec'y of Cultural Resources). Requires each appointed member to be an experienced business person who resides for most of the year in a county that is a member of the comm'n. Removes other occupational requirements for appointees. Requires comm'n to meet at least quarterly. Requires election of a four-member executive committee. Requires hiring an

employee to serve as president and chief executive officer. Alters per diem provisions and provides transition rules for membership.

Legislative Research Commission to Study Local Growth Planning and Management Policies and Incentives. Appropriates \$200,000 for 1999-2000 from Dep't funds to Legislative Research Comm'n to study local growth planning and management policies and incentives, specifically with respect to H. 1468, 1st ed.

Marketing of Global Transpark. Appropriates \$172,036 for each year of biennium from Dep't funds to the Global TransPark Authority to market the Global TransPark.

Petroleum Overcharge Attorneys' Fees. Directs the Attorney General (unless prohibited by federal law or preexisting settlement agreement) to withdraw all funds received from *U.S. v. Exxon* and *Stripper Well* cases that are held in accounts or reserves out-of-state for payment of attorney fees and to deposit such funds in the Special Reserve for Oil Overcharge Funds. Authorizes the payment of attorneys' fees and reasonable litigation expenses from this Fund without further action by the General Assembly during fiscal 1999-2001.

Petroleum Overcharge Funds Allocation. Restricts use of any funds remaining in Special Reserve for Oil Overcharge Funds on and after June 30, 1999 to purposes authorized by the General Assembly. Requires reports by Dep't to General Assembly on use of funds.

NER Interim Study of Energy Division of Department of Commerce. Directs both appropriations subcommittees on natural and economic resources to study organization and responsibilities of the Energy Div. Of Dep't and to report to the General Assembly by May 1, 2000.

Special Employment Security Administration Fund. Appropriates \$2,000,000 for 1999-2000 and 2000-2001 from the Special Employment Security Administration Fund to the Employment Security Comm'n for the Employment Services and Unemployment Insurance Programs.

Authorization to Expend Reed Act Funds. Authorizes Employment Security Comm'n to spend \$525,123 for 1999-2000 from the State's account in the federal Unemployment Trust Fund.

Worker Training Trust Fund Appropriations. Appropriates \$6,296,740 for 1999-2000 and 2000-2001 from the Worker Training Trust Fund to the Employment Security Comm'n for the operation of local offices. Makes the following additional appropriations from the Worker Trust Fund: \$2,400,000 for 1999-2000 and 2000-2001 to Dep't of Commerce, Div. of Employment and Training for the Employment and Training Grant Program; \$1,000,000 for 1999-2000 and 2000-2001 to Dep't of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Bureau for Training Initiatives; \$2,046,000 for 1999-2000 and \$1,746,000 for 2000-2001 to Employment Security Comm'n for State Occupational Information Coordinating Comm. to develop and operate an interagency system to track former participants in State education and training programs; \$400,000 for 1999-2000 and 2000-2001 to Dep't of Community Colleges for training program in entrepreneurial skills to be operated by N.C. REAL Enterprises; \$60,000 for 1999-2000 and 2000-2001 to Office of State Budget and Management to evaluate the State's job training, education and placement programs; and \$1,000,000 for 1999-2000 and 2000-2001 to Dep't of Labor to expand the apprenticeship program.

Workforce Development Commission. Repeals GS 143B-438.1 through 438.6 (Employment and Training Act of 1985) and adds new part entitled Workforce Development. Establishes new comm'n on workforce development within Dep't to give advice and make plans for employment and training services and to serve as the State's Workforce Investment Board under the federal Workforce Investment Act of 1998. Comm'n consists of 38 members, 32 appointed by the Governor, 6 serving by virtue of their offices, with the chair appointed by the Governor from among the business and industry members. Staff provided by the Dep't with no special provision for funding. Provides for local workforce development boards and for employment and training grants administered through local boards. Grants are restricted in accordance with federal Workforce Investment Act requirements and are allocated based on local area's proportionate share of federal WorkForce Investment Act funds. Funds appropriated to the Employment and Training Grant Program are nonreverting.

Tourism Promotion Funds. Establishes a formula by which the Dep't of Commerce is to allocate tourism promotion grants so that funds are directed to counties most in need in terms of lowest per capita income, highest unemployment, and slowest population growth.

Rural Tourism Development Funds. Allocates \$300,000 in funds appropriated to Dep't of

Commerce for 1999-2000 for grants to local governments and nonprofit organizations for rural tourism development. No recipient may receive more than \$50,000 in 1999-2000.

Credit Enhancement for Tourism Development Projects. Directs State Treasurer and Dep't to jointly develop legislative proposals for credit enhancement for tourism development in rural counties and to report to the General Assembly by May 1, 2000.

Heritage Tourism Funds. Makes \$139,233 of funds in Dep't budget that would otherwise revert on June 30, 1999 nonreverting and directs their use for Heritage Tourism locations, as follows: \$40,138 for Newbold-White House, \$30,249 for Hope Plantation, \$29,624 for Historic Murfreesboro, and \$39,222 for Smoky Mountain Host.

Center for Entrepreneurship and Technology Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

NC REAL Enterprises Reporting. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

Biotechnology Center. Directs center to recapture funds spent in support of successful research and development efforts in the for-profit private sector. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

Biotechnology Funds for Minority Universities. Appropriates \$1,000,000 for 1999-2000 and 2000-2001 from N.C. Biotechnology Center funds to continue the special biotechnology program initiative for the public historically black colleges and universities and UNC at Pembroke. Requires report to General Assembly by March 1 of each fiscal year on the biotechnology programs at each campus.

Technology Development Authority Report. Requires report to General Assembly by Jan. 15, 2000 on activities and accomplishments.

Funds for Technology Development Authority, Inc. Wet Lab and Office Construction Do Not Revert. Permits nonreversion of \$500,000 in Dep't funds held in reserve for the N.C. Technological Development Authority, Inc. and allows use of funds for purposes other than construction of wet lab space and office space at the First Flight Venture Center.

Industrial Development Fund/Local Match. Requires local government requesting financial assistance from the Industrial Development Fund to demonstrate that it would be an economic hardship to match State assistance with local funds and required Dep't to develop guidelines for determining hardship.

Council of Government Funds. Allocates \$990,000 of appropriated funds each year of biennium for councils of government. Each regional council of government or lead regional organization may receive up to \$55,000 each fiscal year. Funds will be allocated according to formula in act and must be used for specified purposes. Requires reports to General Assembly on activities and expenditures by Jan. 15 of each year in the biennium and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

World Trade Center North Carolina Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

N.C Institute for Minority Economic Development, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

The Land Loss Prevention Project Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Coalition of Farm and Rural Families, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Minority Support Center Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Community Development Initiative, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires

copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Association of Community Development Corporations, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

Rural Economic Development Center. Allocates \$1,470,000 for 1999-2000 and 2000-2001 from Rural Economic Development Center funds to be used for research and demonstration grants (\$475,864), technical assistance and center administration of research and demonstration grants (\$444,136), center administration, oversight and other programs (\$350,000) and administration of clean water/natural gas critical needs bond act of 1998 (\$200,000). Requires report on budgets, personnel and salary information to Office of State Budget and Management in the same manner as state agencies. Limits to 50% the use of interest earned on state funds appropriated to center for administrative purposes. Defines "community development corporations" as tax-exempt nonprofit corporations whose primary mission is to develop and improve low-income communities and neighborhoods. Allocates \$5,400,000 for 1999-2000 and \$2,400,000 for 2000-2001 from Rural Economic Center Development Center funds as follows: \$1,200,000 in 1999-2000 and 2000-2001 for to community development corporations for projects within the State's minority communities; \$250,000 in 1999-2000 and 2000-2001 to the Microenterprise Loan Program; \$2,450,000 for 1999-2000 and \$950,000 for 2000-2001 for supplemental funding for matching requirements for projects by local governments and nonprofit corporations in economically distressed communities; and \$1,500,00 for 1999-2000 to the Capacity Building Assistance Program for technical and financial assistance to rural, low-wealth local units and nonprofits initiative water and sewer projects to support the growth and development of rural areas. Requires reports to General Assembly by Jan. 15, 2000 and Jan. 15, 2001 and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

Opportunities Industrialization Center Funds. Allocates \$400,000 for 1999-2000 and 2000-2001 from Rural Economic Development Center funds as follows: \$100,000 each year to Opportunities Industrialization Centers of Wilson; Rocky Mount; Lenoir, Green and Jones Counties; and Elizabeth City. Reallocates unexpended funds previously allocated to the Pitt-Greenville Opportunities Industrialization Center to the centers in Wilson and Rocky Mount. Requires reports to General Assembly by Jan. 15, 2000 and Jan. 15, 2001 and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

PART XVII. JUDICIAL DEPARTMENT

Transfer of Equipment and Supply Funds. Certifies such funds appropriated to the Judicial Department in 1999-2001 to a reserve account. Permits AOC to transfer these funds to the appropriate programs and between programs as priorities and consumption occur during the operating year. Requires quarterly report on transfers under this section to the Joint Legislative Comm'n on Governmental Operations and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

NC State Bar Funds. Of funds appropriated in the continuation budget as a grant-in-aid, NC State Bar may use up to \$250,000 in each 1999-2000 and 2000-2001 to contract with the Center for Death Penalty Litigation to provide training, consultation, brief banking, and other assistance to attorneys representing indigent capital defendants. Of the recurring funds appropriated in the expansion budget as a grant-in-aid, permits NC State Bar to use up to \$340,000 annually in the biennium to contract with the Center for Death Penalty Litigation for the same purposes.

Pisgah Legal Services Funds. Requires that NC State Bar allocate to Pisgah Legal Services that share of State funds that would otherwise have been

provided through Legal Services of North Carolina, Inc., to Appalachian Legal Services to serve eligible clients in Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties.

Indigent Persons' Attorney Fee Fund. Effective July 1, 1999, requires that AOC reserve funds for adult, juvenile and guardian ad litem cases from the Indigent Persons' Attorney Fee Fund in each year of the 1999-2001 biennium. Requires that funds be allotted to each judicial district in which superior and district courts are coterminous, and otherwise by county, according to the caseload of indigent persons who were not represented by the public defender in the districts or counties during 1998-99 and 1999-2000, respectively. Provides for allotment process and process for allotment upon depletion.

Report on Community Mediation Centers. Requires that such centers receiving State funds report annually to the Judicial Dep't, which in turn must compile and summarize the information and provide it to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by 2/1 of each year. Lists requirements for mediation centers to document proportional funding from non-State sources, based on years having received State funding. Provides that GS 143-31.4 (matching funds restrictions) does not apply to community mediation centers receiving State funds.

Authorize Additional Magistrates. Amends GS 7A-133 to increase maximum number of authorized magistrates by one each in Camden, Cumberland, and Union Counties.

Assistant Public Defenders. Authorizes AOC to use funds appropriated to the Indigent Persons' Attorney Fee Fund as follows: \$161,448 in fiscal 1999-2000 and \$284,840 in 2000-2001 for salaries, benefits, equipment, and other expenses to establish 4 new assistant public defender positions.

Additional District Court Judges. Amends GS 7A-133(a) to add the following nine new district court judges: one in District 2 (Martin, Beaufort, Tyrrell, Hyde, and Washington Counties), one in District 4 (Sampson, Duplin, Jones, and Onslow), one in District 5 (New Hanover and Pender), one in District 13 (Bladen, Brunswick, and Columbus), one in District 15A (Alamance), one in District 18 (Guilford), one in District 26 (Mecklenburg), one in District 27A (Gaston), and one in District 30 (Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain). Provides for Governor's appointment of new judges with their successors to be elected in the 2002 election for four-year terms commencing on the first Monday in December 2002. Effective Jan. 1, 2000, or if Voting Rights Act of 1965 applies, Jan. 1, 2000 or 5 days after the date upon which the subsection is approved under the Act.

Bad Check Program. Removes June 30, 1999 sunset from program's authorizing law. Adds Brunswick, Bladen, New Hanover, and Pender Counties to set of counties in which the program applies. Requires that AOC report about the program annually on April 1 to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Additional Assistant District Attorneys. Effective January 1, 2000, amends GS 7A-60(a1) to add eight new assistant district attorneys statewide as follows: one each in prosecutorial districts 5 (New Hanover and Pender Counties), 12 (Cumberland), 13 (Bladen, Brunswick, and Columbus), 15A (Alamance), 19A (Cabarrus), and 26 (Mecklenburg); adds two in district 10 (Wake).

Additional Investigatorial Assistants. Amends GS 7A-69 to add one investigatorial assistant in each of the following prosecutorial districts: 5, 10, and 22. Adds three new assistants statewide. Makes district 10 the only one with two investigatorial assistants under GS 7A-69.

District Court Vacancies in Districts 9 and 9B. Provides that a vacancy in either of these districts will be filled by the Governor from nominations submitted only by those members of the bar who reside in the district court district. For other districts, GS 7A-142 provides that such a vacancy is filled by the Governor from nominations submitted by the bar of the judicial district as defined in GS 84-19.

Extend Indigent Fund Study Commission/ Study Public Defender Programs. Extends due date of report from 5/1/99 to 5/1/2000. Adds recommendations of improvement and possible expansion of public defender programs to list of items to be a part of the study.

Add Special Superior Court Judges/ Add Superior Court Judge in District 22. Amends GS 7A-45.1, effective 10/1/99, to permit the Governor to appoint four special superior court judges to serve five year terms. Amends GS 7A-41(a) to add a new superior court judge in District 22 (Alexander, Davidson, Davie, and Iredell Counties).

Capital Case Program. Requires AOC to establish a capital case program in the Office of the Appellate Defender to provide assistance to districts experiencing difficulty locating qualified private counsel to handle capital cases. Authorizes AOC to use \$358,103 in fiscal 1999-2000 and \$396,845 in fiscal 2000-2001, from the Indigent Persons' Attorney Fee Fund, to establish three assistant public defender positions and one investigator to work specifically on capital cases. Requires AOC to report on March 1 each year about the effectiveness of the program to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Drug Treatment Court Fund Shall not Revert. As special provision title indicates.

Court Information Technology Fund. Amends GS 7A-343 (duties of AOC Director) to add the duty to establish and operate systems and services that provide electronic transaction processing and access to court information systems pursuant to new GS 7A-343.2. Adds new GS 7A-343.2, creating a Court Technology Fund. Established as a nonreverting, interest-bearing special revenue account in which moneys collected by the AOC for access to public records are to be deposited. Permits AOC to use the Fund to supplement funds used to pay for court information technology needs. Requires that Director report by March 1 each year to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees,

and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on all moneys collected and deposited in the Fund and on proposed expenditures of the funds. Amends GS 7A-109(d) to provide that any costs recovered from contracts to provide public access to court records are to be deposited in the Court Information Technology Fund.

Educational Program for Parents Who Are Parties to a Custody or Visitation Act. Requires that AOC establish this program to educate and sensitize separated or divorced couples with children about the needs of their children during and after the separation and divorce process. Requires that program be administered as a part of the family court pilot program. Lists items to be addressed in developing program, including an education program that parties may be ordered to attend, a plan for implementation, and identification of possible course providers. Requires that program be operational in all judicial districts with a family court pilot program no later than 1/1/2000. Requires that AOC report to General Assembly no later than 3/1/2001 on this project's progress. Report must include an estimate of the amount of funds that will be necessary for the AOC to supervise and oversee program operation.

PART XVIII. DEPARTMENT OF CORRECTION

Criminal Justice Partnership Program. Requires that Dep't of Correction (DOC) distribute appropriations for the program for 1999-2001 to counties only as provided by GS 143B-273.15(2) (block grant formula) rather than as discretionary funds. DOC may use funds from State-County Criminal Justice Partnership Account to maintain counties' allocations of \$9.6 million as provided in previous years. Appropriations not claimed or expended by counties during 1999-2001 to be distributed in discretionary grants under GS 143B-273.15(1). Permits a county to apply for these discretionary funds for a residential program that serves inmates from other counties. In order for other counties to assign offenders to such a program, requires that they include a residential component in an approved partnership plan. Prohibits DOC from denying funds to a county to support both a residential program and a day reporting center if the DOC determines that the county has a demonstrated need and a fully-developed plan for each kind of sanction. Requires that DOC report by 2/1/2000 on the status of the Criminal Justice Partnership Program to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee. Specifies information to be included in report, including amount of funds carried over from one fiscal year to another, discretionary grant amounts awarded in fiscal 1999-2000, and an analysis of offender participation data.

Post-Release Supervision and Parole Comm'n Report on Staffing Reorganization and Reduction. Requires that Comm'n report by 3/1/2000 on the updated transition plan for implementing staff reductions through 2002-2003, including a minimum 10% reduction in staff in fiscal 2000-2001 over the previous year. Report is to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Reduce Membership of Post-Release Supervision and Parole Comm'n. Amends GS 143B-267 to reduce number of commissioners from 5 to 3. Provides that terms for current members expire on 6/30/99. Provides for staggered terms of commissioners appointed starting 7/1/99--one each for one, two, and three years. After the initial staggered terms, terms remain at four years, as specified in GS 143B-267. Deletes portion of GS 143B-267 that calls for designating panels of two Commissioners and an alternate to handle business. Substitutes provision that the granting, denying, revoking, or rescinding of parole, the authorization of work-release privileges to a prisoner, or any other business shall be decided by a majority vote of the full Comm'n.

Home as Duty Station Pilot Program. Requires that DOC report on the status of this pilot program in Cleveland and New Hanover Counties by 4/1/2000. Report is to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. Specifies information to be included in report, including impact on expenditure for office and vehicle leases, data on frequency of officers being required to report from home outside normally assigned

working hours, and the projected impact of extending the pilot program to additional districts.

Report on Harriet's House. Requires that Harriet House report by 9/1 and 3/1 each year to the Joint Legislative Comm'n on Governmental Operations on expenditure of State funds and program effectiveness. Permits expenditure of funds for operating costs, equipment purchase, and real property rental.

Report on Summit House. Same reporting requirements as for Harriet House. Requires that report include information on numbers of clients served, number of clients who have their probation revoked, and the number who successfully complete the program.

Report on Women at Risk. Same reporting requirements as for Summit House.

Federal Grant Reporting. Requires that DOC, Dep't of Justice, the Dep't of Crime Control and Public Safety, the Judicial Dep't, and the Office of Juvenile Justice report by 9/1 and 3/1 each year on federal grant funds received or preapproved for receipt by those departments. Report is to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. Specifies items to be included in report, including amounts of funding received, any expected State matches, and a proposed method for continuing program after federal grant period ends.

Exemption from Licensure and Certificate of Need. Exempts inpatient chemical dependency or substance abuse facilities that provide services exclusively to DOC inmates from GS Ch. 122C requirements of licensure. When a facility provides services to both DOC inmates and to members of the general public, provides similar exemption to portion of the facility serving inmates. Exempts a person who contracts to provide such services to DOC inmates from obtaining a certificate of need pursuant to GS Ch. 131E, Art. 9 before constructing or operating a facility. Provides that such a facility may not be licensed under GS Ch. 122C to serve anyone other than inmates unless the owner or operator first obtains a certificate of need.

Limit on Use of Operational Funds. Prohibits use of funds appropriated by this act for additional prison personnel positions until the new facilities are within 90 days of projected completion, except for certain management, security, and support positions necessary to prepare the facility for opening, as authorized in the General Assembly's budget.

Reimburse Counties for Housing and Extraordinary Medical Costs for Inmates, Parolees, and Post-Release Supervisees Awaiting Transfer to State Prison System. Permits DOC to use appropriated funds for 1999-2000 to pay counties \$40 per day per inmate in reimbursement for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system. Requires that DOC report quarterly on the expenditure of funds for this purpose. Amends GS 148-29 to provide that DOC pay counties for housing inmates beginning on the first day after the Div'n of Prisons has been notified by the sheriff that a prisoner is ready for transfer and the Div'n has informed the sheriff that bed space is not available for that prisoner (now, the sixth day after sentencing and disposal of all charges against the defendant). Adds new GS 7A-109.3 requiring that the clerk of court provide the sheriff with a signed order of commitment within the following periods of time after issuance of a sentence committing a defendant to imprisonment in the custody of the DOC: 48 hours in district court cases and 72 hours in superior court cases. This section is effective 10/1/99.

Use of Facilities Closed under GPAC. Permits DOC to consult with local governments, private for-profits or nonprofits about using such facilities for other uses. Permits State to transfer or lease units consistent with existing law. Permits DOC to consider conversion of some facilities from medium to minimum custody. If a such a facility is leased by a county for use as a jail, it is exempt from jail standards provided under GS 153A-221 that would subject the unit to greater standards than those required of a DOC prison unit. Requires reporting to the General Assembly about proposed transfers or leases and quarterly reporting by the DOC on their conversion progress.

Site for New Close Custody Prison. Requires that DOC consider Alexander and Iredell Counties for the site of a new close custody prison in Western North Carolina.

Inmate Costs. Requires that DOC provide progress report by 4/1/2000 on implementation of OSBM recommendations on the provision of food and health care to inmates pursuant to the study directed by SL 1998-212, Sec. 17.8. Report is to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the House and Senate Appropriations Committees, and

the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety. Requires that DOC identify specific cost savings that can be achieved through more efficiently delivery of services. If DOC food and health care costs exceed the continuation budget amount, requires that DOC report reasons for anticipated cost increase and source of funds it intends to use to cover those needs.

Title VII Funds/Report. Permits DOC to use funds available to it during the 1999-2001 biennium for payment to claimants as part of the settlement of Title VII lawsuit over the recruitment, hiring, and promotion of females in the Dep't. Requires report before final settlement to General Assembly.

Criminal Justice Education and Training Standards Commission. Requires that Comm'n appoint a special committee to study and rewrite the necessary standards, administrative code provisions, and policies and procedures relating to the employment of certified positions in the DOC and develop a new certification system for those officers that reflects the impact and statutory requirements of GS Ch. 126 and 17C. Requires report by 3/1/2000 to the General Assembly on the progress of the special committee. Requires presentation of new certification system to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by the convening of the 2000 Regular Session. Requires implementation of new certification system no later than 7/1/2000.

Federal Grant Matching Funds. Makes exception to GS 148-2 to allow DOC to use up to \$650,000 from funds available to Dep't to provide the State match necessary to receive federal grant funds. Requires report to General Assembly before such use of funds.

Private Prison Contracts. Permits modification of the financial terms of the contracts for the leasing and operation of one or both of the two private confinement facilities in Pamlico and Avery/Mitchell Counties and use of funds to pay the modified contracts. Before changes, requires that DOC consult with Attorney General's office, OSBM, and the Corrections Corporation of America. Before obligating funds, requires that DOC report to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Pilots to Determine Cost-Effectiveness of Placing all Inmates on Work-Release. Amends SL 1998-212, Sec. 17.25 (work release for all eligible inmates in Alamance and Union Correction Centers) to require that DOC make a progress report on this pilot program to the General Assembly by 6/30/2000. Requires final report by 3/1/2001 (now, 3/1/99).

Report on Probation and Parole Caseloads. Report to General Assembly required by 3/1/2000. Specifies information to be included, including data on current caseload averages, an analysis of optimal caseloads, an assessment of the role of surveillance officers, and projected budgetary impact of new officer classifications.

Proposed Standards for Private Prisons for Out-of-State Inmates. Amends SL 1997-443, Sec. 19.17(b), as amended by SL 1998-212, Sec. 17.23 (b), to move final reporting date back to 3/15/2000 (now, 3/15/99) and require a progress report on development of standards to the Joint Legislative Corrections and Crime Control Oversight Committee by 11/1/99.

Close Security Prisons. Amends GS 148-37 (contracting with private entities for prison facilities) to permit DOC to enter contracts with private for-profits or nonprofits for construction of close security correctional facilities totaling up to 3000 cells to be operated by Dep't pursuant to lease that contains a schedule for purchase of the facilities over a period of up to 20 years. Authorizes a request for proposal, as reviewed by the Office of State Construction. Requires that Secretary consult with General Assembly in making a recommendation on the final award decision to the Dep't of Administration. Subjects final award to approval of the Council of State after consultation with the Joint Legislative Comm'n on Governmental Operations. Specifies that Office of State Construction will review plans and specifications and inspect and review each project. Requires report by 5/1/2000 on the development of request for proposal and the award-making process. After awarding of contract, requires annual reporting by 5/1 on the project's progress.

PART XIX. DEPARTMENT OF JUSTICE

Repeal Settlement Reserve Fund. Repeals GS 143-16.5. Amends GS 114-2.5 (requiring Attorney General to report payment of public monies pursuant to settlement agreements and final court orders) as follows. Provides that before disbursement of funds received by the State or an

agency pursuant to a settlement agreement or final order or judgment where the amount received exceeds \$75,000, the Attorney General must report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House on the payments received. Requires Attorney General to report about any disbursements set forth in such an agreement or order.

Limits on Computer System Upgrade. Requires reporting to the General Assembly of any new computer system or major computer system upgrade (defined to include any project that will exceed \$500,000 in cost) for the Judicial Dep't, the Dep't of Correction, the Dep't of Justice, the Dep't of Crime Control and Public Safety, or the Office of the Juvenile Justice to be funded all or in part from the Continuation Budget.

Criminal Justice Information Network (CJIN) Report. Requires that Governing Board report by 3/1/2000 to the General Assembly on its operations, operating budget, and long-term strategy and cost analysis for statewide implementation of CJIN.

Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies by the Federal Government. Treats assets transferred in 1999-2001 to Dep't of Justice and Dep't of Crime Control, pursuant to 19 USC Sec. 1616a, as credits in those agencies' budgets and provides that they shall result in an increase of law enforcement resources for each agency. Requires reporting of receipt of such assets to the Joint Legislative Comm'n on Governmental Operations. Permits DOJ to use no more than \$25,000 to extend the lease of space in Salemburg for SBI training and no more than \$50,000 to lease space for its technical operations unit. Prohibits DOJ and Dep't of Crime Control and Public Safety from using such assets to create new positions, start new projects, acquire real property, repair buildings in such a way that requires structural change, or new construction.

Private Protective Services and Alarm Systems Licensing Boards Pay for Use of State Facilities and Services. As title of special provision indicates.

Certain Litigation Expenses to be Paid by Clients. Requires that client departments, agencies, and boards reimburse the DOJ for reasonable court fees, attorney travel and subsistence costs, and other costs directly related to litigation in which the DOJ represents the client.

Reimbursement for UNC Board of Governors Legal Representation. Requires that UNC Board of Governors reimburse the DOJ for two Attorney III positions to provide legal representation to the UNC system.

Exempt Justice Academy from the Umstead Act. Amends GS 66-58(b) as special provision title indicates.

Study Fee Adjustment for Criminal Records Checks. Requires that OSBM, in consultation with DOJ, study the feasibility of adjusting the fees charged for criminal records checks conducting by the Div'n of Criminal Information as a result of the increases in receipts from such checks. Study must assess Div'n costs and how they have changed since 1995-96. Requires report to General Assembly on or before 3/1/2000.

PART XX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Legislative Review of Drug Law Enforcement and Other Grants. Provides for review as required by Sec. 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968. Requires reporting to the Senate and House Appropriations Subcommittees on Justice and Public Safety when the General Assembly is in session and to the Joint Legislative Comm'n on Governmental Operations when it is not in session.

Victims Assistance Network (VAN) Funds. Allocates \$150,000 of Dep'ts appropriation in fiscal 1999-2000 and 2000-2001 to support VAN. Require Dep't to report on VAN activities by December 1 of each year of the biennium.

Report on Crime Victims Compensation Fund. Amends GS 15B-21 (annual report on Crime Victims Compensation Fund) to require report by March 15 each year. Adds items to be included in report, including the current unencumbered balance of the Fund, the amount of funds carried over from the prior fiscal year, the amount of funds received in a prior fiscal year from the DOC and from the compensation fund established pursuant to the Victims Crime Act of 1984, and the amount of funds expected to be received in the current fiscal year as well as the amount actually received.

Technical Changes to Boxing Commission Law. Amends GS 143-652(f) as special provision title indicates.

Annual Evaluation of the Tarheel Challenge Program. Requires annual report by April 1 each year on the operations and effectiveness of the National Guard Tarheel Challenge Program. Report is to the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety. Lists requirements for reports, including evaluation of Program's role in improving individual skills and employment potential.

PART XXI. OFFICE OF JUVENILE JUSTICE (OJJ)

Annual Evaluation of Juvenile Justice Community Programs and Multipurpose Group Homes. Repeals SL 1997-443, Sec. 11.51. Requires evaluation of wilderness camp programs, the Governor's One-on-One Programs, the On Track Program, the Guard Response Alternate Sentencing Program, and multipurpose group homes. Evaluation must consider whether program participation results in a reduction of court involvement among juveniles. OJJ must report evaluation results to the Chairs of the House and Senate Appropriations Committees and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees by March 1 of each year.

Secure Group Home for Female Offenders. Re-allocates \$1,127,850 appropriated in SL 1998-212 to DHHS for construction of beds for female offenders at Gatling Detention Center to OJJ for construction of an eight-bed secure group home for female offenders in Mecklenburg County and to upgrade the Gatling Detention Center to meet fire marshal standards.

Juvenile Crime Prevention Council Participation. Requires that counties receiving Council grant funds certify annually through its local council to the OJJ that funds received are not used to duplicate or supplant other programs within the county.

SOS Administrative Cost Limits. Limits fund that can be spent to administer the SOS program to \$450,000 for fiscal 1999-2000 and the same amount in 2000-2001.

Study Staffing at Training Schools and Detention Centers. Permits OJJ to use up to \$75,000 of 1999-2000 appropriation to contract with consultants to study staffing in training schools and detention centers. Requires that study consider appropriate staffing patterns and include in report a staffing plan by shift for each training school and detention center. Requires report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on or before 4/1/2000.

Local Grant Reporting. Requires report on or before 10/1/99 and by 5/1 each year thereafter listing all recipients of grants. Requires that list also identify any programs that received funds at one time but for which funding has been eliminated by OJJ. Requires that report go to the Joint Legislative Comm'n on Governmental Operations and the Appropriations Committees of the Senate and House, with a copy to the Fiscal Research Div'n.

Funds for Family Courts, Substance Abuse Prevention Plan, and Multipurpose Group Homes Shall Not Revert. As special provision title indicates.

Transfer of Positions from the DOC and the AOC to the Office of Juvenile Justice. Effective July 1, 1999, authorizes transfer of 3 specific positions in the DOC and a specific position in the AOC to the OJJ. Positions are: (1) DOC position number 4550-0000-000-061, Executive Director of the Criminal Justice

Partnership Act; (2) DOC position number 4520-0005-0002-050, accountant III; (3) DOC position number 4550-0000-0000-081, administrative secretary III; and (4) AOC position number 2203-1110-1150-543, a research and planning administrator position.

Juvenile Justice Information System Report. Requires annual evaluation of this information system by the Criminal Justice Information Network Governing Board. Report due 4/1 each year to the Chairs of the House and Senate Appropriations Committees and to the Fiscal Research Division.

Program and Funds Transferred to the Office of Juvenile Justice. Transfers teen court programs (Project Challenge NC, Inc.) from the Judicial Department to the OJJ. Requires that Project Challenge NC, Inc. report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by 11/1 and 5/1 of each year on its operation and effectiveness.

Funds for Local Organizations of the Boys and Girls Club. Allocates \$500,000 of 1999-2000 appropriation to a pilot program to grant funds to local organizations of the Boys and Girls Club. Requires OJJ to develop pilot program to grant funds in the 10 counties with the highest rate of training school commitments in fiscal 1997-98. Requires that local organizations provide matching funds. Lists possible objectives for organizations receiving grant funds. Requires that OJJ report by 4/1/2000 to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the House and Senate Appropriations Committees, and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on its expenditure of funds and the operations and effectiveness of the program.

State Funds May be Used as Federal Matching Funds. Authorizes the use of such funds as title indicates in fiscal 1999-2000 for the Juvenile Accountability Incentive Block Grants. If such a block grant is awarded, requires that OSBM and the Governor's Crime Comm'n consult with OJJ regarding criteria for awarding federal funds. Requires that OSBM and the Governor's Crime Comm'n report to the Appropriations Committees of the Senate and House and the Joint Legislative Comm'n on Governmental Operations before allocated the federal funds.

Report on Site Selection of Training School and Detention Beds. Report must be to Joint Legislative Comm'n on Governmental Operations prior to finalizing site selection. Requires that consideration be given to renovating existing GPAC units.

Establish a Pilot Program for Multifunctional Juvenile Facility. Permits OJJ to establish such a program in Eastern North Carolina. Allocates \$2.5 million of 2000-2001 appropriation to implement this provision. Permits Office to contract with a private for-profit or nonprofit for construction and operation a such a facility totaling up to 100 beds to provide custodial, rehabilitation, and treatment services. Requires that such a facility be capable of being retrofitted within 3 months to provide either training school beds or detention beds. Limits a contract to provide such a service to no longer than 10 years. Provides specific provisions addressing awarding of such a contract, option for the state to purchase the facility, state involvement in construction, liability insurance requirements of

contractor, training of employees, and state authority over offenders in such a facility. Requires that OJJ make a written report no later than 3/1/2000 on the status of the pilot program and requires annual evaluation thereafter. Report is to be submitted to the Chairs of the House and Senate Appropriations Committees and the Joint Legislative Comm'n on Governmental Operations.

Career Status for Former Judicial Employees Transferred to the Office of Juvenile Justice. Provides that employees in positions transferred from the Judicial Department to OJJ, and continuously employed by the State prior to the date of transfer shall become career State employees upon 24 months of continuous employment in a permanent position with the State.

PART XXII. GENERAL ASSEMBLY

Joint Select Committee on Information Technology. Adds new GS Ch. 120, Art. 26, creating committee. Allocates \$50,000 in fiscal 1999-2000 to implement committee. New GS 120-230 provides that the committee shall review information technology as it affects public policy, with the goal of developing electronic commerce in the State and to coordinate use of information technology by State agencies in a manner that assures quality service. New GS 120-231 describes Committee duties, including evaluating State's technological infrastructure and information systems to determine potential demands for additional services during the next 10 years; evaluating information technology governance, policy, and management practices; and studying and recommending changes related to electronic commerce. Requires Committee to report by 3/1 each year to the House and Senate Appropriations Committees on its activities and any recommendations for statutory change. New GS 120-232 outlines committee membership. It will have fourteen members as follows: four Senators appointed by the Pres. Pro Tem, four members of the House of Representatives appointed by the Speaker, three members of the public appointed by the Pres. Pro Tem, and three members of the public appointed by the Speaker. Members are to serve two-year terms beginning 8/15 of each odd-numbered year, with no prohibition against being reappointed, except initial appointments shall be for the following terms: public members to serve three-year terms and members who are General Assembly members to serve two-year terms. Initial terms commence 8/15/99. Provides that members who are elected officials may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service in their office constitutes resignation or removal from service on the Committee. Requires Pres. Pro Tem and Speaker to each appoint a co-chair. Requires quarterly meetings or meeting at other times as called by the co-chairs. Provides that members serve at the will of their appointing officer. New GS 120-233 provides for clerical and staff assistance to be provided by the Legislative Services Commission, per diem, subsistence, and travel allowances. New GS 120-234 permits the Committee to obtain information and data from all State officers, agents, agencies, and departments. Permits Committee to establish subcommittees.

PART XXIII. STATE TREASURER

Dues Deduction for Retiree Organizations Authorized. Amends GS 135-18.8 to include retirees' associations in payroll deduction plans.

PART XXIV. DEP'T OF ADMINISTRATION

Procurement Card Pilot Program Extension/Savings. Extends prohibition on use of procurement cards to August 1, 2000 (was, March 31, 1999).

Cost-benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. Directs State Property Office and State Construction Office, in consultation with Office of State Budget and Management, to analyze costs and benefits of building, rather than leasing, new State-owned facilities. Requires report to General Assembly by March 30, 2000.

Establish Domestic Violence Commission. Allocates \$150,000 of funds appropriated to Dep't for 1999-2000 to be used for an executive director, an administrative assistant, and operating costs of Domestic Violence Comm'n. Adds new Part 10C to GS 143B, art. 9, establishing Domestic Violence Comm'n within Dep't. Comm'n, comprised of 33 members with specified backgrounds, is to assess statewide needs related to domestic violence and assure service provision to those in need. Requires report to General Assembly no later than April 1 of each year. Further, if it recommends the adoption in N.C. of a "Safe Families Act," the Comm'n shall report its legislative proposal to the General Assembly by April 1, 2000.

Consolidated Mail Service Facility/Savings Reserve. Directs Office of State Budget and Management to identify all savings from the Consolidated Mail Service Facility in Dep't of Administration and to place all savings over the \$1,000,000 in the Governor's 1999-2000 budget and \$1,500,000 in the 2000-2001 budget to be placed in a special reserve fund, to be spent only as authorized by the General Assembly. Requires report by Dep't and OSBM to General Assembly on changes in positions resulting from the consolidated facility, prior to Jan. 1, 2000.

PART XXV. STATE CONTROLLER

Extend Pilot Program on Reporting on Collection of Bad Debts by State Agencies. Extends Office of State Controller's review of debt collection by state agencies to other material accounts receivable beyond those specified in SL 1998-212, sec. 26. Directs Controller to establish a procedure for state agencies to report on collection of bad debts, concentrating as a pilot program on agencies with large amounts of bad debt. Directs Controller to study feasibility of a one-year Bad Debt Collection Clearinghouse Pilot Program. Requires report to General Assembly by May 1, 2000.

NCAS Support, AR/Overpayments Project. Transfers \$2,500,000 for 1999-2000 from Special Reserve Account 24172 (containing receipts from collection of inadvertent overpayments by State agencies to vendors) to the Office of State Controller. The transferred funds are to be used for data processing costs (\$550,000, with first priority), contractual services to continue implementing best management practices on accounts receivable processing and bad debt collection, and development of electronic commerce business initiatives. Requires monthly report to the General Assembly on revenue deposited in the Special Reserve Account and use of that revenue.

PART XXVI. DEPARTMENT OF CULTURAL RESOURCES

A.A. Cunningham Air Museum. Provides that funds appropriated for this purpose shall not revert.

Maritime Museum. Provides that the Dep't of Cultural Resources shall assume administration of the Southport Maritime Museum in Brunswick County as a branch of the Maritime Museum, contingent upon conveyance of all assets of said museum to the state.

Procedure for Award of Cultural Resources Grants. Provides that \$8,000,000 in 1999-2000 shall be used for grants to nonprofit organizations or local governments. Grants are not subject to review by the Historical Comm'n and are limited to \$100,000 or less per project.

Retain Publication Receipts. Authorizes the Historical Publications Section, Division of Archives and History, to retain receipts from sale of its publication during each year of the biennium. Such receipts do not revert but shall be used to reprint the publications.

Grassroots Arts Program. Provides \$100,000 for 1999-2000 shall be allocated equally among the 100 counties for grassroots arts programs, with remaining funds for this purpose to be distributed in compliance with GS 143B-122.

Study Use of Internet for Agency Publications. Directs specified state agencies to develop plans to reduce printing costs by use of computer technology and the internet. Each agency to submit report by April 1, 2000

PART XXVII. DEPARTMENT OF TRANSPORTATION

Discontinue Bond Retirement Transfer from Highway Fund to Highway Trust Fund for Biennium. As title indicates, suspends GS 136-176(a)(4) and GS 136-183 from 1/1/99 until 6/30/2001.

Blue Ribbon Transportation Finance Study Commission. Allocates \$200,000 from appropriations to General Assembly for expenses of the Comm'n. Establishes Comm'n with 15 members as follows: four members of the House appointed by the Speaker; four members of the Senate appointed by the Pres. Pro Tem.; three members of the public appointed by the Governor, none of whom can be State officials, and two of whom shall have expertise in transportation matters; two members of the public appointed by the Speaker, one of whom shall be a municipal-elected official, and one of whom shall have experience in business and transportation matters; and two members of the public appointed by the Pres. Pro Tem, one of whom shall be an elected county official, and one of whom shall have experience in business and transportation matters. Outlines Commission subjects for study, including Highway Trust Fund Act of 1989, current revenue sources, transportation system maintenance, public transportation, and highway fund transfers. Provides for filling vacancies, appointing co-chairs, payment of expenses, staffing, and meetings during legislative sessions. Requires interim report to the Joint Legislative Transportation Oversight Committee on or before 6/1/2000 and a final report by 3/1/2001. Comm'n terminates upon filing of final report.

Design-Build Transportation Construction Contracts Authorized. Permits Board of Transportation to award up to three contracts annually for construction of transportation projects on a design-build basis, after a DOT determination that delivery of the project must be expedited and it is not in the public interest to comply with normal design and construction contracting procedures. Before awarding a design-build contract, the Secretary of Transportation must report to the Joint Legislative Comm'n on Governmental Operations on the nature and scope of the project and reasons this special procedure will best serve the public.

Use of Recycled Road Materials in Road Maintenance. Amends GS 136-28.8 (use of recycled materials in construction) to include maintenance programs among those in which recycled materials may be used. Adds the following to list of uses: recycling technology, including but not limited to hot and cold in-place recycling, in road and highway maintenance. Adds Joint Legislative Transportation Oversight Committee to committees to which the DOT must report about its use of recycled materials.

Department of Transportation to Report on Delayed Road Construction. Requires that DOT study the reasons for road construction delay in North Carolina. Specifies some subjects to be studied, including problems receiving environmental or historical permits, inter-agency cooperation issues, and problems acquiring rights-of-way. Requires that DOT report to the November, 1999 meetings of the Joint Legislative Transportation Committee and the Joint Legislative Commission on Governmental Operations, as well as to the Fiscal Research Division.

Department of Transportation to Report on Highway Construction Financing. Requires that DOT study financing options for increasing the pace of highway construction. Specified some issued to be studied, including cash-flow financing, advanced federal funding, proceeds from highway construction bonds, Grant Anticipation Revenue Vehicles, and toll roads. Requires report to December 1999 meeting of the Joint Legislative Transportation Oversight Committee, to the Fiscal Research Division, and to the Blue Ribbon Transportation Finance Study Comm'n.

Simplify Transportation Improvement Program Database. Requires DOT to redesign TIP Program database as title indicates. Requires written report on suggested design changes to the Joint Legislative Transportation Oversight Committee 3/31/2000. Requires implementation of changes no later than 10/1/2000.

Subdivision Road Acceptance and Maintenance Study. Provides that Joint Legislative Transportation Oversight Committee will conduct study named in title. Requires final report with 2001 Session of General Assembly.

Disclosure of Personal Information in Motor Vehicle Records. Repeals current laws on this subject [1998 SL Ch. 23, Sec. 17.1, as amended by 1998 SL Ch. 212, Sec. 27.18(a)]. Amends GS 20-43.1 to provide that the Division of Motor Vehicles shall not disclose personal information for the purposes specified in 18 U.S.C. Sec. 2721(b)(12) unless the Div'n receives prior written permission from the person about whom the information is requested.

Funds for Rail Service to Western North Carolina Revert. Requires reversion of \$5.2 million as title indicates.

North Carolina Railroad Dividends. Permits up to \$10 million of the annual dividends of the NC Railroad received by the State in 1999-2000 to be used to upgrade tracks in Ester North Carolina. Permits additional dividends to be placed in a reserve until appropriated by the General Assembly. Extends period for repayment of obligations of the Beaufort and Morehead Railroad Company until after action of the 2000 Session of the General Assembly (now, 1999 Session).

Federal Funds for Public Transportation Improvements. As permitted by federal law, requires DOT to use \$10 million of federal highway funds during each year of the biennium for improvements to public transportation and rail. Requires report about expenditures to the Joint Legislative Transportation Oversight Committee.

Spending Public Transportation and Rail Division Funds. Assigns funds appropriated in this act for these purposes as follows. Of funds appropriated for public transportation in fiscal 1999-2000: (1) \$13,046,921 for urban and regional maintenance assistance (Object Code 6701); (2) \$4. 6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,350,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$7 million for regional new start and capital (Object Code 6707). Of funds appropriated for public transportation in fiscal 2000-2001: (1) \$8,146,921 for urban and regional maintenance assistance

(Object Code 6701); (2) \$4.6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,050,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$7 million for regional new start and capital (Object Code 6707).

Western North Carolina Railroad Stations. Permits DOT to use up to \$1 million of its appropriation in each year of biennium for Western North Carolina Railroad Stations.

Overrealized Highway Trust Fund Revenues to Move Division 3 Headquarters, Maintenance, and Public Transportation and Rail Uses. Permits DOT to use up to \$6 million to pay capital costs required to relocate the Div'n 3 Headquarters in Wilmington. Remaining funds must be transferred as follows: (1) 80% to the Highway Fund's maintenance budget; (2) 2.92% for rural capital projects in the Public Transportation Div'n budget; (3) 1.25% for Work First and transitional employment projects; (4) 15.83% for match to improve travel time between Raleigh and Charlotte in the Raleigh Division. Requires that transferred funds be spent in 1999-2000/

Use of Global Transpark Authority Funds. Provides that funds shall be used for: (1) matching federal construction funds, (2) developmental and operational activities related to the Kinston Regional Jetport and the Global Transpark Education and Training Center, and (3) project marketing and industrial development activities.

Global Transpark Obligations Maturity Dates Extended. Amends GS 147-69.2(b)(11) to extend maturity dates to September 1, 2004 (now, September 1, 1999).

Enforcement Agency Structure Study Committee. Creates Law Enforcement Agency Structure Study Commission as independent study commission, to study the history and structure of the Enforcement Section of the Div'n of Motor Vehicles and the Highway Safety Patrol Div'n of the Dep't of Crime Control and Public Safety. Committee is to study for efficiency and make recommendations for restructuring or reassignment of functions. Provides for ten members as follows: three Senators and one representative from the Dep't of Crime Control and Public Safety appointed by the Pres. Pro Tem; three members of the House and one representative of the Div'n of Motor Vehicles appointed by the Speaker; and the Secretary of Crime Control and Public Safety and the Commissioner of Motor Vehicles as ex officio members. Requires that one Senator and one Representative be chosen as co-chairs. Provides for subsistence and travel allowances for Commission. Requires final report by 2/1/2001.

Small Urban Construction Discretionary Funds. Allocates \$14 million of appropriation for small urban construction projects. Requires that funds be allocated equally in each fiscal year among the 14 Highway Divisions for such projects. Allocates \$10 million to be used statewide for rural or small urban highway improvements, industrial access roads, and spot safety projects as approved by the Secretary of the DOT. Provides that any such funds used for rural secondary road construction are not subject to the county allocation formula

provided in GS 136-44.5. Further provides that funds are not subject to GS 136-44.7. Requires that DOT report to members of the General Assembly on projects pursuant to this section in each member's district prior to the Board of Transportation's action. Requires quarterly reporting on use of funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

Amendment to the Transportation Equity Formula to Exempt Federal Discretionary Funding. Amends GS 136-17.2A(a) as special provision title indicates.

Equity Allocation Distribution Study and Report. Amends GS 136-17.2A (transportation equity formula) to require report on or before 12/1/99 to General Assembly about allocations, obligations, and expenditures for each distribution region in the years between 1989-90 and 1997-98. Requires ongoing reports about expenditures every two years on 12/1 thereafter. When necessary, the Secretary of Transportation should also submit plans to correct imbalances in equity.

Medium Custody Road Crew Compensation. Allocates \$7 million of DOT appropriation in 1999-2001 to pay the Dep't of Correction for costs authorized for reimbursement of highway-related labor performed by medium custody prisoners. Over and above this amount, any reimbursements must be made subject to negotiations among the DOT, DOC, and OSBM. Expresses intent that future reimbursements for such labor shall also be subject to such negotiations prior to payment and that the Governor's budget should recommend the amount and source of funding.

Repeal Annual Transfer of Highway Use Tax from Highway Trust Fund to General Fund. Amends GS 105-187.9 to repeal transfer indicated in title. Amends GS 136-176 by adding a section requiring that the DOT annually use \$170 million of funds deposited in the Trust Fund for highway maintenance purposes.

Global Transpark Authority on Future Plans and Performance Measures. Requires that Transpark Authority report to the Joint Legislative Transportation Oversight Committee on its plans for 2000 through 2010. Report must include goals and performance measures and be submitted on or before 2/1/2000.

PART XXVIII. SALARIES AND BENEFITS

Governor and Council of State. Sets Governor's salary at \$113,656 and members of Council of State at \$100,310.

Department Heads. Sets salary of heads of principal state departments at \$98,003. Also specifies salaries of other executive branch officials.

Judicial Branch Officials. Sets salary of Justices of Supreme Court (\$113,656 Chief Justice, \$110,687 others), Court of Appeals Judges (\$107,919 Chief, \$106,075 others), superior court judges ((\$103,193 Senior Regular Resident, \$100,310 others), district court judges (\$91,086 Chief Judge, \$88,204 others), district attorneys (\$92,931), public defenders (\$92,931), and Administrative Officer of the Courts (\$103,193, \$86,658 for Assistant Officer). Authorizes district attorneys and public defenders to set salaries of assistant attorneys within specified ranges. Provides for three percent increase for other Judicial Department permanent, full-time employees. Provides for three percent increase for magistrates, except those persons entitled to a step increase pursuant to GS 7A-171.1 in 1999-2000 fiscal year do not receive this increase.

Clerks of court. Sets salary for clerk of superior court, assistant and deputy clerks, according to schedule based on county population.

Magistrates Salary Increases/Sunset Repeal. Repeals 1993 Budget Act provision that magistrates must have successfully completed course of basic training in order to be renominated. Sets salary schedule for magistrates. Provides for longevity pay and limits reimbursement for travel expenses within the county of a magistrate's residence.

Legislative employees. Sets the General Assembly principal clerks' salary at \$84,147, the sergeant-at-arms and reading clerk in each house at \$274 per week plus subsistence, and provides for a three percent increase for other legislative employees.

Agency Teacher Supplement. Provides for 5% supplements for State agency teachers who are paid on the teacher salary schedule.

Community colleges. Provides funds for an average annual salary increase of three percent.

UNC EPA. Provides funds for an average annual salary increase of three percent, except teaching employees of the School of Science and Mathematics receive increases 7.5% per year.

Compensation bonus. Provides for a \$125 bonus for most permanent employees (except teaching faculty in the community colleges and UNC system).

Allocation of increase. Provides that the increases funded above for most state employees whose salary is set in accordance with the State Personnel Act shall be allocated as follows: two percent as career growth recognition awards and one percent as a cost-of-living adjustment. Provides that salary increases are effective July 1, 1999.

Salary Adjustment Fund. Allocates any remaining appropriation for legislative salary increase not required for that purpose to this fund. Fund to be first used for reclassification of positions already approved by the Office of State Personnel. Provides \$60,000 to be used to reclassify security guard positions at the Museum of History and at State historic sites.

Temporary Sales Tax Transfer for Wildlife Resources Commission Salary Increases. Provides for quarterly transfer from the State sales and use tax net collections to fund legislative salary increases for employees of the Wildlife Resources Commission.

Wildlife Salary Equity. Requires adjustment of salaries of Wildlife Enforcement Officers so that average salary in any salary classification level is the same as comparably classed members of the State Highway Patrol. Only funds available within the budget of the Wildlife Resources Commission (not including funding from sales tax transfers) may be used to implement this section.

Longevity for Assistant District Attorneys and Assistant Public Defenders. Adds provision in GS 7A-65(d) providing for 19.2% longevity pay after twenty years of service.

Travel Rates for State Employees. Amends GS 138-6(a) to provide that auto reimbursement rates are to be based on the business standard mileage rate set by the Internal Revenue Service; sets in-state subsistence rate at \$81.00 per day and out-of-state rate at \$93 per day; and (effective July 1, 2001, authorizes the Director of the Budget to make annual revisions in these amounts equal to percentage increases in the Consumer Price Index.

Travel Allowance for Members of the Utilities Commission. Amends GS 62-10 to authorize weekly travel allowance for members who reside at least fifty miles from Raleigh.

Salary-related Compensation. Provides conforming changes for contributions to retirement programs and other employer paid benefits.

Cost-of Living Increases for Members of the Teachers' and State Employees' Retirement System, the Consolidated judicial Retirement System, the Legislative Retirement System, and the Local Government Employees' Retirement System. Provides for 2.3% increase effective July 1, 1999.

Retirement System Transfer. Provides for transfer of a member's creditable service to Consolidated Judicial Retirement System once the member has five years service in the Judicial Retirement System.

Repeal Retirement Exclusion. Repeals GS 135-72, which limited retirement benefits for members appointed to serve as a judicial officer in the United States courts.

School Employee Retirement Credit Changes. Amends GS 115C-302.1 regarding conversion of accumulated annual vacation leave days by teachers.

Flexible Benefits Plan. Removes December 31, 199 sunset.

State Employee Health Benefit Plan/Enhanced Prescription Drug Benefits. Sets reimbursement rate for prescription drugs outside a hospital or skilled nursing facility at 90% of average wholesale price, with \$6 dispensing fee also allowed. Copayments are set at \$10 for

generic prescriptions, \$15 for branded prescription, and \$20 for branded prescriptions with a generic equivalent. Effective January 1, 2000.

State Employee Health Benefit Plan/Optional Participation by Firemen, Rescue Squad Workers, and Members of the National Guard. Amends GS 135-40 to allow participation by specified persons and certain dependents. Person must not be eligible for any other type of comprehensive group health insurance and must have been without any form of group health insurance for at least six months. Coverage is voluntary. Amends GS 135-39.6A to provide for separate premium rates for these participants. Effective July 1, 2000.

June 2, 1999

H 168. APPROPRIATIONS ACT OF 1999. Intro. 3/1/99. House committee substitute contains the following capital and miscellaneous provisions in addition to those provisions included in the June 1 digest.

PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Provides for the following capital improvement projects:

Capital Improvements - General Fund	<u>1999-2000</u>
Department of Administration	
1. Indian Cultural Center Land Acquisition Reserve	\$250,000
Department of Agriculture and Consumer Services	
1. Multipurpose Building - Construction	4,750,000
2. Western NC Farmers Market - Expansion of Small Dealers Building	250,000
3. Vernon James Research and Extension Center - Phase II of the Headhouse-Greenhouse project	827,168
Department of Community Colleges	
1. Grants for Repairs and Renovations to be matched on a 1:1 basis	14,500,000
Department of Environment and Natural Resources	
1. Water Resources Development Projects	9,245,000
2. Museum of Natural Sciences - Facility upfit and exhibits	2,000,000
3. Reserve for Forestry Headquarters	2,000,000
4. Museum of Forestry - Capital Projects	250,000
Department of Health and Human Services	
1. Whitaker School - Construction	5,400,000
2. Eastern Vocational Rehab Facility Repairs and Renovations Supplemental Funding	2,000,000
Office of Juvenile Justice	
1. Stonewall Jackson School - Demolition and removal of old homes	337,000

2. Forsyth County Detention Center Grant-in-Aid	1,750,000
State Ports	
1. Ports Authority - Continued Development of Facilities	3,000,000
University of North Carolina	
1. Focused Enrollment Growth Supplemental Repairs and Renovations Funding	20,000,000
TOTAL CAPITAL IMPROVEMENTS - GENERAL FUND	\$66,559,168

Water Resources Development Project Funds. Provides for allocation of funds for water resources development to the following projects:

1. Wilmington Harbor Deepening	\$5,700,000
2. B. Everett Jordan Lake Water Supply	100,000
3. Aquatic Plant Control Statewide and Lake Gaston	150,000
4. Manteo Shallowbag Bay Maintenance Dredging	350,000
5. Long Beach Sea Turtle Habitat Restoration	354,000
6. Lockwood Folly River Feasibility Study	300,000
7. Silver Lake Harbor (Ocracoke Island)	160,000
8. State-Local Water Projects	
Mitchell River Stream Restoration (Surry)	166,000
Muddy Creek Stream Restoration (McDowell and Burke)	50,000
Elk River Stream Restoration (Avery)	35,000
Bethesda Road Drainage (Southern Pines)	70,000
Artillery Road Drainage (Southern Pines)	30,000
Bear Creek Water Management Project Supplement (Wayne)	30,000
Flowers Cut Dredging (Pamlico)	20,000
Pine Knoll Shores Access (Carteret)	32,000
Town Creek Navigation (Brunswick)	64,000
Town of River Bend Navigation Supplement (Craven)	112,000
Other Stream Restoration	141,000
9. Stumpy Point Bay Maintenance Dredging	240,000
10. Cape Fear above Wilmington Dredging	100,000
11. Moravian Creek Flood Control	96,000
12. Neuse River Basin Flood Studies	100,000
13. Wanchese Harbor Navigation	170,000
14. Battery Island Bird Habitat Protection	205,000
15. Prospective Feasibility Studies	200,000
16. Planning Assistance to NC Communities	150,000

17. Emergency Flood Control Projects	120,000
Total	\$9,245,000

Specifies use of funds if actual costs are less than those allocated. Requires quarterly reports on use of these funds to the General Assembly.

Forestry Headquarters in Sampson and Moore Counties/Unused Capital Appropriation. Authorizes expenditure of any funds remaining from \$700,000 appropriation in 1998 for facility named in title to supplement projects previously appropriated by the General Assembly.

Reallocate Southeastern Farmers Market and Agricultural Center Funds. Permits up to \$250,000 of a previous appropriation to be used for construction of electronic message boards to inform the public about the Southeastern Farmers Market. Previous appropriation from which this comes is \$500,000 appropriation, in SL 1998-212, Sec. 29, to the Dep't of Agriculture and Consumer Services in fiscal 1998-99 to provide for capital improvement projects.

UNC Enrollment/Capital. Appropriates to the UNC Board of Governors \$20 million in capital improvement funds for facilities' renovations and repairs. Requires that the Board allocate these funds among the constituent institutions that are expected to grow in enrollment by 20% by fall, 2003 and who had facility condition and quality index ratings below the UNC System average, as identified in the report named "Building for the New Millennium: Volume I."

UNC-Charlotte Capital Funds Reallocated. Requires that \$2.5 million of \$12 million appropriated to the UNC Board of Governors in 1998-99 for UNC-Charlotte be used for advanced planning of the Science and Technology Building at UNC-Charlotte. Requires balance of funds to be used for site preparation and for construction of Phase 1 of the Humanities Building at UNC-Charlotte.

Procedures for Disbursement. Describes process of disbursement, allotment, and approval for financing by self-liquidating appropriations. Provides guideline for spending appropriations on fixed and movable equipment and describes general limitations on capital improvement projects.

Encumbered Appropriations and Project Reserve Fund. Describes process for encumbering capital improvement project appropriations and lists project reserve fund guidelines.

Expenditure of Funds from Reserve for Repairs and Renovation. Allocates 46% of 1999-2000 reserve to the UNC Board of Governors for repairs and renovations pursuant to GS 143-15.3A in accordance with UNC guidelines. Allocates remaining 54% to the Office of State Budget and Management for repairs and renovations pursuant to GS 143-15.3A.

Capital Improvement Projects/ Supplemental Funding Approval/ Reporting Requirement. Requires quarterly report to the Director of Budget on capital projects from each department receiving capital improvement appropriations from the Highway Fund under this act. Permits Director of Budget to supplement Highway Fund capital improvement projects authorized by this act that have not been placed under contract for construction due to insufficient funds as long as conditions listed in section are met.

Project Cost Increase. Permits Director of Budget to increase cost of a capital improvement project. If Director does so, requires report to the Joint Legislative Comm'n on Governmental Operations at its next meeting. Permits increase from gifts, grants, special fund receipts, excess patient receipts above budget amounts, or direct capital improvement appropriations to the relevant department or institution.

New Project Authorization. Permits Director of Budget to authorize construction of a capital improvement project not specifically authorized by the General Assembly if it is funded by non-appropriation fund types listed in the section. If Director does so, requires report to the Joint Legislative Comm'n on Governmental Operations at its next meeting.

Advance Planning of Capital Improvement Projects. Permits use of non-appropriation fund types listed in the section for advance capital planning through the working drawing phase, upon approval by the Director of the Budget. Permits Director to allocate funds for this purpose from the Advance Planning Fund, except that Fund cannot be used by the UNC Board of Governors or the State Board of Community Colleges.

Appropriations Limits/Reversion or Lapse. Provides for reversion or lapse of funds if project enumerated in act does not commence or self-liquidating indebtedness not incurred within twelve months following the first day of the fiscal year in which the funds are available.

PART XXX. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. As section title indicates.

Committee Report. Provides that Committee Report and special provisions of this act should be used in interpreting the budget. Describes compliance with Controller requirements for making a budget.

Most Text Applies Only to 1999-2001. As title indicates.

Effective Date. July 1, 1999.

H 168. APPROPRIATIONS ACT. Intro. 03/01/99. House amendments make the following changes.

House amendment 1 deletes provision in Section 8.5(b) that requires 20% of low-wealth supplemental funding be used to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8.

House amendment 3 adds Part XXVA regarding Dep't of Revenue budget reductions in the House Appropriations Committee Report on the Continuation, Expansion, and Capital Budget. Restores funding for each fiscal year of the 1999-2001 biennium as follows (1) Fund 1600, Item 43, four personnel positions, \$328,722; (2) Fund 1600, Item 44, one personnel position, \$59,979; and (3) Fund 1640, Item 46, four positions, \$155,174. Restores personnel funding for 1999-2000 fiscal year for Fund 1600, Item 43, \$115,460. Offsets restored funding by reducing Fund 1600-532140, Contractual Services, by \$599,356 and Fund 1600-532714, In-State Transportation, by \$59,979 for each fiscal year of the 1999-2000 biennium.

House amendment 5 adds language to Section 26.2 to clarify that artistic projects for which cultural resource grants may be used include visiting artist programs.

House amendment 9 adds to Sections 8.29(a) and 8.29(b) provisions prohibiting payroll deductions for employees' associations to be used in support of or opposition to any candidate in any election, including for any political action committee, campaign committee, or political committee, nor may funds be used in support of or opposition to any local or statewide referendum or bond issue or for any referendum committee.

House amendment 11 adds Section 8.33 requiring State Board of Education to study the

relationship between school size and behavior and academic performance of students. Board must report to Joint Legislative Education Oversight Committee before April 15, 2000.

House amendment 12 adds Section 12.1 to require, of funds appropriated for the Housing Trust Fund, \$2.5 million for 1999-2000 and \$500,000 for 2000-2001 be used for affordable housing for the elderly.

House amendment 13 deletes Section 8.6(f), which requires local boards of education to use at least 20% of small school supplemental funding to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8.

House amendment 14 deletes Section 8.23, which requires Joint Legislative Education Oversight Committee to study need for additional nurses in the public schools.

House amendment 15 adds Section 14.2 to prohibit 1999-2001 appropriations to Dep't of Labor from being used to develop, implement, or enforce an ergonomics program.

House amendment 21 adds Section 8.33 directing the State Board of Education to transfer \$3,000,000 in each year of the biennium from small school system supplemental funding to supplemental funding in low-wealth counties.

House amendment 22 adds Section 18.21, which amends GS 148-26(a) to allow inmate labor on projects or service that is of benefit to the citizens of North Carolina or units of State or local governments, regardless of whether the project or service is performed on public or private property.

House amendment 23 adds Section 10.17 directing the Board of Governors of The University of North Carolina to conduct a site study on the location of the Martin Luther King Race Relations Research Center, with a report to the 2000 session of the General Assembly.

House amendment 24 adds Section 11.65 to provide that \$325,666 allocated to the Dep't of Health and Human Services be used by the Div'n of Public Health for a Birth Defect Monitoring Program and makes conforming fiscal changes.

House amendment 29 revises Section 10.13 to provide that Research I institutions shall contribute 1.8% of their overhead receipts to General Administration of The University of North Carolina and adds Section 10.17 to provide that the Board of Governors of The University of North Carolina allocate \$1,500,000 in 1999-2000 and the sum of \$350,000 to North Carolina Central University for the operations of the Biomedical/Biotechnology Research Institute and makes conforming changes in fiscal figures.

House amendment 35 adds Section 20.5 directing Dep't of Crime Control and Public Safety to expend \$350,000 for 1999-2000 to provide metal detectors for the public schools. Funds for this expenditure come from funds appropriated for the North Carolina State Bar as follows: \$175,000 from Legal Services and \$175,000 from the Center for Death Penalty Litigation. Establishes priorities for use of funds.

House amendment 36 adds Section 11.31 providing that \$2,500,000 allocated to the Dep't of Health and Human Resources, Div. of Social Services, for program integrity activities in each county shall be given to the counties in a lump sum and unexpended funds shall revert to the General Fund.

House amendment 37 amends Section 9.11 (regarding funds appropriated from the Employment Security Commission Training and Employment Account to the Community Colleges System Office) to specify that if H 275 is adopted and provides an expenditure schedule or source of funds different from that provided in this section, then H 275 prevails.

June 1, 1999

H 168. APPROPRIATIONS ACT OF 1999. Introduced 3/1/99. House Committee substitute replaces blank bill with following:

PART I. INTRODUCTION AND TITLE OF ACT.

PART II. Current Operations – GENERAL FUND

<u>Department</u>	<u>1999-2000</u>	<u>2000-2001</u>
GENERAL ASSEMBLY	34,980,575	39,518,408
OFFICE OF THE GOVERNOR		
Office of the Governor	5,233,364	5,282,172

Office of State Budget and Management	4,126,118	4,227,782
Office of State Planning	2,147,099	2,147,099
Special Appropriations	3,205,000	3,080,000
OFFICE OF THE LIEUTENANT GOVERNOR	640,485	640,485
DEPARTMENT OF SECRETARY OF STATE	6,304,914	6,191,037
DEPARTMENT OF STATE AUDITOR	11,614,631	11,608,041
DEPARTMENT OF STATE TREASURER		
State Treasurer	6,315,485	6,330,357
Special Appropriations	12,294,780	12,294,780
DEPARTMENT OF INSURANCE		
Insurance	21,904,763	21,495,037
Special Appropriation	4,500,000	4,500,000
DEPARTMENT OF ADMINISTRATION	60,897,632	60,089,326
OFFICE OF STATE CONTROLLER	11,482,568	11,488,315
OFFICE OF ADMINISTRATIVE HEARINGS	2,757,199	2,786,455
RULES REVIEW COMMISSION	317,343	309,326
DEPARTMENT OF CULTURAL RESOURCES		
Cultural Resources	66,878,077	57,662,464
Roanoke Island Commission	1,826,157	1,826,157
DEPARTMENT OF REVENUE	77,838,543	74,446,752
STATE BOARD OF ELECTIONS	3,199,660	3,199,660
JUDICIAL DEPARTMENT	340,238,661	347,252,196
OFFICE OF JUVENILE JUSTICE	134,241,466	140,018,378
DEPARTMENT OF JUSTICE	73,097,008	72,515,298
DEPARTMENT OF CORRECTION	889,784,047	887,874,408
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	36,091,794	36,267,844
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
DHHS-Administration and Support	92,886,130	89,406,803
Division of Aging	30,042,117	29,792,117
Division of Child Development	286,012,727	305,441,553
Division of Services of the Deaf and Hard of Hearing	31,604,083	31,989,549
Division of Social Services	151,394,120	185,459,375
Division of Medical Assistance	1,348,453,847	1,539,549,270
Division of Services for the Blind	17,462,992	17,455,155
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	618,990,187	615,239,024
Division of Facility Services	10,937,289	11,198,856
Division of Vocational Rehabilitation Services	39,041,887	38,256,403
Division of Public Health	133,211,183	131,729,059
NC Health Choice	22,092,346	25,509,475
Total DHHS	2,782,128,908	3,021,026,639
DEPARTMENT OF PUBLIC EDUCATION	5,261,627,676	5,277,518,248

COMMUNITY COLLEGES SYSTEM OFFICE	577, 960,851	591,015,693
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS		
General Administration	41,659,202	42,077,020
University Institutional Programs	77,859,274	90,414,402
Related Educational Programs	81,913,581	84,952,820
UNC-Chapel Hill		
Academic Affairs	177,293,233	177,575,523
Health Affairs	144,910,088	145,843,687
Area Health Education Centers	44,094,068	44,116,310
NC State University		
Academic Affairs	234,331,766	235,906,137
Agricultural Research Service	45,549,404	45,422,994
Agricultural Extension Service	36,031,921	35,969,822
UNC-Greensboro	78,810,304	79,052,368
UNC-Charlotte	83,166,903	83,378,506
UNC-Asheville	22,017,704	22,061,697
UNC-Wilmington	49,957,856	50,325,018
East Carolina University		
Academic Affairs	101,589,323	101,704,564
Division of Health Affairs	41,109,992	44,107,886
NC Agricultural and Technical State University	53,492,454	53,491,976
Western Carolina University	47,364,534	47,539,139
Appalachian State University	72,063,889	74,072,087
UNC-Pembroke	20,456,907	20,452,780
Winston-Salem State University	24,000,509	24,147,742
Elizabeth City State University	19,279,750	19,342,413
Fayetteville State University	25,992,535	26,012,535
NC Central University	39,206,985	39,048,808
NC School of the Arts	14,463,446	14,710,424
NC School of Science and Mathematics	10,391,245	10,432,372
UNC Hospitals at Chapel Hill	36,351,025	39,042,772
Total UNC	1,623,357,898	1,651,201,802
OFFICE OF THE GOVERNOR-HOUSING FINANCE	10,300,000	4,300,000
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	56,313,419	54,246,601
DEPARTMENT OF LABOR	16,469,251	16,369,251
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	154,219,087	157,576,964
DEPARTMENT OF COMMERCE		
Commerce	47,098,448	43,745,365
State Aid to Non-State Entities	25,996,251	17,296,251
State Information Processing Services	3,596,000	0
DEPARTMENT OF TRANSPORTATION	20,973,881	15,434,165
CONTINGENCY AND EMERGENCY	1,125,000	1,125,000
WELFARE REFORM	412,503	412,503

RESERVE FOR COMPENSATION INCREASE	63,627,578	63,627,578
1998-99 CONTINUED		
RESERVE FOR COMPENSATION INCREASE	397,600,000	397,600,000
1999-2000		
RESERVE FOR COMPENSATION BONUS	16,400,000	0
RESERVE FOR SALARY ADJUSTMENTS	3,944,303	4,444,303
RESERVE FOR CONSOLIDATED MAIL SERVICES	(1,000,000)	(1,500,000)
RESERVE FOR JUDICIAL RETIREMENT	(900,000)	(900,000)
ADJUSTMENT		
RESERVE FOR POSITIONS VACATED BY	(12,709,439)	(12,709,439)
RETIREMENT		
RESERVE FOR STATE HEALTH PLAN	110,000,000	147,000,000
RESERVE FOR RETIREES HEALTH BENEFITS	(144,000,000)	0
DEBT SERVICE		
Debt Service	191,910,930	290,709,550
Federal Reimbursement	1,155,948	1,155,948
GRAND TOTAL CURRENT OPERATIONS GENERAL	13,019,555,86	13,553,748,199
FUND	2	

PART III. CURRENT OPERATIONS--HIGHWAY FUND

DEPARTMENT OF TRANSPORTATION

Administration	64,405,831	64,409,242
Operations	36,486,296	36,495,582
Construction and Maintenance		
Primary Construction		
Secondary Construction	84,777,000	87,710,000
Urban Construction	14,000,000	14,000,000
Access and Public Service Roads	2,000,000	2,000,000
Discretionary Fund	10,000,000	10,000,000
Spot Safety Improvements	9,100,000	9,100,000
State Funds to Match Federal Highway Aid	3,856,821	3,856,821
State Maintenance	463,069,469	462,069,469
Ferry Operations	18,174,622	18,174,622
State Aid to Municipalities	84,777,000	87,710,000
State Aid for Public Transportation and Railroads	57,003,319	54,476,002
OSHA-State	425,000	425,000
Governor's Highway Safety Program	338,121	338,121
Division of Motor Vehicles	91,133,577	92,987,232
Reserve and Transfers	215,142,944	237,657,909
GRAND TOTAL CURRENT OPERATIONS AND	1,154,690,000	1,181,410,000
EXPANSION		

PART IV. HIGHWAY TRUST FUND

Intrastate System	401,102,481	419,674,677
Secondary Roads Construction	75,899,292	78,524,234
Urban Loops	162,189,139	169,698,962
State Aid—Municipalities	42,085,006	44,033,663

Program Administration	28,768,082	30,128,464
Transfer to General Fund	170,000,000	170,000,000
GRAND TOTAL--HIGHWAY TRUST FUND	880,044,000	912,060,000

PART V. BLOCK GRANT FUNDS

Appropriates federal block grant funds for the fiscal year ending June 30, 2000 according to the following schedule:

DHHS BLOCK GRANT PROVISIONS	
Community Services Block Grant	\$13,030,672
Social Services Block Grant	\$74,911,329
Low-income Energy Block Grant	\$19,920,759
Mental Health Services Block Grant	\$6,498,831
Substance Abuse Prevention and Treatment Block Grant	\$38,579,723
Child Care and Development Fund Block Grant	\$194,680,226
Temporary Assistance to Needy Families (TANF) Block Grant	\$364,119,968
Maternal and Child Health Block Grant	\$16,784,030
Preventive Health Services Block Grant	\$5,599,783

NER BLOCK GRANTS

Welfare to Work Block Grant	\$23,663,882
Community Development Block Grant	\$45,000,000

Includes provisions regarding potential decreases or increases in federal fund availability. Provides that 25% of funds allocated for Rape Prevention and Rape Education be allocated to nonprofit organizations to provide programs targeted for middle, junior high, and high school students. Provides if federal funds are provided under the Maternal and Child Health Block grant for abstinence education, those funds are to be administered by the Department of Public Instruction. Specifies use of \$1,000,000 in TANF Block Grant for evaluation of the Work First Program, with a report to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Provides that \$1,677,529 of TANF Block Grant shall be used to implement pilots and strategies that support TANF recipients in attaining and maintaining self-sufficiency through job retention, family support services, and pre- and post-TANF follow-up. Requires DHHS to report on use of TANF funds for Work First job retention pilots to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Specifies use of \$2,000,000 of TANF Block Grant for programs aimed at reducing teen pregnancies, with a report on the use of these funds to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by April 1, 2000. Provides for use of \$2,811,687 for Special Children Adoption Fund and directs Division of Social Services to develop guidelines for awarding these funds. Provides for allocation of \$1,500,000 to the State Private Child Caring Agencies Fund. Provides for allocation of \$1,000,000 for the Enhanced Employee Assistance Program to continue a grant program for private businesses employing former and current Work First recipients. Provides for allocation of \$1,427,550 for Child Welfare Improvements for allocation to counties for staff to recruit, train, and support prospective foster and adoptive families. Provides for \$2,000,000 for the Intensive Family Preservation Services Program, specifies priorities for these funds, and directs development of a standardized assessment of imminent risk and clear criteria for placement, with a report to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by May 1, 2000. Directs DHHS and the Employment Security Comm'n to report on First Stop Employment Assistance Program to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal

Research Division by May 1, 2000. Provides for use of \$6,189,025 of TANF Block Grant for grants to pilot programs to address problems of families with special or multiple employment barriers. Provides that \$1,000,000 of TANF Block Grant be used for grants to Boys and Girls Clubs. Provides for \$1,000,000 in grants for domestic violence services. Revises GS 1443-16.1 to require state agencies to submit block grant plans to the Fiscal Research Division by February 20 of odd-numbered calendar years.

Provides for following uses of Community Development Block Grant: up to \$1,000,000 for state administration; up to \$1,306,500 for Urgent Needs and Contingency; up to \$871,000 for Community Empowerment; up to \$8,710,000 for Economic Development; not less than \$20,033,000 for Community Revitalization; up to \$450,000 for State Technical Assistance; up to \$3,484,000 for Housing Development; and up to \$9,145,000 for infrastructure. Allows use of funds to increase capacity of non-profit organizations to carry out eligible activities. Requires that 20% of any increase in Community Development Block Grants be allocated to the Economic Development program category.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	1999-2000 (\$ Millions)	2000-2001 (\$ Millions)
BUDGET REFORM STATEMENT		
Unappropriated balance	<u>0.2</u>	
Revenue collections in 1998-99 in excess of authorized estimates	333.9	
Unexpended appropriations during 1998-99	106.3	
Transfer to Savings Reserve	0	
Transfer to Reserve for Repair and Renovations	(150.0)	
Transfer to Clean Water Management Trust Fund	(30.0)	
Ending Fund Balance	260.4	
Beginning Unrestricted Fund Balance	260.4	0
Revenues Existing Tax Structure	12,367.2	13,103.8
Revenues-Gains on Asset Sale (RJR)	69.0	--
Homestead Exemption Increase	--	(9.0)
Nontax Revenues	523.7	550.5
Disproportionate Share Receipts	105.0	105.0
Transfer from Highway Trust Fund	170.0	170.0
Highway Fund Transfer	13.6	13.8
Transfer from Disproportionate Share Receipts Reserve	20.0	0.0
Transfer from Flexible Benefit Reserve	1.2	0.0
TOTAL AVAILABILITY	13,530.1	13,934.1
Highway Fund Availability		
Beginning Credit Balance	--	--
Estimated Revenue	1,149,490,000	1,194,410,000
Additional Reversions	5,200,000	--
TOTAL	1,154,690,000	1,194,410,000

Other. Transfers from General Fund to Dep't of State Treasurer in 1999-2000 \$399,000,000 for the Bailey/Emory/Patton Cases Refunds.

Increase Homestead Exemption. Amends GS 105-277.1(a) to increase the homestead property tax exemption for the elderly or permanently disabled from \$20,000 to \$25,000 and to change the maximum income for qualifying persons from \$15,000 to \$25,000. Makes conforming amendments to GS 105-309(f) and 105-277.1A. Effective for taxes imposed for taxable years beginning on or after July 1, 2000.

PART VII. GENERAL PROVISIONS

Special Funds, Federal Funds, and Departmental Receipts/Authorization for Expenditure. Contains limitations on use of receipted funds.

Insurance and Fidelity Bonds. Requires all such authorized bonds to be placed by the Dept. of Insurance and costs paid by the affected department.

Contingency and Emergency Fund Allocations. Provides for \$900,000 in each year of the biennium for emergency allocations and \$225,000 in each year for other allocations.

Authorized Transfers. Allows transfers from Salary Adjustment Reserves to General Fund and Highway Fund.

Expenditure of Funds in Reserves Limited. Limits use of reserve funds to purposes for which reserve was established.

State Money Recipients/Conflict of Interest Policy. Requires each private, nonprofit entity eligible to receive State funds to file copy of entity's policy addressing conflicts of interest that may arise involving the entity's management employees and members of its board of directors.

Budgeting of Pilot Programs. Requires each such program to be shown as a separate budget item.

Authorization of Private License Tags on State-owned Motor Vehicles. Authorizes use of private license plates on specified number of vehicles for specified state agencies.

Comprehensive Review of Environmental Studies. Requires Dep't of Natural and Economic Resources to report to the General Assembly by April 15, 2000 on research studies conducted or commissioned by the Dep't from July 1, 1995 to April 1, 2000. Report to itemize studies and for each to note principal investigators, cost and funding sources, synopsis of findings, and an explanation of actions taken in response

PART VIII. PUBLIC SCHOOLS

Charter School Advisory Committee. Authorizes State Board of Education (hereafter in this part, Board) to spend up to \$50,000 each year from State Aid to Local School Administrative Units for 1999-2000 and 2000-2001 years to continue support of a charter school advisory committee. Authorizes Board to spend up to \$150,000 from State Aid to Local School Administrative Units for 1999-2000 and 2000-2001 to evaluate charter schools.

Litigation Reserve. Funds in Board's Litigation Reserve that are not expended or encumbered on June 30, 1999, do not revert on July 1, 1999, but remain available for expenditure until June 30, 2000. Authorizes Board to expend up to \$500,000 for 1999-2000 from unexpended funds for certified employees' salaries to pay expenses related to pending litigation.

Exceptional Children. To extent that funds appropriated for exceptional children other than academically gifted children are adequate to do so, Board may allocate excess of these funds to provide services for severely disabled children in school units and in group homes.

Alternative Schools/At-Risk Students. Board may use up to \$200,000 of funds in Alternative Schools/At-Risk Students allotment for 1999-2000 and 2000-2001 years to (1) implement GS 115C-12(24), and (2) conduct studies of alternative schools and access to alternative schools, as required by S 1260 enacted in 1998 legislative session.

Uniform Education Reporting System (UERS)/Student Information Management System (SIMS) Funds. Funds appropriated for cited systems do not revert at end of 1999-2000 and 2000-2001 years but remain available until expended.

Supplemental Funding in Low-Wealth Counties. Provides that, from funds appropriated to the State Aid to Local School Administrative Units for the 1999-2001 biennium, the State Board of Education shall allocate supplemental funding for schools in low-wealth counties. Specifies allocation of funds as follows: the amount received per average daily membership for a county will be the difference between the state average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. Requires that local school units use these funds to supplement current expense funds only and to provide instructional positions,

instructional support positions, teacher assistant positions, clerical positions, instructional supplies and equipment, staff development, and textbooks. Also permits schools to use these funds as salary supplements for instructional personnel and instructional support personnel. Requires at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Authorizes the State Board to allocate supplemental funding to schools located in whole or in part in counties in which the county wealth as a percentage of the state average is less than 100%. Provides reduced funding for counties whose effective tax rates dropped below the State average between the 1996-1997 fiscal year and the 1997-1998 fiscal year. Directs the Board to withhold funding in the 1999-2000 fiscal biennium from counties found to have used supplemental funds to supplant local per student current expense funds. Directs the Board to report to the Joint Legs. Education Oversight Comm. by May 1, 2000 on its analysis of whether counties supplanted funds. Provides for reports by the Dep't of Revenue to the Board on tax status of each county. Provides that supplemental funding allocations do not revert.

Small School System Supplemental Funding. Directs the Board to allocate funds appropriated for small school system supplemental funding to each county school unit with an average daily membership of less than 3,150 students. Also specifies that funds be provided to a school unit with an average daily membership from 3,150 to 4,000 students if the unit is in a county that has an adjusted property tax base per student that is below the state adjusted property tax base per student and if the total average daily membership of all schools within the county is from 3,150 to 4,000 students. Requires at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Provides phase-out provisions for counties that become ineligible due to increases in property tax base per student or due to increases in population. Prohibits using supplement funds to supplant local current expense funds. Directs the Board to report to the General Assembly by May 1, 2000 on its analysis of whether counties supplanted funds.

Funds for National Board for Professional Teaching Standards. Provides that funds appropriated in this act to the Dep't of Public Instruction may be used to pay for the NBPTS participation fee and for up to three days of approved paid leave for teachers participating in the NBPTS program during the 1999-2000 and 2000-2001 school years for state-paid teachers who have completed three years of teaching in state schools operated by local boards of education, the Dep't of Human Resources, the Dep't of Correction, or the University of North Carolina, prior to application for NBPTS certification, and who have not previously received state funds for participating in any certification area in the NBTPS program. Requires repayment by teachers who do not complete the training process or do not teach in an N.C. public school for at least one year, absent extenuating circumstances. Directs the State Board to adopt policies and guidelines to implement act.

Funds to Implement the ABCs of Public Education. Provides that, from the funds appropriated to State Aid to Local School Administrative Units, the Board may provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance in accordance with the ABC's of Public Education Program. Allows State Board to pay cash awards of up to \$1500 (teachers and certified personnel) and up to \$500 (teacher assistants) in schools that achieve higher than expected improvement and to pay up to \$750 (teachers and certified personnel) and \$375 (teacher assistants) for schools that meet expected improvements. Permits use of funds for assistance teams to low-performing schools.

Substitute Teachers. Requires local boards of education in units with higher than statewide average teacher absentee rates to determine why teacher absence rates are higher than the statewide average and to develop a plan for decreasing the unit average.

Limited English Proficiency. Directs Board to develop guidelines for identifying and helping students with limited proficiency in English. Allocates unspecified funding to schools based on the percentage of students who have limited English proficiency. Directs Board to survey local school units to assess recruitment and retention of English as a second language teachers and to report to the General Assembly on this survey by March 1, 2000.

Drivers Education Funds Do Not Revert/Driving Education Certificates. Authorizes use of funds appropriated for drivers education for 1999-2000 and 2000-2001 for driving eligibility certificates.

Teaching Fellows Administrative Costs. Authorizes the Public School Forum, as administrator for the Teaching Fellows Program, to use up to \$150,000 annually from the fund balance for administrative costs, in addition to funds required for collection costs on loans.

Teacher Salary Schedule. Establishes monthly salary ranges for school teachers, psychologists, speech pathologists and nurses, including longevity payments for teachers ranging from 1% of base salary for 10-14 years of service up to 4.5% of base salary for 25 or more years of service.

School-based Administrator Salaries. Establishes monthly salary ranges for school principals and assistant principals. Removes requirement that superintendents be paid at least 1% more than the highest paid principal. Provides longevity pay for principals and assistant principals as for State employees under the State Personnel Act.

School Central Office Salaries. Establishes monthly salary ranges for assistant superintendents, associate superintendents, directors/coordinators, supervisors and finance officers. Provides longevity pay for central office personnel as for State employees under the State Personnel Act. Prohibits transfer of State funds from other funding sources to pay central office salaries. Provides for average annual salary increase of 3% for central office personnel, with a one-time bonus of \$125.

Noncertified Personnel Salary Funds/Teacher Assistant Salary Funds. Funds appropriated in Reserve for Compensation Increase provide 3% increase for non-certified public school employees, plus a one-time bonus of \$125.

Student Accountability Standards. Directs that funds appropriated for 1999-2001 biennium for Student Accountability Standards shall be used to help students performing at or above grade level in reading and mathematics in grades 3-8 on end-of-grade tests.

Appropriation of Funds from State Literary Fund. Appropriates \$2,500,000 for 1999-2000 from State Literary Fund to the Dep't of Public Instruction for aid to local school administrative units.

Transfer from Unemployment Reserve Fund. Directs Board to transfer \$850,000 from Unemployment Reserve Fund to General Fund in fiscal 1999-2000. Allocates \$850,000 to state aid to local school administrative units for programs similar to the unemployment reserve.

High School Exit Exams. Authorizes Board to use up to \$2,000,000 from 1999-2000 funds appropriated to state aid to local school administrative units to develop a high school exit examination. Requires report to General Assembly prior to expenditure of these funds.

Central Office Administrator Salary Study. Directs Joint Legis. Education Oversight Comm. to study the issue of salaries for school central office personnel and to report to the General Assembly before the 2000 regular session convenes.

Mentor Program Study. Directs Board to study the mentor program for teachers with initial certification and to report to the General Assembly before the 2000 regular session convenes.

Need for School Nurses/Study. Directs Joint Legis. Education Oversight Comm. to study the need for additional nurses in the public schools and, if it finds that additional nurses are needed, to forward the study results to the nonprofit corporation created by settlement of a civil action, 98-cvs-14377 and approved in SL 1999-2.

Study of School Transportation Needs for Children with Special Needs. Directs Board to study the issue of school transportation for children with special needs and to report the results to the Joint Legis. Education Oversight Comm. by Jan. 1, 2000. Allocates up to \$50,000 from funds appropriated for public school transportation to perform the study.

Strengthen Alternative Schools/Alternative Learning Programs. Amends GS 115C-47 to mandate creation of at least one alternative school or learning program by each local board of education and to prohibit superintendents from assigning employees who have received ratings less than "above standard" to alternative schools or learning programs. Alters funding for 1999-2000 to allocate 25% of funds now allotted to At-Risk Student Services/Alternative Schools solely to Alternative Schools/Alternative Learning Programs. Limits transfers of funds allocated for alternative schools/alternative learning programs. Permits Board to grant case-by-case waivers from alternative school requirement. Requirement to provide at least one alternative school or program becomes effective July 1, 2000.

Expand School Breakfast Program. Directs Board to expand the school breakfast program to all students in kindergarten prior to the beginning of the 2000-2001 school year.

Willie M. Funds/State Aid to Local School Administrative Units. Directs funds appropriated to state aid to local school administrative units for services to Willie M. class members to services required by state and federal law for children who were identified as members of the class at the time of dissolution of the class and to other children with special needs.

Charter School/ADM Reduction. Provides that if the projected average daily membership of schools other than charter schools in a county school administrative unit with 3,000 or fewer students is decreased by more than 4% due to projected shifts of enrollment to charter schools, the Board may use funds appropriated to State Aid to Local School Administrative Units for 1999-2000 to reduce the loss of funds to a maximum of 4%. Applies to 1999-2000 only.

Payroll Deduction Clarification. Makes technical and clarifying changes to provision for payroll deductions for employees' associations.

Textbook Commission Membership Expansion. Amends GS 115C-87 to expand membership of Textbook Comm'n to 23 (was, 14) and changes composition of comm'n. Requires each proposed textbook to be read by at least one expert certified in the discipline for which the textbook would be used. Adds as criterion for evaluation of textbooks whether it is aligned with the standard course of study. Effective Jan. 1, 2000.

Studies by Education Oversight Committee. Authorizes Joint Legis. Education Oversight Comm. to review reports by the Board and conduct any further study necessary regarding the establishment of a teacher assistant salary schedule and the issue of differentiated high school diplomas. Permits report to General Assembly prior to convening the 2000 regular session or the 2001 General Assembly and prohibits the Board from adopting a differentiated diploma plan until the plan is approved by the General Assembly.

Teacher Assistant Salary. Directs Board to study the costs and feasibility of a teacher assistant salary schedule providing an average teacher assistant salary that is 56% of the daily pay rate of an entry-level teachers with an "A" certificate. Authorizes Board and Board of Community Colleges to study feasibility of certifying teacher assistants. Directs Board to study costs of giving credits to teachers who previously worked as teacher assistants. Requires Board to report to General Assembly by April 1, 2000 on these studies.

PART IX. COMMUNITY COLLEGES

Employment of Community College Faculty/ Study. Requires State Board of Community Colleges to contract with a consultant to study whether the Community College System should employ faculty members for less than 12 month contracts, given that the system is on a semester system rather than a quarter system. Requires State Board to use funds from State Board Reserve to implement this section. Requires that Board report on results to the Joint Legislative Appropriations Subcommittees on Education and the Fiscal Research Division prior to 4/30/2000. States intent of General Assembly to provide for changes in faculty salaries that enhance salary.

Cooperative High School Education Program Accountability. Requests that the State Board of Community Colleges and the State Board of Education jointly reconsider existing policies for cooperative high school education programs. and make a preliminary report to the Joint Legislative Education Oversight Committee and the Fiscal Research Div'n prior to 11/15/99 and a final report prior to 4/15/2000. Requires that report include findings and recommendations that will enable State to increase the number of qualified high school students participating in cooperative high school education programs provided by community colleges. Requires that Joint Legislative Education Oversight Committee review final report. If the Committee finds the report inadequate, requires that it make a recommendation to the General Assembly as to how much, if at all, to downwardly adjust appropriations to these agencies for failure to adequately develop and implement this program.

Implementation of Performance Budgeting. Adds new GS 115D-31.3, implementing performance budgeting for the community colleges. Requires that the State Board create new accountability measures and performance standards to be used for performance budgeting, and requires that it review these measures annually. Authorizes State Board to permit institutions meeting performance measures to carry forward funds remaining in their budgets in an amount not to exceed 2% of State funds allocated to that institution, starting with fund balances at the end of the 2000-2001 fiscal year. Provides that carry forward funds shall be used to purchase equipment and program start-up costs other than faculty salaries. Requires that funds be encumbered within 12 months of the fiscal year into which they were carried forward. Requires five performance measures: (1) progress of basic skills students, (2) passing rate for licensure and certification exams, (3) goal completion of program completers, (4) employment status of graduates, and (5) performance of students who transfer to the university system. Permits colleges to choose one additional measure from the State Board's Phase 4 Funding Formula Study. Provides that successful performance on each of the six performance measures shall allow a college to retain and carry forward up to one-third of one percent of its final fiscal year General Fund appropriations into the next fiscal year. Requires that each college publish performance on these measures in its catalog each year beginning with the 2001 academic year. Requires State Board to report to Joint Legislative Education Oversight Committee and Fiscal Research Div'n prior to March 1, on an annual basis, on the implementation of this provision.

Over-realized Tuition and Fee Receipts Transferred to the Equipment Reserve Fund. Amends GS 115D-31 to add section (e), providing that if receipts from tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board shall transfer the overage to the Equipment Reserve Fund.

Financial Assistance for Community College Students. Requires that the Community College System Office allocate \$5 million of its appropriation in each 1999-2000 and 2000-2001 to provide need-based student assistance to community college students. Requires that students apply for federal Pell Grants to be eligible for program. Requires that the State Board adopt rules and policies for the disbursement of the financial assistance. Permits Board to contract with the State Education Assistance Authority to administer the funds. Provides that these funds will not revert. Requires that the Board ensure that at least one counselor is available at each college to inform students about federal and state assistance programs. Repeals GS 115D-40 (Community College Scholarship Fund).

Community College Funding Flexibility. Local community college may use all state funds allocated to it, except for Literacy Funds and Funds for New and Expanding Industries, for any authorized purpose consistent with college's Institutional Effectiveness Plan. This Plan must indicate to Board how college will use funding flexibility to meet demands of local community and maintain presence in all previously funded categorical programs. Funds allocated for salary increases shall be used only for salary increases and necessary employer contributions. States intent that no transfers be made from the formula salary line item, and that faculty salary funds be used to evaluate full-time and part-time faculty salaries. Permits transfers in college budgets from faculty salaries to other purposes only after public notice and notice to faculty. Provides that no

more than 1% system-wide may be transferred from faculty salaries without the approval of the State Board of Community Colleges. Such transfers above 1% must be reported to the joint Legislative Comm'n on Govt. Operations.

State Board Reserve Allocations. Requires State Board to use \$100,000 from State Board Reserve for each fiscal year to assist small rural low-wealth community colleges with operation and maintenance of plant costs. Requires State Board to use \$40,000 for fiscal 1999-2000 to support the recruitment activities of the NC Industries for Technical Education (NCITE).

Permit Transfers of Funds to the New and Expanding Industry Training Program. Authorizes Director of the Budget, after consultation with the Joint Legislative Comm'n on Governmental Operations, to transfer funds from any agency or program funded from the General Fund to this program to supplement its needs during fiscal 1999-2000.

Adult Education Program/ Review. Requires that State Board of Community Colleges review the Adult High School Program to determine how well the program is aligned with recent public school reforms and, after review, direct and advise local colleges on steps necessary to ensure adequate alignment. Requires that Board report on implementation of this section to the Joint Legislative Education Oversight Committee before 4/15/2000.

Management Information System Funds. Provides that funds appropriated for the Community College System Office Management Information System shall not revert at the end of 1999-2000 and 2000-2001 fiscal years.

Extend Community College Bond Match Deadline. Extends deadline from July 1, 1999 to July 1, 2000.

Employment Security Commission Training and Employment Account Funds. Contingent on passage of H 275, appropriates from the Employment Security Commission Training and Employment Account to the Community College System Office \$22 million for fiscal 1999-2000 and \$56.5 million for fiscal 2000-2001 to be used as follows: (1) nonreverting equipment, technology, and MIS reserve: \$12 million in 1999-2000 and \$42.5 million in 2000-2001; (2) nonreverting start-up fund for regional and cooperative initiatives: \$2 million in each year; (3) new and expanding industry training program: \$7 million in 1999-2000 and \$10 million in 2000-2001; and (4) enhanced focused industrial training programs: \$1 million in 1999-2000 and \$2 million in 2000-2001. With same contingency, appropriates from the Employment Security Comm'n Training and Employment Account to the Employment Security Comm'n \$5.5 million for fiscal 1999-2000 and \$14.1 million for fiscal 2000-2001 for the costs of collecting and administering the new training and reemployment contribution and for enhanced reemployment services. Also provides a formula for allocating any excess funds in Account over the above appropriations: 80% to the Community College System Office for purposes outlined above and 20% to Employment Security Commission for purposes listed above. Requires that funds be used for nonrecurring expenses only. Requires that Community College System Office and Employment Security Commission report to the Joint Legislative Education Oversight Committee prior to 5/1/2000 on proposed expenditures of these funds. Requires that these two entities jointly develop options for delivering workforce

training more efficiently and effectively and report on those options before 5/1/2000.

Clarification of Certain 1998 Community College Appropriations. Provides that, notwithstanding GS 115D-31, no non-State match is required for funds appropriated to SL 1998-212 for community college capital projects or for community college matching scholarship endowment funds.

Community College Reserve Funds Do Not Revert. Provides that funds appropriated to the Anson-Union Community College Reserve in SL 1998-212 shall not revert at the end of the fiscal year.

PART X. UNIVERSITIES

Aid to Students Attending Private Colleges Procedure. Funds appropriated in act to UNC Board of Governors for aid to private colleges must be disbursed under GS 116-19, 116-21, and 116-22. Funds shall provide up to \$975 per full-time equivalent NC undergraduate student enrolled at private institution as of Oct. 1 of each year. In addition to funds appropriated under GS 116-19 and in addition to all other financial assistance made available to private educational institutions located in state, or to students attending these institutions, there is granted to each full-time NC undergraduate student attending approved institution a sum not to exceed \$1,675 per academic year, which must be distributed as provided in act. Expenditures may not be used for student who is (1) incarcerated in state or federal correctional facility for committing Class A, B, B1, or B2 felony; or (2) incarcerated in state or federal correctional facility for committing Class C through I felony and is not eligible for parole or release within 10 years.

Aid to Private Colleges/Legislative Tuition Grant Limitations. No Legislative Tuition Grant funds may be expended at off-campus site (defined as program offered for degree credit away from institution's main, permanent campus) of private institution, established after May 15, 1987, unless (i) private institution offering program has previously notified and secured agreement from other private institutions operating degree programs in county in which off-campus program is located or operating in counties adjacent to that county, or (ii) degree program is neither available nor planned in county with off-campus site or in counties adjacent to that county. Member of armed services, abiding in state incident to military duty, who does not qualify as resident for tuition purposes, is eligible for Legislative Tuition Grant under section if member is enrolled as full-time student. Grant may not exceed cost of tuition less any tuition assistance paid by member's employer.

Wake Forest and Duke Medical Schools Assistance/Funding Formula. Disbursement to Wake Forest University shall be made in amount of \$8,000 for each medical student who is NC resident (\$5,000 to Duke University), \$1,000 (\$500, Duke University) of which shall be placed by school in fund to be used to provide student financial aid to financially needy NC students who are enrolled in medical school. Contains other specified limitations.

Rewarding Teaching Excellence. Funds appropriated in act for Rewarding Teaching Excellence Program must be distributed according guidelines established by UNC Board of Governors. Funds may not be used for any purpose other than for salary increases and necessary employer contributions provided by section.

Marine Science Research Committee Funds. Establishes Marine Sciences Research Organization Planning Committee to recommend an organizational and funding structure to ensure cooperative efforts among N.C. institutions doing marine science research. Committee to be comprised of chancellors of East Carolina University, N.C. State University, UNC-Chapel Hill, UNC-Wilmington, and three persons selected by the chancellors for their knowledge of the field. The committee is to be chaired by the chancellor of UNC-Wilmington. Requires report to General Assembly by March 1, 2000 and provides for committee to disband following report.

UNC Incentive Funding. Amends GS 116-30.3 for fiscal 1999-2000 to allocate one-half of special incentive reversion funds to fund nonrecurring items in the expansion budget appropriated to the Board of Governors at the direction of the Board of Governors. Effective July 1, 2000, eliminates 2% floor (for Area Health Education Centers of UNC-Chapel Hill, 1% floor) for non-reverting incentive amounts allowed to be carried forward and eliminates required 2% (for AHEC,

1%) reversion amount. Also effective July 1, 2000 eliminates allocation on use of one-half the reversion incentive funds.

Scholarship Fund Balances. Directs transfer of fund balances remaining in the Social Workers' Education Loan Fund to the Nursing Scholars Program to implement the reductions in appropriations for scholarships in the 1999-2000 fiscal year.

East Carolina University Medical School. Provides for transfer of \$2,000,000 from ECU Medicare Reimbursement Trust Fund to ECU School of Medicine operating fund.

UNC Enrollment Planning. Directs transfer of \$2,000,000 from the East Carolina University Medicare Reimbursement Trust Fund to the East Carolina School of Medicine General Fund for current expenses for fiscal year 1999-2000.

UNC Enrollment Planning. Allocates \$2,000,000 of 1999-2000 funds appropriated to the Board of Governors of UNC for a "Strategic Initiatives Reserve" to be used for campus assessments and to develop enrollment growth plans for the seven constituent institutions expected to grow 20% by fall, 2003. Allocates \$3,000,000 in continuing operating funds appropriated to the Board of Governors of UNC to carry out the Board of Governors' plans for campuses planning for rapid enrollment growth whose current enrollment is less than 5,000 FTE students. Allocates \$3,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for improvement of faculty instruction at the seven campuses targeted for major enrollment growth. Requires report to General Assembly by April 15, 2000 on use of these funds. Allocates \$2,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for the enhancement of development offices at the smaller institutions. Allocates \$1,000,000 in continuing operating funds appropriated to the Board of Governors of UNC for facilities management support for the smaller campuses and requires report to General Assembly by April 15, 2000 on use of these funds. Allocates \$1,000,000 in continuing operating funds appropriated to the Board of Governors of UNC to prevent reductions in faculty positions for the seven growth constituent institutions if these institutions are projected to have budget reductions based on current enrollment estimates. Requires annual reports to the General Assembly by Dec. 15 of each year on enrollment planning and management.

Graduate Tuition Remission. Allocates \$3,500,000 from funds appropriated to the Board of Governors of UNC to campuses with graduate programs and students eligible for graduate tuition remission or resident graduate tuition awards, but prohibits use of these funds at Research I institutions.

UNC-Wilmington Retain Land Sales Proceeds. Authorizes UNC-Wilmington to retain proceeds from sale of real property at the old Marine Science Center near Wrightsville Beach to use for the new Marine Science Center now under construction.

Explanation of Federal Tax Credits Available for Educational Purposes. Requires each constituent institution of the UNC system to provide an explanation to students and families of the federal tax credits available for educational purposes.

North Carolina Progress Board. Amends GS 143B, Part 2A of Art. 9 to locate Progress Board at N.C. State University but to be independent of the Board of Governors. Expands Board to 21 members (was, 14). Modifies appointments and terms. Provides for reports by the Progress Board. Provides for an executive director to be appointed by the chancellor of N.C. State University. Permits operating funds appropriated in 1998 that are not expended to be carried forward past June 30, 1999.

UNC Overhead Receipts. Effective July 1, 1999 allows all overhead receipts earned by the constituent institutions of the UNC system to be retained by the campus earning the receipts.

UNC General Administration Flexibility. Allows carry forward of up to 2½% of appropriations in UNC general administration budget code and use for one-time expenditures. Provides additional flexibility for general administration in use of its budget code.

UNC New Degree Programs. Allocates \$1,340,000 from funds appropriated to the Board of Governors of UNC for fiscal years 1999-2000 and 2000-2001 for new program development. For 1999-2000 further allocates these funds to support new programs at East Carolina, Elizabeth City State, N.C. A & T, N.C. State, UNC-Charlotte and Winston-Salem State.

PART XI. DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Recodification of Administrative Rules. Authorizes the Codifier of Rules to reorganize and make changes to the text of Titles 10 and 15A of the North Carolina Administrative Code to reflect

recent reorganization of the Dep't of Health and Human Services and the Dep't of Environment and Natural Resources. Changes not affecting the substance of the rules are exempt from the requirements of GS Ch. 150B and do not require review or approval of the Rules Review Comm'n.

Prescription Drug Assistance Program Study. Requires DHHS and the Fiscal Research Division of the Legislative Services Office to develop a proposal for a prescription drug assistance program to serve low-income elderly and disabled persons who are not eligible for Medicaid and who need prescription drugs to treat a condition which, if left untreated, could result in the person's admission to a nursing facility or in the person qualifying for Medicaid. DHHS must utilize the expertise of the Prescription Drug Work Group and (1) identify health conditions that need prescription drug treatment to prevent nursing home admission or Medicaid services; (2) identify the group of low-income elderly and disabled persons most in need of assistance; (3) estimate the number of person potentially eligible for drug assistance; (4) identify appropriate limitations on levels of assistance; (5) estimate the cost of the program; (6) review similar programs in other states; (7) develop a simple and cost-effective system for administering the program; (8) develop a timetable for implementation (9); conduct other activities that will assist in the development of the proposal. DHHS must report a complete proposal with several options to the General Assembly by May 1, 2000.

Study on Traumatic Brain Injury. Requires DHHS to study (1) the long-range costs of treating and caring for persons with traumatic brain injury and (2) the feasibility and cost to the state of obtaining a home and community-based Medicaid waiver to provide Medicaid services to 100 individuals with traumatic brain injury and for administrative support to manage the waiver. DHHS must report the study results to the House and Senate Appropriations Committees on Health and Human Services by May 1, 2000.

DHHS Employees/In Kind Match. Amends GS 143B-139.4 to permit DHHS to assign employees of the Office of Rural Health and Resource Development to serve as in-kind match to nonprofit organizations working to establish health care programs that will improve health care access while controlling costs.

Establishment of Division of Education Services. Requires the Sec'y of DHHS to create a new Div'n of Education Services, led by a Superintendent of Education Services with a strong background in public education, to manage the Governor Morehead School and the three residential schools for the deaf. DHHS goals and plans must be consistent with its 1999 report, Program Review of Disability Services. Any or all of the schools or educational programs currently managed by the Div'n of Mental Health, Developmental Disabilities, and Substance Abuse Services may be included in this new division. The purpose of creating the new division is to focus management attention and resources on (1) improving student academic and postsecondary outcomes; (2) increasing staff development and training; (3) achieving administrative consistency and access to expert support services across campuses; and (4) strengthening collaborative relationships with local education agencies and with the State Board of Education. DHHS must make a progress report to the House Appropriations Subcommittees on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000. Repeals GS 143B-216.33(a)(2). DHHS must evaluate opportunities, within the limits of existing law, for reorganizing the administration and delivery of DHHS services to visually impaired, deaf and hard of hearing, and vocational rehabilitation clients and report any resulting reorganization to the House Appropriations Subcommittees on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

ABCs Plan in DHHS Schools. Effective June 30, 1999, requires DHHS to retain any unobligated portion of nonrecurring funds appropriated by the 1997 General Assembly, 1998 Regular Session, to implement the ABCs Plan in the Governor Morehead School and the Schools for the Deaf.

Procedure for Award of Human Services Grants. Of appropriations to DHHS, requires \$4 million for fiscal year 1999-2000 to be used for grants for programs that provide services to older adults, adults with disabilities, at-risk children, and youth and families.

Nonmedicaid Reimbursement. As in 1998 budget act, provides for standards for reimbursement under programs other than Medicaid. Reauthorizes additional incentive payment of no more than 15% for hospitals that provide psychiatric inpatient care for Thomas S. Class members or adults with mental retardation and mental illness. Raises eligibility level for adults in

the Atypical Antipsychotic Medication Program from 115% to 125% of the federal poverty guidelines and revises fee schedule for this program accordingly.

Authorization to Expand Transitional Medicaid. Effective October 1, 1999, DHHS must expand transitional Medicaid benefits for Work First families, including parents, from 12 months to 24 months. DHHS must maximize the federal fund share and apply for federal approval as necessary.

Additional Dental Benefits under Health Insurance Program for Children. Amends GS 108A-70.21(b)(1) to expand dental benefits under the Health Insurance Program for Children to include twice annual fluoride applications, sealants, simple extractions, therapeutic pulpotomies, and prefabricated stainless steel crowns.

Allocation of G.S. 143-23.2 Medicaid Funds. Allocates \$84,000,000 in 1999-2000 and \$29,000,000 in 2000-2001 as prescribed in G.S. 143-23.2(b) for Medicaid programs.

Study Increase in Resource Limits for Aged, Blind, Disabled Persons to Qualify for Medicaid. Directs DHHS to study the feasibility and cost to triple the amount of the resource limits for aged, blind, and disabled persons to qualify for Medicaid and report study results to the House and Senate Appropriations committees on Health and Human Services by May 1, 2000.

Medicaid Anticipated Changes. Sets schedule of services and payment bases for funds appropriated for Medicaid for the categorically needy and medically needy. Allocates 85% of nonfederal cost of Medicaid to the State and 15% of nonfederal cost of services to counties. Services and payment bases and income and eligibility standards are substantially similar to provisions in the 1998 budget act, except DHHS is to provide Medicaid coverage to elderly, blind and disabled people who have incomes equal to or less than 100% of the federal poverty guidelines. Medicaid enrollment of categorically needy families with children must be continuous without regard to changes in income or assets, and DHHS must study the effect of this coverage on both the Medicaid program and the Health Insurance Program for Children. DHHS must make interim report on this study by October 1, 1999, and final report by January 1, 2000, to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources.

Departmental Study/Medicaid Coverage for Medically Necessary Prosthetics or Orthotics. Directs DHHS to study providing Medicaid coverage for medically necessary prosthetics or orthotics for Medicaid eligible persons age 21 and older. Requires DHHS to report its findings and recommendations to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by May 1, 2000.

Dentist Participation in Medicaid. Directs the Joint Legislative Health Care Oversight Committee to review the report of the NC Institute of Medicine's Task Force on Dental Care Access and other reports pertinent to dental care access and report its recommendations from this review to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by May 1, 2000.

Senior Center Outreach. Specifies uses of funds appropriated to the Division of Aging for 1999-2000. Requires certain commitments from county commissioners before funds may be spent on new senior center in that county. Limits state funding to not more than 90% of reimbursable costs.

Funds for Alzheimer's Association Chapters in NC. Of the funds appropriated to the Division of Aging, allocates \$150,000 for 1999-2000 and \$150,000 for 2000-2001 to be divided equally (\$50,000) among the three chapters of the Alzheimer's Association. Each chapter must submit a plan for use of funds before funds may be allocated by the Div'n of Aging.

Fire Protection Fund. Amends GS 122A-5.13 to permit up to \$10,000 annually from the Fire Protection Fund to be used to provide staff support to the NC Housing Finance Agency for loan processing and to DHHS for review and approval of fire protection plans and inspection of fire protection systems.

Transfer Bingo Program to Crime Control and Public Safety. Transfers the Bingo Program from Div'n of Facility Services to the Dep't of Crime Control and Public Safety by a Type I transfer, as defined in GS 143A-6.

Adult Care Home Bed Vacancies/Extension. Extends from August 26, 1999, to September 30, 2000, the limitations on DHHS approval of additional adult care home beds as specified in SL 1997-443, Section 11.69(b).

Plan for Accreditation of Adult Care Homes and Assisted Living Facilities. Requires DHHS to study and develop a plan and criteria for accreditation of adult care homes and assisted living facilities and to report its findings and recommendations to the Joint Legislative Health Care Oversight Committee and to the NC Study Comm'n on Aging by April 1, 2000.

Special Assistance Demonstration Project. Permits DHHS to use funds from the State/County Special Assistance for Adults budget to provide Special Assistance payments to eligible individuals in in-home living arrangements. Payments may be made for up to 400 individuals participating in the two long-term care demonstration projects for a two-year period from June 1, 1999 to June 30, 2000. DHHS must make an interim report by June 30, 1999, and a final report by October 1, 2001, to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources

Adult Care Homes Reimbursement Rate/Adult Care Homes Allocation Of Nonfederal Cost of Medicaid Payments/Staffing Grant. Provides for eligibility and payment rates for adult care home facilities and allocates state and county shares of the nonfederal cost of Medicaid payments. Allocates \$2,000,000 for 1999-2000 and \$500,000 for July through Sept. of 2000-2001 for staffing grants for adult care homes to be matched equally by county funds subject to conditions set forth in special provision.

Foster Care Assistance Payments. Establishes maximum rates for state participation in the foster care assistance program.

Adoption Assistance Payments. Establishes maximum rates for state participation in the adoption assistance program.

Authorized Additional Use of HIV Foster Care and Adoptive Family Funds. Directs that any additional funds remaining in appropriations for board payments to foster and adoptive families of HIV-infected children as prescribed in Chapter 324 or the 1995 Session Laws may be used to provide medical training in avoiding HIV transmission in the home. Sets maximum rates for state participation in HIV foster care and adoption assistance..

Child Protective Services. Requires funds appropriated to DHHS, Division of Social Services, for 1999-2001 for Child Protective Services be allocated to county dep'ts of social services based on formula that takes into consideration number of Child Protective Services cases in the county and the number of workers necessary to meet standards adopted by Ass'n of County Directors of Social Services.

Child Welfare System Pilots. Directs DHHS, Div'n of Social Services, in conjunction with local dep'ts of social services, to develop a plan to implement a dual response system of child protection in no fewer than two and no more than five demonstration areas in the State. DHHS must develop a data collection process that would enable the General Assembly to assess the impact of these pilots on specified topics.

Child Welfare System Improvements. Amends SL 1997-443, Section 11.57, as amended by Section 12.22 of SL 1998-212, to permit the Div'n of Social Services to grant an exception to the minimum 72 hours of preservice training for child welfare workers who satisfactorily complete or are enrolled in a Master's or Bachelor's Degree program after July 1, 1999, from an accredited North Carolina social work program pursuant to the Council on Social Work Education.

Limitations on State Abortion Fund. Extends limitations on funding of abortions, as established in SL 1995-324, Section 23.27, to fiscal years 1999-2000 and 2000-2001.

Child Caring Institution Rules Effective. Makes Social Services Comm'n rules adoption (10 NCAC 41S, 41T) and repeal (10 NCAC 41E, 41G, 41R) effective July 1, 1999.

Physician Services. Authorizes use of appropriation for salary increases and performance pay to offset costs of contracting with private and independent universities for provision of physician services to clients in facilities operated by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services in the same manner as is currently done with constituent institutions of The University of North Carolina.

Liability Insurance. Authorizes provision of medical liability insurance to employees of DHHS, DENR, and DOC, who are dentists or physicians.

Private Agency Uniform Cost-Finding Requirement. Authorizes Division of MH/DD/SA Services to require private agency that provides services under contract with two or more area authorities to complete an agency-wide uniform cost finding in accordance with GS 122C-143.2(a) and GS 122C-147.2.

Funds to Reduce Waiting List for Services for Developmentally Disabled Persons. Of funds appropriated to the Div'n of MH/DD/SA Services, \$6 million for 1999-2000 must be used to provide family support services to developmentally disabled individuals who are not eligible for the Medicaid Community Alternative Program for MR/DD persons and who are on the DHHS waiting list for services.

Study of State Psychiatric Hospitals/Area Mental Health Programs. As specified in the 1998 budget act, requires State Auditor to make reports to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by November 1, 1999, December 1, 1999, and April 1, 2000.

Butner Community Land Reservation. Directs DHHS to reserve and dedicate certain described land for the construction of a community building and related facilities to serve the Butner Reservation. The Butner Planning Council must advise DHHS on the use of the reserved land, the construction of the community building, and the expenditure of cablevision franchise rebate funds.

Mental Health Funds For Crisis Services. Purpose of funds appropriated for local crisis services must include, but not be limited to, meeting the short-term crisis needs of mentally retarded children that are determined by the Div'n of MH/DD/SA Services to need crisis services.

Mental Health Reserve for Medicaid Match. Of funds appropriated to Div'n of MH/DD/SA Services for fiscal year 1999-2000, DHHS must transfer to the Mental Health Restricted Reserve an amount not more than the actual expenditures for Medicaid payments for the 1998-99 fiscal year for services provided by area authorities, plus the estimated amount needed to match Medicaid payments under the former Carolina Alternatives Program. DHHS may not transfer from area authority allocations funds to cover Medicaid expenditures that exceed the amount of funds in the Reserve for the 1999-2000 fiscal year.

Use of Willie M./Thomas S. Funds. Specifies use of funds appropriated to DHHS for services required by state and federal law to Thomas S. and Willie M. class members.

Authority to Access Cash Reserves of DMH/DD/SAS Area Program Foundations for Reimbursement for Disallowed Expenditures. Adds to GS Ch. 122C a new GS 122C-123A requiring area authorities to reimburse to the State funds transferred to other entities when such expenditures are disallowed pursuant to a State or federal audit.

Early Intervention Services. Of funds appropriated to DHHS, \$203,000 for fiscal year 1999-2000 and \$610,000 for 2000-2001 must be used to implement two recommendations from the Interagency Coordinating Council's 1999 Study on Early Intervention Services for Children Ages Birth to Five Years. Of this appropriation, \$78,000 in 1999-2000 and \$110,000 in 2000-2001 must be used to plan and implement an integrated interagency data base of children with or at risk for disabilities to be used for purposes specified. The sum of \$125,000 in 1999-2000 and \$500,000 in 2000-2001 must be used to plan and implement regional transdisciplinary training teams to provide training technical assistance, and other support services to existing early intervention agencies and providers. DHHS, DPI, and UNC TEACCH must submit an interim report by March 15, 2000, and a final plan for statewide implementation of the transdisciplinary teams by March 15, 2001 to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources. Directs the NC Schools for the Deaf and other agencies providing early intervention services to implement procedures for informing parents of children identified with hearing loss of services available through Beginnings for Parents of Hearing Impaired Children, Inc.

Child Care Allocation Formula. Establishes simplified allocation formula for all noncategorical federal and state day care funds: 1/3 according to county population in relation to the total population of the state; 1/3 according to the number of children under 6 years of age in a county who are living in families with below poverty level income levels in relation to the total number of children under 6 in the state in families with below poverty level income; and 1/3 according to the number of working mothers with children under 6 years of age in a county in relation to the total number of working mothers with children under 6 in the state. A county's initial allocation shall not be less than that county's total expenditures for child care in fiscal year 1995-96.

Child Care Funds Matching Requirement. Prohibits requirement of local matching funds as a condition of receiving state day funds unless federal law requires the match.

Child Care Revolving Loan Fund. Permits funds budgeted for the Child Care Revolving Loan Fund to be transferred to and invested by the financial institution contracted to operate the Fund.

Child Care Market Rate Funds. Directs that \$3.3 million of the appropriation to the Div'n of Social Services be transferred to the Div'n of Child Development to fund the nonfederal share of the child care market rate.

Child Care Subsidies. Sets the maximum gross annual income for initial eligibility for subsidized child care services at 75% of the State median income, adjusted for family size. Sets out fees schedule and limitations, and rules for monthly schedule of payments and payment rates for day care services.

Early Childhood Education and Development Initiatives. Amends GS 143B-168.12(a)(1) to exempt local board members who are appointed because of a position held by that member from the county or region residency requirement. Directs DHHS and the NC Partnership for Children, Inc. to continue to implement the recommendations in the Smart Start Performance Audit and to report quarterly to the Joint Legislative Comm'n on Governmental Operations. Sets limits on administrative costs for local partnerships, competitive bidding practices, and matching funds requirements. Authorizes DHHS to continue to implement the performance-based evaluation system and the Frank Porter Graham Child Development Center to continue its evaluation of the program. Of funds appropriated to DHHS, Div'n of Child Development, \$58 million in 1999-2000 and \$78,928,826 in 2000-2001 must be used to administer and deliver services in all 100 counties. The NC Partnership for Children, Inc. may use \$1.5 million in 1999-2000 to assist local partnerships in their efforts to develop local collaboration. Of funds appropriated to DHHS for the Early Childhood Education and Development Initiatives Program, the Frank Porter Graham Child Development Center must receive \$1,015,000 in 1999-2000 and \$1,015,000 in 2000-2001.

Reimbursement and Compensation of Members of the North Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living Council, and the Commission for the Blind. Provides that members of Vocational Rehabilitation Advisory Council, Statewide Independent Living Council, and Comm'n for the Blind who are unemployed or who must forfeit wages from other employment to attend meetings or perform related duties, receive compensation up to \$50 per day for attending meetings or performing related duties.

Family Support/Deaf and Hard of Hearing Services Contract. Of funds appropriated to Div'n of Services for the Deaf and Hard of Hearing for family support services, \$503,238 for 1999-2000 and \$503,238 for 2000-2001 must be used to contract with a private, nonprofit corporation licensed to do business in NC to perform family support and advocacy services as well as technical assistance to professionals who work with families of hearing-impaired children aged birth to 21 years.

Services for Blind/Extended Service Provider Positions. Of funds appropriated to Div'n of Services for the Blind, \$250,000 for each fiscal year of the 1999-2001 biennium must be used to maintain extended service provider positions at local nonprofit-supported employment programs.

Immunization Program Restitution Policy. Directs DHHS to require restitution from immunization providers when vaccine in the provider's inventory has expired or become spoiled or unstable due to the provider's negligence and unreasonable failure to properly rotate the inventory.

Immunization Program Funding. Authorizes DHHS to use up to \$1 million of funds appropriated for childhood immunization programs in each fiscal year of the 1999-2001 biennium for outreach and other projects designed to increase childhood immunization rates in state.

Intensive Home Visitation Program for Children. Appropriates from the Work First Reserve Fund to DHHS \$945,000 for 1999-2000 to match federal funds in the Intensive Home Visitation Program for Children. Specifies topics that DHHS must report on by April 1, 2000 to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division.

AIDS Drug Assistance Program. Directs DHHS to develop and implement, by July 1, 1999, a cost-containment plan for the purpose of serving additional clients of the Aids Drug Assistance Program. Lists specific activities to be conducted in developing the plan. Requires DHHS to report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division, by May 15, 2000, on the realized and projected savings and recommendations for projected savings. Sets income eligibility levels for participation in the AIDS Drug Assistance Program and directs DHHS to study participation rates and costs if eligibility for participation were raised.

HIV/STD Prevention Services/Evaluation and Accountability of Grantees. Establishes reporting requirements for entities contracting with DHHS to provide services to high-risk individuals. Directs DHHS to adopt standards for the annual evaluation and certification of these entities. By July 1, 1999, DHHS must report on adopted standards to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources.

Extend Heart Disease and Stroke Prevention Task Force. Extends the Heart Disease and Stroke Prevention Task Force to June 30, 2001, and requires task force reports to the 2000 and 2001 General Assembly.

Osteoporosis Program Funds. Of funds appropriated to Div'n of Public Health, \$100,000 for 1999-2000 must be allocated for the continuing work of the Osteoporosis Task Force established by Section 15.32 of SL 1997-443. Task Force must report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, the Governor, and the Fiscal Research Division by April 1, 2000 (progress) and October 1, 2000 (final). Task Force to expire at submission of final report.

Cancer Control Advisory Committee Funds. Directs that a portion of funds appropriated to DHHS, Div'n of Public Health, be used for prostate cancer control activities.

Public Health Prevention Activities Report. Requires, by April 15, 2000, the Div'n of Public Health to report on the activities of the Children's Vision Screening Program to Prevent Blindness, Inc.; the NC Healthy Start Foundation; and the Adolescent Pregnancy Prevention Coalition of North Carolina. Specifies the types of information to be included in each report.

Communicable Disease Control Aid to Counties Flexibility. Authorizes DHHS to combine and allocate funds appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into one Acute Communicable Disease Control Aid to Counties Grant. Funding to local health departments and other authorized recipients must be based on a general communicable disease formula to be developed by DHHS.

Transfer Funds Designated for the Chemical Alcohol Testing Program. Directs the Administrative Office of the Courts to transfer all funds collected under GS 20-16.5(j) that are designated for the chemical alcohol testing program to DHHS on a monthly basis. Any funds not needed for that program must be transferred annually to the Governor's Highway Safety program for grants to local law enforcement agencies for training and enforcement of the laws on driving while impaired. This program must expend these funds within 13 months of receipt.

Healthy Mothers/Healthy Children Grant Program. Authorizes the Healthy Mothers/Healthy Children Grant Program in up to eight local health departments and requires DHHS to report on the Program's implementation to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

Preventive Health Program Plan. Requires DHHS to develop a plan to reduce duplication among preventive health programs and initiatives, focusing on task forces, advisory committees, local health departments, and other entities supported by and within the Chronic Disease Prevention and Control Section of the Div'n of Public Health. DHHS must report to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000.

PART XII. HOUSING FINANCE AGENCY

Home Program Matching Funds. Directs that funds appropriated to the Housing Finance Agency for the federal HOME Program must be used to match federal funds appropriated for the HOME Program. Lists projects to be given priority for funding by the Housing Finance Agency. Requires Agency to report to the Joint Legislative Comm'n on Governmental Operations by April 1 of each year concerning the status of the HOME Program. Funds appropriated to match federal HOME Program funds do not revert to the General Fund on June 30, 2000 or on June 30, 2001.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

State Budget Study of Agricultural Loans and Grants Program. Directs Office of State Budget and Management to study all private and public farm loans and grants programs available throughout the State and to report its findings to the Fiscal Research Division no later than May 1, 2000.

Assistance for Small, Family Farms. Of funds appropriated to the Dep't of Agriculture and Consumer Services for 1999-2000, \$50,000 must be used to provide assistance to farmers who operate small, family farms. By March 1, 2000, the Dep't must report to the Joint Legislative Comm'n on Governmental Operations, the Appropriations Subcommittees on Natural and Economic Resources in the House and Senate, and the Fiscal Research Div'n on the use of these funds.

Guidelines for Grants for Local Agricultural Fairs. Directs the Dep't of Agriculture and Consumer Services to adopt guidelines for the disbursement of funds appropriated for grants for local agricultural fairs.

Southern Dairy Compact Commission Funds. Of funds appropriated to the Dep't of Agriculture and Consumer Services, \$500,000 for 1999-2000 must be credited to a nonreverting reserve within the Dep't for start-up costs of the Southern Dairy Compact Comm'n, to be established as set forth in GS 106-810. Conditions reserve disbursements on ratification by Congress of legislation authorizing the operation of the Southern Dairy Compact. Specifies provisions for contract to be entered into between North Carolina and the Southern Dairy Compact Comm'n. Upon failure of Congress to authorize the Compact by June 30, 2001, all funds in the reserve revert to the General Fund.

Loan Program for Small, Family-Owned Farms. Funds appropriated to the NC Rural Rehabilitation Corporation for 1999-2000 must be used to make loans to those farmers of small, family-owned farms having financial difficulty as shown by their inability to obtain affordable conventional loans from other sources. Term of loan may not exceed 20 years. The Dep't of Agriculture and Consumer Services must adopt rules to implement this section.

Mandatory Equine Infectious Anemia Testing Funds. Not later than October 1, 1999, Board of Agriculture must adopt rules providing for the mandatory testing of equines for equine infectious anemia prior to sale or prior to exhibition or assembly at public stables or other public places. Authorizes Dep't of Agriculture and Consumer Services to use its appropriations for the cost of enforcing the mandatory testing program.

Increase Grape Growers Funds. Amends GS 105-113.81A to raise to \$175,000 the cap on fortified wine tax proceeds to be credited to the Dep't of Agriculture and Consumer Services.

PART XIV. DEPARTMENT OF LABOR

Department of Labor/Budget Over-realized Indirect Cost Receipts. Authorizes the Dep't of Labor to budget over-realized indirect cost receipts up to \$200,000 in 1999-2000 and up to \$300,000 in 2000-2001 to fund departmental technology needs.

Youth Employment Certificates. Amends GS 95-25.5 to authorize the Commissioner of Labor to issue youth employment certificates both directly and electronically.

PART XV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Special Reserve Funds for Forest Seedling Program/Bladen Lakes State Forest. Amends GS 113-36 to create two nonreverting funds, the Forest Seedling Nursery Program Fund and the Bladen Lakes State Forest Fund. The Seedling Fund is funded by receipts from sale of seed and seedlings and may be used only to develop, improve, repair, maintain, operate or otherwise invest in the Forest Seedling Nursery Program. The Bladen Lakes Fund is funded by receipts from the sale of forest products from Bladen Lakes State Forest and may be used only to develop, improve, repair, maintain, operate or otherwise invest in the Bladen Lakes State Forest.

Statewide Beaver Damage Control Program Funds. Appropriates \$500,000 in 1999-2000 and 2000-2001 from funds appropriated to the Wildlife Resources Commission for State share of beaver damage control under GS 113-291.10, provided that at least \$25,000 in federal funds is available each fiscal year for the federal share.

Grassroots Science Program. Appropriates \$3,670,000 in 1999-2000 and \$3,420,000 in 2000-2001 as grants-in-aid as follows: \$64,066 each year for the Aurora Fossil Museum, \$179,172 each year for the Catawba Science Center, \$63,942 each year for the Colburn Gem and Mineral Museum, Inc., \$776,577 each year for Discovery Place, \$54,420 each year for the Granville County Museum Commission, Inc. – Harris Gallery, \$108,202 each year for Imagination Station, \$465,240 each year for NC Museum of Life and Science, \$98,007 each year for Rocky Mount Children's Museum, \$381,489 each year for Schiele Museum of Natural History, \$247,501 each year for Sci Works Science Center and Environmental Park of Forsyth County, \$321,802 each year for Natural Science Center of Greensboro, Western NC Nature Center, \$203,944 each year

for the Cape Fear Museum, \$318,274 in 1999-2000 and \$68,274 in 2000-2001 for Museum of Coastal Carolina, \$56,243 each year for Iredell County Children's museum and \$210,860 each year for the Health Adventure Museum of Pack Place Education, Arts, and Science Center, Inc.

Town Fork Creek Soil Conservation Project. Extends nonreverting reserve account of S.L. 1995-507, sec. 26.3(c) as amended by S.L. 1997-443, sec. 15.11 to June 30, 2001 (was, 1999).

Meadow Branch Water Project and Deep Creek Project/Extend Reversion Date. Extends nonreverting appropriations for water resources projects in Deep Creek (Yadkin County) and Meadow Branch (Robeson County) until June 30, 2001 (was, June 30, 1999).

NER Interim Study of DENR Organization. Authorizes the appropriations subcommittees on Natural and Economic Resources to study the organization of the Dep't during the interim and make recommendations to the 2000 regular session no later than May 1, 2000.

Superfund Program/Inactive Hazardous Sites Funds. Authorizes Dep't, with approval of the Office of State Budget and Management, to use available funds to provide the ten percent cost share required for Superfund cleanups on National Priority List sites, to pay operating and maintenance costs associated with Superfund cleanups, and to cleanup priority inactive hazardous sites. Requires a report to the General Assembly on the amount and source of such funding within 30 days of making expenditures.

Funds for Voluntary Remedial Actions. Authorizes the Sec'y to contribute from the Inactive Hazardous Sites Cleanup Fund up to ten percent of the cost each fiscal year (not to exceed \$50,000 per site) for implementing voluntary remedial action at up to three high-priority sites. Requires a report to the General Assembly by April 1 of each year in the biennium on these expenditures.

DENR Position for Scrap Tire Program. Authorizes Dep't to use funds in the Scrap Tire Disposal Account for a technical assistance position for 1999-2000 and 2000-2001 to help local governments develop programs to keep scrap tires from outside the state from being disposed for free and to complete the cleanup of nuisance tire collection sites.

Pollution Prevention and Environmental Assistance to Small Businesses with Need. Directs that grants and technical or financial assistance from the Div. Of Pollution Prevention and Environmental Assistance of Dep't be prioritized towards small businesses that can demonstrate financial need.

DENR Study One-Stop Permit Process. Directs Dep't to study the feasibility and benefits of implementing a one-stop permit system, specifically considering the State of New Jersey's ONE STOP program. Requires report by Feb. 15, 2000 to the General Assembly.

Repeal Duplicate Reporting Requirement for Clean Water Management Trust Fund. Repeals GS 113-145.6(i), which requires a report to the General Assembly that is duplicated in GS 113-145.6A.

Environmental Education Grants. Permits use of up to \$50,000 of the \$200,000 appropriated to Dep't for environmental education grants to be used to administer the grants. Permits use of grant funds for schools, community organizations, and environmental education centers for development of environmental education library collections or school groups for field trips to environmental education centers across the State, provided the activities of the field trip are correlated with the Dept' of Public Instruction's curriculum objectives. Requires report to the General Assembly by Jan. 1, 2000 and again by July 1, 2000 on the grant program.

Partnership for the Sounds. Requires reports, including audited financial statements, from Partnership for the Sounds, Inc. to the General Assembly.

North Carolina Water Quality Workgroup Initiative/Rivernet Monitoring System Pilot Program/Research Funds. Directs Dep't to work with N.C. State University to identify the scientific and State agency databases that relate to water quality, to identify data gaps and to establish priorities for filling data gaps. Requires the workgroup to develop a water quality monitoring system to be called Rivernet that provides continuous monitoring of water quality parameters and web-based dissemination of water quality data in areas of impaired water quality. Requires a pilot area to be chosen and implemented for the 1999-2001 biennium. Requires data to meet EPA standards and to avoid duplication. Appropriates \$1,150,000 for the 1999-2000 fiscal year and \$650,000 for the 2000-2001 fiscal year to implement the section, allocated as follows: \$275,000 in each year to N.C. State for operating costs of the monitoring system and pilot project, \$500,000 in 1999-2000 for purchase of monitoring equipment, installation of data transfer network and

installation of computer hardware and software, and \$375,000 in each year for reserve funds to be administered by the Scientific Advisory Council in the Dep't for research projects recommended by the workgroup. Funding is limited to studies that promote collaborative work among the Dep't, N.C. State University, UNC-Wilmington, East Carolina University, Western Carolina University and UNC-Chapel Hill to collectively close "knowledge policy gaps" with respect to the State's water quality.

PART. XVI. DEPARTMENT OF COMMERCE

Department of Commerce Budget Revisions. Requires Dep't, in consultation and upon approval of Office of State Budget and Management, to revise its budget codes to accurately reflect its organization. Budget revisions are to be submitted to and approved by OSBM by Jan. 1, 2000. Requires reports to the General Assembly by Oct. 15, 1999 and Jan. 15, 2000 on these budget revisions.

Wanchese Seafood Industrial Park Funds. Authorizes expenditure of \$121,120 in each fiscal year by the NC Seafood Industrial Authority for operation, maintenance, repair, and capital improvements.

Industrial Recruitment Competitive Fund. Continues fund purpose of providing financial assistance to businesses or industries deemed by the Governor to be vital to a healthy and growing State economic and that are making significant efforts to establish or expand in N.C. Permits use of fund for installation or purchase of equipment, structural repairs, improvements or renovations of existing buildings, construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines or equipment for existing buildings. Requires Governor to adopt guidelines and procedures for the commitment of funds. Requires report by the Dep't to the General Assembly by Oct. 1, 1999 on the use of the fund.

Regional Economic Development Comm' Allocations. Establishes a formula by which the Dep't of Commerce is to allocate funds to the following regional economic development comm'ns: Western NC; Research Triangle; Southeastern; Piedmont Triad Partnership; Northeastern; Global Transpark; and Carolinas Partnership, Inc.

Regional Commission Reports. Requires each regional development comm'n receiving a grant-in-aid from the Dep't of Commerce to make a report of its activities and finances to the Joint Legislative Comm'n on Governmental Operations, Fiscal Research Div'n, and Dep't of Commerce by Jan. 15, 2000 and 2001. Requires quarterly activity reports to Dep't of Commerce.

Repeal Statutory Reporting Requirements for Regional Economic Development Commissions. Repeals annual report to the General Assembly for Western, Northeastern and Southeastern comm's.

Modify Northeast Regional Economic Development Commission. Amends GS 158-8.2 to delete "tourism development" from state purposes of the comm'n. Reduces ex officio members to one (removing Sec'y of Cultural Resources). Requires each appointed member to be an experienced business person who resides for most of the year in a county that is a member of the comm'n. Removes other occupational requirements for appointees. Requires comm'n to meet at least quarterly. Requires election of a four-member executive committee. Requires hiring an employee to serve as president and chief executive officer. Alters per diem provisions and provides transition rules for membership.

Legislative Research Commission to Study Local Growth Planning and Management Policies and Incentives. Appropriates \$200,000 for 1999-2000 from Dep't funds to Legislative Research Comm'n to study local growth planning and management policies and incentives, specifically with respect to H. 1468, 1st ed.

Marketing of Global Transpark. Appropriates \$172,036 for each year of biennium from Dep't funds to the Global TransPark Authority to market the Global TransPark.

Petroleum Overcharge Attorneys' Fees. Directs the Attorney General (unless prohibited by federal law or preexisting settlement agreement) to withdraw all funds received from *U.S. v. Exxon* and *Stripper Well* cases that are held in accounts or reserves out-of-state for payment of attorney fees and to deposit such funds in the Special Reserve for Oil Overcharge Funds. Authorizes the payment of attorneys' fees and reasonable litigation expenses from this Fund without further action by the General Assembly during fiscal 1999-2001.

Petroleum Overcharge Funds Allocation. Restricts use of any funds remaining in Special Reserve for Oil Overcharge Funds on and after June 30, 1999 to purposes authorized by the General Assembly. Requires reports by Dep't to General Assembly on use of funds.

NER Interim Study of Energy Division of Department of Commerce. Directs both appropriations subcommittees on natural and economic resources to study organization and responsibilities of the Energy Div. Of Dep't and to report to the General Assembly by May 1, 2000.

Special Employment Security Administration Fund. Appropriates \$2,000,000 for 1999-2000 and 2000-2001 from the Special Employment Security Administration Fund to the Employment Security Comm'n for the Employment Services and Unemployment Insurance Programs.

Authorization to Expend Reed Act Funds. Authorizes Employment Security Comm'n to spend \$525,123 for 1999-2000 from the State's account in the federal Unemployment Trust Fund.

Worker Training Trust Fund Appropriations. Appropriates \$6,296,740 for 1999-2000 and 2000-2001 from the Worker Training Trust Fund to the Employment Security Comm'n for the operation of local offices. Makes the following additional appropriations from the Worker Trust Fund: \$2,400,000 for 1999-2000 and 2000-2001 to Dep't of Commerce, Div. of Employment and Training for the Employment and Training Grant Program; \$1,000,000 for 1999-2000 and 2000-2001 to Dep't of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Bureau for Training Initiatives; \$2,046,000 for 1999-2000 and \$1,746,000 for 2000-2001 to Employment Security Comm'n for State Occupational Information Coordinating Comm. to develop and operate an interagency system to track former participants in State education and training programs; \$400,000 for 1999-2000 and 2000-2001 to Dep't of Community Colleges for training program in entrepreneurial skills to be operated by N.C. REAL Enterprises; \$60,000 for 1999-2000 and 2000-2001 to Office of State Budget and Management to evaluate the State's job training, education and placement programs; and \$1,000,000 for 1999-2000 and 2000-2001 to Dep't of Labor to expand the apprenticeship program.

Workforce Development Commission. Repeals GS 143B-438.1 through 438.6 (Employment and Training Act of 1985) and adds new part entitled Workforce Development. Establishes new comm'n on workforce development within Dep't to give advice and make plans for employment and training services and to serve as the State's Workforce Investment Board under the federal Workforce Investment Act of 1998. Comm'n consists of 38 members, 32 appointed by the Governor, 6 serving by virtue of their offices, with the chair appointed by the Governor from among the business and industry members. Staff provided by the Dep't with no special provision for funding. Provides for local workforce development boards and for employment and training grants administered through local boards. Grants are restricted in accordance with federal Workforce Investment Act requirements and are allocated based on local area's proportionate share of federal WorkForce Investment Act funds. Funds appropriated to the Employment and Training Grant Program are nonreverting.

Tourism Promotion Funds. Establishes a formula by which the Dep't of Commerce is to allocate tourism promotion grants so that funds are directed to counties most in need in terms of lowest per capita income, highest unemployment, and slowest population growth.

Rural Tourism Development Funds. Allocates \$300,000 in funds appropriated to Dep't of Commerce for 1999-2000 for grants to local governments and nonprofit organizations for rural tourism development. No recipient may receive more than \$50,000 in 1999-2000.

Credit Enhancement for Tourism Development Projects. Directs State Treasurer and Dep't to jointly develop legislative proposals for credit enhancement for tourism development in rural counties and to report to the General Assembly by May 1, 2000.

Heritage Tourism Funds. Makes \$139,233 of funds in Dep't budget that would otherwise revert on June 30, 1999 nonreverting and directs their use for Heritage Tourism locations, as follows: \$40,138 for Newbold-White House, \$30,249 for Hope Plantation, \$29,624 for Historic Murfreesboro, and \$39,222 for Smoky Mountain Host.

Center for Entrepreneurship and Technology Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

NC REAL Enterprises Reporting. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

Biotechnology Center. Directs center to recapture funds spent in support of successful research and development efforts in the for-profit private sector. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments.

Biotechnology Funds for Minority Universities. Appropriates \$1,000,000 for 1999-2000 and 2000-2001 from N.C. Biotechnology Center funds to continue the special biotechnology program initiative for the public historically black colleges and universities and UNC at Pembroke. Requires report to General Assembly by March 1 of each fiscal year on the biotechnology programs at each campus.

Technology Development Authority Report. Requires report to General Assembly by Jan. 15, 2000 on activities and accomplishments.

Funds for Technology Development Authority, Inc. Wet Lab and Office Construction Do Not Revert. Permits nonreversion of \$500,000 in Dep't funds held in reserve for the N.C. Technological Development Authority, Inc. and allows use of funds for purposes other than construction of wet lab space and office space at the First Flight Venture Center.

Industrial Development Fund/Local Match. Requires local government requesting financial assistance from the Industrial Development Fund to demonstrate that it would be an economic hardship to match State assistance with local funds and required Dep't to develop guidelines for determining hardship.

Council of Government Funds. Allocates \$990,000 of appropriated funds each year of biennium for councils of government. Each regional council of government or lead regional organization may receive up to \$55,000 each fiscal year. Funds will be allocated according to formula in act and must be used for specified purposes. Requires reports to General Assembly on activities and expenditures by Jan. 15 of each year in the biennium and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

World Trade Center North Carolina Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

N.C. Institute for Minority Economic Development, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

The Land Loss Prevention Project Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Coalition of Farm and Rural Families, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Minority Support Center Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Community Development Initiative, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

North Carolina Association of Community Development Corporations, Inc. Report. Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

Rural Economic Development Center. Allocates \$1,470,000 for 1999-2000 and 2000-2001 from Rural Economic Development Center funds to be used for research and demonstration grants (\$475,864), technical assistance and center administration of research and demonstration grants (\$444,136), center administration, oversight and other programs (\$350,000) and administration of clean water/natural gas critical needs bond act of 1998 (\$200,000). Requires report on budgets, personnel and salary information to Office of State Budget and Management in the same manner as state agencies. Limits to 50% the use of interest earned on state funds

appropriated to center for administrative purposes. Defines "community development corporations" as tax-exempt nonprofit corporations whose primary mission is to develop and improve low-income communities and neighborhoods. Allocates \$5,400,000 for 1999-2000 and \$2,400,000 for 2000-2001 from Rural Economic Center Development Center funds as follows: \$1,200,000 in 1999-2000 and 2000-2001 for to community development corporations for projects within the State's minority communities; \$250,000 in 1999-2000 and 2000-2001 to the Microenterprise Loan Program; \$2,450,000 for 1999-2000 and \$950,000 for 2000-2001 for supplemental funding for matching requirements for projects by local governments and nonprofit corporations in economically distressed communities; and \$1,500,00 for 1999-2000 to the Capacity Building Assistance Program for technical and financial assistance to rural, low-wealth local units and nonprofits initiative water and sewer projects to support the growth and development of rural areas. Requires reports to General Assembly by Jan. 15, 2000 and Jan. 15, 2001 and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

Opportunities Industrialization Center Funds. Allocates \$400,000 for 1999-2000 and 2000-2001 from Rural Economic Development Center funds as follows: \$100,000 each year to Opportunities Industrialization Centers of Wilson; Rocky Mount; Lenoir, Green and Jones Counties; and Elizabeth City. Reallocates unexpended funds previously allocated to the Pitt-Greenville Opportunities Industrialization Center to the centers in Wilson and Rocky Mount. Requires reports to General Assembly by Jan. 15, 2000 and Jan. 15, 2001 and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

PART XVII. JUDICIAL DEPARTMENT

Transfer of Equipment and Supply Funds. Certifies such funds appropriated to the Judicial Department in 1999-2001 to a reserve account. Permits AOC to transfer these funds to the appropriate programs and between programs as priorities and consumption occur during the operating year. Requires quarterly report on transfers under this section to the Joint Legislative Comm'n on Governmental Operations and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

NC State Bar Funds. Of funds appropriated in the continuation budget as a grant-in-aid, NC State Bar may use up to \$250,000 in each 1999-2000 and 2000-2001 to contract with the Center for Death Penalty Litigation to provide training, consultation, brief banking, and other assistance to attorneys representing indigent capital defendants. Of the recurring funds appropriated in the expansion budget as a grant-in-aid, permits NC State Bar to use up to \$340,000 annually in the biennium to contract with the Center for Death Penalty Litigation for the same purposes.

Pisgah Legal Services Funds. Requires that NC State Bar allocate to Pisgah Legal Services that share of State funds that would otherwise have been provided through Legal Services of North Carolina, Inc., to Appalachian Legal Services to serve eligible clients in Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties.

Indigent Persons' Attorney Fee Fund. Effective July 1, 1999, requires that AOC reserve funds for adult, juvenile and guardian ad litem cases from the Indigent Persons' Attorney Fee Fund in each year of the 1999-2001 biennium. Requires that funds be allotted to each judicial district in which superior and district courts are coterminous, and otherwise by county, according to the caseload of indigent persons who were not represented by the public defender in the districts or counties during 1998-99 and 1999-2000, respectively. Provides for allotment process and process for allotment upon depletion.

Report on Community Mediation Centers. Requires that such centers receiving State funds report annually to the Judicial Dep't, which in turn must compile and summarize the information and provide it to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by 2/1 of each year. Lists requirements for mediation centers to document proportional funding from non-State sources, based on years having received State funding. Provides that GS 143-31.4 (matching funds restrictions) does not apply to community mediation centers receiving State funds.

Authorize Additional Magistrates. Amends GS 7A-133 to increase maximum number of authorized magistrates by one each in Camden, Cumberland, and Union Counties.

Assistant Public Defenders. Authorizes AOC to use funds appropriated to the Indigent Persons' Attorney Fee Fund as follows: \$161,448 in fiscal 1999-2000 and \$284,840 in 2000-2001 for salaries, benefits, equipment, and other expenses to establish 4 new assistant public defender positions.

Additional District Court Judges. Amends GS 7A-133(a) to add the following nine new district court judges: one in District 2 (Martin, Beaufort, Tyrrell, Hyde, and Washington Counties), one in District 4 (Sampson, Duplin, Jones, and Onslow), one in District 5 (New Hanover and Pender), one in District 13 (Bladen, Brunswick, and Columbus), one in District 15A (Alamance), one in District 18 (Guilford), one in District 26 (Mecklenburg), one in District 27A (Gaston), and one in District 30 (Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain). Provides for Governor's appointment of new judges with their successors to be elected in the 2002 election for four-year terms commencing on the first Monday in December 2002. Effective Jan. 1, 2000, or if Voting Rights Act of 1965 applies, Jan. 1, 2000 or 5 days after the date upon which the subsection is approved under the Act.

Bad Check Program. Removes June 30, 1999 sunset from program's authorizing law. Adds Brunswick, Bladen, New Hanover, and Pender Counties to set of counties in which the program applies. Requires that AOC report about the program annually on April 1 to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Additional Assistant District Attorneys. Effective January 1, 2000, amends GS 7A-60(a1) to add eight new assistant district attorneys statewide as follows: one each in prosecutorial districts 5 (New Hanover and Pender Counties), 12 (Cumberland), 13 (Bladen, Brunswick, and Columbus), 15A (Alamance), 19A (Cabarrus), and 26 (Mecklenburg); adds two in district 10 (Wake).

Additional Investigatorial Assistants. Amends GS 7A-69 to add one investigatorial assistant in each of the following prosecutorial districts: 5, 10, and 22. Adds three new assistants statewide. Makes district 10 the only one with two investigatorial assistants under GS 7A-69.

District Court Vacancies in Districts 9 and 9B. Provides that a vacancy in either of these districts will be filled by the Governor from nominations submitted only by those members of the bar who reside in the district court district. For

other districts, GS 7A-142 provides that such a vacancy is filled by the Governor from nominations submitted by the bar of the judicial district as defined in GS 84-19.

Extend Indigent Fund Study Commission/ Study Public Defender Programs. Extends due date of report from 5/1/99 to 5/1/2000. Adds recommendations of improvement and possible expansion of public defender programs to list of items to be a part of the study.

Add Special Superior Court Judges/ Add Superior Court Judge in District 22. Amends GS 7A-45.1, effective 10/1/99, to permit the Governor to appoint four special superior court judges to serve five year terms. Amends GS 7A-41(a) to add a new superior court judge in District 22 (Alexander, Davidson, Davie, and Iredell Counties).

Capital Case Program. Requires AOC to establish a capital case program in the Office of the Appellate Defender to provide assistance to districts experiencing difficulty locating qualified private counsel to handle capital cases. Authorizes AOC to use \$358,103 in fiscal 1999-2000 and \$396,845 in fiscal 2000-2001, from the Indigent Persons' Attorney Fee Fund, to establish three assistant public defender positions and one investigator to work specifically on capital cases. Requires AOC to report on March 1 each year about the effectiveness of the program to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Drug Treatment Court Fund Shall not Revert. As special provision title indicates.

Court Information Technology Fund. Amends GS 7A-343 (duties of AOC Director) to add the duty to establish and operate systems and services that provide electronic transaction processing and access to court information systems pursuant to new GS 7A-343.2. Adds new GS 7A-343.2, creating a Court Technology Fund. Established as a nonreverting, interest-bearing special revenue account in which moneys collected by the AOC for access to public records are to be deposited. Permits AOC to use the Fund to supplement funds used to pay for court information technology needs. Requires that Director report by March 1 each year to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on all moneys collected and deposited in the Fund and on proposed expenditures of the funds. Amends GS 7A-109(d) to provide that any costs recovered from contracts to provide public access to court records are to be deposited in the Court Information Technology Fund.

Educational Program for Parents Who Are Parties to a Custody or Visitation Act. Requires that AOC establish this program to educate and sensitize separated or divorced couples with children about the needs of their children during and after the separation and divorce process. Requires that program be administered as a part of the family court pilot program. Lists items to be addressed in developing program, including an education program that parties may be ordered to attend, a plan for implementation, and identification of

possible course providers. Requires that program be operational in all judicial districts with a family court pilot program no later than 1/1/2000. Requires that AOC report to General Assembly no later than 3/1/2001 on this project's progress. Report must include an estimate of the amount of funds that will be necessary for the AOC to supervise and oversee program operation.

PART XVIII. DEPARTMENT OF CORRECTION

Criminal Justice Partnership Program. Requires that Dep't of Correction (DOC) distribute appropriations for the program for 1999-2001 to counties only as provided by GS 143B-273.15(2) (block grant formula) rather than as discretionary funds. DOC may use funds from State-County Criminal Justice Partnership Account to maintain counties' allocations of \$9.6 million as provided in previous years. Appropriations not claimed or expended by counties during 1999-2001 to be distributed in discretionary grants under GS 143B-273.15(1). Permits a county to apply for these discretionary funds for a residential program that serves inmates from other counties. In order for other counties to assign offenders to such a program, requires that they include a residential component in an approved partnership plan. Prohibits DOC from denying funds to a county to support both a residential program and a day reporting center if the DOC determines that the county has a demonstrated need and a fully-developed plan for each kind of sanction. Requires that DOC report by 2/1/2000 on the status of the Criminal Justice Partnership Program to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee. Specifies information to be included in report, including amount of funds carried over from one fiscal year to another, discretionary grant amounts awarded in fiscal 1999-2000, and an analysis of offender participation data.

Post-Release Supervision and Parole Comm'n Report on Staffing Reorganization and Reduction. Requires that Comm'n report by 3/1/2000 on the updated transition plan for implementing staff reductions through 2002-2003, including a minimum 10% reduction in staff in fiscal 2000-2001 over the previous year. Report is to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Reduce Membership of Post-Release Supervision and Parole Comm'n. Amends GS 143B-267 to reduce number of commissioners from 5 to 3. Provides that terms for current members expire on 6/30/99. Provides for staggered terms of commissioners appointed starting 7/1/99--one each for one, two, and three years. After the initial staggered terms, terms remain at four years, as specified in GS 143B-267. Deletes portion of GS 143B-267 that calls for designating panels of two Commissioners and an alternate to handle business. Substitutes provision that the granting, denying, revoking, or rescinding of parole, the authorization of work-release privileges to a prisoner, or any other business shall be decided by a majority vote of the full Comm'n.

Home as Duty Station Pilot Program. Requires that DOC report on the status of this pilot program in Cleveland and New Hanover Counties by 4/1/2000. Report is to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. Specifies information to be included in report, including impact on expenditure for office and vehicle leases, data on frequency of officers being required to report from home outside normally assigned working hours, and the projected impact of extending the pilot program to additional districts.

Report on Harriet's House. Requires that Harriet House report by 9/1 and 3/1 each year to the Joint Legislative Comm'n on Governmental Operations on expenditure of State funds and program effectiveness. Permits expenditure of funds for operating costs, equipment purchase, and real property rental.

Report on Summit House. Same reporting requirements as for Harriet House. Requires that report include information on numbers of clients served, number of clients who have their probation revoked, and the number who successfully complete the program.

Report on Women at Risk. Same reporting requirements as for Summit House.

Federal Grant Reporting. Requires that DOC, Dep't of Justice, the Dep't of Crime Control and Public Safety, the Judicial Dep't, and the Office of Juvenile Justice report by 9/1 and 3/1 each year on federal grant funds received or preapproved for receipt by those departments. Report is to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations

Subcommittees on Justice and Public Safety. Specifies items to be included in report, including amounts of funding received, any expected State matches, and a proposed method for continuing program after federal grant period ends.

Exemption from Licensure and Certificate of Need. Exempts inpatient chemical dependency or substance abuse facilities that provide services exclusively to DOC inmates from GS Ch. 122C requirements of licensure. When a facility provides services to both DOC inmates and to members of the general public, provides similar exemption to portion of the facility serving inmates. Exempts a person who contracts to provide such services to DOC inmates from obtaining a certificate of need pursuant to GS Ch. 131E, Art. 9 before constructing or operating a facility. Provides that such a facility may not be licensed under GS Ch. 122C to serve anyone other than inmates unless the owner or operator first obtains a certificate of need.

Limit on Use of Operational Funds. Prohibits use of funds appropriated by this act for additional prison personnel positions until the new facilities are within 90 days of projected completion, except for certain management, security, and support positions necessary to prepare the facility for opening, as authorized in the General Assembly's budget.

Reimburse Counties for Housing and Extraordinary Medical Costs for Inmates, Parolees, and Post-Release Supervisees Awaiting Transfer to State Prison System. Permits DOC to use appropriated funds for 1999-2000 to pay counties \$40 per day per inmate in reimbursement for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system. Requires that DOC report quarterly on the expenditure of funds for this purpose. Amends GS 148-29 to provide that DOC pay counties for housing inmates beginning on the first day after the Div'n of Prisons has been notified by the sheriff that a prisoner is ready for transfer and the Div'n has informed the sheriff that bed space is not available for that prisoner (now, the sixth day after sentencing and disposal of all charges against the defendant). Adds new GS 7A-109.3 requiring that the clerk of court provide the sheriff with a signed order of commitment within the following periods of time after issuance of a sentence committing a defendant to imprisonment in the custody of the DOC: 48 hours in district court cases and 72 hours in superior court cases. This section is effective 10/1/99.

Use of Facilities Closed under GPAC. Permits DOC to consult with local governments, private for-profits or nonprofits about using such facilities for other uses. Permits State to transfer or lease units consistent with existing law. Permits DOC to consider conversion of some facilities from medium to minimum custody. If a such a facility is leased by a county for use as a jail, it is exempt from jail standards provided under GS 153A-221 that would subject the unit to greater standards than those required of a DOC prison unit. Requires reporting to the General Assembly about proposed transfers or leases and quarterly reporting by the DOC on their conversion progress.

Site for New Close Custody Prison. Requires that DOC consider Alexander and Iredell Counties for the site of a new close custody prison in Western North Carolina.

Inmate Costs. Requires that DOC provide progress report by 4/1/2000 on implementation of OSBM recommendations on the provision of food and health care to inmates pursuant to the study directed by SL 1998-212, Sec. 17.8. Report is to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the House and Senate Appropriations Committees, and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety. Requires that DOC identify specific cost savings that can be achieved through more efficiently delivery of services. If DOC food and health care costs exceed the continuation budget amount, requires that DOC report reasons for anticipated cost increase and source of funds it intends to use to cover those needs.

Title VII Funds/Report. Permits DOC to use funds available to it during the 1999-2001 biennium for payment to claimants as part of the settlement of Title VII lawsuit over the recruitment, hiring, and promotion of females in the Dep't. Requires report before final settlement to General Assembly.

Criminal Justice Education and Training Standards Commission. Requires that Comm'n appoint a special committee to study and rewrite the necessary standards, administrative code provisions, and policies and procedures relating to the employment of certified positions in the DOC and develop a new certification system for those officers that reflects the impact and statutory requirements of GS Ch. 126 and 17C. Requires report by 3/1/2000 to the General

Assembly on the progress of the special committee. Requires presentation of new certification system to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by the convening of the 2000 Regular Session. Requires implementation of new certification system no later than 7/1/2000.

Federal Grant Matching Funds. Makes exception to GS 148-2 to allow DOC to use up to \$650,000 from funds available to Dep't to provide the State match necessary to received federal grant funds. Requires report to General Assembly before such use of funds.

Private Prison Contracts. Permits modification of the financial terms of the contracts for the leasing and operation of one or both of the two private confinement facilities in Pamlico and Avery/Mitchell Counties and use of funds to pay the modified contracts. Before changes, requires that DOC consult with Attorney General's office, OSBM, and the Corrections Corporation of America. Before obligating funds, requires that DOC report to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety.

Pilots to Determine Cost-Effectiveness of Placing all Inmates on Work-Release. Amends SL 1998-212, Sec. 17.25 (work release for all eligible inmates in Alamance and Union Correction Centers) to require that DOC make a progress report on this pilot program to the General Assembly by 6/30/2000. Requires final report by 3/1/2001 (now, 3/1/99).

Report on Probation and Parole Caseloads. Report to General Assembly required by 3/1/2000. Specifies information to be included, including data on current caseload averages, an analysis of optimal caseloads, an assessment of the role of surveillance officers, and projected budgetary impact of new officer classifications.

Proposed Standards for Private Prisons for Out-of-State Inmates. Amends SL 1997-443, Sec. 19.17(b), as amended by SL 1998-212, Sec. 17.23 (b), to move final reporting date back to 3/15/2000 (now, 3/15/99) and require a progress report on development of standards to the Joint Legislative Corrections and Crime Control Oversight Committee by 11/1/99.

Close Security Prisons. Amends GS 148-37 (contracting with private entities for prison facilities) to permit DOC to enter contracts with private for-profits or nonprofits for construction of close security correctional facilities totaling up to 3000 cells to be operated by Dep't pursuant to lease that contains a schedule for purchase of the facilities over a period of up to 20 years. Authorizes a request for proposal, as reviewed by the Office of State Construction. Requires that Secretary consult with General Assembly in making a recommendation on the final award decision to the Dep't of Administration. Subjects final award to approval of the Council of State after consultation with the Joint Legislative Comm'n on Governmental Operations. Specifies that Office of State Construction will review plans and specifications and inspect and review each project. Requires report by 5/1/2000 on the development of request for proposal and the award-making process. After awarding of contract, requires annual reporting by 5/1 on the project's progress.

PART XIX. DEPARTMENT OF JUSTICE

Repeal Settlement Reserve Fund. Repeals GS 143-16.5. Amends GS 114-2.5 (requiring Attorney General to report payment of public monies pursuant to settlement agreements and final court orders) as follows. Provides that before disbursement of funds received by the State or an agency pursuant to a settlement agreement or final order or judgment where the amount received exceeds \$75,000, the Attorney General must report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House on the payments received. Requires Attorney General to report about any disbursements set forth in such an agreement or order.

Limits on Computer System Upgrade. Requires reporting to the General Assembly of any new computer system or major computer system upgrade (defined to include any project that will exceed \$500,000 in cost) for the Judicial Dep't, the Dep't of Correction, the Dep't of Justice, the Dep't of Crime Control and Public Safety, or the Office of the Juvenile Justice to be funded all or in part from the Continuation Budget.

Criminal Justice Information Network (CIJN) Report. Requires that Governing Board report by 3/1/2000 to the General Assembly on its operations, operating budget, and long-term strategy and cost analysis for statewide implementation of CJIN.

Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies by the Federal Government. Treats assets transferred in 1999-2001 to Dep't of Justice and Dep't of Crime Control, pursuant to 19 USC Sec. 1616a, as credits in those agencies' budgets and provides that they shall result in an increase of law enforcement resources for each agency. Requires reporting of receipt of such assets to the Joint Legislative Comm'n on Governmental Operations. Permits DOJ to use no more than \$25,000 to extend the lease of space in Salemburg for SBI training and no more than \$50,000 to lease space for its technical operations unit. Prohibits DOJ and Dep't of Crime Control and Public Safety from using such assets to create new positions, start new projects, acquire real property, repair buildings in such a way that requires structural change, or new construction.

Private Protective Services and Alarm Systems Licensing Boards Pay for Use of State Facilities and Services. As title of special provision indicates.

Certain Litigation Expenses to be Paid by Clients. Requires that client departments, agencies, and boards reimburse the DOJ for reasonable court fees, attorney travel and subsistence costs, and other costs directly related to litigation in which the DOJ represents the client.

Reimbursement for UNC Board of Governors Legal Representation. Requires that UNC Board of Governors reimburse the DOJ for two Attorney III positions to provide legal representation to the UNC system.

Exempt Justice Academy from the Umstead Act. Amends GS 66-58(b) as special provision title indicates.

Study Fee Adjustment for Criminal Records Checks. Requires that OSBM, in consultation with DOJ, study the feasibility of adjusting the fees charged for criminal records checks conducting by the Div'n of Criminal Information as a result of the increases in receipts from such checks. Study must assess Div'n costs and how they have changed since 1995-96. Requires report to General Assembly on or before 3/1/2000.

PART XX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Legislative Review of Drug Law Enforcement and Other Grants. Provides for review as required by Sec. 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968. Requires reporting to the Senate and House Appropriations Subcommittees on Justice and Public Safety when the General Assembly is in session and to the Joint Legislative Comm'n on Governmental Operations when it is not in session.

Victims Assistance Network (VAN) Funds. Allocates \$150,000 of Dep'ts appropriation in fiscal 1999-2000 and 2000-2001 to support VAN. Require Dep't to report on VAN activities by December 1 of each year of the biennium.

Report on Crime Victims Compensation Fund. Amends GS 15B-21 (annual report on Crime Victims Compensation Fund) to require report by March 15 each year. Adds items to be included in report, including the current unencumbered balance of the Fund, the amount of funds carried over from the prior fiscal year, the amount of funds received in a prior fiscal year from the DOC and from the compensation fund established pursuant to the Victims Crime Act of 1984, and the amount of funds expected to be received in the current fiscal year as well as the amount actually received.

Technical Changes to Boxing Commission Law. Amends GS 143-652(f) as special provision title indicates.

Annual Evaluation of the Tarheel Challenge Program. Requires annual report by April 1 each year on the operations and effectiveness of the National Guard Tarheel Challenge Program. Report is to the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety. Lists requirements for reports, including evaluation of Program's role in improving individual skills and employment potential.

PART XXI. OFFICE OF JUVENILE JUSTICE (OJJ)

Annual Evaluation of Juvenile Justice Community Programs and Multipurpose Group Homes. Repeals SL 1997-443, Sec. 11.51. Requires evaluation of wilderness camp programs, the Governor's One-on-One Programs, the On Track Program, the Guard Response Alternate Sentencing Program, and multipurpose group homes. Evaluation must consider whether program participation results in

a reduction of court involvement among juveniles. OJJ must report evaluation results to the Chairs of the House and Senate Appropriations Committees and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees by March 1 of each year.

Secure Group Home for Female Offenders. Re-allocates \$1,127,850 appropriated in SL 1998-212 to DHHS for construction of beds for female offenders at Gatling Detention Center to OJJ for construction of an eight-bed secure group home for female offenders in Mecklenburg County and to upgrade the Gatling Detention Center to meet fire marshal standards.

Juvenile Crime Prevention Council Participation. Requires that counties receiving Council grant funds certify annually through its local council to the OJJ that funds received are not used to duplicate or supplant other programs within the county.

SOS Administrative Cost Limits. Limits fund that can be spent to administer the SOS program to \$450,000 for fiscal 1999-2000 and the same amount in 2000-2001.

Study Staffing at Training Schools and Detention Centers. Permits OJJ to use up to \$75,000 of 1999-2000 appropriation to contract with consultants to study staffing in training schools and detention centers. Requires that study consider appropriate staffing patterns and include in report a staffing plan by shift for each training school and detention center. Requires report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on or before 4/1/2000.

Local Grant Reporting. Requires report on or before 10/1/99 and by 5/1 each year thereafter listing all recipients of grants. Requires that list also identify any programs that received funds at one time but for which funding has been eliminated by OJJ. Requires that report go to the Joint Legislative Comm'n on Governmental Operations and the Appropriations Committees of the Senate and House, with a copy to the Fiscal Research Div'n.

Funds for Family Courts, Substance Abuse Prevention Plan, and Multipurpose Group Homes Shall Not Revert. As special provision title indicates.

Transfer of Positions from the DOC and the AOC to the Office of Juvenile Justice. Effective July 1, 1999, authorizes transfer of 3 specific positions in the DOC and a specific position in the AOC to the OJJ. Positions are: (1) DOC position number 4550-0000-000-061, Executive Director of the Criminal Justice Partnership Act; (2) DOC position number 4520-0005-0002-050, accountant III; (3) DOC position number 4550-0000-0000-081, administrative secretary III; and (4) AOC position number 2203-1110-1150-543, a research and planning administrator position.

Juvenile Justice Information System Report. Requires annual evaluation of this information system by the Criminal Justice Information Network Governing Board. Report due 4/1 each year to the Chairs of the House and Senate Appropriations Committees and to the Fiscal Research Division.

Program and Funds Transferred to the Office of Juvenile Justice. Transfers teen court programs (Project Challenge NC, Inc.) from the Judicial Department to

the OJJ. Requires that Project Challenge NC, Inc. report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by 11/1 and 5/1 of each year on its operation and effectiveness.

Funds for Local Organizations of the Boys and Girls Club. Allocates \$500,000 of 1999-2000 appropriation to a pilot program to grant funds to local organizations of the Boys and Girls Club. Requires OJJ to develop pilot program to grant funds in the 10 counties with the highest rate of training school commitments in fiscal 1997-98. Requires that local organizations provide matching funds. Lists possible objectives for organizations receiving grant funds. Requires that OJJ report by 4/1/2000 to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the House and Senate Appropriations Committees, and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on its expenditure of funds and the operations and effectiveness of the program.

State Funds May be Used as Federal Matching Funds. Authorizes the use of such funds as title indicates in fiscal 1999-2000 for the Juvenile Accountability Incentive Block Grants. If such a block grant is awarded, requires that OSBM and the Governor's Crime Comm'n consult with OJJ regarding criteria for awarding federal funds. Requires that OSBM and the Governor's Crime Comm'n report to the Appropriations Committees of the Senate and House and the Joint Legislative Comm'n on Governmental Operations before allocated the federal funds.

Report on Site Selection of Training School and Detention Beds. Report must be to Joint Legislative Comm'n on Governmental Operations prior to finalizing site selection. Requires that consideration be given to renovating existing GPAC units.

Establish a Pilot Program for Multifunctional Juvenile Facility. Permits OJJ to establish such a program in Eastern North Carolina. Allocates \$2.5 million of 2000-2001 appropriation to implement this provision. Permits Office to contract with a private for-profit or nonprofit for construction and operation a such a facility totaling up to 100 beds to provide custodial, rehabilitation, and treatment services. Requires that such a facility be capable of being retrofitted within 3 months to provide either training school beds or detention beds. Limits a contract to provide such a service to no longer than 10 years. Provides specific provisions addressing awarding of such a contract, option for the state to purchase the facility, state involvement in construction, liability insurance requirements of contractor, training of employees, and state authority over offenders in such a facility. Requires that OJJ make a written report no later than 3/1/2000 on the status of the pilot program and requires annual evaluation thereafter. Report is to be submitted to the Chairs of the House and Senate Appropriations Committees and the Joint Legislative Comm'n on Governmental Operations.

Career Status for Former Judicial Employees Transferred to the Office of Juvenile Justice. Provides that employees in positions transferred from the Judicial Department to OJJ, and continuously employed by the State prior to the date of transfer shall become career State employees upon 24 months of continuous employment in a permanent position with the State.

PART XXII. GENERAL ASSEMBLY

Joint Select Committee on Information Technology. Adds new GS Ch. 120, Art. 26, creating committee. Allocates \$50,000 in fiscal 1999-2000 to implement committee. New GS 120-230 provides that the committee shall review information technology as it affects public policy, with the goal of developing electronic commerce in the State and to coordinate use of information technology by State agencies in a manner that assures quality service. New GS 120-231 describes Committee duties, including evaluating State's technological infrastructure and information systems to determine potential demands for additional services during the next 10 years; evaluating information technology governance, policy, and management practices; and studying and recommending changes related to electronic commerce. Requires Committee to report by 3/1 each year to the House and Senate Appropriations Committees on its activities and any recommendations for statutory change. New GS 120-232 outlines committee membership. It will have fourteen members as follows: four Senators appointed by the Pres. Pro Tem, four members of the House of Representatives appointed by the Speaker, three members of the public appointed by the Pres. Pro Tem, and three members of the public appointed by the Speaker. Members are to serve two-year terms beginning 8/15 of each odd-numbered year, with no prohibition against being reappointed, except initial appointments shall be for the following terms: public members to serve three-year terms and members who are General Assembly members to serve two-year terms. Initial terms commence 8/15/99. Provides that members who are elected officials may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service in their office constitutes resignation or removal from service on the Committee. Requires Pres. Pro Tem and Speaker to each appoint a co-chair. Requires quarterly meetings or meeting at other times as called by the co-chairs. Provides that members serve at the will of their appointing officer. New GS 120-233 provides for clerical and staff assistance to be provided by the Legislative Services Commission, per diem, subsistence, and travel allowances. New GS 120-234 permits the Committee to obtain information and data from all State officers, agents, agencies, and departments. Permits Committee to establish subcommittees.

PART XXIII. STATE TREASURER

Dues Deduction for Retiree Organizations Authorized. Amends GS 135-18.8 to include retirees' associations in payroll deduction plans.

PART XXIV. DEP'T OF ADMINISTRATION

Procurement Card Pilot Program Extension/Savings. Extends prohibition on use of procurement cards to August 1, 2000 (was, March 31, 1999).

Cost-benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. Directs State Property Office and State Construction Office, in consultation with Office of State Budget and Management, to analyze costs and benefits of building, rather than leasing, new State-owned facilities. Requires report to General Assembly by March 30, 2000.

Establish Domestic Violence Commission. Allocates \$150,000 of funds appropriated to Dep't for 1999-2000 to be used for an executive director, an administrative assistant, and operating costs of Domestic Violence Comm'n. Adds new Part 10C to GS 143B, art. 9, establishing Domestic Violence Comm'n within Dep't. Comm'n, comprised of 33 members with specified backgrounds, is to assess statewide needs related to domestic violence and assure service

provision to those in need. Requires report to General Assembly no later than April 1 of each year. Further, if it recommends the adoption in N.C. of a "Safe Families Act," the Comm'n shall report its legislative proposal to the General Assembly by April 1, 2000.

Consolidated Mail Service Facility/Savings Reserve. Directs Office of State Budget and Management to identify all savings from the Consolidated Mail Service Facility in Dep't of Administration and to place all savings over the \$1,000,000 in the Governor's 1999-2000 budget and \$1,500,000 in the 2000-2001 budget to be placed in a special reserve fund, to be spent only as authorized by the General Assembly. Requires report by Dep't and OSBM to General Assembly on changes in positions resulting from the consolidated facility, prior to Jan. 1, 2000.

PART XXV. STATE CONTROLLER

Extend Pilot Program on Reporting on Collection of Bad Debts by State Agencies. Extends Office of State Controller's review of debt collection by state agencies to other material accounts receivable beyond those specified in SL 1998-212, sec. 26. Directs Controller to establish a procedure for state agencies to report on collection of bad debts, concentrating as a pilot program on agencies with large amounts of bad debt. Directs Controller to study feasibility of a one-year Bad Debt Collection Clearinghouse Pilot Program. Requires report to General Assembly by May 1, 2000.

NCAS Support, AR/Overpayments Project. Transfers \$2,500,000 for 1999-2000 from Special Reserve Account 24172 (containing receipts from collection of inadvertent overpayments by State agencies to vendors) to the Office of State Controller. The transferred funds are to be used for data processing costs (\$550,000, with first priority), contractual services to continue implementing best management practices on accounts receivable processing and bad debt collection, and development of electronic commerce business initiatives. Requires monthly report to the General Assembly on revenue deposited in the Special Reserve Account and use of that revenue.

PART XXVI. DEPARTMENT OF CULTURAL RESOURCES

A.A. Cunningham Air Museum. Provides that funds appropriated for this purpose shall not revert.

Maritime Museum. Provides that the Dep't of Cultural Resources shall assume administration of the Southport Maritime Museum in Brunswick County as a branch of the Maritime Museum, contingent upon conveyance of all assets of said museum to the state.

Procedure for Award of Cultural Resources Grants. Provides that \$8,000,000 in 1999-2000 shall be used for grants to nonprofit organizations or local governments. Grants are not subject to review by the Historical Comm'n and are limited to \$100,000 or less per project.

Retain Publication Receipts. Authorizes the Historical Publications Section, Division of Archives and History, to retain receipts from sale of its publication during each year of the biennium. Such receipts do not revert but shall be used to reprint the publications.

Grassroots Arts Program. Provides \$100,000 for 1999-2000 shall be allocated equally among the 100 counties for grassroots arts programs, with remaining funds for this purpose to be distributed in compliance with GS 143B-122.

Study Use of Internet for Agency Publications. Directs specified state agencies to develop plans to reduce printing costs by use of computer technology and the internet. Each agency to submit report by April 1, 2000

PART XXVII. DEPARTMENT OF TRANSPORTATION

Discontinue Bond Retirement Transfer from Highway Fund to Highway Trust Fund for Biennium. As title indicates, suspends GS 136-176(a)(4) and GS 136-183 from 1/1/99 until 6/30/2001.

Blue Ribbon Transportation Finance Study Commission. Allocates \$200,000 from appropriations to General Assembly for expenses of the Comm'n. Establishes Comm'n with 15 members as follows: four members of the House appointed by the Speaker; four members of the Senate appointed by the Pres. Pro Tem.; three members of the public appointed by the Governor, none of whom can be State officials, and two of whom shall have expertise in transportation matters; two members of the public appointed by the Speaker, one of whom shall be a municipal-elected official, and one of whom shall have

experience in business and transportation matters; and two members of the public appointed by the Pres. Pro Tem, one of whom shall be an elected county official, and one of whom shall have experience in business and transportation matters. Outlines Commission subjects for study, including Highway Trust Fund Act of 1989, current revenue sources, transportation system maintenance, public transportation, and highway fund transfers. Provides for filling vacancies, appointing co-chairs, payment of expenses, staffing, and meetings during legislative sessions. Requires interim report to the Joint Legislative Transportation Oversight Committee on or before 6/1/2000 and a final report by 3/1/2001. Comm'n terminates upon filing of final report.

Design-Build Transportation Construction Contracts Authorized. Permits Board of Transportation to award up to three contracts annually for construction of transportation projects on a design-build basis, after a DOT determination that delivery of the project must be expedited and it is not in the public interest to comply with normal design and construction contracting procedures. Before awarding a design-build contract, the Secretary of Transportation must report to the Joint Legislative Comm'n on Governmental Operations on the nature and scope of the project and reasons this special procedure will best serve the public.

Use of Recycled Road Materials in Road Maintenance. Amends GS 136-28.8 (use of recycled materials in construction) to include maintenance programs among those in which recycled materials may be used. Adds the following to list of uses: recycling technology, including but not limited to hot and cold in-place recycling, in road and highway maintenance. Adds Joint Legislative Transportation Oversight Committee to committees to which the DOT must report about its use of recycled materials.

Department of Transportation to Report on Delayed Road Construction. Requires that DOT study the reasons for road construction delay in North Carolina. Specifies some subjects to be studied, including problems receiving environmental or historical permits, inter-agency cooperation issues, and problems acquiring rights-of-way. Requires that DOT report to the November, 1999 meetings of the Joint Legislative Transportation Committee and the Joint Legislative Commission on Governmental Operations, as well as to the Fiscal Research Division.

Department of Transportation to Report on Highway Construction Financing. Requires that DOT study financing options for increasing the pace of highway construction. Specifies some issues to be studied, including cash-flow financing, advanced federal funding, proceeds from highway construction bonds, Grant Anticipation Revenue Vehicles, and toll roads. Requires report to December 1999 meeting of the Joint Legislative Transportation Oversight Committee, to the Fiscal Research Division, and to the Blue Ribbon Transportation Finance Study Comm'n.

Simplify Transportation Improvement Program Database. Requires DOT to redesign TIP Program database as title indicates. Requires written report on suggested design changes to the Joint Legislative Transportation Oversight

Committee 3/31/2000. Requires implementation of changes no later than 10/1/2000.

Subdivision Road Acceptance and Maintenance Study. Provides that Joint Legislative Transportation Oversight Committee will conduct study named in title. Requires final report with 2001 Session of General Assembly.

Disclosure of Personal Information in Motor Vehicle Records. Repeals current laws on this subject [1998 SL Ch. 23, Sec. 17.1, as amended by 1998 SL Ch. 212, Sec. 27.18(a)]. Amends GS 20-43.1 to provide that the Division of Motor Vehicles shall not disclose personal information for the purposes specified in 18 U.S.C. Sec. 2721(b)(12) unless the Div'n receives prior written permission from the person about whom the information is requested.

Funds for Rail Service to Western North Carolina Revert. Requires reversion of \$5.2 million as title indicates.

North Carolina Railroad Dividends. Permits up to \$10 million of the annual dividends of the NC Railroad received by the State in 1999-2000 to be used to upgrade tracks in Ester North Carolina. Permits additional dividends to be placed in a reserve until appropriated by the General Assembly. Extends period for repayment of obligations of the Beaufort and Morehead Railroad Company until after action of the 2000 Session of the General Assembly (now, 1999 Session).

Federal Funds for Public Transportation Improvements. As permitted by federal law, requires DOT to use \$10 million of federal highway funds during each year of the biennium for improvements to public transportation and rail. Requires report about expenditures to the Joint Legislative Transportation Oversight Committee.

Spending Public Transportation and Rail Division Funds. Assigns funds appropriated in this act for these purposes as follows. Of funds appropriated for public transportation in fiscal 1999-2000: (1) \$13,046,921 for urban and regional maintenance assistance (Object Code 6701);

(2) \$4.6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,350,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$7 million for regional new start and capital (Object Code 6707). Of funds appropriated for public transportation in fiscal 2000-2001: (1) \$8,146,921 for urban and regional maintenance assistance (Object Code 6701); (2) \$4.6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,050,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$7 million for regional new start and capital (Object Code 6707).

Western North Carolina Railroad Stations. Permits DOT to use up to \$1 million of its appropriation in each year of biennium for Western North Carolina Railroad Stations.

Overrealized Highway Trust Fund Revenues to Move Division 3 Headquarters, Maintenance, and Public Transportation and Rail Uses. Permits

DOT to use up to \$6 million to pay capital costs required to relocate the Div'n 3 Headquarters in Wilmington. Remaining funds must be transferred as follows: (1) 80% to the Highway Fund's maintenance budget; (2) 2.92% for rural capital projects in the Public Transportation Div'n budget; (3) 1.25% for Work First and transitional employment projects; (4) 15.83% for match to improve travel time between Raleigh and Charlotte in the Raleigh Division. Requires that transferred funds be spent in 1999-2000/

Use of Global Transpark Authority Funds. Provides that funds shall be used for: (1) matching federal construction funds, (2) developmental and operational activities related to the Kinston Regional Jetport and the Global Transpark Education and Training Center, and (3) project marketing and industrial development activities.

Global Transpark Obligations Maturity Dates Extended. Amends GS 147-69.2(b)(11) to extend maturity dates to September 1, 2004 (now, September 1, 1999).

Enforcement Agency Structure Study Committee. Creates Law Enforcement Agency Structure Study Commission as independent study commission, to study the history and structure of the Enforcement Section of the Div'n of Motor Vehicles and the Highway Safety Patrol Div'n of the Dep't of Crime Control and Public Safety. Committee is to study for efficiency and make recommendations for restructuring or reassignment of functions. Provides for ten members as follows: three Senators and one representative from the Dep't of Crime Control and Public Safety appointed by the Pres. Pro Tem; three members of the House and one representative of the Div'n of Motor Vehicles appointed by the Speaker; and the Secretary of Crime Control and Public Safety and the Commissioner of Motor Vehicles as ex officio members. Requires that one Senator and one Representative be chosen as co-chairs. Provides for subsistence and travel allowances for Commission. Requires final report by 2/1/2001.

Small Urban Construction Discretionary Funds. Allocates \$14 million of appropriation for small urban construction projects. Requires that funds be allocated equally in each fiscal year among the 14 Highway Divisions for such projects. Allocates \$10 million to be used statewide for rural or small urban highway improvements, industrial access roads, and spot safety projects as approved by the Secretary of the DOT. Provides that any such funds used for rural secondary road construction are not subject to the county allocation formula provided in GS 136-44.5. Further provides that funds are not subject to GS 136-44.7. Requires that DOT report to members of the General Assembly on projects pursuant to this section in each member's district prior to the Board of Transportation's action. Requires quarterly reporting on use of funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

Amendment to the Transportation Equity Formula to Exempt Federal Discretionary Funding. Amends GS 136-17.2A(a) as special provision title indicates.

Equity Allocation Distribution Study and Report. Amends GS 136-17.2A (transportation equity formula) to require report on or before 12/1/99 to General

Assembly about allocations, obligations, and expenditures for each distribution region in the years between 1989-90 and 1997-98. Requires ongoing reports about expenditures every two years on 12/1 thereafter. When necessary, the Secretary of Transportation should also submit plans to correct imbalances in equity.

Medium Custody Road Crew Compensation. Allocates \$7 million of DOT appropriation in 1999-2001 to pay the Dep't of Correction for costs authorized for reimbursement of highway-related labor performed by medium custody prisoners. Over and above this amount, any reimbursements must be made subject to negotiations among the DOT, DOC, and OSBM. Expresses intent that future reimbursements for such labor shall also be subject to such negotiations prior to payment and that the Governor's budget should recommend the amount and source of funding.

Repeal Annual Transfer of Highway Use Tax from Highway Trust Fund to General Fund. Amends GS 105-187.9 to repeal transfer indicated in title. Amends GS 136-176 by adding a section requiring that the DOT annually use \$170 million of funds deposited in the Trust Fund for highway maintenance purposes.

Global Transpark Authority on Future Plans and Performance Measures. Requires that Transpark Authority report to the Joint Legislative Transportation Oversight Committee on its plans for 2000 through 2010. Report must include goals and performance measures and be submitted on or before 2/1/2000.

PART XXVIII. SALARIES AND BENEFITS

Governor and Council of State. Sets Governor's salary at \$113,656 and members of Council of State at \$100,310.

Department Heads. Sets salary of heads of principal state departments at \$98,003. Also specifies salaries of other executive branch officials.

Judicial Branch Officials. Sets salary of Justices of Supreme Court (\$113,656 Chief Justice, \$110,687 others), Court of Appeals Judges (\$107,919 Chief, \$106,075 others), superior court judges ((\$103,193 Senior Regular Resident, \$100,310 others), district court judges (\$91,086 Chief Judge, \$88,204 others), district attorneys (\$92,931), public defenders (\$92,931), and Administrative Officer of the Courts (\$103,193, \$86,658 for Assistant Officer). Authorizes district attorneys and public defenders to set salaries of assistant attorneys within specified ranges. Provides for three percent increase for other Judicial Department permanent, full-time employees. Provides for three percent increase for magistrates, except those persons entitled to a step increase pursuant to GS 7A-171.1 in 1999-2000 fiscal year do not receive this increase.

Clerks of court. Sets salary for clerk of superior court, assistant and deputy clerks, according to schedule based on county population.

Magistrates Salary Increases/Sunset Repeal. Repeals 1993 Budget Act provision that magistrates must have successfully completed course of basic training in order to be renominated. Sets salary schedule for magistrates. Provides for longevity pay and limits reimbursement for travel expenses within the county of a magistrate's residence.

Legislative employees. Sets the General Assembly principal clerks' salary at \$84,147, the sergeant-at-arms and reading clerk in each house at \$274 per week plus subsistence, and provides for a three percent increase for other legislative employees.

Agency Teacher Supplement. Provides for 5% supplements for State agency teachers who are paid on the teacher salary schedule.

Community colleges. Provides funds for an average annual salary increase of three percent.

UNC EPA. Provides funds for an average annual salary increase of three percent, except teaching employees of the School of Science and Mathematics receive increases 7.5% per year.

Compensation bonus. Provides for a \$125 bonus for most permanent employees (except teaching faculty in the community colleges and UNC system).

Allocation of increase. Provides that the increases funded above for most state employees whose salary is set in accordance with the State Personnel Act shall be allocated as follows: two percent as career growth recognition awards and one percent as a cost-of-living adjustment. Provides that salary increases are effective July 1, 1999.

Salary Adjustment Fund. Allocates any remaining appropriation for legislative salary increase not required for that purpose to this fund. Fund to be first used for reclassification of positions already approved by the Office of State Personnel. Provides \$60,000 to be used to reclassify security guard positions at the Museum of History and at State historic sites.

Temporary Sales Tax Transfer for Wildlife Resources Commission Salary Increases. Provides for quarterly transfer from the State sales and use tax net collections to fund legislative salary increases for employees of the Wildlife Resources Commission.

Wildlife Salary Equity. Requires adjustment of salaries of Wildlife Enforcement Officers so that average salary in any salary classification level is the same as comparably classed members of the State Highway Patrol. Only funds available within the budget of the Wildlife Resources Commission (not including funding from sales tax transfers) may be used to implement this section.

Longevity for Assistant District Attorneys and Assistant Public Defenders. Adds provision in GS 7A-65(d) providing for 19.2% longevity pay after twenty years of service.

Travel Rates for State Employees. Amends GS 138-6(a) to provide that auto reimbursement rates are to be based on the business standard mileage rate set by the Internal Revenue Service; sets in-state subsistence rate at \$81.00 per day and out-of-state rate at \$93 per day; and (effective July 1, 2001, authorizes the Director of the Budget to make annual revisions in these amounts equal to percentage increases in the Consumer Price Index.

Travel Allowance for Members of the Utilities Commission. Amends GS 62-10 to authorize weekly travel allowance for members who reside at least fifty miles from Raleigh.

Salary-related Compensation. Provides conforming changes for contributions to retirement programs and other employer paid benefits.

Cost-of Living Increases for Members of the Teachers' and State Employees' Retirement System, the Consolidated judicial Retirement System, the Legislative Retirement System, and the Local Government Employees' Retirement System. Provides for 2.3% increase effective July 1, 1999.

Retirement System Transfer. Provides for transfer of a member's creditable service to Consolidated Judicial Retirement System once the member has five years service in the Judicial Retirement System.

Repeal Retirement Exclusion. Repeals GS 135-72, which limited retirement benefits for members appointed to serve as a judicial officer in the United States courts.

School Employee Retirement Credit Changes. Amends GS 115C-302.1 regarding conversion of accumulated annual vacation leave days by teachers.

Flexible Benefits Plan. Removes December 31, 199 sunset.

State Employee Health Benefit Plan/Enhanced Prescription Drug Benefits. Sets reimbursement rate for prescription drugs outside a hospital or skilled nursing facility at 90% of average wholesale price, with \$6 dispensing fee also allowed. Copayments are set at \$10 for generic prescriptions, \$15 for branded prescription, and \$20 for branded prescriptions with a generic equivalent. Effective January 1, 2000.

State Employee Health Benefit Plan/Optional Participation by Firemen, Rescue Squad Workers, and Members of the National Guard. Amends GS 135-40 to allow participation by specified persons and certain dependents. Person must not be eligible for any other type of comprehensive group health insurance and must have been without any form of group health insurance for at least six months. Coverage is voluntary. Amends GS 135-39.6A to provide for separate premium rates for these participants. Effective July 1, 2000.

June 2, 1999

H 168. APPROPRIATIONS ACT OF 1999. Intro. 3/1/99. House committee substitute contains the following capital and miscellaneous provisions in addition to those provisions included in the June 1 digest.

PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Provides for the following capital improvement projects:

Capital Improvements - General Fund	<u>1999-2000</u>
Department of Administration	
1. Indian Cultural Center Land Acquisition Reserve	\$250,000
Department of Agriculture and Consumer Services	
1. Multipurpose Building - Construction	4,750,000
2. Western NC Farmers Market - Expansion of Small Dealers Building	250,000
3. Vernon James Research and Extension Center - Phase II of the Headhouse-Greenhouse project	827,168
Department of Community Colleges	
1. Grants for Repairs and Renovations to be matched on a 1:1 basis	14,500,000
Department of Environment and Natural Resources	
1. Water Resources Development Projects	9,245,000
2. Museum of Natural Sciences - Facility upfit and exhibits	2,000,000
3. Reserve for Forestry Headquarters	2,000,000
4. Museum of Forestry - Capital Projects	250,000
Department of Health and Human Services	
1. Whitaker School - Construction	5,400,000
2. Eastern Vocational Rehab Facility Repairs and Renovations Supplemental Funding	2,000,000
Office of Juvenile Justice	
1. Stonewall Jackson School - Demolition and removal of old homes	337,000
2. Forsyth County Detention Center Grant-in-Aid	1,750,000
State Ports	
1. Ports Authority - Continued Development of Facilities	3,000,000
University of North Carolina	
1. Focused Enrollment Growth Supplemental Repairs and Renovations Funding	20,000,000
TOTAL CAPITAL IMPROVEMENTS - GENERAL FUND	\$66,559,168

Water Resources Development Project Funds. Provides for allocation of funds for water resources development to the following projects:

1. Wilmington Harbor Deepening	\$5,700,000
2. B. Everett Jordan Lake Water Supply	100,000
3. Aquatic Plant Control Statewide and Lake Gaston	150,000
4. Manteo Shallowbag Bay Maintenance Dredging	350,000
5. Long Beach Sea Turtle Habitat Restoration	354,000
6. Lockwood Folly River Feasibility Study	300,000
7. Silver Lake Harbor (Ocracoke Island)	160,000
8. State-Local Water Projects	
Mitchell River Stream Restoration (Surry)	166,000
Muddy Creek Stream Restoration (McDowell and Burke)	50,000
Elk River Stream Restoration (Avery)	35,000
Bethesda Road Drainage (Southern Pines)	70,000
Artillery Road Drainage (Southern Pines)	30,000
Bear Creek Water Management Project Supplement (Wayne)	30,000
Flowers Cut Dredging (Pamlico)	20,000
Pine Knoll Shores Access (Carteret)	32,000
Town Creek Navigation (Brunswick)	64,000
Town of River Bend Navigation Supplement (Craven)	112,000
Other Stream Restoration	141,000
9. Stumpy Point Bay Maintenance Dredging	240,000
10. Cape Fear above Wilmington Dredging	100,000
11. Moravian Creek Flood Control	96,000
12. Neuse River Basin Flood Studies	100,000
13. Wanchese Harbor Navigation	170,000
14. Battery Island Bird Habitat Protection	205,000
15. Prospective Feasibility Studies	200,000
16. Planning Assistance to NC Communities	150,000
17. Emergency Flood Control Projects	120,000
Total	\$9,245,000

Specifies use of funds if actual costs are less than those allocated. Requires quarterly reports on use of these funds to the General Assembly.

Forestry Headquarters in Sampson and Moore Counties/Unused Capital Appropriation. Authorizes expenditure of any funds remaining from \$700,000 appropriation in 1998 for facility named in title to supplement projects previously appropriated by the General Assembly.

Reallocate Southeastern Farmers Market and Agricultural Center Funds. Permits up to \$250,000 of a previous appropriation to be used for construction of electronic message boards to inform the public about the Southeastern Farmers

Market. Previous appropriation from which this comes is \$500,000 appropriation, in SL 1998-212, Sec. 29, to the Dep't of Agriculture and Consumer Services in fiscal 1998-99 to provide for capital improvement projects.

UNC Enrollment/Capital. Appropriates to the UNC Board of Governors \$20 million in capital improvement funds for facilities' renovations and repairs. Requires that the Board allocate these funds among the constituent institutions that are expected to grow in enrollment by 20% by fall, 2003 and who had facility condition and quality index ratings below the UNC System average, as identified in the report named "Building for the New Millennium: Volume I."

UNC-Charlotte Capital Funds Reallocated. Requires that \$2.5 million of \$12 million appropriated to the UNC Board of Governors in 1998-99 for UNC-Charlotte be used for advanced planning of the Science and Technology Building at UNC-Charlotte. Requires balance of funds to be used for site preparation and for construction of Phase 1 of the Humanities Building at UNC-Charlotte.

Procedures for Disbursement. Describes process of disbursement, allotment, and approval for financing by self-liquidating appropriations. Provides guideline for spending appropriations on fixed and movable equipment and describes general limitations on capital improvement projects.

Encumbered Appropriations and Project Reserve Fund. Describes process for encumbering capital improvement project appropriations and lists project reserve fund guidelines.

Expenditure of Funds from Reserve for Repairs and Renovation. Allocates 46% of 1999-2000 reserve to the UNC Board of Governors for repairs and renovations pursuant to GS 143-15.3A in accordance with UNC guidelines. Allocates remaining 54% to the Office of State Budget and Management for repairs and renovations pursuant to GS 143-15.3A.

Capital Improvement Projects/ Supplemental Funding Approval/ Reporting Requirement. Requires quarterly report to the Director of Budget on capital projects from each department receiving capital improvement appropriations from the Highway Fund under this act. Permits Director of Budget to supplement Highway Fund capital improvement projects authorized by this act that have not been placed under contract for construction due to insufficient funds as long as conditions listed in section are met.

Project Cost Increase. Permits Director of Budget to increase cost of a capital improvement project. If Director does so, requires report to the Joint Legislative Comm'n on Governmental Operations at its next meeting. Permits increase from gifts, grants, special fund receipts, excess patient receipts above budget amounts, or direct capital improvement appropriations to the relevant department or institution.

New Project Authorization. Permits Director of Budget to authorize construction of a capital improvement project not specifically authorized by the General Assembly if it is funded by non-appropriation fund types listed in the section. If Director does so, requires report to the Joint Legislative Comm'n on Governmental Operations at its next meeting.

Advance Planning of Capital Improvement Projects. Permits use of non-appropriation fund types listed in the section for advance capital planning through the working drawing phase, upon approval by the Director of the Budget. Permits Director to allocate funds for this purpose from the Advance Planning Fund, except that Fund cannot be used by the UNC Board of Governors or the State Board of Community Colleges.

Appropriations Limits/Reversion or Lapse. Provides for reversion or lapse of funds if project enumerated in act does not commence or self-liquidating indebtedness not incurred within twelve months following the first day of the fiscal year in which the funds are available.

PART XXX. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. As section title indicates.

Committee Report. Provides that Committee Report and special provisions of this act should be used in interpreting the budget. Describes compliance with Controller requirements for making a budget.

Most Text Applies Only to 1999-2001. As title indicates.

Effective Date. July 1, 1999.

H 168. APPROPRIATIONS ACT. Intro. 03/01/99. House amendments make the following changes.

House amendment 1 deletes provision in Section 8.5(b) that requires 20% of low-wealth supplemental funding be used to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8.

House amendment 3 adds Part XXVA regarding Dep't of Revenue budget reductions in the House Appropriations Committee Report on the Continuation, Expansion, and Capital Budget. Restores funding for each fiscal year of the 1999-2001 biennium as follows (1) Fund 1600, Item 43, four personnel positions, \$328,722; (2) Fund 1600, Item 44, one personnel position, \$59,979; and (3) Fund 1640, Item 46, four positions, \$155,174. Restores personnel funding for 1999-2000 fiscal year for Fund 1600, Item 43, \$115,460. Offsets restored funding by reducing Fund 1600-532140, Contractual Services, by \$599,356 and Fund 1600-532714, In-State Transportation, by \$59,979 for each fiscal year of the 1999-2000 biennium.

House amendment 5 adds language to Section 26.2 to clarify that artistic projects for which cultural resource grants may be used include visiting artist programs.

House amendment 9 adds to Sections 8.29(a) and 8.29(b) provisions prohibiting payroll deductions for employees' associations to be used in support of or opposition to any candidate in any election, including for any political action committee, campaign committee, or political committee, nor may funds be used in support of or opposition to any local or statewide referendum or bond issue or for any referendum committee.

House amendment 11 adds Section 8.33 requiring State Board of Education to study the relationship between school size and behavior and academic performance of students. Board must report to Joint Legislative Education Oversight Committee before April 15, 2000.

House amendment 12 adds Section 12.1 to require, of funds appropriated for the Housing Trust Fund, \$2.5 million for 1999-2000 and \$500,000 for 2000-2001 be used for affordable housing for the elderly.

House amendment 13 deletes Section 8.6(f), which requires local boards of education to use at least 20% of small school supplemental funding to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8.

House amendment 14 deletes Section 8.23, which requires Joint Legislative Education Oversight Committee to study need for additional nurses in the public schools.

House amendment 15 adds Section 14.2 to prohibit 1999-2001 appropriations to Dep't of Labor from being used to develop, implement, or enforce an ergonomics program.

House amendment 21 adds Section 8.33 directing the State Board of Education to transfer \$3,000,000 in each year of the biennium from small school system supplemental funding to supplemental funding in low-wealth counties.

House amendment 22 adds Section 18.21, which amends GS 148-26(a) to allow inmate labor on projects or service that is of benefit to the citizens of North Carolina or units of State or local governments, regardless of whether the project or service is performed on public or private property.

House amendment 23 adds Section 10.17 directing the Board of Governors of The University of North Carolina to conduct a site study on the location of the Martin Luther King Race Relations Research Center, with a report to the 2000 session of the General Assembly.

House amendment 24 adds Section 11.65 to provide that \$325,666 allocated to the Dep't of Health and Human Services be used by the Div'n of Public Health for a Birth Defect Monitoring Program and makes conforming fiscal changes.

House amendment 29 revises Section 10.13 to provide that Research I institutions shall contribute 1.8% of their overhead receipts to General Administration of The University of North Carolina and adds Section 10.17 to provide that the Board of Governors of The University of North Carolina allocate \$1,500,000 in 1999-2000 and the sum of \$350,000 to North Carolina Central University for the operations of the Biomedical/Biotechnology Research Institute and makes conforming changes in fiscal figures.

House amendment 35 adds Section 20.5 directing Dep't of Crime Control and Public Safety to expend \$350,000 for 1999-2000 to provide metal detectors for the public schools. Funds for this expenditure come from funds appropriated for the North Carolina State Bar as follows: \$175,000 from Legal Services and \$175,000 from the Center for Death Penalty Litigation. Establishes priorities for use of funds.

House amendment 36 adds Section 11.31 providing that \$2,500,000 allocated to the Dep't of Health and Human Resources, Div. of Social Services, for program integrity activities in each county shall be given to the counties in a lump sum and unexpended funds shall revert to the General Fund.

House amendment 37 amends Section 9.11 (regarding funds appropriated from the Employment Security Commission Training and Employment Account to the Community Colleges System Office) to specify that if H 275 is adopted and provides an expenditure schedule or source of funds different from that provided in this section, then H 275 prevails.

June 16, 1999

H 168. APPROPRIATIONS ACT OF 1999. Intro. 3/1/99. Senate committee substitute contains the following provisions that differ from the bill adopted by the House of Representatives on 6/2. Special provisions in the House version that are contained without amendment in the Senate versions are not listed.

PART I. INTRODUCTION AND TITLE OF ACT -- No changes.

PART II. CURRENT OPERATIONS – GENERAL FUND -- Amounts that differ from the House version are in *italics*.

<u>Department</u>	<u>1999-2000</u>	<u>2000-2001</u>
GENERAL ASSEMBLY	34,980,575	39,518,408
OFFICE OF THE GOVERNOR		
Office of the Governor	5,263,364	5,282,172
Office of State Budget and Management	4,146,118	4,247,782
Office of State Planning	2,147,099	2,147,099
Special Appropriations	5,655,000	3,080,000
OFFICE OF THE LIEUTENANT GOVERNOR	640,485	640,485
DEPARTMENT OF SECRETARY OF STATE	6,513,118	6,280,933
DEPARTMENT OF STATE AUDITOR	11,614,631	11,608,041
DEPARTMENT OF STATE TREASURER		

State Treasurer	6,810,844	6,568,253
Special Appropriations	12,294,780	12,294,780
DEPARTMENT OF INSURANCE		
Insurance	22,008,763	21,599,037
Special Appropriation	4,500,000	4,500,000
DEPARTMENT OF ADMINISTRATION	60,997,632	60,139,326
OFFICE OF STATE CONTROLLER	11,482,568	11,488,315
OFFICE OF ADMINISTRATIVE HEARINGS	2,757,199	2,786,455
RULES REVIEW COMMISSION	317,343	309,326
DEPARTMENT OF CULTURAL RESOURCES		
Cultural Resources	69,888,077	58,182,464
Roanoke Island Commission	1,826,157	1,826,157
DEPARTMENT OF REVENUE	79,392,984	75,880,633
STATE BOARD OF ELECTIONS	3,199,660	3,199,660
JUDICIAL DEPARTMENT	340,383,168	347,361,291
OFFICE OF JUVENILE JUSTICE	134,241,466	137,518,378
DEPARTMENT OF JUSTICE	72,846,676	72,383,781
DEPARTMENT OF CORRECTION	891,143,846	889,765,169
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	36,791,794	36,267,844
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
DHHS-Administration and Support	93,386,130	90,106,803
Division of Aging	30,042,117	29,792,117
Division of Child Development	286,012,727	305,441,553
Division of Services of the Deaf and Hard of Hearing	31,604,083	31,989,549
Division of Social Services	150,394,120	185,459,375
Division of Medical Assistance	1,348,453,847	1,539,549,270
Division of Services for the Blind	17,462,992	17,455,155
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	614,290,187	607,658,021
Division of Facility Services	10,937,289	11,198,856
Division of Vocational Rehabilitation Services	39,041,887	38,256,403
Division of Public Health	133,211,183	132,979,059
NC Health Choice	22,092,346	25,509,475
Total DHHS	2,776,928,908	3,015,395,636
DEPARTMENT OF PUBLIC EDUCATION	5,262,507,676	5,277,638,248
COMMUNITY COLLEGES SYSTEM OFFICE	579,485,851	591,015,693
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS		
General Administration	41,659,202	42,077,020
University Institutional Programs	94,184,274	91,414,402
Related Educational Programs	85,975,006	88,964,245
UNC-Chapel Hill		
Academic Affairs	177,293,233	177,575,523
Health Affairs	144,910,088	145,843,687

Area Health Education Centers	44,094,068	44,116,310
NC State University		
Academic Affairs	234,331,766	235,906,137
Agricultural Research Service	45,549,404	45,422,994
Agricultural Extension Service	36,031,921	35,969,822
UNC-Greensboro	78,810,304	79,052,368
UNC-Charlotte	83,166,903	83,378,506
UNC-Asheville	22,017,704	22,061,697
UNC-Wilmington	49,957,856	50,325,018
East Carolina University		
Academic Affairs	101,589,323	101,704,564
Division of Health Affairs	41,109,992	44,107,886
NC Agricultural and Technical State University	53,492,454	53,491,976
Western Carolina University	47,364,534	47,539,139
Appalachian State University	72,063,889	74,072,087
UNC-Pembroke	20,456,907	20,452,780
Winston-Salem State University	24,000,509	24,147,742
Elizabeth City State University	19,279,750	19,342,413
Fayetteville State University	25,992,535	26,012,535
NC Central University	39,206,985	39,048,808
NC School of the Arts	14,463,446	14,710,424
NC School of Science and Mathematics	10,391,245	10,432,372
UNC Hospitals at Chapel Hill	36,351,025	39,042,772
Total UNC	1,643,744,323	1,656,213,227
OFFICE OF THE GOVERNOR-HOUSING FINANCE	12,300,000	6,300,000
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	56,863,419	54,146,601
DEPARTMENT OF LABOR	16,469,251	16,369,251
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	155,766,907	157,700,273
DEPARTMENT OF COMMERCE		
Commerce	47,198,448	43,745,365
State Aid to Non-State Entities	10,900,000	5,200,000
<i>Rural Economic Dev. Center</i>	7,257,338	4,257,338
<i>Biotechnology Center</i>	9,638,913	7,638,913
State Information Processing Services	3,596,000	0
DEPARTMENT OF TRANSPORTATION	20,973,881	15,434,165
CONTINGENCY AND EMERGENCY	1,125,000	1,125,000
WELFARE REFORM	412,503	412,503
RESERVE FOR COMPENSATION INCREASE	63,627,578	63,627,578
1998-99 CONTINUED		
RESERVE FOR COMPENSATION INCREASE 1999-2000	397,600,000	397,600,000
RESERVE FOR COMPENSATION BONUS	16,400,000	0
RESERVE FOR SPA MINIMUM SALARY	100,000	100,000

RESERVE FOR SALARY ADJUSTMENTS	3,944,303	4,444,303
<i>RESERVE FOR DIST. ATT./PUB. DEFENDER</i>	<i>318,000</i>	<i>318,000</i>
<i>SALARY ADJUSTMENT</i>		
RESERVE FOR CONSOLIDATED MAIL SERVICES	(1,000,000)	(1,500,000)
RESERVE FOR JUDICIAL RETIREMENT	(900,000)	(900,000)
ADJUSTMENT		
RESERVE FOR POSITIONS VACATED BY	(12,709,439)	(12,709,439)
RETIREMENT		
RESERVE FOR STATE HEALTH PLAN	110,000,000	147,000,000
RESERVE FOR RETIREES HEALTH BENEFITS	(144,000,000)	0
DEBT SERVICE		
Debt Service	191,910,930	290,709,550
Federal Reimbursement	1,155,948	1,155,948
GRAND TOTAL CURRENT OPERATIONS GENERAL	13,053,459,08	13,557,313,942
FUND	5	

PART III. CURRENT OPERATIONS--HIGHWAY FUND -- Changes are in *italics*.

DEPARTMENT OF TRANSPORTATION

Administration	64,405,831	64,409,242
Operations	36,476,296	36,495,582
Construction and Maintenance		
Primary Construction		
Secondary Construction	84,777,000	87,710,000
Urban Construction	14,000,000	14,000,000
Access and Public Service Roads	2,000,000	2,000,000
Discretionary Fund	10,000,000	10,000,000
Spot Safety Construction	9,100,000	9,100,000
State Funds to Match Federal Highway Aid	3,856,821	3,856,821
State Maintenance	463,069,469	462,069,469
Ferry Operations	18,174,622	18,174,622
State Aid to Municipalities	84,777,000	87,710,000
State Aid for Public Transportation and Railroads	57,081,326	54,554,009
OSHA-State	425,000	425,000
Governor's Highway Safety Program	338,121	338,121
Division of Motor Vehicles	91,133,577	92,987,232
Reserve and Transfers	215,074,937	237,579,902
GRAND TOTAL CURRENT OPERATIONS AND	1,154,690,000	1,181,410,000
EXPANSION		

PART IV. HIGHWAY TRUST FUND -- No changes.

PART V. BLOCK GRANT FUNDS

No changes in totals for block grants previously digested. Includes several technical revisions in special provisions regarding the block grants. Allows Dep't of Health and Human Services to use these funds to establish up to three additional staff positions in the Div. of Social Services Intensive Family Preservation Services Program.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS -- Changes in *italics*.

	1999-2000 (\$ Millions)	2000-2001 (\$ Millions)
BUDGET REFORM STATEMENT		
Unappropriated balance	<u>0.2</u>	
Revenue collections in 1998-99 in excess of authorized estimates	333.9	
Unexpended appropriations during 1998-99	106.3	
Transfer to Savings Reserve	0	
Transfer to Reserve for Repair and Renovations	(150.0)	
Transfer to Clean Water Management Trust Fund	(30.0)	
Ending Fund Balance	260.4	
Beginning Unrestricted Fund Balance	260.4	0
Revenues Existing Tax Structure	12,368.4	13,103.8
Revenues-Gains on Asset Sale (RJR)	69.0	--
<i>Homestead Exemption Increase -- deleted</i>	--	(0)
Nontax Revenues	523.7	550.5
Disproportionate Share Receipts	105.0	105.0
Transfer from Highway Trust Fund	170.0	170.0
Highway Fund Transfer	13.6	13.8
Transfer from Disproportionate Share Receipts Reserve	20.0	0.0
Transfer from Flexible Benefit Reserve	1.2	0.0
TOTAL AVAILABILITY	13,530.1	13,934.1

Highway Fund Availability -- No changes.

Work First Reserve Fund. Amends GS 143-15.3C to provide that funds from the Work First Reserve Fund shall not be expended until appropriated by the General Assembly.

Local Option Homestead Exemption. Deletes increase in statutory exemption. Proposes amendment to Sec. 2, Art. V of the NC Constitution to authorize the General Assembly to enact a general law authorizing each county to increase the homestead exemption and to increase the maximum income threshold to qualify for the exemption. Constitutional amendment to be submitted to voters in statewide general election of 2000. Makes conforming amendments to statutes, subject to approval of the constitutional amendment.

PART VII. GENERAL PROVISIONS

Special Funds, Federal Funds, and Departmental Receipts/Authorization for Expenditure. Makes technical changes.

Authorization of Private License Tags on State-owned Motor Vehicles. Makes technical changes.

Comprehensive Review of Environmental Studies. Deleted.

Review of Land Transactions. Amends GS 143-341, 146-22, 146-27, 146-30, and 146-74 to increase from \$25,000 to \$50,000 the threshold for various land transactions that are subject to approval by the Joint Legislative Commission on Governmental Operations.

Approve Temporary Assistance for Needy Families State Plan. Directs Dep't of Health and Human Services to extend the Plan's application to the two-year federal fiscal period ending 9/30/01. Amends GS 108A-27.2(4) to require county plans to be submitted in odd rather than even numbered years.

Authorize Transfer to Meet Maintenance of Effort Requirements of Temporary Assistance for Needy Families. Authorizes, for first quarter of 1999-2000 fiscal year only, use of state funds for TANF Work First Family Assistance.

PART VIII. PUBLIC SCHOOLS

Supplemental Funding in Low-Wealth Counties. Adds provision requiring at least 20% of the funds received under this provision be used to improve the academic performance of children at Levels I or II on reading or math end of grade tests in grades 3 - 8 and children who are performing at Level I or II on the writing tests in grades 4 and 7. Deletes Section 8.5(k) which provides that supplemental funding allocations do not revert.

Small School System Supplemental Funding. Adds provision requiring at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8 and children who are performing on Level I or II on the writing tests in grades 4 and 7.

Drivers Education Funds Do Not Revert/Driving Education Certificates. Deletes provision making this section effective June 30, 1999.

Noncertified Personnel Salary Funds/Teacher Assistant Salary Funds. Adds language providing that the one-time bonus of \$125 is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees Retirement System.

Student Accountability Standards. Adds provision requiring that funds appropriated for Student Accountability Standards shall be used to help students performing at or above grade level on writing tests in grades 4 and 7.

Need for School Nurses/Study. Adds provision directing Joint Legis. Education Oversight Comm. to study the need for additional nurses in the public schools and, if it finds that additional nurses are needed, to forward the study results to the nonprofit corporation created by settlement of a civil action, 98-cvs-14377 and approved in SL 1999-2.

Strengthen Alternative Schools/Alternative Learning Programs. Changes title to *Alternative Schools/Modifications*. Encourages but does not require local boards to consider the State Board's guidelines in developing their own guidelines for alternative learning programs. Deletes provision prohibiting superintendents from assigning employees who have received ratings less than "above standard" to alternative schools or learning programs. Deletes provision altering funding for 1999-2000 to allocate 25% of funds now allotted to At-Risk Student Services/Alternative Schools solely to Alternative Schools/Alternative Learning Programs. Adds Section 8.25(d) requiring the State Board of Education to develop a method of reporting expenditures from Alternative Schools/At-Risk Student allotments by the 2001-2002 school year and to report to the Joint Legis. Education Oversight Committee on its progress.

Payroll Deduction Clarification. Deleted.

Textbook Commission Membership Expansion. Amends GS 115C-87 to expand membership of Textbook Comm'n to 23 (was, 14) and changes composition of comm'n. Requires each proposed textbook to be read by at least one expert certified in the discipline for which the textbook would be used. Adds as criterion for evaluation of textbooks whether it is aligned with the standard course of study. Effective Jan. 1, 2000.

Studies by Education Oversight Committee. Deleted.

Differentiated Diploma Study. Authorizes Joint Legis. Education Oversight Comm. to study the issue of differentiated high school diplomas. Permits report to General Assembly prior to convening the 2000 regular session or the 2001 General Assembly and requires a report to the Joint Legis. Education Oversight Comm. before implemented a differentiated diploma plan.

Teacher Assistant Salary. Directs Joint Legis. Education Oversight Comm to review information and reports provided by the State Board of Education and to conduct any further study necessary regarding the establishment of a teacher assistant salary schedule. Requires Committee to make report to the General Assembly prior to the convening of the 2000 Regular Session.

Cooperation in Education Information Technology. Adds section requiring the State Board of Community Colleges, the State Board of Education, and the Board of Governors of The University of North Carolina to submit a joint report to various committees and divisions of the General Assembly describing functions involving information technology that are amenable to collaboration and recommending approaches to facilitate collaboration.

Transfer Funds from Small School System Supplemental Funding to Supplemental Funding in Low-Wealth Schools. Deleted.

Mecklenburg School Construction. Adds section 8.35 that allows Charlotte/Mecklenburg Board of Education to prequalify single prime contractors for school facility, construction, rebuilding or renovation projects and solicit bids from those prequalified contractors. Board shall attempt to prequalify and solicit bids from at least five contractors and cannot award a contract unless it receives at least three bids from the group of prequalified contractors.

Establish a Pilot Program to Test and Evaluate A Revised School Accountability Model For the ABC's Plan. Adds Section 8.36 requiring the State Board of Education to establish a pilot program in up to five local school administrative units to determine whether revisions in the present school accountability model under the ABC's Plan are likely to result in more students demonstrating mastery of course subject matter and skills. School Board shall select local school administrative units to participate in the pilot program during the 1999-2000 school year and shall implement the program during the 2000-2001 school year. Units must have volunteered for the program and be located geographically throughout the state. Before applying for participation in this program, a local board must hold a public meeting and pass a resolution approving its participation. Personnel in schools participating in the pilot program that achieve accountability goals will be eligible to receive financial awards. The State Board will be responsible for evaluating the pilot program on an annual basis and determining whether the program should be continued in each unit. The State Board shall make a preliminary report to the Joint Legis. Education Oversight Comm. by November 15, 1999 regarding the development of the revised school accountability model for the pilot program and the selection of participating local school administrative units. The State Board shall make another report prior to March 15, 2001 regarding the selection of participating school administrative units, the implementation of the program, the estimated costs of providing bonuses under the program, and the possible sources of funds for the bonuses. By October 15, 2001 and annually thereafter, the State Board shall report its findings and recommendations regarding the continued implementation, expansion and modification of the pilot program.

PART IX. COMMUNITY COLLEGES

Community College Funding Flexibility. Changes amount that may be transferred from faculty salaries without the approval of the State Board of Community Colleges from 1% to 3%. Such transfers above 3% must be reported to the joint Legislative Comm'n on Govt. Operations.

State Board Reserve Allocations. Deletes provision requiring the State Board to use funds from State Board Reserves in the amount of \$100,000 for planning a Southeastern North Carolina Regional Fire Training Program and \$20,000 for other fire training programs.

Employment Security Commission Training and Employment Account Funds. Changes the manner in which funds are to be used as follows: nonreverting start-up fund for regional and cooperative initiatives: \$4 million in each year; new and expanding industry training program: \$5 million in 1999-2000 and \$8 million in 2000-2001.

Community College Construction Flexibility Study. Adds Section 9.14 authorizing the Joint Legis. Education Oversight Comm. to study the need to streamline the community college capital construction process and to report its finding and recommendations to the General Assembly before May 1, 2000.

PART X. UNIVERSITIES

Aid to Students Attending Private Colleges Procedure. Increases amount to be provided from \$975 to \$1,050 per full-time equivalent NC undergraduate student enrolled at private institution as of Oct. 1 of each year. Also increases amount granted to each full-time NC undergraduate student attending approved institution from a sum not to exceed \$1,675 per academic year to \$1,750, which must be distributed as provided in act. Adds provision requiring a full refund of the grant to the State Education Assistance Authority if the student on whose behalf a grant has been paid is not enrolled and carrying a minimum academic load as of the tenth classroom day after the beginning of the school term for which the grant was paid.

Marine Science Research Committee Funds. Deletes provision requiring that the committee be chaired by the chancellor of UNC-Wilmington.

UNC Incentive Funding. Deleted.

UNC Overhead Receipts. Amends this section to provide that effective July 1, 1999, all overhead receipts earned by the constituent institutions of the UNC system shall be retained by the campus earning the receipts. Deletes all other provisions.

NCCU Biomedical/Biotechnology Research Institute Funds. Deleted.

Academic Enhancement Funds. Adds section allowing Board of Trustees of a University of North Carolina constituent institution to increase tuition in an amount up to \$250 per full-time student for the 2000-2001 academic year and an additional \$250 per full-time student for the 2001-2002 academic year. All revenues derived from such tuition increases shall remain for use on that campus and 35% of the funds must be allocated for need-based financial aid. The balance of the funds shall be allocated for faculty salaries. Upon deciding to increase tuition, the institution shall notify the Board of Governors, the Office of State Budget Management, and the Fiscal Research Division of the amount of the increase, additional receipts anticipated, and the allocation of funds among various programs.

Study Prepaid Tuition Plans and College Savings Plans. Adds new section requiring Board of Governors of The University of North Carolina to study the structure, management, and use of prepaid tuition plans and college savings plans and to make recommendations to the Joint Legis. Education Oversight Comm. by April 1, 2000.

UNC Carryforward. Adds new section allowing Board of Governors to retain \$400,000 of funds remaining in The University of North Carolina General Administration budget code 16010 credit balance on June 30, 1999. Allows funds to be used to assist UNC-Pembroke in making an addition to the Chancellor's residence and to assist NC A & T in purchasing a new Chancellor's residence.

UNC Anorexia/Bulimia Endowed Chair. Adds new section requiring that \$400,000 for fiscal year 1999-2000 be used to endow a chair for the study of anorexia and bulimia at the University of North Carolina School of Medicine, provided that \$200,000 is raised by The Anorexia/Bulimia Foundation of North Carolina and other private sources to match this appropriation. Funds shall not revert but will be held in trust pending the receipt of the required matching funds.

Dental Scholarships and Loans/Work Underserved Areas. Adds new section requiring Board of Governors to include as a condition for receipt of a scholarship from the UNC Board of Governors Dental Scholarship Program that upon graduation, the recipients will provide dentistry services in underserved areas of the State.

PART XI. DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Prescription Drug Assistance Program. In addition to authorizing development of a prescription drug assistance program as in House bill, allocates from General Fund appropriations to DHHS \$500,000 for each year of the 1999-2001 biennium to pay the cost of prescription drugs for persons (1) over age 65 and not eligible for full Medicaid benefits; (2) whose income is not more than 150% of federal poverty level; and (3) who have been diagnosed with cancer, cardiovascular disease, or diabetes. Funds to be used to pay cost of prescription drugs for treatment of these diseases.

Establishment of Division of Education Services. Adds requirement that DHHS review the adequacy and effectiveness of its programs and services for deaf-blind adults and children. Lists specific areas for review and requires a report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division by April 1, 2000.

Procedure for Award of Human Services Grants. Changes from \$3,674,334 to \$4 million the amount of 1999-2000 DHHS appropriation to be used for grants for programs that provide services to older adults, adults with disabilities, at-risk children, and youth and families.

Long Term Care Continuum of Care. Adds Section 11.7A to require DHHS to develop a system, to be implemented by January 1, 2001, that provides a continuum of long-term care for elderly individuals and their families. Lists required components of system and requires implementation through a single Division established by DHHS. Requires DHHS to develop strategies for shifting funding for long-term care from public to private sources. DHHS must submit a progress report by May 1, 2000, to the chairs of the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources.

Transfer of Certain Funds Authorized. Adds Section 11.7B to authorize the Director of the Budget to transfer excess funds, whether federal block grant or state General Fund appropriations, between county Dep'ts of social services, county or district health agencies, and area mental health authorities.

Utilization Impact on Inflationary Increases for Hospitals and Nursing Homes. Adds Section 11.14A to require DHHS to use savings from utilization decreases in the Medicaid Program to offset the reduction in funding for inflationary increases for hospitals and nursing homes.

Adult Care Home Bed Vacancies/Extension. Deletes Section 11.19 extension of moratorium on additional adult care home beds.

Special Assistance Demonstration Project. Adds cochairs of the House of Representatives Appropriations Committee to list of persons who must receive DHHS reports. Lists categories of information that must be included in final report.

Work First Program Integrity Activities Funds. Deletes Section 11.31, which required lump sum funding to counties and reversion of unexpended funds to General Fund.

Funds to Reduce Waiting List for Services for Developmentally Disabled Persons. For fiscal year 2000-2001 (was, for 1999-2000 only), allocates \$6 million from appropriations to the Div'n of MH/DD/SA Services for the developmentally disabled waiting list. Requires that services be provided without regard to when a person's name was added to the waiting list.

Mental Health Reserve for Medicaid Match. For the estimated amount needed to match Medicaid payments under the former Carolina Alternatives Program, requires DHHS to transfer funds from the Div'n of Medical Assistance.

Use of Willie M./Thomas S. Funds. Willie M. appropriations are to be used to continue services required by law for class members identified at the time of the dissolution of the class, and may be used to provide services required by law for violent and assaultive children and children at risk of institutionalization. Thomas S. funds may be used to provide services to multiply diagnosed adults who were not identified as class members at the time of dissolution of the class. Deletes list of topics that must be included in DHHS report to the General Assembly.

Broughton Hospital Funds/Nonrevert. Adds Section 11.42A providing that, of funds appropriated to Div'n of MH/DD/SA Service for the 1998-99 fiscal year, \$400,000 shall not revert on June 30, 1999, but shall remain available to Broughton Hospital to be used for patient privacy partitions, hospital beds, security fencing and video monitoring equipment, relocation and update of pharmacy department, and replacement of dental equipment.

Child Care Subsidies. Permits religious-sponsored child care facilities that are receiving a higher-than-market-rate reimbursement to continue to receive that higher rate for three years from effective date of this act. Payments for subsidized child care services provided with Work First Block Grant Funds must comply with Div'n of Child Development regulations and policies.

Early Childhood Education and Development Initiatives. Amends GS 143B-168.15(g) to require local partnerships to use child care subsidy expenditures to augment the State's supplemental subsidy payment rate per child per month for licensed child care centers and homes earning a rated license that exceeds the minimum licensing standards.

Immunization Program Restitution Policy. Deletes DHHS requirement to seek restitution when vaccine in provider's inventory has expired due to the provider's negligence and failure to rotate the inventory.

Cancer Control Advisory Committee Funds. Deletes Section 11.59, which required a portion of funds appropriated to DHHS, Div'n of Public Health, to be used for prostate cancer control activities.

Birth Defect Monitoring Program. Deletes funding provision.

Access to Preventive Dental Care/Health Departments. Amends GS 90-233(a) to extend application of that subsection to dental hygienists who are employed by or under contract with a county or state government dental public health program and were trained by the Dental Health Section of DHHS as public health hygienists.

PART XII. HOUSING FINANCE AGENCY -- No changes.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Southern Dairy Compact Commission Funds. Technical change.

Mandatory Equine Infectious Anemia Testing Funds. Deleted.

PART XIV. DEPARTMENT OF LABOR

Ergonomics Program. Creates Legislative Study Comm'n on Occupational Musculoskeletal Disorders to study the prevention of musculoskeletal disorders. Comm'n comprised of 16 members: 4 members of the Senate and 3 public members appointed by President Pro Tempore; 4 members of the House and 3 public members appointed by the Speaker, and 2 members of the public appointed by the Comm'r of Labor. Requires the Comm'n to report to General Assembly by April 1, 2000.

PART XV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Grassroots Science Program. Appropriates \$3,420,000 in 1999-2000 and reduces appropriation for Museum of Coastal Carolina from \$318,274 to \$68,274 in 1999-2000.

North Carolina Water Quality Workgroup Initiative/Rivernet Monitoring System Pilot Program/Research Funds. Appropriates \$1,200,000 for the 1999-2000 fiscal year and \$700,000 for the 2000-2001 fiscal year to implement the section, allocating an additional \$25,000 in each year to N.C. State for operating costs of the monitoring system and pilot project and \$25,000 in each year for reserve funds.

Pitt Landfill Reimbursement Funds. Transfers \$300,000 of funds credited to White Goods Management Account to DENR for 1999-2000 to partially reimburse Pitt County for costs incurred because of contamination caused by hazardous waste disposal at its landfill.

Warren County PCB Landfill Detoxification Funds. Transfers \$1,000,000 of funds credited to White Goods Management Account to DENR for 1999-2000 to be placed in nonreverting reserve established under SL 1998-212 to be used for detoxification of Warren County PCB landfill.

Food Service at North Carolina Aquariums. Authorizes NC Aquariums to operate food or vending services with net proceeds credited to NC Aquarium Fund.

Beach and Mountain Restoration Plan. Requires DENR to evaluate condition of NC's beaches and mountains to develop plan to address issues of environmental protection, conservation. DEHR to report to Environmental Review Comm'n and Joint Legislative Comm'n on Governmental Operations by April 15, 2000.

PART. XVI. DEPARTMENT OF COMMERCE

Commission to Address Smart Growth, Infrastructure, and Development Issues. Appropriates \$200,000 for 1999-2000 from Dep't funds to create a Comm'n to Address Smart Growth, Infrastructure, and Development Issues instead of Legislative Research Comm'n study. Provides for 30 member Comm'n, specifying membership and sets out duties of Comm'n. Requires Comm'n to report to General Assembly and Governor by Jan. 15, 2001 and provides that Comm'n terminates upon filing its report.

Reallocate Previously Appropriated Petroleum Overcharge Funds. Provides that funds previously appropriated to Dep't of Commerce from case of U.S. v. Exxon and from Stripper Well Litigation may be reallocated to be used for projects under State Energy Efficiency Programs.

Credit Enhancement for Tourism Development Projects. Deleted.

WNC Revitalization/Planning Funds. Provides that \$100,000 of funds appropriated to Dep't of Commerce for fiscal 1999-2000 be used to enhance economic development in Western North Carolina through Small Town Revitalization and County Planning Program. Requires at least 15%

of the funds for Small Town Revitalization and County Planning Program be used for small towns and requires Dep't of Commerce to develop procedures for allocating funds.

World Trade Center North Carolina Report. Deleted.

Oregon Inlet Funds/Nonrevert. Provides that funds appropriated to Dep't of Commerce for 1998-99 for Oregon Inlet Project do not revert and are available to Dep't to pay legal costs. Effective June 30, 1999.

Limitation on Information Highway Expansion. Prohibits use of state or federal funds to establish new sites or expand/enhance services at existing sites.

Ports Railway Commission Business Plan. Requires the NC Ports Railway Commission, in consultation with the State Ports Authority to develop a business plan. Plan to be submitted to State Ports Authority and Legislative Comm'n of Governmental Operations by October 1, 1999.

PART XVII. ADMINISTRATIVE OFFICE OF THE COURTS

Additional District Court Judges. Deletes new district court judge in District 4 (Sampson, Duplin, Jones, and Onslow) and adds one in District 19A [Cabarrus] and clarifies that Governor may appoint to new positions without nominations submitted by the bar of the judicial district.

Additional Assistant District Attorneys. Adds an additional assistant district attorney in District 20 [Anson, Richmond, Stanly, and Union].

Additional Investigatorial Assistants. Deletes investigatorial assistant in District 6B [Bertie, Hertford, and Northampton].

Criminal Case Assistance/Local Funds for Court Services. Amends GS 7A-64 and adds new GS 153-212.1 and GS 160A-289.1 to allow county and cities to appropriate funds under contract with the State to provide additional resources to district attorney for speedy disposition of cases involving drug offenses, domestic violence or other offenses involving imminent threats to public safety.

Business Court. Requires AOC to ensure that NC Business Court is available to hold court sessions in judicial districts throughout the state when it would be more convenient for the parties and requires AOC to report to chairs of Senate and House Appropriations Committees and Subcommittees on Justice and Public Safety by April 1 of each year on activities of Business Court.

Divide Superior Court District 19B into a Set of Districts. Divides Superior Court District 19B into 19B1 [part of Montgomery, part of Moore, and part of Randolph] and 19B2 [part of Montgomery, part of Moore, and part of Randolph] (precincts within each district are specified in bill), effective Jan. 1, 2001. New districts apply to election in 2000 and specifies seat now held by Russell Walker, Jr. is in District 19B1 and seat held by James M. Webb is in District 19B2.

Divide Superior Court District 5 into a Set of Districts. Divides Superior Court District 5 into District 5A [part of New Hanover and part of Pender], District 5B [part of New Hanover and part of Pender], and District 5C [part of New Hanover] (precincts within each district are specified in bill), effective January 1, 2003 and applies to 2002 election.

PART XVIII. DEPARTMENT OF CORRECTION

Close Security Prisons. Provides that Sec'y may enter into contracts for three close security correctional institutions and that the request for proposals must require each bidder to provide a bid on a single facility of up to 1,000 cells.

Community Work Program. Deleted.

Guilford Correctional Center. Provides that Guilford Correctional Center to remain open during 1999-2001 biennium.

PART XIX. DEPARTMENT OF JUSTICE

Repeal Settlement Reserve Fund. Provides that the Attorney General must report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House on the payments over \$75,000 received under a settlement (was, report before expending funds) and provides that section applies to agreements entered on or after November 15, 1998.

PART XX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Victims Assistance Network (VAN) Funds. Allocates \$500,000, instead of \$150,000 of Dep'ts appropriation in fiscal 1999-2000 to support VAN.

Purchase Metal Detectors to Reduce Crime in Schools. Deletes provision that funds for expenditure to be transferred from funds appropriated to NC State Bar for Legal Services and Center for Death Penalty Litigation.

PART XXI. OFFICE OF JUVENILE JUSTICE (OJJ)

Study Staffing at Training Schools and Detention Centers. Technical change.

Program and Funds Transferred to the Office of Juvenile Justice. Transfers teen court funds appropriated to Judicial Dep't for Project Challenge NC, Inc., teen courts, and Juvenile Assessment Project to the OJJ and provides that funds do not revert at end of fiscal year. Requires OJJ to report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on effectiveness of Juvenile Assessment Project and teen courts by April 1 of each year. Makes section effective June 30, 1999.

Funds for Local Organizations of the Boys and Girls Club. Deleted.

Establish a Pilot Program for Multifunctional Juvenile Facility. Deleted.

Stonewall Jackson Funds. Provides that \$337,700 of funds appropriated to the OJJ for fiscal 1999-2000 be used to remove buildings at Stonewall Jackson School that contain hazardous asbestos materials. Authorizes School to retain the net proceeds from the sale or lease of historic properties at the School and to use proceeds for capital improvements.

PART XXII. GENERAL ASSEMBLY

Joint Select Committee on Information Technology. Adds to list of committee duties the authority to evaluate and recommend changes for future development of the state's information highway system.

Information Technology Cost Reporting to the General Assembly. Adds Section 22.1 to require executive branch agencies, other than occupational licensing boards and the AOC, to report to the Information Resource Management Comm'n by January 1, 2000, an estimate of 1999-2000 spending on information technology costs and the number of permanent, state-funded information positions. "Information technology costs" means all expenses directly related to data processing and telecommunications, including expenses incurred for permanent, state-funded technical positions, as defined by the Comm'n. Directs the Comm'n, by February 1, 2000, to report a summary of this information to the Senate Standing Committee on Information Technology and to the Directors of the Information Services and Fiscal Research Divisions of the General Assembly. Requires executive branch agencies and the AOC to make quarterly reports, beginning April 20, 2000, to the Comm'n on actual information technology costs and number of information positions. Requires Comm'n to make quarterly reports of this information, beginning April 20, 2000, to the Senate Information Technology Committee. By October 1, 1999, Comm'n must establish report formats and guidelines.

Technological Infrastructure Study. Adds Section 22.2 to direct the Joint Select Committee on Information Technology to study and recommend changes in the technological infrastructure of the Dep't of the Sec'y of State and Dep't of the State Treasurer and report to the Appropriations Committees of the Senate and House of Representatives by April 1, 2000.

PART XXIII. DEP'T OF STATE TREASURER -- No changes.

PART XXIV. DEP'T OF ADMINISTRATION

Establish Domestic Violence Commission. Increases from \$150,000 to \$200,000 the funding for the Domestic Violence Comm'n. Increases from 33 to 36 the number of members of the Domestic Violence Comm'n, adding one person each to the group of persons appointed by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House.

Domestic Violence Center Funds. Adds Section 24.22A to provide that the amount of any grants made to the NC Coalition Against Domestic Violence, Inc., and eligible domestic violence centers under GS 50B-9 on July 1, 1999, shall not decrease if other centers become eligible for grants after July 1, 1999.

PART XXV. STATE CONTROLLER-- No changes.

PART XXVA. DEPARTMENT OF REVENUE

Department of Revenue Budget Adjustments. Deletes Section 25A.

PART XXVI. DEPARTMENT OF CULTURAL RESOURCES

Maritime Museum. Deletes Section 26.1.

Grassroots Arts Program. Increases from \$100,000 to \$200,000 the amount of Grassroots Arts Program funding for 1999-2000 that must be allocated equally among the 100 counties.

PART XXVIA. GENERAL GOVERNMENT

Study Use of Internet for Agency Publications. Changes Section number from 26.5 to 26A. No substantive change.

PART XXVII. DEPARTMENT OF TRANSPORTATION

Blue Ribbon Transportation Finance Study Commission. Adds to duties of Comm'n to study proposals for separate funding allocations for roads that impact large-scale economic development projects, separate allocations for major highways that impact no fewer than two funding regions, and methods to accommodate these spending proposals in the equity formula.

Federal Funds for Public Transportation Improvements. Specifies that federal highway funds be allocated as follows: for 1999-2000, \$6 million to Public Transportation Division for Triangle Transit Authority; \$2 million to Public Transportation Division for rapid transit in Charlotte; and \$2 million to Rail Division. For fiscal 2000-2001, \$8 million to Public Transportation Division for Triangle Transit Authority and \$2 million to Rail Division.

Spending Public Transportation and Rail Division Funds. Appropriates \$9 million, instead of \$7 million, for regional new start and capital (Object Code 6707).

Overrealized Highway Trust Fund Revenues to Move Division 3 Headquarters, Maintenance, and Public Transportation and Rail Uses. Deleted.

Enforcement Agency Structure Study Committee. Deleted.

Amendment to the Transportation Equity Formula to Exempt Federal Discretionary Funding. Also exempts Congestion Mitigation and Air Quality funds from equity formula.

Equity Allocation Distribution Study and Report. Clarifying amendment.

Repeal Annual Transfer of Highway Use Tax from Highway Trust Fund to General Fund. Deleted.

Global Transpark Authority on Future Plans and Performance Measures. Deleted.

State Trees and Flowers on DOT Right-of-Way. Requires DOT to develop and implement plan to plant pine trees and dogwood along state roads. DOT to submit plan to Joint Legislative Transportation Oversight Committee by Oct. 1, 1999 and begin implementation by Jan. 1, 2000.

Visitor Centers Exempt from Umstead Act. Amends GS 66-58(b) as title indicates.

Drivers Education Funding. Requires DOT to pay from appropriated funds for increased costs for drivers education due to projected increase in number of ninth graders. Requires State Board of Education to consider needs of small and low-wealth school units in allocating the funds.

Future of the North Carolina Railroad Study Commission. Establishes 16 member NC Railroad Study Comm'n (8 members of the House appointed by the Speaker and 8 members of the Senate appointed by the President Pro Tempore) to study the purpose, powers and governance of the NC Railroad Company and issues regarding the future of passenger and freight rail service. Comm'n to make final report to General Assembly by May 1, 2000. Provides that \$25,000 of the funds appropriated to the General Assembly be allocated for expenses of the Comm'n.

PART XXVIII. SALARIES AND BENEFITS

Judicial Branch Officials. Sets salary of \$94,257, instead of \$86,658 for Assistant Administrative Officer of the Courts. Deletes listing of salary for district attorneys and public defenders and amends GS 7A-65 and -465 to provide that the annual salary of district attorneys and of public defenders is the midpoint between the salary of a senior resident superior court judge and the salary of a chief district court judge.

Magistrates Salary Increases/Sunset Repeal. Same as House version, but digest of House version incorrectly stated that it repeals 1993 Budget Act provision that magistrates must have successfully completed course of basic training in order to be renominated. Instead repeals sunset on provision specifying below-minimum salary scale for magistrates grandfathered in without meeting minimum education requirements.

Agency Teacher/Principal Supplement. Adds provision for 5% supplements for State agency principals. Specifies that Office of State Budget and Management and employing agency to jointly determine personnel covered by provision.

Salary-related Compensation. Changes State's contribution rate budgeted for retirement for Legislative Retirement System from 21.70% to 22.70%.

PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Changes in *italics*.

Capital Improvements - General Fund	<u>1999-2000</u>
Department of Administration	
1. Indian Cultural Center Land Acquisition Reserve	\$250,000
Department of Agriculture and Consumer Services	
1. Multipurpose Building at State Fairgrounds -- Construction	9,500,000
2. <i>Eastern Agricultural Center</i>	1,000,000
3. Western NC Farmers Market - Expansion of Small Dealers Building	250,000
4. <i>Southeastern Farmers Market and Agricultural Center</i>	500,000
5. Vernon James Research and Extension Center - Phase II of the Headhouse-Greenhouse project	827,168
Department of Community Colleges	

1. Grants for Repairs and Renovations	14,500,000
<i>Department of Cultural Resources</i>	
1. <i>Museum of Art Expansion and Renovation</i>	1,000,000
<i>Department of Environment and Natural Resources</i>	
1. Water Resources Development Projects	9,245,000
2. Museum of Natural Sciences - Facility upfit and exhibits	4,000,000
3. Reserve for Forestry Headquarters	2,000,000
4. Museum of Forestry - Capital Projects	250,000
<i>Department of Health and Human Services</i>	
1. Whitaker School - Construction	5,400,000
2. Eastern Vocational Rehab Facility	2,000,000
Repairs and Renovations Supplemental Funding	
<i>Office of Juvenile Justice</i>	
1. Stonewall Jackson School - Demolition and removal of old homes	337,000
2. Forsyth County Detention Center Grant-in-Aid	1,750,000
<i>State Ports</i>	
1. Ports Authority - Continued Development of Facilities	6,000,000
<i>University of North Carolina</i>	
1. Focused Enrollment Growth Supplemental Repairs and Renovations Funding	20,000,000
TOTAL CAPITAL IMPROVEMENTS - GENERAL FUND	\$78,809,168

Water Resources Development Project Funds. No changes in allocations to individual projects.

Kellogg Center Funds Do Not Revert. Provides that \$681,277 previously appropriated for the Center for Craft, Creativity and Design at the Kellogg Center of UNC-A shall not revert.

Polymers Center of Excellence Funds. Provides that funds previously appropriated for UNC-C building for Polymer Extension Program that are unexpended or unobligated shall be transferred to the Polymers Center of Excellence for provision of facilities for operation of the Center.

PART XXX. MISCELLANEOUS PROVISIONS -- No substantive changes.

H 253. IRMC DUTIES AMENDED. Intro. 03/04/99. Senate committee substitute replaces entire 2nd edition and changes title to AN ACT TO AMEND THE DUTIES OF THE INFORMATION RESOURCE MANAGEMENT COMMISSION AND TO REQUIRE THAT CERTAIN STATE AGENCY INFORMATION TECHNOLOGY PROJECTS MUST BE CERTIFIED BY THE COMMISSION. Amends GS 143B-472.41(b) to prohibit any state agency, other than UNC and constituent institutions, from spending more than \$500,000 on any information technology project

without prior certification of the Information Resource Management Comm'n. Authorizes the comm'n to certify projects that comply with comm'n policies, standards, and procedures, and to suspend certification at any time a certified project is not in compliance with comm'n policies, standards, or procedures. Certifications and suspensions must be reported to the Office of State Budget and Management, the Office of the State Controller, the chairs of the Legislative Committees on Information Technology, and the co chairs of the Joint Legislative Comm'n on Governmental Operations.

June 17, 1999

H 168. APPROPRIATIONS ACT OF 1999. Intro. 2/25/99. Senate amendment makes the following changes to 4th edition. Amendment #1 adds new Section 15.19 to permit Dep't of Environment and Natural Resources to use up to \$890,000 of available funds for fiscal 1999-2000 to continue development of Basinwide Information Management System. Amendment #2 makes technical changes. Amendments #3 and #4 were not adopted. Amendment # 5 adds new Section 6.3 to provide that the Sec'y of Revenue shall, as soon as practicable upon the judgment in Smith, et al. v. State becoming final, report to the General Assembly all fiscally feasible options for compensation of class B taxpayers eligible under this case. Amendment #6 adds new Section 11.31A to provide that of funds appropriated to Dep't of Health and Human Services for adoption records and registry for fiscal 1999-2000, \$200,000 shall be allocated to Project Homestead, Inc. to initiate pilot programs for employment training activities, and adds new Section 11.31B to allocate from same source \$159,000 to county dept's of social services for hiring or contracting additional staff for foster and adoption services. Amendment # 7 makes technical changes. Amendment #8 adds new Section 9.15 to bar State Board of Community Colleges from charging tuition or fees to volunteer firefighters or volunteer EMS workers for courses required for certification. Amendment #9 and #10 failed.

June 29, 1999

H 168. APPROPRIATIONS ACT OF 1999. Intro. 3/1/99. The budget bill adopted by the House of Representatives is summarized in the *Daily Bulletins* of 6/1 and 6/2. The version adopted by the Senate is summarized in the *Daily Bulletins* of 6/16 and 6/17. The conference report resolves issues in controversy. Provisions not in controversy are indicated as such and summaries may be found in the initial digest of the House version.

PART I. INTRODUCTION AND TITLE OF ACT -- Not in controversy.

PART II. CURRENT OPERATIONS – GENERAL FUND

<u>Department</u>	<u>1999-2000</u>	<u>2000-2001</u>
GENERAL ASSEMBLY	34,980,575	39,518,408
OFFICE OF THE GOVERNOR		
Office of the Governor	5,263,364	5,282,172
Office of State Budget and Management	4,146,118	4,247,782
Office of State Planning	2,147,099	2,147,099
Special Appropriations	5,655,000	3,080,000
OFFICE OF THE LIEUTENANT GOVERNOR	640,485	640,485
DEPARTMENT OF SECRETARY OF STATE	6,688,118	6,455,933
DEPARTMENT OF STATE AUDITOR	11,614,631	11,608,041
DEPARTMENT OF STATE TREASURER		
State Treasurer	6,810,844	6,568,253
Special Appropriations	12,294,780	12,294,780
DEPARTMENT OF INSURANCE		

Insurance	22,008,763	21,599,037
Special Appropriations	4,500,000	4,500,000
DEPARTMENT OF ADMINISTRATION	60,947,632	60,089,326
OFFICE OF STATE CONTROLLER	11,482,568	11,488,315
OFFICE OF ADMINISTRATIVE HEARINGS	2,757,199	2,786,455
RULES REVIEW COMMISSION	317,343	309,326
DEPARTMENT OF CULTURAL RESOURCES		
Cultural Resources	69,888,077	58,182,464
Roanoke Island Commission	1,826,157	1,826,157
DEPARTMENT OF REVENUE	79,017,984	75,505,633
STATE BOARD OF ELECTIONS	3,199,660	3,199,660
JUDICIAL DEPARTMENT	340,410,625	347,361,291
OFFICE OF JUVENILE JUSTICE	135,991,466	140,018,378
DEPARTMENT OF JUSTICE	73,151,122	72,575,950
DEPARTMENT OF CORRECTION	891,377,319	889,943,525
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	36,791,794	36,267,844
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
DHHS-Administration and Support	93,086,130	89,806,803
Division of Aging	30,042,117	29,792,117
Division of Child Development	286,012,727	305,441,553
Division of Services of the Deaf and Hard of Hearing	31,604,083	31,989,549
Division of Social Services	150,394,120	185,459,375
Division of Medical Assistance	1,348,453,847	1,539,549,270
Division of Services for the Blind	17,462,992	17,455,155
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	614,290,187	607,658,021
Division of Facility Services	10,937,289	11,198,856
Division of Vocational Rehabilitation Services	39,041,887	38,256,403
Division of Public Health	133,361,183	131,979,059
NC Health Choice	22,092,346	25,509,475
Total DHHS	2,776,778,908	3,014,095,636
DEPARTMENT OF PUBLIC EDUCATION	5,262,627,676	5,277,518,248
COMMUNITY COLLEGES SYSTEM OFFICE	579,803,851	591,015,693
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS		
General Administration	41,659,202	42,077,020
University Institutional Programs	94,684,274	92,064,402
Related Educational Programs	85,975,006	88,964,245
UNC-Chapel Hill		
Academic Affairs	177,293,233	177,575,523
Health Affairs	144,910,088	145,843,687
Area Health Education Centers	44,094,068	44,116,310
NC State University		
Academic Affairs	234,331,766	235,906,137

Agricultural Research Service	45,549,404	45,422,994
Agricultural Extension Service	36,031,921	35,969,822
UNC-Greensboro	78,810,304	79,052,368
UNC-Charlotte	83,166,903	83,378,506
UNC-Asheville	22,017,704	22,061,697
UNC-Wilmington	49,957,856	50,325,018
East Carolina University		
Academic Affairs	101,589,323	101,704,564
Division of Health Affairs	41,109,992	44,107,886
NC Agricultural and Technical State University	53,492,454	53,491,976
Western Carolina University	47,364,534	47,539,139
Appalachian State University	72,063,889	74,072,087
UNC-Pembroke	20,456,907	20,452,780
Winston-Salem State University	24,000,509	24,147,742
Elizabeth City State University	19,279,750	19,342,413
Fayetteville State University	25,992,535	26,012,535
NC Central University	39,206,985	39,048,808
NC School of the Arts	14,463,446	14,710,424
NC School of Science and Mathematics	10,391,245	10,432,372
UNC Hospitals at Chapel Hill	36,351,025	39,042,772
Total UNC	1,644,244,323	1,656,863,227
OFFICE OF THE GOVERNOR-HOUSING FINANCE	11,300,000	5,300,000
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	56,813,419	54,146,601
DEPARTMENT OF LABOR	16,469,251	16,369,251
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	156,016,907	157,700,273
DEPARTMENT OF COMMERCE		
Commerce	47,198,448	43,745,365
State Aid to Non-State Entities	11,100,000	5,200,000
Rural Economic Development Center	7,257,338	4,257,338
Biotechnology Center	9,638,913	7,638,913
State Information Processing Services	3,596,000	0
DEPARTMENT OF TRANSPORTATION	20,973,881	15,434,165
CONTINGENCY AND EMERGENCY	1,125,000	1,125,000
WELFARE REFORM	412,503	412,503
RESERVE FOR COMPENSATION INCREASE 1998-99 CONTINUED	63,627,578	63,627,578
RESERVE FOR COMPENSATION INCREASE 1999-2000	397,600,000	397,600,000
RESERVE FOR COMPENSATION BONUS	16,400,000	0
RESERVE FOR SPA MINIMUM SALARY	100,000	100,000
RESERVE FOR SALARY ADJUSTMENTS	3,944,303	4,444,303
RESERVE FOR CONSOLIDATED MAIL SERVICES	(1,000,000)	(1,500,000)
RESERVE FOR JUDICIAL RETIREMENT ADJUSTMENT	(900,000)	(900,000)

RESERVE FOR POSITIONS VACATED BY RETIREMENT	(12,709,439)	(12,709,439)
RESERVE FOR STATE HEALTH PLAN	110,000,000	147,000,000
RESERVE FOR RETIREES HEALTH BENEFITS	(144,000,000)	0
DEBT SERVICE		
Debt Service	191,910,930	290,709,550
Federal Reimbursement	1,155,948	1,155,948
GRAND TOTAL CURRENT OPERATIONS GENERAL FUND	13,055,394,461	13,557,846,467

PART III. CURRENT OPERATIONS--HIGHWAY FUND

DEPARTMENT OF TRANSPORTATION

Administration	64,405,831	64,409,242
Operations	36,476,296	36,495,582
Construction and Maintenance		
Primary Construction		
Secondary Construction	84,777,000	87,710,000
Urban Construction	14,000,000	14,000,000
Access and Public Service Roads	2,000,000	2,000,000
Discretionary Fund	10,000,000	10,000,000
Spot Safety Construction	9,100,000	9,100,000
State Funds to Match Federal Highway Aid	3,856,821	3,856,821
State Maintenance	463,069,469	462,069,469
Ferry Operations	18,174,622	18,174,622
State Aid to Municipalities	84,777,000	87,710,000
State Aid for Public Transportation and Railroads	57,081,326	54,554,009
OSHA-State	425,000	425,000
Governor's Highway Safety Program	338,121	338,121
Division of Motor Vehicles	91,133,577	92,987,232
Reserve and Transfers	215,074,937	237,579,902
GRAND TOTAL CURRENT OPERATIONS AND EXPANSION	1,154,690,000	1,181,410,000

PART IV. HIGHWAY TRUST FUND -- Not in controversy.

PART V. BLOCK GRANT FUNDS

Amounts not in controversy.

Includes Senate provision allowing Dep't of Health and Human Services to use funds to establish up to three additional staff positions in the Div. of Social Services Intensive Family Preservation Services Program.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	1999-2000 (\$ Millions)	2000-2001 (\$ Millions)
BUDGET REFORM STATEMENT		
Unappropriated balance	0.2	
Revenue collections in 1998-99 in excess of authorized estimates	333.9	
Unexpended appropriations during 1998-99	106.3	
Transfer to Savings Reserve	0	
Transfer to Reserve for Repair and Renovations	(150.0)	
Transfer to Clean Water Management Trust Fund	(30.0)	
Ending Fund Balance	260.4	
Beginning Unrestricted Fund Balance	260.4	0
Revenues Based on Existing Tax Structure	12,368.4	13,105
Revenues-Gains on Asset Sale (RJR)	69.0	--
Nontax Revenues	523.8	550.5
Disproportionate Share Receipts	105.0	105.0
Transfer from Highway Trust Fund	170.0	170.0
Highway Fund Transfer	13.6	13.8
Transfer from Disproportionate Share Receipts Reserve	20.0	0.0
Transfer from Flexible Benefit Reserve	1.3	0.0
TOTAL AVAILABILITY	13,531.5	13,944.3

Highway Fund Availability -- Not in controversy.

Work First Reserve Fund. Retains Senate provision: Amends GS 143-15.3C to provide that funds from the Work First Reserve Fund shall not be expended until appropriated by the General Assembly.

Study Homestead Exemption. Replaces House and Senate versions with a provision for a study of the issue. Directs the Speaker of the House of Representatives and the President Pro Tempore of the Senate to designate an appropriate study committee. Directs the committee to report its findings and recommendations to the General Assembly by May 1, 2000, along with an estimate of their fiscal impact on State and local governments.

PART VII. GENERAL PROVISIONS

Special Funds, Federal Funds, and Departmental Receipts/Authorization for Expenditure. Technical changes only.

Insurance and Fidelity Bonds. -- Not in controversy.

Contingency and Emergency Fund Allocations. -- Not in controversy.

Authorized Transfers. -- Not in controversy.

Expenditure of Funds in Reserves Limited. -- Not in controversy.

State Money Recipients/Conflict of Interest Policy. -- Not in controversy.

Budgeting of Pilot Programs. -- Not in controversy.

Authorization of Private License Tags on State-owned Motor Vehicles. Technical changes only.

Comprehensive Review of Environmental Studies. Adopts House provision: Requires Dep't of Natural and Economic Resources to report to the General Assembly by April 15, 2000 on research studies conducted or commissioned by the Dep't from July 1, 1995 to April 1, 2000. Report to itemize studies and for each to note principal investigators, cost and funding sources, synopsis of findings, and an explanation of actions taken in response.

Review of Land Transactions. Deleted.

Approve Temporary Assistance for Needy Families State Plan. Adopts Senate provision: Directs Dep't of Health and Human Services to extend the Plan's application to the two-year federal fiscal period ending 9/30/01. Amends GS 108A-27.2(4) to require county plans to be submitted in odd rather than even numbered years.

Authorize Transfer to Meet Maintenance of Effort Requirements of Temporary Assistance for Needy Families. Adopts Senate provision: Authorizes, for first quarter of 1999-2000 fiscal year only, use of state funds for TANF Work First Family Assistance.

PART VIII. PUBLIC SCHOOLS

Charter School Advisory Committee. -- Not in controversy.

Litigation Reserve. -- Not in controversy.

Exceptional Children. -- Not in controversy.

Alternative Schools/At-Risk Students. -- Not in controversy.

Uniform Education Reporting System (UERS)/Student Information Management System (SIMS) Funds. -- Not in controversy.

Supplemental Funding in Low-Wealth Counties. Adopts Senate version with modification: Provides that, from funds appropriated to the State Aid to Local School Administrative Units for the 1999-2001 biennium, the State Board of Education shall allocate supplemental funding for schools in low-wealth counties. Specifies allocation of funds as follows: the amount received per average daily membership for a county will be the difference between the state average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. Requires that local school units use these funds to supplement current expense funds only and to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, instructional supplies and equipment, staff development, and textbooks. Also permits schools to use these funds as salary supplements for instructional personnel and instructional support personnel. Encourages local boards of education to use at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Authorizes the State Board to allocate supplemental funding to schools located in whole or in part in counties in which the county wealth as a percentage of the state average is less than 100%. Provides reduced funding for counties whose effective tax rates dropped below the State average between the 1996-1997 fiscal year and the 1997-1998 fiscal year. Directs the Board to withhold funding in the 1999-2000 fiscal biennium from counties found to have used supplemental funds to supplant local per student current expense funds. Directs the Board to report to the Joint Legs. Education Oversight Comm. by May 1, 2000 on its analysis of whether counties supplanted funds. Provides for reports by the Dep't of Revenue to the Board on tax status of each county. Deletes paragraph that provides that supplemental funding allocations do not revert.

Small School System Supplemental Funding. Adopts Senate version: Directs the Board to allocate funds appropriated for small school system supplemental funding to each county school unit with an average daily membership of less than 3,150 students. Also specifies that funds be provided to a school unit with an average daily membership from 3,150 to 4,000 students if the unit is in a county that has an adjusted property tax base per student that is below the state adjusted property tax base per student and if the total average daily membership of all schools within the county is from 3,150 to 4,000 students. Requires at least 20% of the funds received under this provision to be used to improve the academic performance of children at Levels I or II on reading or math end-of-grade tests in grades 3-8. Provides phase-out provisions for counties that become ineligible due to increases in property tax base per student or due to increases in population. Prohibits using supplement funds to supplant local current expense funds. Directs the Board to report to the General Assembly by May 1, 2000 on its analysis of whether counties supplanted funds.

Funds for National Board for Professional Teaching Standards. -- Not in controversy.

Funds to Implement the ABCs of Public Education. -- Not in controversy.

Substitute Teachers. -- Not in controversy.

Limited English Proficiency. -- Not in controversy.

Drivers Education Funds Do Not Revert/Driving Education Certificates. Authorizes use of funds appropriated for drivers education for 1999-2000 and 2000-2001 for driving eligibility certificates. Adds provision allowing use of up to \$200,000 of the funds appropriated for State Aid to Local School Administrative Units for the 1999-2000 and 2000-2001 fiscal years to enable certain teachers to advise the State Board of Education on teacher recruitment and other strategic priorities. Deletes provision making this section effective June 30, 1999.

Teaching Fellows Administrative Costs. -- Not in controversy.

Teacher Salary Schedule. -- Not in controversy.

School-based Administrator Salaries. -- Not in controversy.

School Central Office Salaries. -- Not in controversy.

Noncertified Personnel Salary Funds/Teacher Assistant Salary Funds. Adopts Senate version: Funds appropriated in Reserve for Compensation Increase provide 3% increase for non-certified public school employees, plus a one-time bonus of \$125. Provides that the one-time bonus of \$125 is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees Retirement System.

Student Accountability Standards. Directs that funds appropriated for 1999-2001 biennium for Student Accountability Standards shall be used to help students performing at or above grade level in reading and mathematics in grades 3-8 on end-of-grade tests. Requires that funds appropriated for Student Accountability Standards be used to help students performing at or above grade level on writing tests in grades 4 and 7.

Appropriation of Funds from State Literary Fund. -- Not in controversy.

Transfer from Unemployment Reserve Fund. -- Not in controversy.

High School Exit Exams. -- Not in controversy.

Central Office Administrator Salary Study. -- Not in controversy

Mentor Program Study. -- Not in controversy.

Need for School Nurses/Study. Adopts Senate version: Requires the Joint Legis. Education Oversight Comm. to examine the need for additional nurses in the public schools.

Study of School Transportation Needs for Children with Special Needs. -- Not in controversy.

Strengthen Alternative Schools/Alternative Learning Programs. Adopts House version with modifications. Amends GS 115C-47 to mandate creation of at least one alternative school or learning program by each local board of education and to urge local school boards to adopt policies that prohibit superintendents from assigning employees who have received ratings less than "above standard" to alternative schools or learning programs. Deletes provision altering funding for 1999-2000 to allocate 25% of funds now allotted to At-Risk Student Services/Alternative Schools solely to Alternative Schools/Alternative Learning Programs. Deletes provision limiting transfers of funds allocated for alternative schools/alternative learning programs. Permits Board to grant case-by-case waivers from alternative school requirement. Requirement to provide at least one alternative school or program becomes effective July 1, 2000.

Expand School Breakfast Program. -- Not in controversy.

Willie M. Funds/State Aid to Local School Administrative Units. -- Not in controversy

Charter School/ADM Reduction. -- Not in controversy.

Payroll Deduction Clarification. Deleted.

Textbook Commission Membership Expansion. -- Not in controversy.

Studies by Education Oversight Committee. Deleted.

Differentiated Diploma Study. Adopts Senate provision: Authorizes Joint Legis. Education Oversight Comm. to study the issue of differentiated high school diplomas. Permits report to General Assembly prior to convening the 2000 regular session or the 2001 General Assembly and requires a report to the Joint Legis. Education Oversight Comm. before implemented a differentiated diploma plan.

Teacher Assistant Salary. Adopts Senate version: Directs Joint Legis. Education Oversight Comm to review information and reports provided by the State Board of Education and to conduct any further study necessary regarding the establishment of a teacher assistant salary schedule. Requires Committee to make report to the General Assembly prior to the convening of the 2000 Regular Session.

Study School Size/Behavior Relationships. -- Not in controversy.

Transfer Funds from Small School System Supplemental Funding to Supplemental Funding in Low-Wealth Schools. Deleted.

Cooperation in Education Information Technology. Adopts Senate version: Requires the State Board of Community Colleges, the State Board of Education, and the Board of Governors of The University of North Carolina to submit a joint report to various committees and divisions of the General Assembly describing functions involving information technology that are amenable to collaboration and recommending approaches to facilitate collaboration.

Mecklenburg School Construction. Deleted.

Establish a Pilot Program to Test and Evaluate A Revised School Accountability Model For the ABC's Plan. Adopts Senate provision: Requires the State Board of Education to establish a pilot program in up to five local school administrative units to determine whether revisions in the present school accountability model under the ABC's Plan are likely to result in more students demonstrating mastery of course subject matter and skills. School Board shall select local school administrative units to participate in the pilot program during the 1999-2000 school year and shall implement the program during the 2000-2001 school year. Units must have volunteered for the program and be located geographically throughout the state. Before applying for participation in this program, a local board must hold a public meeting and pass a resolution approving its participation. Personnel in schools participating in the pilot program that achieve accountability goals will be eligible to receive financial awards. The State Board will be responsible for evaluating the pilot program on an annual basis and determining whether the program should be continued in each unit. The State Board shall make a preliminary report to the Joint Legis. Education Oversight Comm. by November 15, 1999 regarding the development of the revised school accountability model for the pilot program and the selection of participating local school administrative units. The State Board shall make another report prior to March 15, 2001 regarding the selection of participating school administrative units, the implementation of the program, the estimated costs of providing bonuses under the program, and the possible sources of funds for the bonuses. By October 15, 2001 and annually thereafter, the State Board shall report its findings and recommendations regarding the continued implementation, expansion and modification of the pilot program.

PART IX. COMMUNITY COLLEGES

Employment of Community College Faculty/ Study. -- Not in controversy.

Cooperative High School Education Program Accountability. -- Not in controversy.

Implementation of Performance Budgeting. -- Not in controversy.

Over-realized Tuition and Fee Receipts Transferred to the Equipment Reserve Fund. -- Not in controversy.

Financial Assistance for Community College Students. -- Not in controversy.

Community College Funding Flexibility. Specifies that no more than 2% system-wide may be transferred from faculty salaries without the approval of the State Board of Community Colleges. Such transfers above 2% must be reported to the joint Legislative Comm'n on Govt. Operations at its next meeting (House version was 1% and Senate version was 3%) Remainder of provision not in controversy.

State Board Reserve Allocations. Adopts Senate provision requiring State Board of Community Colleges to use funds from State Board Reserve in the amount of \$100,000 for planning a Southeastern North Carolina Regional Fire Training Program and \$20,000 for other fire training programs. Board must consult with Cape Fear, Brunswick, and Southeastern Community Colleges. Other provisions not in controversy.

Permit Transfers of Funds to the New and Expanding Industry Training Program. --Not in controversy.

Adult Education Program/ Review. --Not in controversy.

Management Information System Funds. --Not in controversy.

Extend Community College Bond Match Deadline. --Not in controversy.

Employment Security Commission Training and Employment Account Funds. Changes the manner in which funds are to be used as follows: nonreverting start-up fund for regional and cooperative initiatives: \$3 million in each year (House was \$2 million, Senate was \$4 million) and new and expanding industry training program: \$6 million in 1999-2000 (House was \$7 million, Senate was \$5 million) and \$8 million in 2000-2001 (House was \$10 million, Senate was \$8 million). Requires that Community Colleges System Office, Dept. of Commerce, and Employment Security Commission jointly develop options for delivering workforce training more efficiently and effectively and report on those options before 5/1/2000 to Joint Legislative Education Oversight Committee. Other provisions not in controversy.

Clarification of Certain 1998 Community College Appropriations. Provides that, notwithstanding GS 115D-31 or any other provision of law, no non-State match is required for funds appropriated to SL 1998-212 for community college capital projects or for community college matching scholarship endowment funds, or for funds appropriated in budget act for grants-in-aid for community colleges.

Community College Reserve Funds Do Not Revert. Not in controversy.

Community College Construction Flexibility Study. Adopts Senate provision: Authorizes the Joint Legislative. Education Oversight Comm. to study the need to streamline the community college capital construction process and to report its findings and recommendations to the General Assembly before May 1, 2000

No Tuition or Fees for Volunteer Firefighters and EMS Workers. Adopts Senate provision. Provides that State Board shall not charge tuition or fees for these workers for courses required for certification.

PART X. UNIVERSITIES

Aid to Students Attending Private Colleges Procedure. Adopts Senate version: Increases amount to be provided from \$975 to \$1,050 per full-time equivalent NC undergraduate student enrolled at private institution as of Oct. 1 of each year. Also increases amount granted to each full-time NC undergraduate student attending approved institution from a sum not to exceed \$1,675 per academic year to \$1,750, which must be distributed as provided in act. Provides requiring a full refund of the grant to the State Education Assistance Authority if the student on whose behalf a grant has been paid is not enrolled and carrying a

minimum academic load as of the tenth classroom day after the beginning of the school term for which the grant was paid.

Aid to Private Colleges/Legislative Tuition Grant Limitations. -- Not in controversy.

Wake Forest and Duke Medical Schools Assistance/Funding Formula. -- Not in controversy.

Rewarding Teaching Excellence. -- Not in controversy.

Marine Science Research Committee Funds. Deleted.

UNC Incentive Funding. Deleted.

Scholarship Fund Balances. -- Not in controversy.

East Carolina University Medical School. -- Not in controversy.

UNC Enrollment Planning. -- Not in controversy.

Graduate Tuition Remission. -- Not in controversy.

UNC-Wilmington Retain Land Sales Proceeds. -- Not in controversy.

Explanation of Federal Tax Credits Available for Educational Purposes. -- Not in controversy.

North Carolina Progress Board. -- Not in controversy.

UNC Overhead Receipts. Adopts Senate version: Provides that effective July 1, 1999, all overhead receipts earned by the constituent institutions of the UNC system shall be retained by the campus earning the receipts.

UNC General Administration Flexibility. -- Not in controversy.

UNC New Degree Programs. -- Not in controversy.

Martin Luther King Race Relations Research Center/Study Site Location. -- Not in controversy.

NCCU Biomedical/Biotechnology Research Institute Funds. Adopts House version. Provides that the Board of Governors of The University of North Carolina allocate \$1,500,000 in 1999-2000 and the sum of \$350,000 in 2000-2001 to North Carolina Central University for the operations of the Biomedical/Biotechnology Research Institute and makes conforming changes in fiscal figures..

Academic Enhancement Funds. Deleted.

Faculty Salary Study. Adds provision requiring the UNC Board of Governors to study the salaries and other compensation of faculty of the constituent institutions in comparison to other peer institutions and make recommendations on adjustments necessary to achieve competitive levels with other institutions. The Board shall also identify revenue options for funding salary adjustments and report its findings by no later than December 1, 1999.

Study Prepaid Tuition Plans and College Savings Plans. Adopts Senate provision: Requires UNC Board of Governors to study the structure, management, and use of prepaid tuition plans and college savings plans and to make recommendations to the Joint Legis. Education Oversight Comm. by April 1, 2000.

UNC Carryforward. Adopts Senate provision: Allows Board of Governors to retain \$400,000 of funds remaining in The University of North Carolina General Administration budget code 16010 credit balance on June 30, 1999. Allows funds to be used to assist UNC-Pembroke in making an addition to the Chancellor's residence and to assist NC A & T in purchasing a new Chancellor's residence.

UNC Anorexia/Bulimia Endowed Chair. Adopts Senate provision: Adds provision requiring that \$400,000 for fiscal year 1999-2000 be used to endow a chair for the study of anorexia and bulimia at the University of North Carolina School of Medicine, provided that \$200,000 is raised by The Anorexia/Bulimia Foundation of North Carolina and other private sources to match this appropriation. Funds shall not revert but will be held in trust pending the receipt of the required matching funds.

Dental Scholarships and Loans/Work Underserved Areas. Deleted.

PART XI. DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Recodification of Administrative Rules. -- Not in controversy.

Prescription Drug Assistance Program Study. Adopts Senate version except limits to outpatient prescription drugs and does not cover cancer patients. Allocates from General Fund appropriations to DHHS \$500,000 for each year of the 1999-2001 biennium to pay the cost of outpatient prescription drugs for persons (1) over age 65 and not eligible for full Medicaid benefits; (2) whose income is not more than 150% of federal poverty level; and (3) who have been diagnosed with cardiovascular disease, or diabetes. Funds to be used to pay cost of prescription drugs for treatment of these diseases.

Study on Traumatic Brain Injury. -- Not in controversy.

DHHS Employees/In Kind Match. -- Not in controversy.

Establishment of Division of Education Services. Adopts Senate version: Requires the Sec'y of DHHS to create a new Div'n of Education Services, led by a Superintendent of Education Services with a strong background in public education, to manage the Governor Morehead School and the three residential schools for the deaf. DHHS goals and plans must be consistent with its 1999 report, Program Review of Disability Services. Any or all of the schools or educational programs currently managed by the Div'n of Mental Health, Developmental Disabilities, and Substance Abuse Services may be included in this new division. The purpose of creating the new division is to focus management attention and resources on (1) improving student academic and postsecondary outcomes; (2) increasing staff development and training; (3) achieving administrative consistency and access to expert support services across campuses; and (4) strengthening collaborative relationships with local education agencies and with the State Board of Education. DHHS must make a progress report to the House Appropriations Subcommittees on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000. Repeals GS 143B-216.33(a)(2). DHHS must evaluate opportunities, within the limits of existing law, for reorganizing the administration and delivery of DHHS services to visually impaired, deaf and hard of hearing, and vocational rehabilitation clients and report any resulting reorganization to the House Appropriations Subcommittees on Health and Human Services and the Senate Appropriations Committee on Human Resources by April 1, 2000. Requires that DHHS review the adequacy and effectiveness of its programs and services for deaf-blind adults and children. Lists specific areas for review and requires a report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division by April 1, 2000.

ABCs Plan in DHHS Schools. Not in controversy.

Procedure for Award of Human Services Grants. Adopts Senate version: Of appropriations to DHHS, requires \$4 million for fiscal year 1999-2000 to be used for grants for programs that provide services to older adults, adults with disabilities, at-risk children, and youth and families.

Nonmedicaid Reimbursement. -- Not in controversy.

Long Term Care Continuum of Care. Adopts Senate version with some modifications: Requires DHHS to develop a system, to be implemented by January 1, 2001, that provides a continuum of long-term care for elderly individuals and their families. Lists required components of system. Requires cooperation with State and local agencies and representatives of consumer and provider organizations. Requires DHHS to develop strategies for shifting funding for long-term care from public to private sources. DHHS must submit a progress report by April 15, 2000 including recommendation on whether a single division is an appropriate structure for coordination of all long-term care in North Carolina. Report must be made to the chairs of the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources, and to the North Carolina Study Comm'n on Aging.

Transfer of Certain Funds Authorized. Adopts Senate version: Authorizes the Director of the Budget to transfer excess funds, whether federal block grant or state General Fund appropriations, between county dep'ts of social services, county or district health agencies, and area mental health authorities.

Authorization to Expand Transitional Medicaid. -- Not in controversy.

Additional Dental Benefits under Health Insurance Program for Children. -- Not in controversy.

Allocation of G.S. 143-23.2 Medicaid Funds. -- Not in controversy.

Study Increase in Resource Limits for Aged, Blind, Disabled Persons to Qualify for Medicaid. -- Not in controversy.

Medicaid Anticipated Changes. -- Not in controversy.

Departmental Study/Medicaid Coverage for Medically Necessary Prosthetics or Orthotics. -- Not in controversy.

Dentist Participation in Medicaid. -- Not in controversy.

Utilization Impact on Inflationary Increases for Hospitals and Nursing Homes. Authorizes DHHS to use savings from utilization decreases in the Medicaid Program up to \$5,044,920 for 1999-2000 to fund inflationary increases for hospitals and nursing homes.

Senior Center Outreach. -- Not in controversy.

Funds for Alzheimer's Association Chapters in NC. -- Not in controversy.

Fire Protection Fund. -- Not in controversy.

Transfer Bingo Program to Crime Control and Public Safety. -- Not in controversy.

Adult Care Home Bed Vacancies/Extension. Deleted.

Plan for Accreditation of Adult Care Homes and Assisted Living Facilities. Not in controversy.

Special Assistance Demonstration Project. Adopts Senate version: Permits DHHS to use funds from the State/County Special Assistance for Adults budget to provide Special Assistance payments to eligible individuals in in-home living arrangements. Payments may be made for up to 400 individuals participating in the two long-term care demonstration projects for a two-year period from June 1, 1999 to June 30, 2000. DHHS must make an interim report by June 30, 1999, and a final report by October 1, 2001, to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Human Resources, and to Co-chairs of the House of Representatives Appropriations Committee. Lists categories of information that must be included in final report.

Adult Care Homes Reimbursement Rate/Adult Care Homes Allocation Of Nonfederal Cost of Medicaid Payments/Staffing Grant. --Not in controversy.

Adult Care Home Resident Assessment Services. Adds new section specifying that funds appropriated to Dep't of Health and Human Services, Div'n of Social Services for adult care home positions in the Dep't and in county dep'ts shall be used for personnel trained in the medical and social needs of older adults and disabled persons in adult care homes to evaluate individuals requesting State/County Special Assistance to pay for care in adult care homes. Specifies other functions to be undertaken by these personnel.

Foster Care Assistance Payments. --Not in controversy.

Adoption Assistance Payments. --Not in controversy.

Authorized Additional Use of HIV Foster Care and Adoptive Family Funds. --Not in controversy.

Child Protective Services. --Not in controversy.

Child Welfare System Pilots. --Not in controversy.

Child Welfare System Improvements. --Not in controversy.

Limitations on State Abortion Fund. --Not in controversy.

Child Caring Institution Rules Effective. --Not in controversy.

Work First Program Integrity Activities Funds. Adopts House version: Provides that \$2,500,000 allocated to the Dep't of Health and Human Resources, Div. of Social Services, for program integrity activities in each county shall be given to the counties in a lump sum and unexpended funds shall revert to the General Fund.

Project Homestead Funds. Deleted

Adoption and Foster Care Worker Funds. Deleted.

Physician Services. --Not in controversy.

Liability Insurance. --Not in controversy.

Private Agency Uniform Cost-Finding Requirement. --Not in controversy.

Funds to Reduce Waiting List for Services for Developmentally Disabled Persons. Adopts Senate version: For fiscal year 2000-2001 allocates \$6 million from appropriations to the Div'n of MH/DD/SA Services for the developmentally disabled waiting list. Requires that services be provided without regard to when a person's name was added to the waiting list.

Study of State Psychiatric Hospitals/Area Mental Health Programs. -- Not in controversy.

Butner Community Land Reservation. -- Not in controversy.

Mental Health Funds For Crisis Services. -- Not in controversy.

Mental Health Reserve for Medicaid Match. Adopts Senate version: Of funds appropriated to Div'n of MH/DD/SA Services for fiscal year 1999-2000, DHHS must transfer to the Mental Health Restricted Reserve an amount not more than the actual expenditures for Medicaid payments for the 1998-99 fiscal year for services provided by area authorities, plus the estimated amount needed to match Medicaid payments under the former Carolina Alternatives Program. DHHS may not transfer from area authority allocations funds to cover Medicaid expenditures that exceed the amount of funds in the Reserve for the 1999-2000 fiscal year. For the estimated amount needed to match Medicaid payments under the former Carolina Alternatives Program, requires DHHS to transfer funds from the Div'n of Medical Assistance.

Use of Willie M./Thomas S. Funds. Specifies use of funds appropriated to DHHS for services required by state and federal law to Thomas S. and Willie M. class members. Willie M. appropriations are to be used to continue services required by law for class members identified at the time of the dissolution of the class, and may be used for services required by law for violent and assaultive children and children at risk of institutionalization. Thomas S. funds may be used for services to multiply diagnosed adults who were not identified as class members at the time of dissolution of the class. If appropriated funds are insufficient, authorizes use of funds up to \$4,900,000 for services to other children at risk for institutionalization or to other multiply diagnosed adults. Requires report no later than May 1, 2000 on status of compliance and proposed plans for maximizing the efficient and effective use of funds appropriated for these services in the future.

Authority to Access Cash Reserves of DMH/DD/SAS Area Program Foundations for Reimbursement for Disallowed Expenditures. -- Not in controversy.

Early Intervention Services. -- Not in controversy.

Broughton Hospital Funds/Nonrevert. Adopts Senate provision: Of funds appropriated to Div'n of MH/DD/SA Service for the 1998-99 fiscal year, \$400,000 shall not revert on June 30, 1999, but shall remain available to Broughton Hospital to be used for patient privacy partitions, hospital beds, security fencing and video monitoring equipment, relocation and update of pharmacy department, and replacement of dental equipment.

Child Care Allocation Formula. -- Not in controversy.

Child Care Funds Matching Requirement. -- Not in controversy.

Child Care Revolving Loan Fund. -- Not in controversy.

Child Care Market Rate Funds. -- Not in controversy.

Child Care Subsidies. Sets the maximum gross annual income for initial eligibility for subsidized child care services at 75% of the State median income, adjusted for family size. Sets out fees schedule and limitations, and rules for monthly schedule of payments and payment rates for day care services. Effective October 1, 1999, permits religious-sponsored child care facilities that are receiving a higher-than-market-rate reimbursement to continue to receive that higher rate for three years from effective date of this act. Rates for Child care homes effective Jan. 1, 2000. Payments for subsidized child care services provided with Work First Block Grant Funds must comply with Div'n of Child Development regulations and policies.

Early Childhood Education and Development Initiatives. Adopts Senate version: Amends GS 143B-168.12(a)(1) to exempt local board members who are appointed because of a position held by that member from the county or region residency requirement. Directs DHHS and the NC Partnership for Children, Inc. to continue to implement the recommendations in the Smart Start Performance Audit and to report quarterly to the Joint Legislative Comm'n on Governmental Operations. Sets limits on administrative costs for local partnerships, competitive bidding practices, and matching funds requirements. Authorizes DHHS to continue to implement the performance-based evaluation system and the Frank Porter Graham Child Development Center to continue its evaluation of the program. Of funds appropriated to DHHS, Div'n of Child Development, \$58 million in 1999-2000 and \$78,928,826 in 2000-2001 must be used to administer and deliver services in all 100 counties. The NC Partnership for Children, Inc. may use \$1.5 million in 1999-2000 to assist local partnerships in their efforts to develop local collaboration. Of funds appropriated to DHHS for the Early Childhood Education and Development Initiatives Program, the Frank Porter Graham Child Development Center must receive \$1,015,000 in 1999-2000 and \$1,015,000 in 2000-2001. Amends GS 143B-168.15(g) to require local partnerships to use child care subsidy expenditures to augment the State's supplemental subsidy payment rate per child per month for licensed child care centers and homes earning a rated license that exceeds the minimum licensing standards.

Reimbursement and Compensation of Members of the North Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living Council, and the Commission for the Blind. -- Not in controversy.

Family Support/Deaf and Hard of Hearing Services Contract. -- Not in controversy.

Services for Blind/Extended Service Provider Positions. -- Not in controversy.

Immunization Program Restitution Policy. Adopts Senate version: Directs DHHS to require restitution from immunization providers when vaccine in the provider's inventory has become

spoiled or unstable due to the provider's negligence and unreasonable failure to properly handle or store the vaccine.

Immunization Program Funding. -- Not in controversy.

Intensive Home Visitation Program for Children. -- Not in controversy.

AIDS Drug Assistance Program. -- Not in controversy.

HIV/STD Prevention Services/Evaluation and Accountability of Grantees. -- Not in controversy.

Extend Heart Disease and Stroke Prevention Task Force. -- Not in controversy.

Osteoporosis Program Funds. -- Not in controversy.

Cancer Control Advisory Committee Funds. Deleted.

Public Health Prevention Activities Report. -- Not in controversy.

Communicable Disease Control Aid to Counties Flexibility. -- Not in controversy.

Transfer Funds Designated for the Chemical Alcohol Testing Program. -- Not in controversy.

Healthy Mothers/Healthy Children Grant Program. -- Not in controversy.

Preventive Health Program Plan. -- Not in controversy.

Birth Defect Monitoring Program. Deleted.

Access to Preventive Dental Care/Health Departments. Amends GS 90-233(a) to extend application of that subsection to dental hygienists who are employed by or under contract with a local health department or state government dental public health program and were trained by the Dental Health Section of DHHS as public health hygienists.

PART XII. HOUSING FINANCE AGENCY

Home Program Matching Funds. -- Not in controversy.

Affordable Elderly Housing Funds. -- Not in controversy.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

State Budget Study of Agricultural Loans and Grants Program. -- Not in controversy..

Assistance for Small, Family Farms. -- Not in controversy.

Guidelines for Grants for Local Agricultural Fairs. -- Not in controversy.

Southern Dairy Compact Commission Funds. Of funds appropriated to the Dep't of Agriculture and Consumer Services, \$500,000 for 1999-2000 must be credited to a nonreverting reserve within the Dep't for start-up costs of the Southern Dairy Compact Comm'n, to be established as set forth in GS 106-810. Conditions reserve disbursements on ratification by Congress of legislation authorizing the operation of the Southern Dairy Compact. Specifies provisions for contract to be entered into between North Carolina and the Southern Dairy Compact Comm'n. Upon failure of Congress to authorize the Compact by June 30, 2001, all funds in the reserve revert to the General Fund.

Loan Program for Small, Family-Owned Farms. -- Not in controversy.

Mandatory Equine Infectious Anemia Testing Funds. Adopts House version: Not later than October 1, 1999, Board of Agriculture must adopt rules providing for the mandatory testing of equines for equine infectious anemia prior to sale or prior to exhibition or assembly at public stables or other public places. Authorizes Dep't of Agriculture and Consumer Services to use its appropriations for the cost of enforcing the mandatory testing program.

Increase Grape Growers Funds. -- Not in controversy.

PART XIV. DEPARTMENT OF LABOR

Department of Labor/Budget Over-realized Indirect Cost Receipts. -- Not in controversy.

Youth Employment Certificates. -- Not in controversy.

Ergonomics Program. Deleted.

PART XV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Special Reserve Funds for Forest Seedling Program/Bladen Lakes State Forest. -- Not in controversy.

Statewide Beaver Damage Control Program Funds. -- Not in controversy.

Grassroots Science Program. Appropriates \$3,670,000 in 1999-2000 and \$3,420,000 in 2000-2001 as grants-in-aid as follows: \$64,066 each year for the Aurora Fossil Museum, \$203,944 each year for the Cape Fear Museum, \$179,172 each year for the Catawba Science Center,

\$63,942 each year for the Colburn Gem and Mineral Museum, Inc., \$776,577 each year for Discovery Place, \$54,420 each year for the Granville County Museum Commission, Inc. – Harris Gallery, \$210,860 each year for the Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc., \$108,202 each year for Imagination Station, \$56,243 each year for Iredell County Children's Museum, \$318,274 for 1999-2000 and \$68,274 for 2000-2001 for Museum of Coastal Carolina, \$321,802 each year for Natural Science Center of Greensboro, \$465,240 each year for NC Museum of Life and Science, \$98,007 each year for Rocky Mount Children's Museum, \$381,489 each year for Schiele Museum of Natural History, \$247,501 each year for Sci Works Science Center and Environmental Park of Forsyth County, \$120,261 each year for Western NC Nature Center.

Town Fork Creek Soil Conservation Project. -- Not in controversy.

Meadow Branch Water Project and Deep Creek Project/Extend Reversion Date. -- Not in controversy.

NER Interim Study of DENR Organization. -- Not in controversy.

Superfund Program/Inactive Hazardous Sites Funds. -- Not in controversy.

Funds for Voluntary Remedial Actions. -- Not in controversy.

DENR Position for Scrap Tire Program. Not in controversy.

Pollution Prevention and Environmental Assistance to Small Businesses with Need. -- Not in controversy.

DENR Study One-Stop Permit Process. -- Not in controversy.

Repeal Duplicate Reporting Requirement for Clean Water Management Trust Fund. -- Not in controversy.

Environmental Education Grants. -- Not in controversy.

Partnership for the Sounds. -- Not in controversy.

North Carolina Water Quality Workgroup Initiative/Rivernet Monitoring System Pilot Program/Research Funds. Directs Dep't to work with N.C. State University to identify the scientific and State agency databases that relate to water quality, to identify data gaps and to establish priorities for filling data gaps. Requires the workgroup to develop a water quality monitoring system to be called Rivernet that provides continuous monitoring of water quality parameters and web-based dissemination of water quality data in areas of impaired water quality. Requires a pilot area to be chosen and implemented for the 1999-2001 biennium. Requires data to meet EPA standards and to avoid duplication. Appropriates \$1,200,000 for the 1999-2000 fiscal year and \$700,000 for the 2000-2001 fiscal year to implement the section, with specific allocations for administration, purchase of equipment and software, and for a reserve fund to be used for research projects and administered by the Scientific Advisory Council on Water Resources and Coastal Fisheries Management. Funding is limited to studies that promote collaborative work among the Dep't, N.C. State University, UNC-Wilmington, East Carolina University, Western Carolina University and UNC-Chapel Hill to collectively close "knowledge policy gaps" with respect to the State's water quality.

Pitt Landfill Reimbursement Funds. Transfers \$300,000 of funds credited to White Goods Management Account to DENR for 1999-2000 to partially reimburse Pitt County for costs incurred because of contamination caused by hazardous waste disposal at its landfill.

Warren County PCB Landfill Detoxification Funds. Transfers \$1,000,000 of funds credited to White Goods Management Account to DENR for 1999-2000 to be placed in nonreverting reserve established under S.L. 1998-212 to be used for detoxification of Warren County PCB landfill.

Food Service at North Carolina Aquariums. Authorizes NC Aquariums to operate food or vending services with net proceeds credited to NC Aquarium Fund.

Beach and Mountain Restoration Plan. Requires DENR to evaluate condition of NC's beaches and mountains to develop plan to address issues of environmental protection, conservation. DENR to report to Environmental Review Comm'n and Joint Legislative Comm'n on Governmental Operations by April 15, 2000.

Basinwide Information Management System. Authorizes use of \$890,000 in available funds for 1999-2000 to continue development of the Basinwide Information Management System to facilitate access to environmental programs, information, and data.

PART XVI. DEPARTMENT OF COMMERCE

Department of Commerce Budget Revisions. -- Not in controversy.

Wanchese Seafood Industrial Park Funds. -- Not in controversy.

Industrial Recruitment Competitive Fund. -- Not in controversy.

Regional Economic Development Comm' Allocations. -- Not in controversy.

Regional Commission Reports. -- Not in controversy.

Repeal Statutory Reporting Requirements for Regional Economic Development Commissions.

-- Not in controversy.

Modify Northeast Regional Economic Development Commission. -- Not in controversy.

Create a Commission to Address Smart Growth, Growth Management, and Development Issues. Adopts Senate provisions with modifications: Appropriates \$200,000 for 1999-2000 from Dep't funds to create a Comm'n to Address Smart Growth, Growth Management, and Development Issues. Provides for 37 (was 30) member Comm'n and specifies membership. Adds duties and study issues for the Comm'n. Requires Comm'n to report to General Assembly and Governor by Jan. 15, 2001 and provides that Comm'n terminates upon filing its report.

Marketing of Global Transpark. -- Not in controversy.

Petroleum Overcharge Attorneys' Fees. -- Not in controversy.

Authorization to Reallocate Previously Appropriated Petroleum Overcharge Funds. Adopts Senate provision: Provides that funds previously appropriated to Dep't of Commerce from case of U.S. v. Exxon and from Stripper Well Litigation may be reallocated to be used for projects under State Energy Efficiency Programs.

Petroleum Overcharge Funds Allocation. -- Not in controversy.

NER Interim Study of Energy Division of Department of Commerce. -- Not in controversy.

Special Employment Security Administration Fund. -- Not in controversy.

Authorization to Expend Reed Act Funds. -- Not in controversy.

Worker Training Trust Fund Appropriations. -- Not in controversy.

Workforce Development Commission. -- Not in controversy.

Tourism Promotion Funds. -- Not in controversy.

Rural Tourism Development Funds. -- Not in controversy.

Credit Enhancement for Tourism Development Projects. Adopts House provision: Directs State Treasurer and Dep't to jointly develop legislative proposals for credit enhancement for tourism development in rural counties and to report to the General Assembly by May 1, 2000.

Heritage Tourism Funds. -- Not in controversy..

Center for Entrepreneurship and Technology Report. -- Not in controversy.

NC REAL Enterprises Reporting. -- Not in controversy.

Biotechnology Center. -- Not in controversy.

Biotechnology Funds for Minority Universities. -- Not in controversy.

Technology Development Authority Report. -- Not in controversy.

Funds for Technology Development Authority, Inc. Wet Lab and Office Construction Do Not Revert. -- Not in controversy.

Industrial Development Fund/Local Match.. -- Not in controversy.

Council of Government Funds. -- Not in controversy.

WNC Revitalization/Planning Funds. Adopts Senate provision: Provides that \$100,000 of funds appropriated to Dep't of Commerce for fiscal 1999-2000 be used to enhance economic development in Western North Carolina through Small Town Revitalization and County Planning Program. Requires at least 15% of the funds for Small Town Revitalization and County Planning Program be used for small towns and requires Dep't of Commerce to develop procedures for allocating funds.

World Trade Center North Carolina Report. Adopts House provision: Requires reports to General Assembly by Jan. 15, 2000 and Jan 15, 2001 on activities and accomplishments and requires copy of annual audited financial statement to be given to General Assembly within 30 days of issuance.

N.C. Institute for Minority Economic Development, Inc. Report. -- Not in controversy.

The Land Loss Prevention Project Report. -- Not in controversy.

North Carolina Coalition of Farm and Rural Families, Inc. Report. -- Not in controversy.
North Carolina Minority Support Center Report. -- Not in controversy.
North Carolina Community Development Initiative, Inc. Report. -- Not in controversy.
North Carolina Association of Community Development Corporations, Inc. Report. -- Not in controversy.
Rural Economic Development Center. -- Not in controversy.
Opportunities Industrialization Center Funds. -- Not in controversy.
Oregon Inlet Funds/Nonrevert. Adopts Senate provision: Provides that funds appropriated to Dep't of Commerce for 1998-99 for Oregon Inlet Project do not revert and are available to Dep't to pay legal costs. Effective June 30, 1999.
Limitation on Information Highway Expansion. Provides that prior to establishment of new information highway sites in 1999-2000, SIPS shall report to the Information Resource Management Comm'n and the Joint Select Committee on Information Technology on the establishment of the new sites.
Ports Railway Commission Business Plan. Adopts Senate provision: Requires the NC Ports Railway Commission, in consultation with the State Ports Authority to develop a business plan. Plan to be submitted to State Ports Authority and Legislative Comm'n of Governmental Operations by October 1, 1999.

PART XVII. JUDICIAL DEPARTMENT

Transfer of Equipment and Supply Funds. -- Not in controversy.
NC State Bar Funds. -- Not in controversy.
Pisgah Legal Services Funds. -- Not in controversy.
Indigent Persons' Attorney Fee Fund. -- Not in controversy.
Report on Community Mediation Centers. -- Not in controversy.
Authorize Additional Magistrates.. -- Not in controversy.
Assistant Public Defenders. -- Not in controversy.
Additional District Court Judges. Deletes new district court judge in District 4 [Sampson, Duplin, Jones, and Onslow] and adds one in District 19A [Cabarrus] and clarifies that Governor may appoint to new positions without nominations submitted by the bar of the judicial district. Remainder not in controversy.
Bad Check Program. -- Not in controversy.
Additional Assistant District Attorneys. Effective January 1, 2000, adds an additional assistant district attorney in District 20 [Anson, Richmond, Stanly, and Union]. Remainder not in controversy.
Additional Investigatorial Assistants. Amends GS 7A-69 to add one investigatorial assistant in each of the following prosecutorial districts: 5 [New Hanover, Pender], 10 [Wake], and 22 [Alexander, Davidson, Davie, Iredell], and to delete the investigatorial assistant in District 6B [Bertie, Hertford, Northampton] for a net addition of two investigatorial assistants statewide. District 10 is the only district with two assistants under the statute. (Senate version)
District Court Vacancies in Districts 9 and 9B. -- Not in controversy.
Extend Indigent Fund Study Commission/ Study Public Defender Programs. -- Not in controversy.
Add Special Superior Court Judges/ Add Superior Court Judge in District 22. - Not in controversy.
Capital Case Program. -- Not in controversy.
Drug Treatment Court Fund Shall not Revert. -- Not in controversy.
Court Information Technology Fund. -- Not in controversy.

Educational Program for Parents Who Are Parties to a Custody or Visitation Act. -- Not in controversy.

Criminal Case Assistance/Local Funds for Court Services. Amends GS 7A-64 to add new provision authorizing district attorney to apply to Director of AOC to enter into contracts with local governments for the provisions of services by the State pursuant to GS 153A-212.1 or GS 160A-289.1, also added by act. Those sections authorize counties and cities, respectively, to appropriate funds under contract with the State for the provision of services for the speedy disposition of cases involving drug offenses, domestic violence, or other offenses involving threats to public safety. Under GS 7A-64, Director may provide this assistance only on a showing by district attorney, supported by facts, that (1) criminal cases have accumulated on the superior or district courts' dockets' of the district beyond the capacity of the district attorney and his full-time assistants to keep the docket reasonably current, or (2) the overwhelming public interest warrants the use of additional resources for the speedy disposition of cases involving drug offenses, domestic violence, or other offenses involving a threat to public safety. The terms of any contract entered into with local governments shall be fixed by the director. All three statutes provide that nothing in them is to be construed to obligate legislature to make any appropriation to implement section's provisions, or to obligate AOC to maintain positions or services initially provided for under this section.

Business Court. Requires AOC to ensure that NC Business Court is available to hold court sessions in judicial districts throughout the state when it would be more convenient for the parties and requires AOC to report to chairs of Senate and House Appropriations Committees and Subcommittees on Justice and Public Safety by April 1 of each year on activities of Business Court, including number of cases heard by the court and number of court sessions held outside of Superior Court Division 18.

Divide Superior Court District 19B into a Set of Districts. Divides Superior Court District 19B into 19B1 [part of Montgomery, part of Moore, and part of Randolph] and 19B2 [part of Montgomery, part of Moore, and part of Randolph] (precincts within each district are specified in bill; precincts used are those in existence on 3/15/99), effective Jan. 1, 2001. New districts apply to election in 2000. Specifies seat held by Russell G. Walker, Jr. is in District 19B1 and seat held on June 12, 1996, by James M. Webb is in District 19B2.

Divide Superior Court District 5 into a Set of Districts. Divides Superior Court District 5 into District 5A [part of New Hanover and part of Pender], District 5B [part of New Hanover and part of Pender], and District 5C [part of New Hanover] (precincts within each district are specified in bill; precincts used are those in existence on 5/1/99), effective January 1, 2003 and applies to 2002 election.

PART XVIII. DEPARTMENT OF CORRECTION

Criminal Justice Partnership Program. -- Not in controversy.

Post-Release Supervision and Parole Comm'n Report on Staffing Reorganization and Reduction. -- Not in controversy.

Reduce Membership of Post-Release Supervision and Parole Comm'n. -- Not in controversy.

Home as Duty Station Pilot Program. -- Not in controversy.

Report on Harriet's House. -- Not in controversy.

Report on Summit House. -- Not in controversy.

Report on Women at Risk. -- Not in controversy.
Federal Grant Reporting. -- Not in controversy.
Exemption from Licensure and Certificate of Need. -- Not in controversy.
Limit on Use of Operational Funds. -- Not in controversy.
Reimburse Counties for Housing and Extraordinary Medical Costs for Inmates, Parolees, and Post-Release Supervisees Awaiting Transfer to State Prison System. -- Not in controversy.
Use of Facilities Closed under GPAC. -- Not in controversy.
Site for New Close Custody Prison. -- Not in controversy.
Inmate Costs. -- Not in controversy.
Title VII Funds/Report. -- Not in controversy.
Criminal Justice Education and Training Standards Commission. -- Not in controversy.
Federal Grant Matching Funds. -- Not in controversy.
Pilots to Determine Cost-Effectiveness of Placing all Inmates on Work-Release. -- Not in controversy.
Report on Probation and Parole Caseloads. -- Not in controversy.
Proposed Standards for Private Prisons for Out-of-State Inmates. -- Not in controversy.
Close Security Prisons. Adopts Senate provision that Sec'y may enter into contracts for three close security correctional facilities, and that the request for proposals must provide for the option of bidding on one or more of the facilities and must require each bidder to provide a separate bid on a single facility of up to 1,000 cells. Remainder of provision not in controversy.
Community Work Program. Adopts House provision: Amends GS 148-26(a) to allow inmate labor on projects or service that is of benefit to the citizens of North Carolina or units of State or local governments, regardless of whether the project or service is performed on public or private property.
Guilford Correctional Center. Deleted.

PART XIX. DEPARTMENT OF JUSTICE

Repeal Settlement Reserve Fund. Repeals GS 143-16.5 (Public Settlement Reserve Fund). Amends GS 114-2.5 (requiring Attorney General to report payment of public monies pursuant to settlement agreements and final court orders) as follows. Provides that not less than 30 days prior to the disbursement of funds received by the State or a State agency pursuant to a settlement agreement or final order or judgment where the amount received exceeds \$75,000, the Attorney General must file a written report with the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House on the payments received. Requires Attorney General to report about any disbursements set forth in such an agreement or order. Makes conforming change.
Limits on Computer System Upgrade. -- Not in controversy.
Criminal Justice Information Network (CIJN) Report. -- Not in controversy.
Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies by the Federal Government. -- Not in controversy.
Private Protective Services and Alarm Systems Licensing Boards Pay for Use of State Facilities and Services. -- Not in controversy.
Certain Litigation Expenses to be Paid by Clients. -- Not in controversy.
Reimbursement for UNC Board of Governors Legal Representation. -- Not in controversy.
Exempt Justice Academy from the Umstead Act. -- Not in controversy.
Study Fee Adjustment for Criminal Records Checks. -- Not in controversy.

PART XX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Legislative Review of Drug Law Enforcement and Other Grants. -- Not in controversy.
Victims Assistance Network (VAN) Funds. Allocates \$500,000 of Dep't's appropriation in fiscal 1999-2000 (Senate provision) and \$150,000 in fiscal 2000-2001 (both chambers) to support VAN. Other provisions not in controversy.
Report on Crime Victims Compensation Fund. -- Not in controversy.
Technical Changes to Boxing Commission Law. -- Not in controversy.
Annual Evaluation of the Tarheel Challenge Program. -- Not in controversy.

Purchase Metal Detectors to Reduce Crime in Schools. Directs Dep't of Crime Control and Public Safety to expend \$350,000 for fiscal 1999-2000 to provide metal detectors for the public schools. Establishes priorities for use of the funds.

PART XXI. OFFICE OF JUVENILE JUSTICE (OJJ)

Annual Evaluation of Juvenile Justice Community Programs and Multipurpose Group Homes. - Not in controversy.

Secure Group Home for Female Offenders. -- Not in controversy.

Juvenile Crime Prevention Council Participation. -- Not in controversy.

SOS Administrative Cost Limits. -- Not in controversy.

Study Staffing at Training Schools and Detention Centers. Permits OJJ to use up to \$75,000 of 1999-2000 appropriation to contract with consultants to study staffing in training schools and detention centers. Requires that study consider appropriate staffing patterns and include in report a staffing plan by shift for each training school and detention center. Requires report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on or before 4/1/2000.

Local Grant Reporting. -- Not in controversy.

Funds for Family Courts, Substance Abuse Prevention Plan, and Multipurpose Group Homes Shall Not Revert. -- Not in controversy.

Transfer of Positions from the DOC and the AOC to the Office of Juvenile Justice. -- Not in controversy.

Juvenile Justice Information System Report. -- Not in controversy.

Program and Funds Transferred to the Office of Juvenile Justice. Transfers teen court programs (Project Challenge NC, Inc.) and Juvenile Assessment Project from the Judicial Department to the OJJ. Requires that Project Challenge NC, Inc. report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by 4/1 of each year on its operation and effectiveness. and provides that funds do not revert at end of fiscal year. Section becomes effective June 30, 1999.

Funds for Local Organizations of the Boys and Girls Club. Adopts House provision: Allocates \$500,000 of 1999-2000 appropriation to a pilot program to grant funds to local organizations of the Boys and Girls Club. Requires OJJ to develop pilot program to grant funds in the 10 counties with the highest rate of training school commitments in fiscal 1997-98. Requires that local organizations provide matching funds. Lists possible objectives for organizations receiving grant funds. Requires that OJJ report by 4/1/2000 to the Joint Legislative Comm'n on Governmental Operations, the Chairs of the House and Senate Appropriations Committees, and the Chairs of the Subcommittees of Justice and Public Safety of the House and Senate Appropriations Committees on its expenditure of funds and the operations and effectiveness of the program.

State Funds May be Used as Federal Matching Funds. -- Not in controversy.

Report on Site Selection of Training School and Detention Beds. . -- Not in controversy.

Establish a Pilot Program for Multifunctional Juvenile Facility. Adopts House provision: Permits OJJ to establish such a program in Eastern North Carolina.

Allocates \$2.5 million of 2000-2001 appropriation to implement this provision. Permits Office to contract with a private for-profit or nonprofit for construction and operation of such a facility totaling up to 100 beds to provide custodial, rehabilitation, and treatment services. Requires that such a facility be capable of being retrofitted within 3 to 4 months to provide either training school beds or detention beds. Limits a contract to provide such a service to no longer than 10 years. Provides specific provisions addressing awarding of such a contract, option for the state to purchase the facility, state involvement in construction, liability insurance requirements of contractor, training of employees, and state authority over offenders in such a facility. Requires that OJJ make a written report no later than 3/1/2000 on the status of the pilot program and requires annual evaluation thereafter. Report is to be submitted to the Chairs of the House and Senate Appropriations Committees and the Joint Legislative Comm'n on Governmental Operations.

Career Status for Former Judicial Employees Transferred to the Office of Juvenile Justice. . -- Not in controversy.

Stonewall Jackson Funds. Deleted (but included within Capital Funds section).

PART XXII. GENERAL ASSEMBLY

Joint Select Committee on Information Technology. Adds new GS Ch. 120, Art. 26, creating committee. Allocates \$50,000 in fiscal 1999-2000 to implement committee. New GS 120-230 provides that the committee shall review information technology as it affects public policy, with the goal of developing electronic commerce in the State and to coordinate use of information technology by State agencies in a manner that assures quality service. New GS 120-231 describes Committee duties, including evaluating State's technological infrastructure and information systems to determine potential demands for additional services during the next 10 years; evaluating information technology governance, policy, and management practices; studying and recommending changes related to electronic commerce; and evaluating and recommending changes for future development of the state's information highway system. Requires Committee to report by 3/1 each year to the House and Senate Appropriations Committees on its activities and any recommendations for statutory change. New GS 120-232 outlines committee membership. It will have fourteen members as follows: four Senators appointed by the Pres. Pro Tem, four members of the House of Representatives appointed by the Speaker, three members of the public appointed by the Pres. Pro Tem, and three members of the public appointed by the Speaker. Members are to serve two-year terms beginning 8/15 of each odd-numbered year, with no prohibition against being reappointed, except initial appointments shall be for the following terms: public members to serve three-year terms and members who are General Assembly members to serve two-year terms. Initial terms commence 8/15/99. Provides that members who are elected officials may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service in their office constitutes resignation or

removal from service on the Committee. Requires Pres. Pro Tem and Speaker to each appoint a co-chair. Requires quarterly meetings or meeting at other times as called by the co-chairs. Provides that members serve at the will of their appointing officer. New GS 120-233 provides for clerical and staff assistance to be provided by the Legislative Services Commission, per diem, subsistence, and travel allowances. New GS 120-234 permits the Committee to obtain information and data from all State officers, agents, agencies, and departments. Permits Committee to establish subcommittees.

Information Technology Cost Reporting to the General Assembly. . Adopts Senate provision: Requires executive branch agencies, other than occupational licensing boards and the AOC, to report to the Information Resource Management Comm'n by January 1, 2000, an estimate of 1999-2000 spending on information technology costs and the number of permanent, state-funded information positions. "Information technology costs" means all expenses directly related to data processing and telecommunications, including expenses incurred for permanent, state-funded technical positions, as defined by the Comm'n. Directs the Comm'n, by February 1, 2000, to report a summary of this information to the Senate Standing Committee on Information Technology and to the Directors of the Information Services and Fiscal Research Divisions of the General Assembly. Requires executive branch agencies and the AOC to make quarterly reports, beginning April 20, 2000, to the Comm'n on actual information technology costs and number of information positions. Requires Comm'n to make quarterly reports of this information, beginning April 20, 2000, to the Senate Information Technology Committee. By October 1, 1999, Comm'n must establish report formats and guidelines.

Technological Infrastructure Study. Adopts Senate provision: Directs the Joint Select Committee on Information Technology to study and recommend changes in the technological infrastructure of the Dep't of the Sec'y of State and Dep't of the State Treasurer and report to the Appropriations Committees of the Senate and House of Representatives by April 1, 2000.

PART XXIII. STATE TREASURER

Dues Deduction for Retiree Organizations Authorized. -- Not in controversy.

PART XXIV. DEP'T OF ADMINISTRATION

Procurement Card Pilot Program Extension/Savings. -- Not in controversy.

Cost-benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. -- Not in controversy.

Establish Domestic Violence Commission. Allocates \$150,000 of funds appropriated to Dep't for 1999-2000 to be used for an executive director, an administrative assistant, and operating costs of Domestic Violence Comm'n. Adds new Part 10C to GS 143B, art. 9, establishing Domestic Violence Comm'n within Dep't. Comm'n, comprised of 39 members with specified backgrounds, is to assess statewide needs related to domestic violence and assure service provision to those in need. Requires report to General Assembly no later than April 1 of each year. Further, if it recommends the adoption in N.C. of a "Safe Families Act," the Comm'n shall report its legislative proposal to the General Assembly by April 1, 2000.

Domestic Violence Center Funds. Deleted.

Consolidated Mail Service Facility/Savings Reserve. Requires Office of State Budget and Management to identify all savings resulting from the establishment of the Consolidated Mail

Service Facility. Certain savings shall be placed in a special reserve to be spent only as authorized by the General Assembly.

PART XXV. STATE CONTROLLER

Extend Pilot Program on Reporting on Collection of Bad Debts by State Agencies. -- Not in controversy.

NCAS Support, AR/Overpayments Project. -- Not in controversy.

PART XXVI. DEPARTMENT OF CULTURAL RESOURCES

A.A. Cunningham Air Museum. -- Not in controversy.

Maritime Museum. Adopts House version: Provides that the Dep't of Cultural Resources shall assume administration of the Southport Maritime Museum in Brunswick County as a branch of the Maritime Museum, contingent upon conveyance of all assets of the museum to the state.

Procedure for Award of Cultural Resources Grants. -- Not in controversy.

Retain Publication Receipts. -- Not in controversy.

Grassroots Arts Program. Adopts Senate version: Provides that \$200,000 for 1999-2000 shall be allocated equally among the 100 counties for grassroots arts programs, with remaining funds for this purpose to be distributed in compliance with GS 143B-122.

Study Use of Internet for Agency Publications. -- Not in controversy (renumbered).

PART XXVII. DEPARTMENT OF TRANSPORTATION

Cash-flow Highway Fund and Highway Trust Fund Appropriations. -- Not in controversy.

Discontinue Bond Retirement Transfer from Highway Fund to Highway Trust Fund for Biennium. -- Not in controversy.

Blue Ribbon Transportation Finance Study Commission. Adopts Senate version: Allocates \$200,000 from appropriations to General Assembly for expenses of the Comm'n. Establishes Comm'n with 15 members as follows: four members of the House appointed by the Speaker; four members of the Senate appointed by the Pres. Pro Tem.; three members of the public appointed by the Governor, none of whom can be State officials, and two of whom shall have expertise in transportation matters; two members of the public appointed by the Speaker, one of whom shall be a municipal-elected official, and one of whom shall have experience in business and transportation matters; and two members of the public appointed by the Pres. Pro Tem, one of whom shall be an elected county official, and one of whom shall have experience in business and transportation matters. Outlines Commission subjects for study, including Highway Trust Fund Act of 1989, current revenue sources, transportation system maintenance, public transportation, highway fund transfers, and proposals for separate funding allocations for roads that impact large-scale economic development projects, separate allocations for major highways that impact no fewer than two funding regions, and methods to accommodate these spending proposals in the equity formula.. Provides for filling vacancies, appointing co-chairs, payment of expenses, staffing, and meetings during legislative sessions. Requires interim report to the Joint Legislative Transportation Oversight Committee on or before June 1, 2000 and a final report by March 1, 2001. Comm'n terminates upon filing of final report.

Design-Build Transportation Construction Contracts Authorized. -- Not in controversy.

Use of Recycled Road Materials in Road Maintenance. -- Not in controversy.

Department of Transportation to Report on Delayed Road Construction. -- Not in controversy.

Department of Transportation to Report on Highway Construction Financing. - Not in controversy.

Simplify Transportation Improvement Program Database. -- Not in controversy.

Subdivision Road Acceptance and Maintenance Study. -- Not in controversy.

Disclosure of Personal Information in Motor Vehicle Records. -- Not in controversy.

Funds for Rail Service to Western North Carolina Revert. -- Not in controversy.

North Carolina Railroad Dividends. -- Adopts Senate version, but adds allocation of additional \$3,000,000 for the old Burlington station/roundhouse. Adds new provision providing that in order to increase the capital of the Railroad, annual dividends received by the State during the 1999-2000 year shall be used to reduce the obligations in Section 32.30 of S.L. 1997-443 (describing investment in interest bearing demand note) and changes that section to provide that *remaining balance of the loan* is not subject to repayment prior to action of the 2000 General Assembly.

Federal Funds for Public Transportation Improvements. Adopts Senate version: As permitted by federal law, requires DOT to use \$10 million of federal highway funds during each year of the biennium for improvements to public transportation and rail. Specifies that federal highway funds be allocated as follows: for 1999-2000, \$6 million to Public Transportation Division for Triangle Transit Authority; \$2 million to Public Transportation Division for rapid transit in Charlotte; and \$2 million to Rail Division. For fiscal 2000-2001, \$8 million to Public Transportation Division for Triangle Transit Authority and \$2 million to Rail Division.

Spending Public Transportation and Rail Division Funds. Assigns funds appropriated in this act for these purposes as follows. Of funds appropriated for public transportation in fiscal 1999-2000: (1) \$13,046,921 for urban and regional maintenance assistance (Object Code 6701); (2) \$4.6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,350,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$7 million for regional new start and capital (Object Code 6707). Of funds appropriated for public transportation in fiscal 2000-2001: (1) \$8,146,921 for urban and regional maintenance assistance (Object Code 6701); (2) \$4.6 million for statewide grant match (Object Code 6702); (3) \$5 million for assistance for the elderly and disabled (Object Code 6703); (4) \$3,050,000 for rural capital (Object Code 6704); (5) \$1,750,000 for Work First and transitional employment (Object Code 6705); (6) \$1.5 million for rural, intercity, facility, and technology (Object Code 6706); and (7) \$9 million for regional new start and capital (Object Code 6707).

Western North Carolina Railroad Stations. -- Not in controversy.

Overrealized Highway Trust Fund Revenues to Move Division 3 Headquarters. Permits DOT to use up to \$10,700,000 to pay capital costs required to relocate the Div'n 3 Headquarters in Wilmington. Requires that funds used must be repaid by June 30, 2004 and that the Dep't report on its repayment plan by March 31, 2000.

Use of Global Transpark Authority Funds. -- Not in controversy.

Global Transpark Obligations Maturity Dates Extended. -- Not in controversy.

Enforcement Agency Structure Study Committee. Deleted.

Small Urban Construction Discretionary Funds. -- Not in controversy.

Amendment to the Transportation Equity Formula to Exempt Federal Discretionary Funding. Adopts House version: Amends GS 136-17.2A(a) as special provision title indicates.

Equity Allocation Distribution Study and Report. Amends GS 136-17.2A (transportation equity formula) to require report on or before 12/1/99 to General Assembly about allocations, obligations, and expenditures for each distribution region in the years between 1989-90 and 1997-98. Requires ongoing reports about expenditures every two years on 12/1 thereafter. When necessary, the Secretary of Transportation should also submit plans to correct imbalances in equity.

Medium Custody Road Crew Compensation. -- Not in controversy.

Repeal Annual Transfer of Highway Use Tax from Highway Trust Fund to General Fund. Deleted.

State Trees and Flowers on DOT Right-of-Way. Requires DOT to develop and implement plan to plant pine trees and dogwood along state roads. DOT to submit plan to Joint Legislative Transportation Oversight Committee by Oct. 1, 1999 and begin implementation by Jan. 1, 2000.

Global Transpark Authority on Future Plans and Performance Measures. Adopts House version: Requires that Transpark Authority report to the Joint Legislative Transportation Oversight Committee on its plans for 2000 through 2010. Report must include goals and performance measures and be submitted on or before 2/1/2000.

Visitor Centers Exempt from Umstead Act. Adopts Senate version: Amends GS 66-58(b) as title indicates.

Drivers Education Funding. Adopts Senate version: Requires DOT to pay from appropriated funds for increased costs for drivers education due to projected increase in number of ninth graders. Requires State Board of Education to consider needs of small and low-wealth school units in allocating the funds.

Future of the North Carolina Railroad Study Commission. Establishes 16 member NC Railroad Study Comm'n (8 members of the House appointed by the Speaker and 8 members of the Senate appointed by the President Pro Tempore) to study the purpose, powers and governance of the NC Railroad Company and issues regarding the future of passenger and freight rail service. Comm'n to make final report to General Assembly by May 1, 2000. Allocates \$25,000 of the funds appropriated to the General Assembly for expenses of the Comm'n.

Left Turn on Red Funding. Requires DOT to pay costs of implementing left turns on red if HB 815 or any other bill having the same effect is ratified.

PART XXVIII. SALARIES AND BENEFITS

Governor and Council of State. -- Not in controversy.

Department Heads. -- Not in controversy.

Judicial Branch Officials. Adopts Senate provision setting salary of \$94,257 for Assistant Administrative Officer of the Courts. Adopts House provision setting salaries of district attorneys and public defenders at \$92,931. Other provisions not in controversy.

Clerks of Court. -- Not in controversy.

Assistant/Deputy Clerks of Court. -- Not in controversy.

Magistrates Salary Increases/Sunset Repeal. -- Not in controversy.

Legislative employees. -- Not in controversy.

Agency Teacher/Principal Supplement. Adopts Senate provision: Provides for 5% supplements for State agency teachers who are paid on the teacher salary schedule. Provides for 5% supplements for State agency principals. Specifies that Office of State Budget and Management and employing agency to jointly determine personnel covered by provision.

Community colleges. -- Not in controversy.

UNC EPA. -- Not in controversy.

Compensation bonus. -- Not in controversy.

Allocation of increase. -- Not in controversy.

Salary Adjustment Fund. -- Not in controversy.

Temporary Sales Tax Transfer for Wildlife Resources Commission Salary Increases. -- Not in controversy.

Wildlife Salary Equity. -- Not in controversy.

Longevity for Assistant District Attorneys and Assistant Public Defenders. -- Not in controversy.

Minimum Compensation for State Employees. Adopts Senate provision, with modifications. Provides that for 199-2001, permanent full-time State employees shall receive a minimum monthly salary in an amount equivalent to one-twelfth of the income amount state in the federal poverty guidelines for a family of four. Directs OSP and OSPB to permits state agencies to make necessary equity adjustments in salaries within funds available to the agencies..

Travel Rates for State Employees. -- Not in controversy.

Travel Allowance for Members of the Utilities Commission. -- Not in controversy.

Utilities Commission/Executive Director Longevity. Adopts Senate provision: Amends GS 62-15(a) to provide for longevity pay for executive director of the public staff of the Utilities Commission.

Salary-related Compensation. Adopts Senate provision changing State's contribution rate budgeted for retirement for Legislative Retirement System from 21.70% to 22.70%.

Cost-of-Living Increases for Members of the Teachers' and State Employees' Retirement System, the Consolidated judicial Retirement System, the Legislative Retirement System, and the Local Government Employees' Retirement System. -- Not in controversy.

Retirement System Transfer. -- Not in controversy.

Repeal Retirement Exclusion. -- Not in controversy.

School Employee Retirement Credit Changed. -- Not in controversy.

Flexible Benefits Plan. -- Not in controversy.

State Employee Health Benefit Plan/Enhanced Prescription Drug Benefits. -- Not in controversy.

State Employee Health Benefit Plan/Optional Participation by Firemen, Rescue Squad Workers, and Members of the National Guard. -- Not in controversy.

PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Provides for the following capital improvement projects:

Capital Improvements - General Fund	<u>1999-2000</u>
Department of Administration	
1. Indian Cultural Center Land Acquisition Reserve	\$250,000
Department of Agriculture and Consumer Services	
1. State Fairgrounds Multipurpose Building - Construction	9,500,000
2. Eastern Agricultural Center	1,000,000
3. Western NC Farmers Market - Expansion of Small Dealers Building	250,000
4. Southeastern Farmers Market and Agricultural Center	500,000
5. Vernon James Research and Extension Center - Phase II of the Headhouse-Greenhouse project	827,168
Department of Community Colleges	
1. Grants for Repairs and Renovations (not subject to matching requirement)	14,500,000
Department of Cultural Resources	
1. Museum of Art Expansion and Renovation	1,000,000
Department of Environment and Natural Resources	
1. Water Resources Development Projects	9,245,000
2. Museum of Natural Sciences - Facility upfit and exhibits	4,000,000
3. Reserve for Forestry Headquarters	2,000,000
4. Museum of Forestry - Capital Projects	250,000
Department of Health and Human Services	
1. Whitaker School - Construction	5,400,000
2. Eastern Vocational Rehab Facility Repairs and Renovations Supplemental Funding	2,000,000
Office of Juvenile Justice	
1. Stonewall Jackson School - Demolition and removal of old homes	337,000
2. Forsyth County Detention Center Grant-in-Aid	(deleted)
State Ports	
1. Ports Authority - Continued Development of Facilities	6,000,000
University of North Carolina	
1. Focused Enrollment Growth	20,000,000

Supplemental Repairs and Renovations
Funding
TOTAL CAPITAL IMPROVEMENTS - GENERAL \$77,059,168
FUND

Water Resources Development Project Funds. -- Not in controversy.
Forestry Headquarters in Sampson and Moore Counties/Unused Capital Appropriation. -- Not in controversy.

Reallocate Southeastern Farmers Market and Agricultural Center Funds. -- Not in controversy.

UNC Enrollment/Capital. -- Not in controversy.

UNC-Charlotte Capital Funds Reallocated. -- Not in controversy.

Kellogg Center Funds Do Not Revert. Adopts Senate provision: Provides that \$681,277 previously appropriated for the Center for Craft, Creativity and Design at the Kellogg Center of UNC-A shall not revert.

Polymers Center of Excellence Funds. Adopts Senate provision: Provides that funds previously appropriated for UNC-C building for Polymer Extension Program that are unexpended or unobligated shall be transferred to the Polymers Center of Excellence for provision of facilities for operation of the Center.

Stonewall Jackson Funds. Adds provision specifying that the Stonewall Jackson Training School may retain the net proceeds from the sale or lease of historic properties at the school, to be used for capital improvements.

Procedures for Disbursement. -- Not in controversy.

Encumbered Appropriations and Project Reserve Fund. -- Not in controversy.

Expenditure of Funds from Reserve for Repairs and Renovation. -- Not in controversy.

Capital Improvement Projects/ Supplemental Funding Approval/ Reporting Requirement. -- Not in controversy.

Project Cost Increase. -- Not in controversy.

New Project Authorization. -- Not in controversy.

Advance Planning of Capital Improvement Projects. -- Not in controversy.

Appropriations Limits/Reversion or Lapse. -- Not in controversy.

PART XXX. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. -- Not in controversy.

Committee Report. -- Not in controversy.

Most Text Applies Only to 1999-2001. -- Not in controversy.

Effect of Headings. -- Not in controversy.

Severability Clause. -- Not in controversy.

Effective Date. -- Not in controversy.